



BRIDGE
BANCORP, INC.

Investor Presentation
June 10, 2015

Forward Looking Statements

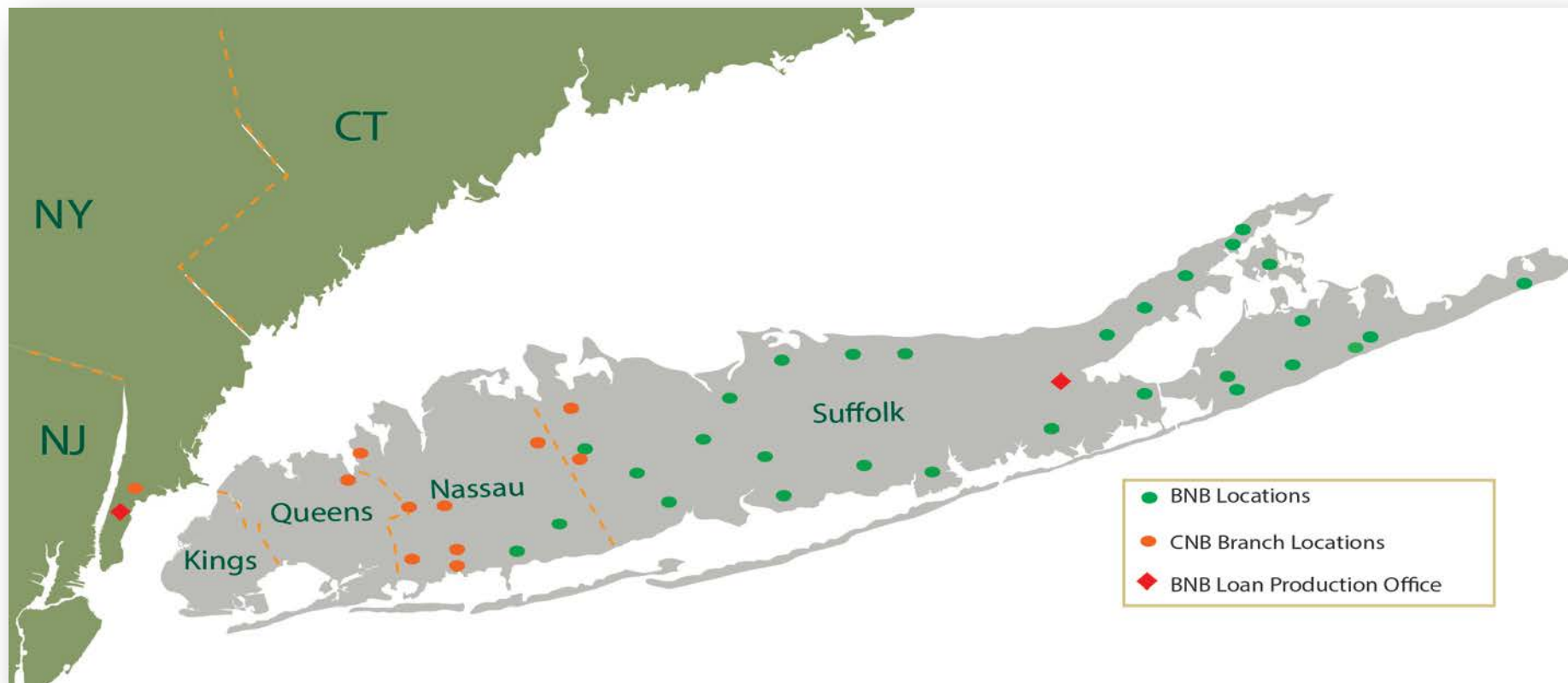
This presentation may contain forward-looking statements regarding Bridge Bancorp, Inc. (“Bridge Bancorp” or the “Company”). These statements constitute forward-looking information within the definition of the Private Securities Litigation Reform Act of 1995.

Actual results may differ materially from any forward-looking statements expressed in this presentation, since forward-looking information involves significant known and unknown risks, uncertainties and other factors. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, those risk factors described in the Company’s periodic reports filed with the SEC, and with respect to the proposed acquisition of Community National Bank (“CNB”) the following: failure to satisfy the conditions to closing for the proposed merger in a timely manner or at all; failure to obtain the necessary governmental approvals for the proposed merger or adverse regulatory conditions in connection with such approvals; disruption to the parties’ businesses as a result of the announcement and pendency of the transaction; difficulties related to the integration of the businesses following the merger; changes in the interest rate environment; and changes in general economic conditions, either nationally or regionally. Bridge Bancorp, Inc.’s public filings with the SEC are available online at <http://www.sec.gov>. Bridge Bancorp, Inc. does not undertake to update any forward-looking statements made in this presentation to reflect new information, future events or otherwise.

Combined BNB Franchise

🏢 **Headquarters:** Bridgehampton
🏢 **Chartered:** 1910
🏢 **FT Employees:** 420
🏢 **Branches:** 40
🏢 **Nasdaq/Russell 2000** BDGE

🏢 **Assets:** \$3.2 billion
🏢 **Loans:** \$2.2 billion
🏢 **Deposits:** \$2.7 billion
🏢 **Market Cap:** \$450 million



Profile

A Growing Long Island Business

- *Passionate About Long Island Business*

Committed to Community Banking

- *Delivering Results to Our Stakeholders*

Local Decisions Made by Local Bankers

- *Fueling the Economy with \$1.4 billion in Loans*

Built On A Strong Culture & Identity

- *Succeeding by Building Relationships & Partnerships*

Management Profile

Executive Team

- *Kevin M. O'Connor, President and CEO*
- *Howard H. Nolan, Chief Financial Officer*
- *James J. Manseau, Chief Retail Banking Officer*
- *Kevin L. Santacroce, Chief Lending Officer*
- *John M. McCaffery, Treasurer*

All with Over 25 years of Financial Services Experience

Hired Many Experienced Professionals in the Past 3 Years

- *Revenue Producers, Compliance & Operational Positions*

Marketplace & Opportunities

A Profile of Long Island

- *Densely Populated, Almost 3 million People*
- *Home to Over 120,000 Businesses*
- *Median Household Income \$90,000*
- *Median Home Values >\$415,000*
- *Average Sales Price, Hamptons Home \$1.5 million*
- *37 of the Nation's Wealthiest Zip Codes*

*“38 Branches on Long Island, a
Natural Link to NYC & The Boroughs”*

Strategies & Accomplishments

Strategic Initiatives

- *Grow the Core/Legacy Franchise*
- *Integrate & Convert Acquired Branches*
- *Enhance Operations & Infrastructure*
- *Identify & Execute Market Opportunities*

“Execute Our Mission & Deliver Results”

Strategies & Accomplishments

Grow the Core/Legacy Franchise

- *Achieved Deposit Growth of \$160 million in 2014, Exclusive of Acquisition*
 - *East Hampton: \$225 million, 7% Commercial/Retail Growth*
 - *Bridgeton: \$300 million, 6% Commercial/Retail Growth*
- *Originated Nearly \$500 million in Loans*
- *Maintained Strong Asset Quality With Industry Leading Metrics*
- *Opened 3 Branches: Bay Shore, Port Jefferson & Smithtown*

Strategies & Accomplishments

Integrate & Convert FNB NY Branches

- *Completed February 2014 System Conversion*
- *Integrated & Trained FNB NY Staff*
- *Achieved Cost Saves of \$10 million*
- *Changed Branch Profile to Commercial Focus*
 - *DDA 7% of Deposits at Closing and 32% at March 2015*
 - *Cost of Deposits 1.05% at Closing and 0.52% at March 2015*
- *Created a NYC Lending Platform*
 - *Generated \$50 million of Loans in NYC Office*

Strategies & Accomplishments

- 🚢 **Enhance Operations & Infrastructure**
 - *Completed In-House Migration*
 - *Improved Data & Cyber Security*
 - *Established Process Improvement Initiatives*
 - *Developed & Attracted Talented Professionals*

*“Focused on Growth
But Mindful of the Process”*

Strategies & Accomplishments

Identify & Execute Market Opportunities

- *Hamptons State Bank –Acquired May 2011*
 - *1 Branch Bank , \$69 million in Assets*
- *FNB NY –Acquired February 2014*
 - *3 Branches, 1 Loan Office in NYC, \$212 million in Assets*
 - *Provided Entrance into Nassau County/NYC*

“All Systems Converted & Cost Saves Realized”

Strategies & Accomplishments

Announced Community National Bank (CNB) Acquisition December 15, 2014

CNB Profile

- *Conservatively Managed \$1.0 billion Commercial Bank*
- *11 Branches (7 Nassau, 2 Suffolk, 1 Queens, 1 Manhattan)*
- *Deposits of \$825 million with 27% DDA*
- *Diversified Loan Portfolio of \$781 million with 23% in C&I*
- *Lending Team With Commercial Relationships on LI & Manhattan*
- *Strong Asset Quality: NPA/Assets of 0.72% & Coverage ratio of 1.46%*
- *Net Interest Margin Above Peers at 3.46%*

Strategies & Accomplishments

The Strategic Rationale for CNB Acquisition

- *Creates #1 REAL Community Bank Headquartered on LI with \$3.2 billion in Assets*
 - *Top 5 deposit market share ⁽¹⁾ with combined 40 branch network*
 - *Diversified Loan Portfolio with Low Cost Deposit Base*
- *Continues Geographic Expansion into Highly Attractive Markets*
 - *Complements FBNBY Bancorp acquisition completed in February 2014*
- *Increased Size & Scale Enhances Operating Leverage & Profitability*
 - *Accretive to Earnings with 35% Cost Saves Expected*
- *Excess Liquidity & Higher Lending Limits provide Additional Growth Potential*
 - *Service Larger Customers & Expand Existing Relationships*

Strategies & Accomplishments – Q1 2015

 **Core Net Income of \$4.9 million or \$.42 Per Share**

- *Core ROA of .88% & ROE of 11.04%*

 **Record Net Interest Income \$18.7 million**

- *Net Interest Margin 3.63%*

 **Loan Growth of \$65 million**

- *20% Annualized Growth*

 **Deposits of \$1.84 billion**

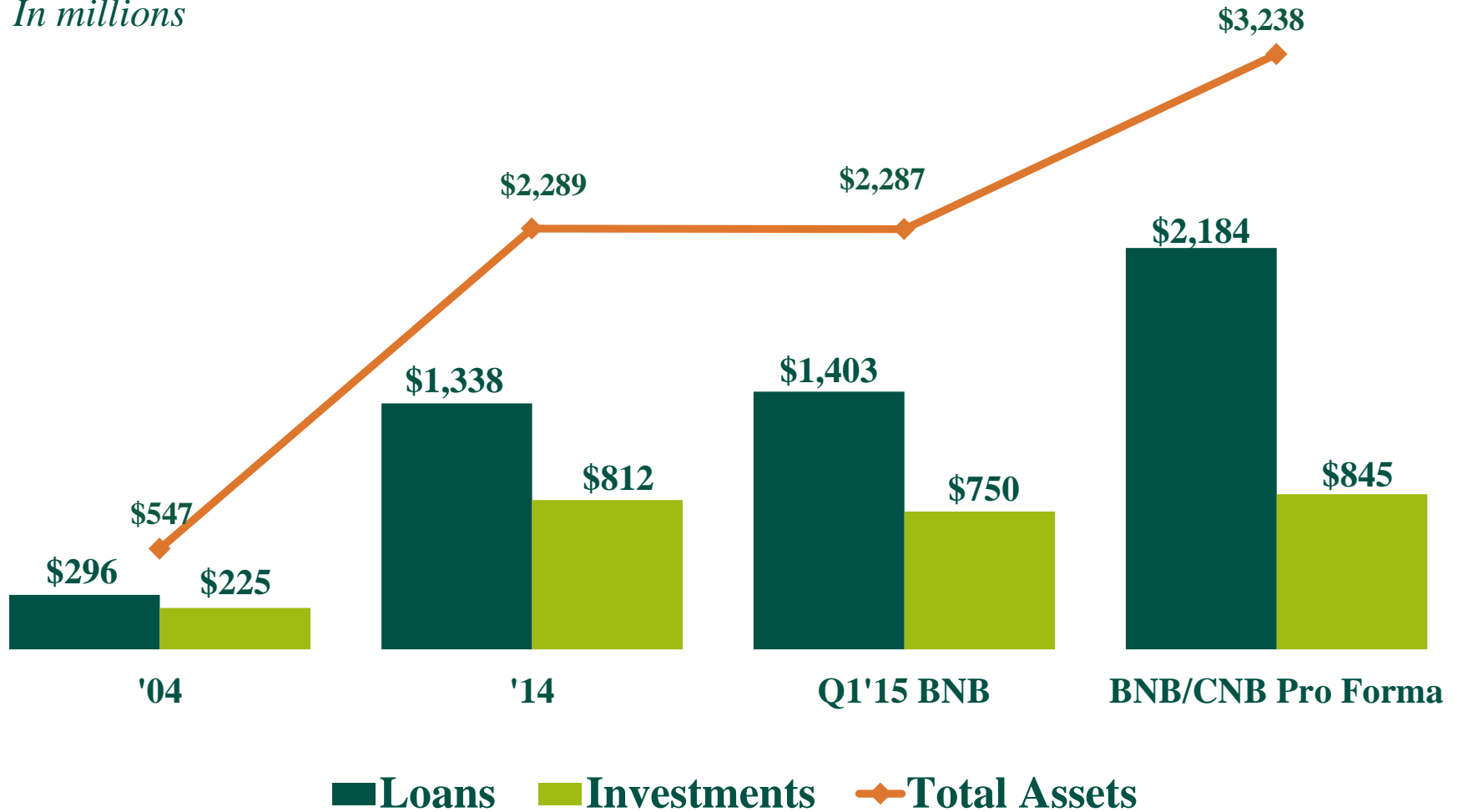
- *10% Higher Than a Year Ago*
- *Core Deposit Growth of \$42 million or 11% annualized*

 **Tier 1 Capital Increased by \$2.7 million**

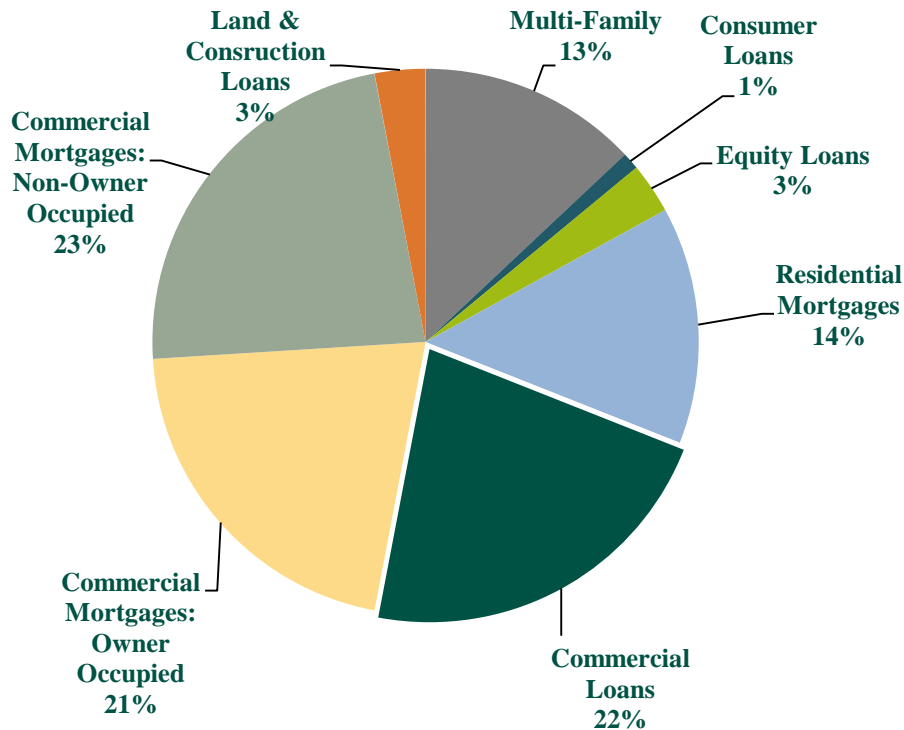
- *Tangible Book Value of \$14.52/Share*

Historical Perspective & Trends-Total Assets

In millions



Historical Perspective & Trends-Loans



🏠 **\$2.2 billion in Loans, Average Yield of 4.75%**

🏠 **5 Year Annualized Growth of 23% core & 37% Overall**

🏠 **Addition of Experienced & Knowledgeable Lenders**

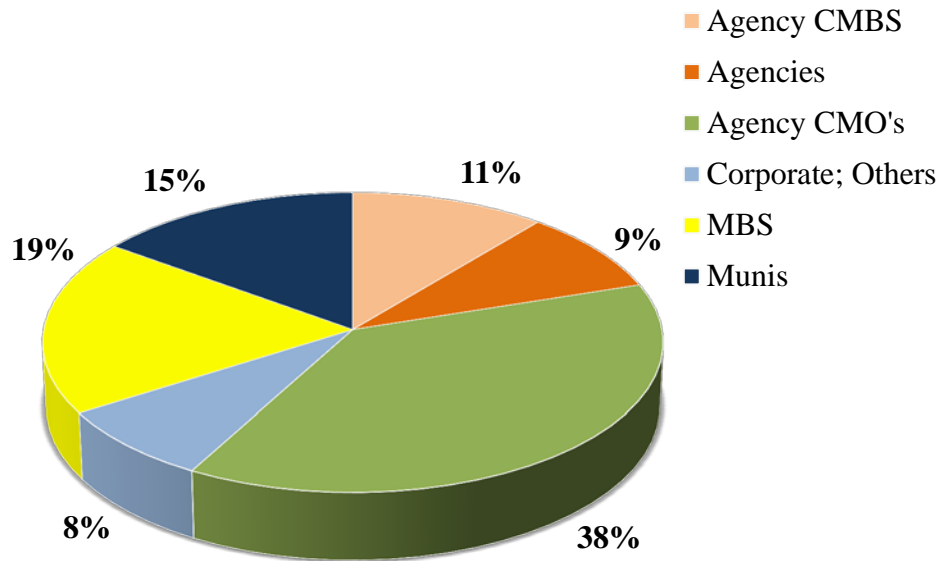
🏠 **Expansion of Reach & Relationships**

🏠 **Maintenance of Credit Discipline & Culture**

🏠 **ALL of 1.35% on Originated Loans**

Historical Perspective & Trends Conservative Securities Portfolio

March 31, 2015



**\$808 Million in
Securities**

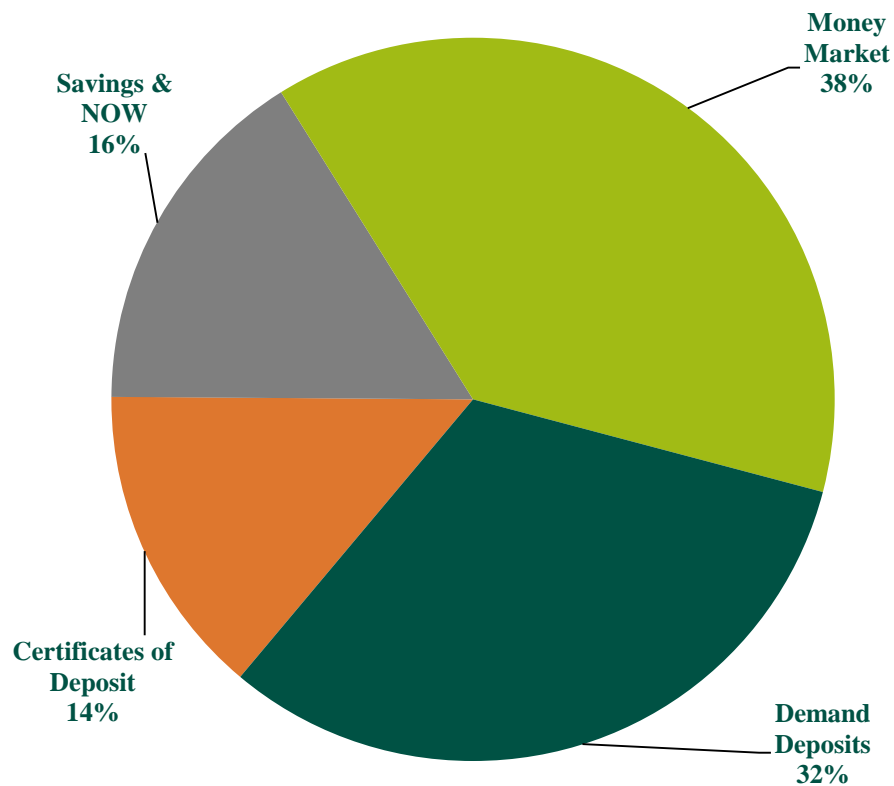


**Exceptional Credit
Quality with 82%
Guaranteed by the
U.S. Government**



**Effective Portfolio
Duration is 3.26
Years**

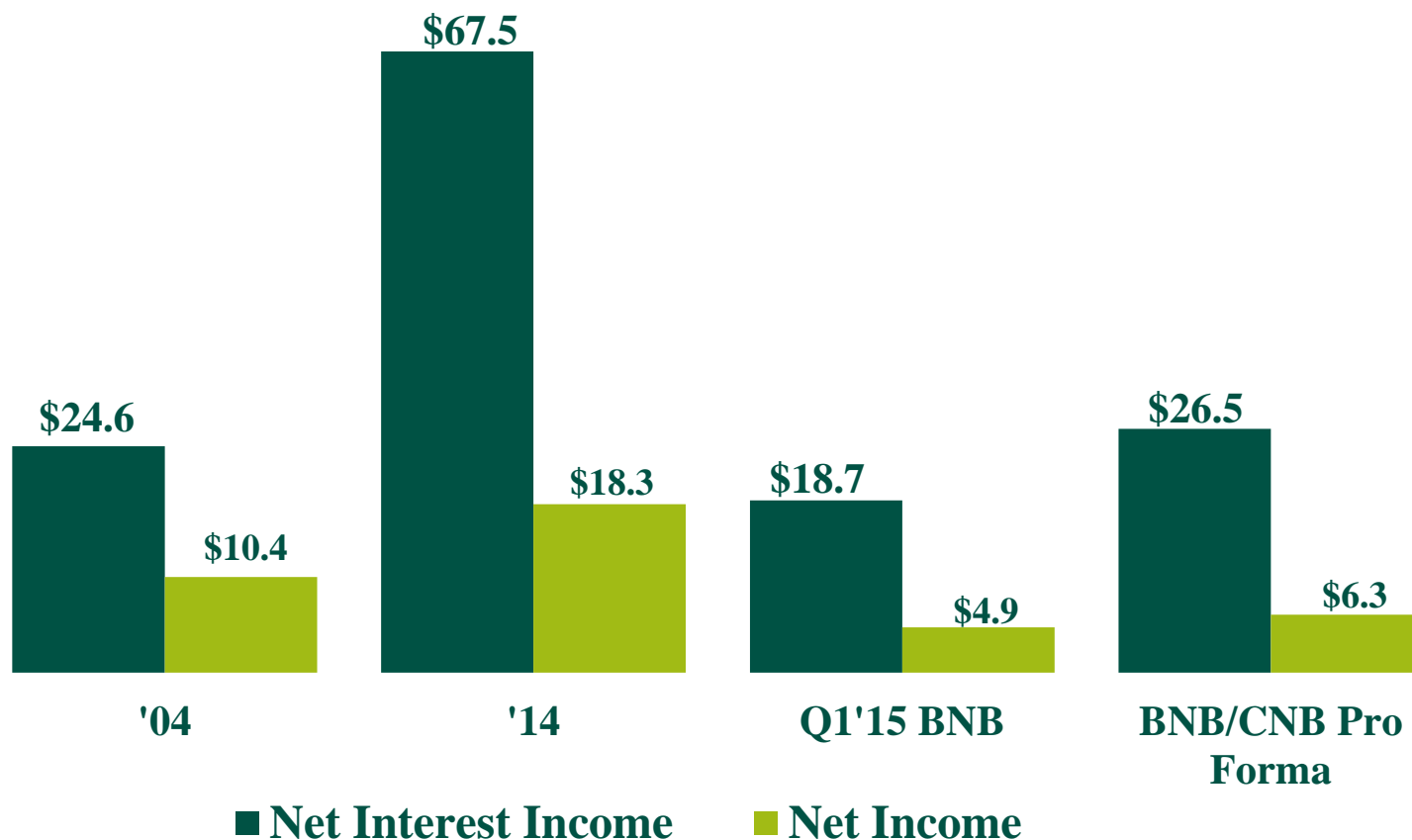
Historical Perspective & Trends-Deposits



- 🏦 **\$2.7 billion in Deposits, Average Cost of 33 Basis Points**
- 🏦 **\$223 million CD Portfolio from CNB**
- 🏦 **5 Year Annualized Growth of 18% core & 27% Overall**
- 🏦 **Seasoned Branch Managers Well Known in Market**

“Branches Still Matter”

Historical Perspective & Trends-Income

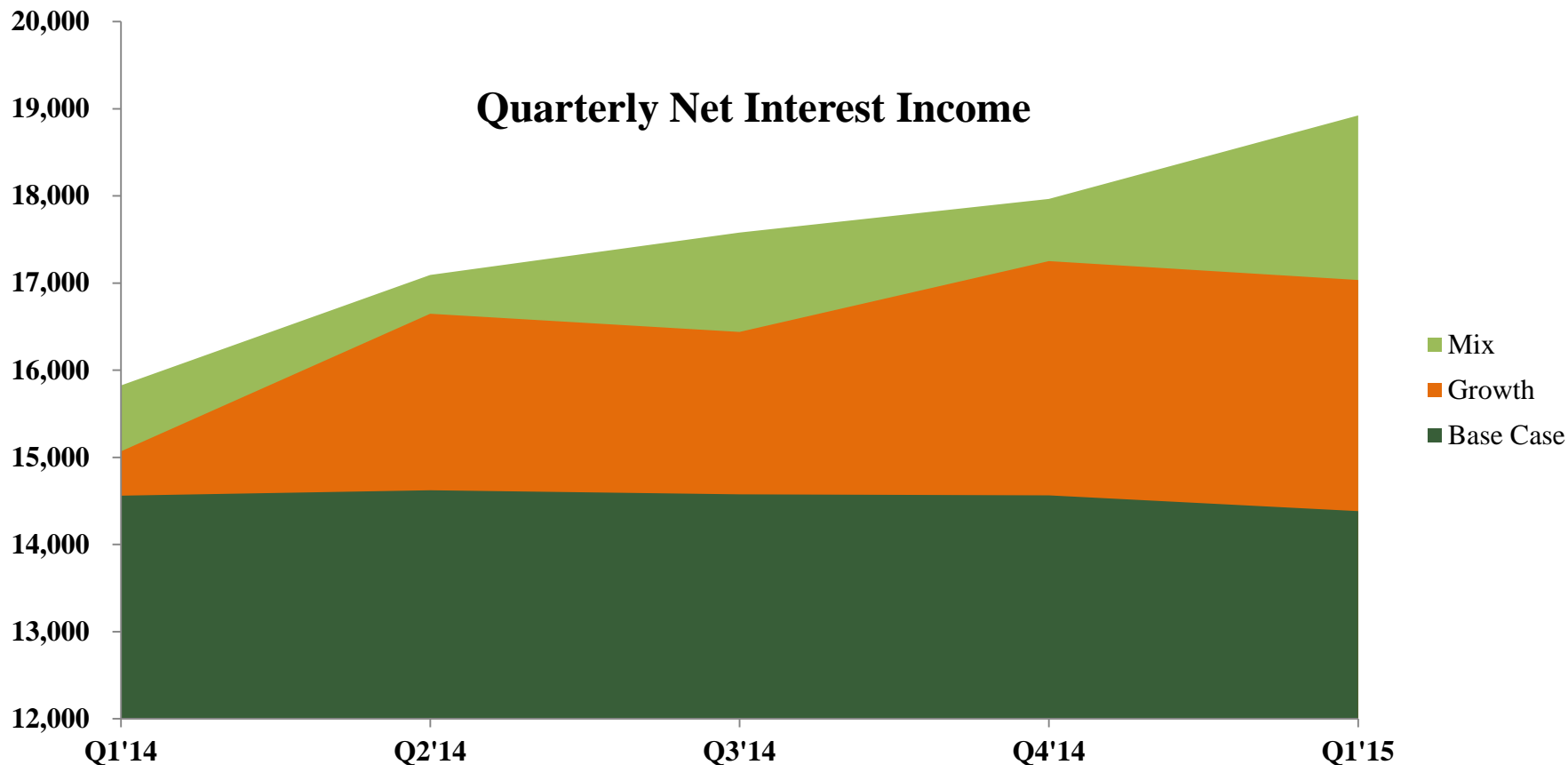


2015 – Challenges & Opportunities

- 🚢 **Net Interest Margin Compression**
 - *Loan Growth & Asset Mix*
- 🚢 **Interest Rate Risk**
 - *Maintain Short Duration Portfolio/Grow Core Deposits*
- 🚢 **Integration of CNB**
 - *Same IT Platform/Retain Key Personnel*
- 🚢 **Operating Leverage/Efficiency**
 - *Realize Expected CNB Cost Saves/Expand Growth in New Markets*
- 🚢 **Cyber Security**
 - *Remain Vigilant / Invest in Training & Security Enhancements*

Quarterly Net Interest Income

\$ in Millions



	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Loan/Deposit	68%	67%	68%	74%	75%
Avg Int Earn Assets	1,854,475	2,040,291	2,020,965	2,122,675	2,117,160
NIM (Actual)	3.46%	3.36%	3.45%	3.36%	3.63%
NIM (Base Case)	3.30%	3.27%	3.23%	3.22%	3.26%

“Base Case” is the Dec 31, 2013 Balance Sheet projected with no growth or change in asset mix.

Source: Dec 2013 Asset/Liability Model

Active Management of Interest Rate Risk

Repositioned Portfolio

- *Higher percentage of floating rate securities*
- *Less negative convexity (GNMA Project, FNMA DUS, Better CMO Structures)*

Convert Loans to Floating

- *\$43 million converted using swaps and interest rate agreements*

Extend Liabilities Using Derivatives

- *\$75 million in pay-fixed swaps used to extend funding*

Sensitivity Lower Year-Over-Year

- *Net Interest Income Sensitivity decreased from -7.1% to -5.2% in +200bp Scenario*
- *EVE Sensitivity* decreased from -26.7% to -18% in +400bp Scenario*

Integration of CNB



Status Update

- *All regulatory and shareholder approvals received*
- *Closing date of June 19th, 2015*
- *Core Systems Conversion June 20th*



After Tax Acquisition Costs of \$12.5 million



Cost Savings of \$8.5 million or 35%

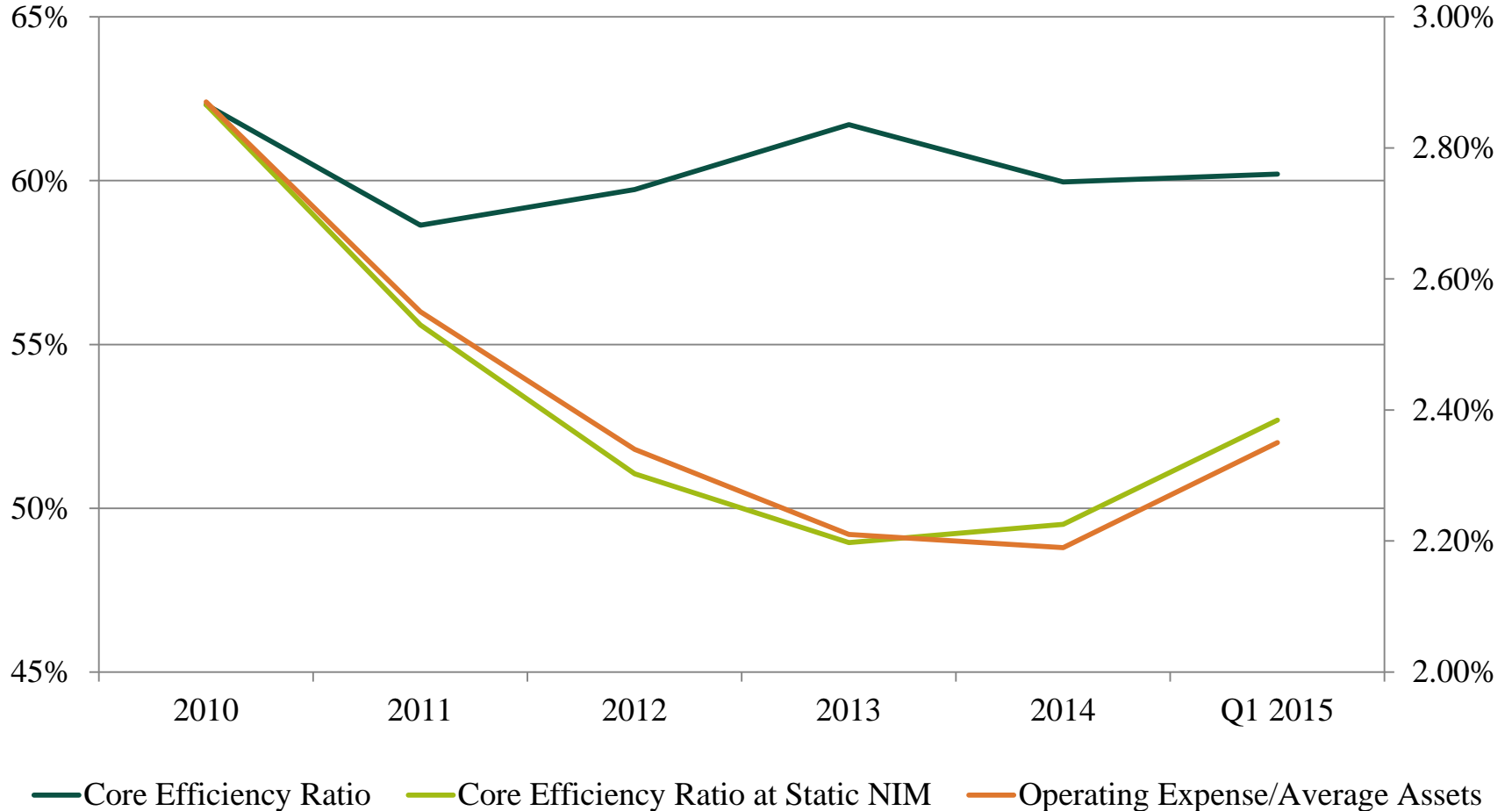


71 FTE retained including most customer facing professionals

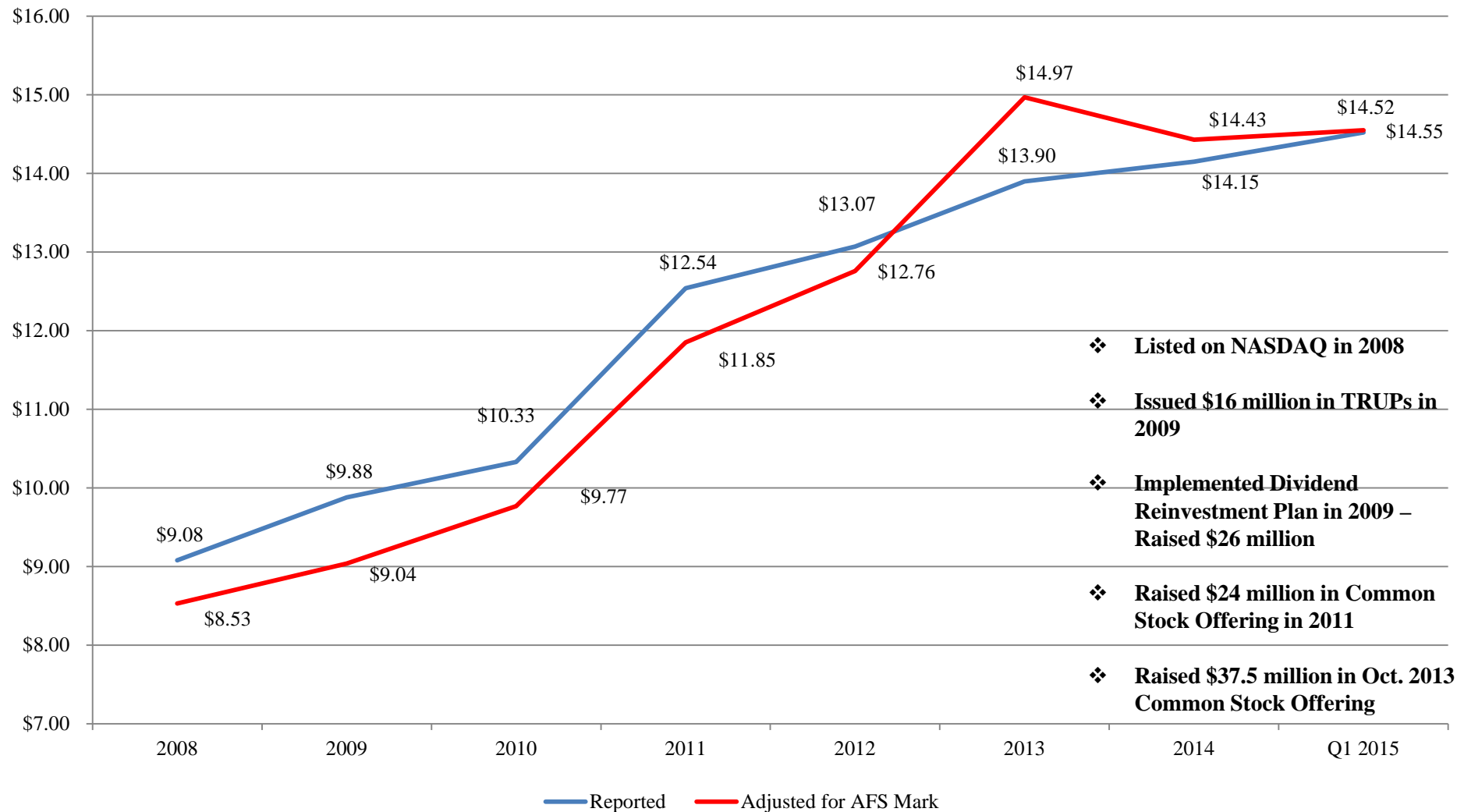
Operating Leverage / Efficiency

Core Efficiency Ratio

Operating Expenses/
Average Assets



BDGE Tangible Book Value Per Share



Drivers of Shareholder Value

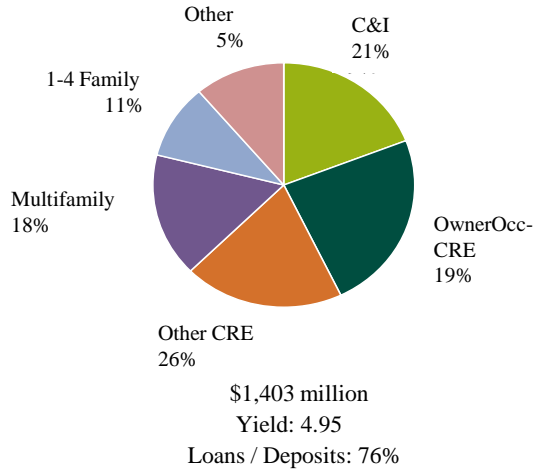
-  **Strong & Consistent Financial Performance**
-  **Outstanding Asset Quality and Balance Sheet Flexibility**
-  **Superior Franchise Growth with Compelling Opportunities**
-  **Attractive Dividend Yield**
-  **Significant Tangible Book Value Growth**
-  **Clear Understanding of Risks, Opportunities and Challenges**

Appendix

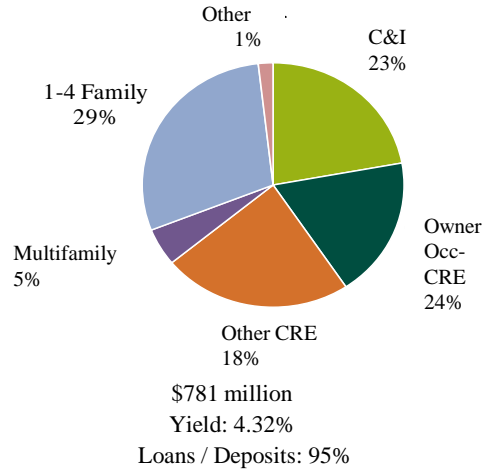
Loan & Deposit Composition

Loan Composition

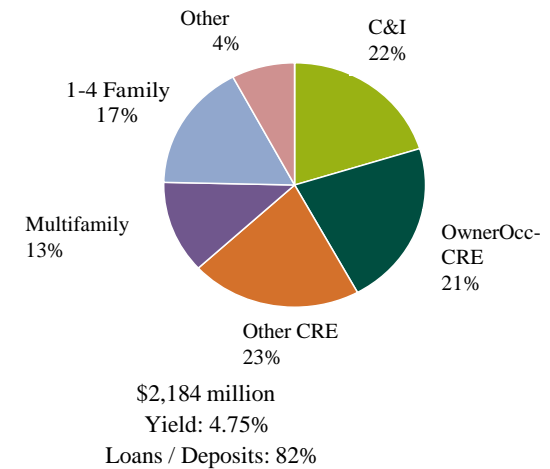
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Community National Bank

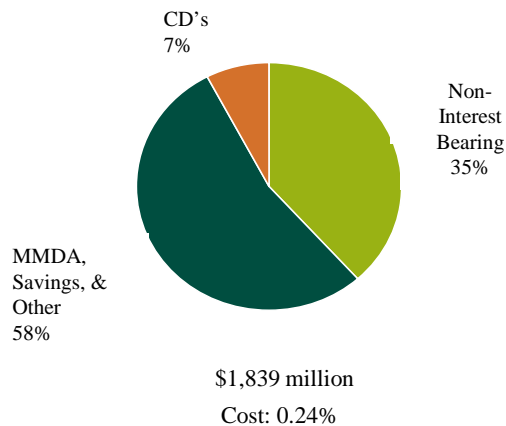


Combined

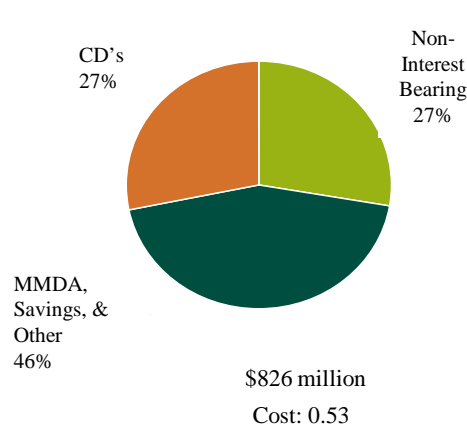


Deposit Composition

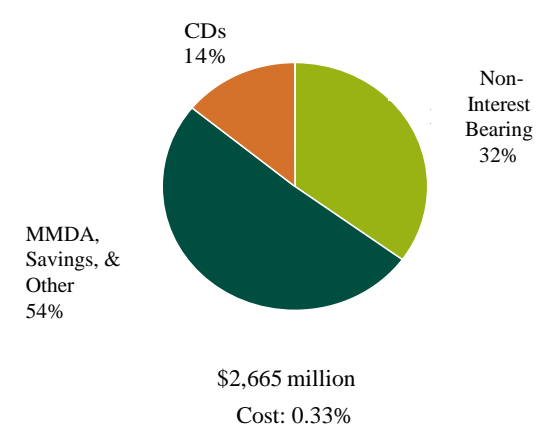
Bridge Bancorp



Community National Bank



Combined



Reconciliation of GAAP to Core Results

For the year ended December 31,

	2014					
	Net Income	Diluted EPS	ROA	ROE	ROTE	Operating Efficiency
Reported - (GAAP)	\$ 13,763	\$ 1.18	0.64%	7.76%	8.25%	67.99%
Adjustments, net of taxes:						
Acquisition costs and branch restructuring	3,812	0.33	0.18%	2.15%	2.29%	(7.18%)
Net securities losses	709	0.06	0.03%	0.40%	0.43%	(0.85%)
Core results	<u>\$ 18,284</u>	<u>\$ 1.57</u>	<u>0.85%</u>	<u>10.31%</u>	<u>10.97%</u>	<u>59.96%</u>

For the quarter ended December 31,

	2014					
	Net Income	Diluted EPS	ROA	ROE	ROTE	Operating Efficiency
Reported - (GAAP)	\$ 4,168	\$ 0.36	0.73%	9.16%	9.78%	64.13%
Adjustments, net of taxes:						
Acquisition costs	730	0.06	0.13%	1.60%	1.72%	(3.76%)
Net securities gains	(18)	-	(0.01%)	(0.04%)	(0.04%)	0.08%
Core results	<u>\$ 4,880</u>	<u>\$ 0.42</u>	<u>0.85%</u>	<u>10.72%</u>	<u>11.46%</u>	<u>60.45%</u>

The table above provides a reconciliation of reported results under Generally Accepted Accounting Principles (GAAP) and core results. The GAAP results have been adjusted for acquisition costs related to FNB NY & CNB, branch restructuring costs, and net securities losses/(gains), and presented on a net of tax basis.