



BRIDGE  
BANCORP, INC.

*FIG Partners 12<sup>th</sup> Annual Bank CEO Forum  
September 19-20, 2016*

# Forward-Looking Statement

Certain statements in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as “may”, “will”, “believe”, “expect”, “estimate”, “anticipate”, “continue”, or similar terms or variations on those terms, or the negative of those terms. These forward-looking statements generally pertain to management’s goals, intentions and expectations regarding such matters as revenues, earnings, funding, loan production, asset quality, capital, regulations and acquisitions of other entities. Forward-looking statements may also address the estimated costs and benefits of our actions; our assessments of interest rates and other market factors that may influence our performance; and our ability to achieve our financial and other strategic goals.

It is important to note that forward-looking statements are subject to numerous assumptions, risks and uncertainties which may change over time. Accordingly, our actual results and events could differ materially from those anticipated in our forward-looking statements and our future performance could differ materially from our historical results.

You will find more detailed information regarding the factors that could affect these forward-looking statements in our filings with the U.S. Securities and Exchange Commission, including in the “Risk Factors” section of our 2015 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for subsequent periods. In addition, it should be noted that our forward-looking statements speak only as of the date of this presentation. We do not undertake to update our forward-looking statements to reflect the impact of events or circumstances that may arise after the date on which such statements are made.

## **Non-GAAP Financial Measures**

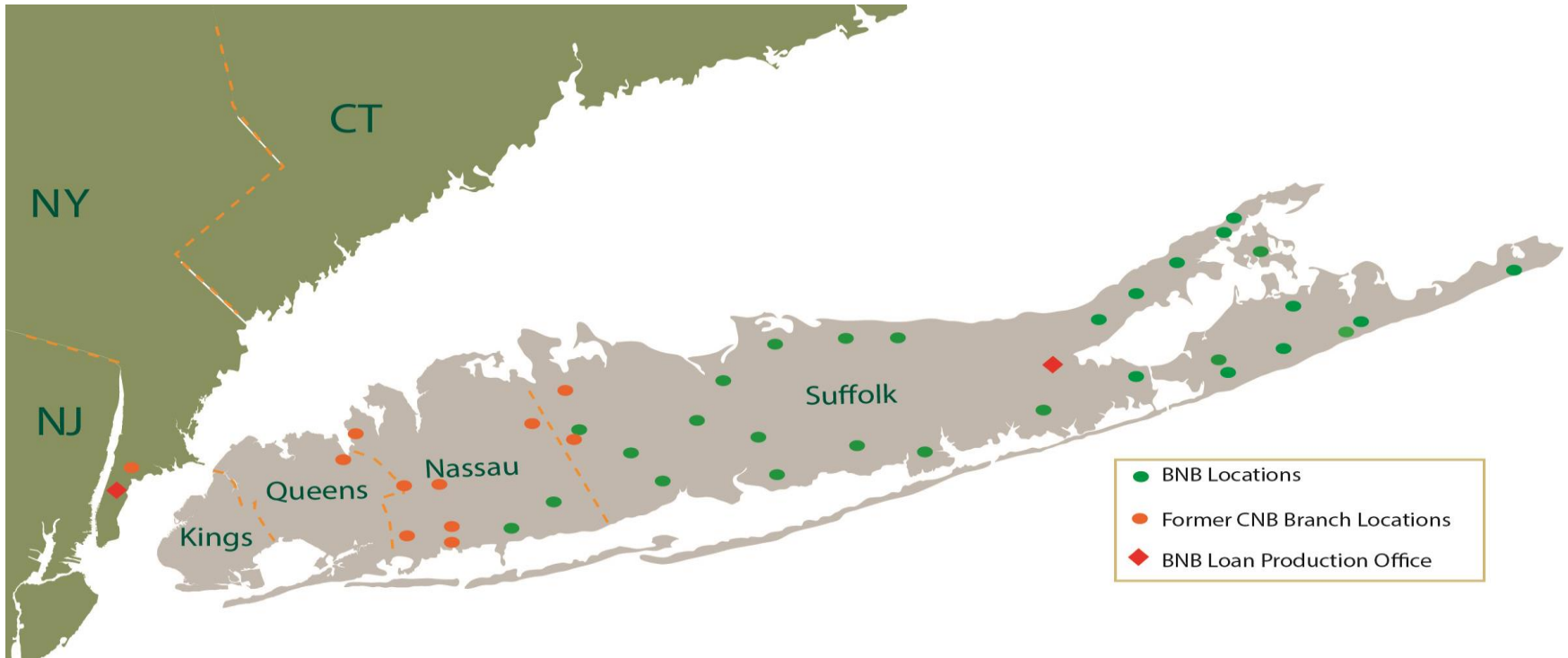
This presentation references non-GAAP financial measures including tangible book value per share, core return on average assets, core return on average equity, core return on average tangible equity, core earnings, core efficiency ratio and core expenses to average assets. These measures are commonly used by investors in evaluating financial condition and operations. Core earnings exclude acquisition costs, amortization of non-compete agreement, measurement period fixed asset adjustment, tax impact of the aforementioned items and tax benefit related to NYC tax law changes. Reconciliations to comparable GAAP financial measures can be found in the Appendix section of this presentation.

# Current Franchise

June 30, 2016

🏢 Headquarters:	Bridgehampton
🏢 Chartered:	1910
🏢 FT Employees:	450
🏢 Branches:	40
🏢 Nasdaq/Russell 2000	BDGE

🏢 Assets:	\$3.7 billion
🏢 Loans:	\$2.5 billion
🏢 Deposits:	\$2.9 billion
🏢 Market Cap:	\$513million <sup>(1)</sup>



# Corporate 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 \$2.5 Billion in Loans*
- 🚢 **Built On A Strong Culture & Identity**
  - *Succeeding by Building Relationships & Partnerships*

# Management Profile

## Executive Team

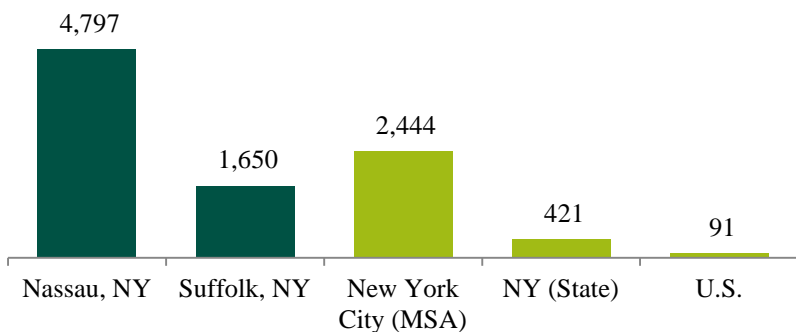
- *Kevin M. O'Connor, President and CEO*
- *Howard H. Nolan, Chief Operating Officer and Corporate Secretary*
- *James J. Manseau, Chief Retail Banking Officer*
- *Kevin L. Santacroce, Chief Lending Officer*
- *John M. McCaffery, Chief Financial Officer and Treasurer*

**Each with Over 25 Years of Financial Services Experience**

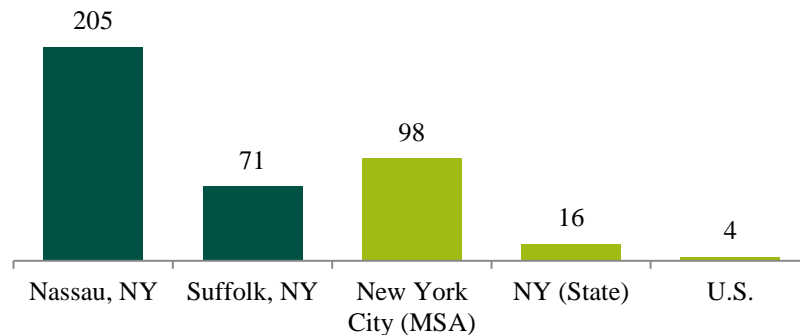
- ## Continue to hire Experienced Professionals
- *Revenue Producers, Compliance & Operational Positions*

# Favorable Long Island Demographics

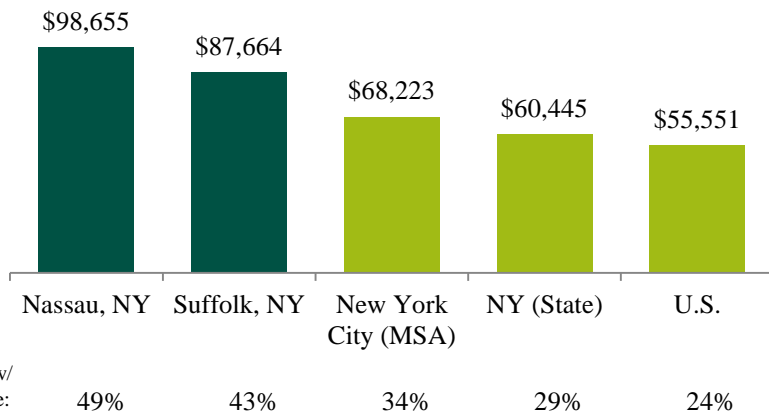
Population Density <sup>1</sup>



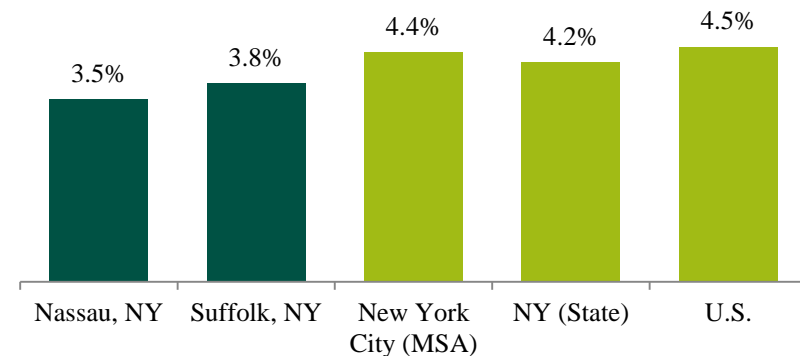
Businesses per Square Mile



Median Household Income



Unemployment Rate <sup>2</sup>



# A Transformational Year

- 🚧 **Continue Geographic Expansion into Highly Attractive Markets**
  - *Complementing Organic Push Westward*
- 🚧 **Closed and Converted CNB Core Systems June 19, 2015**
  - *From 29 to 40 BNB Branded Branches*
- 🚧 **Increased Size and Scale, and Enhanced Operating Leverage & Profitability**
  - *Accretive to Earnings with Expected Cost Saves Achieved*
- 🚧 **Fastest Growing Community Bank Headquartered on LI**
  - *Assets Increased From \$2.3 billion to \$3.7 billion*
- 🚧 **Higher Lending Limits provide Additional Growth Potential**
  - *Serve Larger Customers & Expand Existing Relationships*

# Strategies & Accomplishments – Q2 2016

## **Net Income of \$8.9 million or \$.50 Per Diluted Share**

- *ROA .91%; ROE 10.07% and ROTE 14.83%*

## **Record Net Interest Income \$30.6 million**

- *Net Interest Margin 3.48%*

## **Loans of \$2.5 billion**

- *Growth of \$44 million in Q2 2016 or 7% annualized*

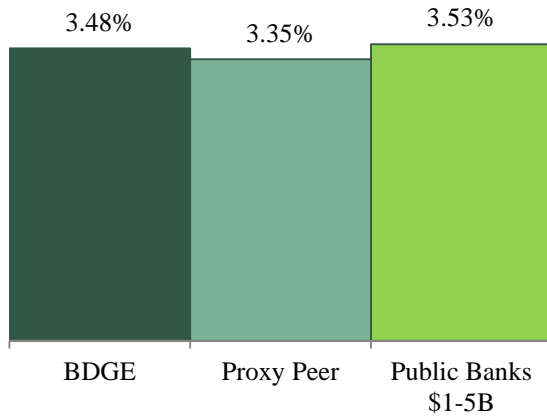
## **Deposits of \$2.9 billion**

- *Demand Deposits of \$1.1 Billion or 39%*

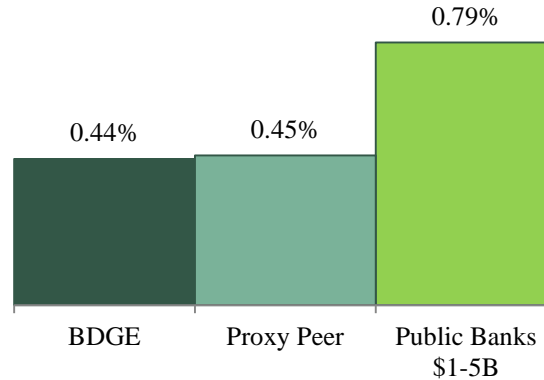


# Q2 2016 Performance vs Peers

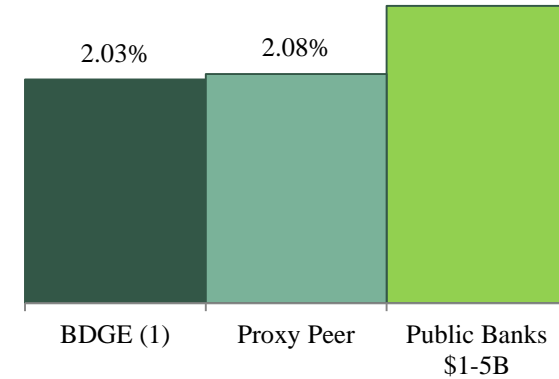
## Net Interest Margin



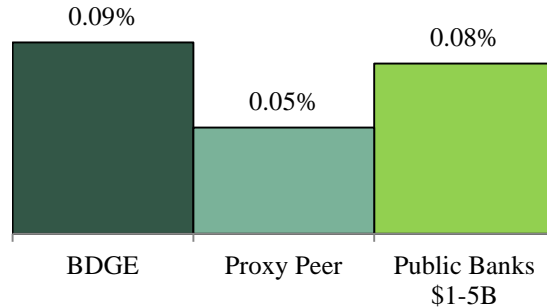
## Other Income to Average Assets



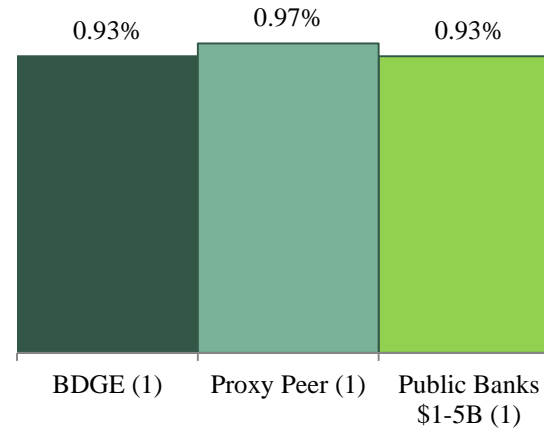
## Other Expenses to Average Assets



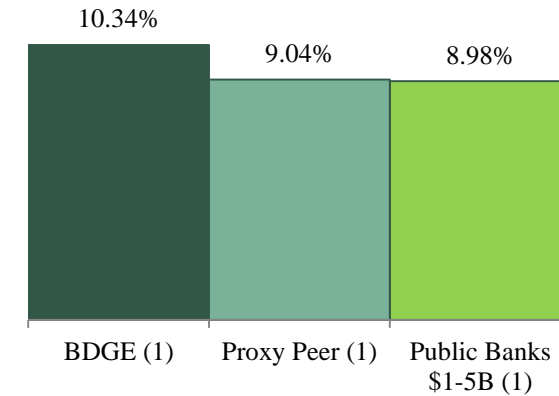
## Provision for Loan Losses to Average Assets



## Return on Average Assets

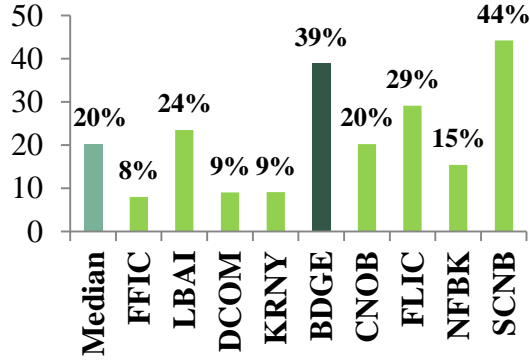


## Return on Average Equity

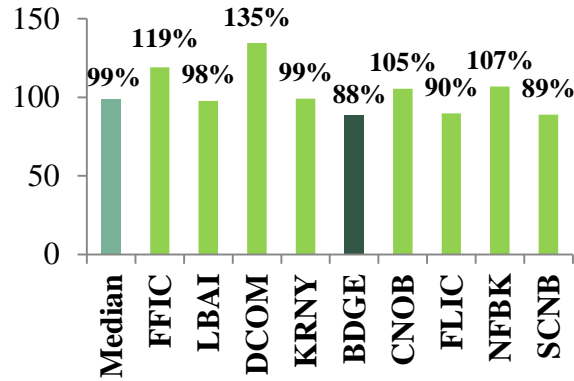


# NYC MSA Deposit Analysis

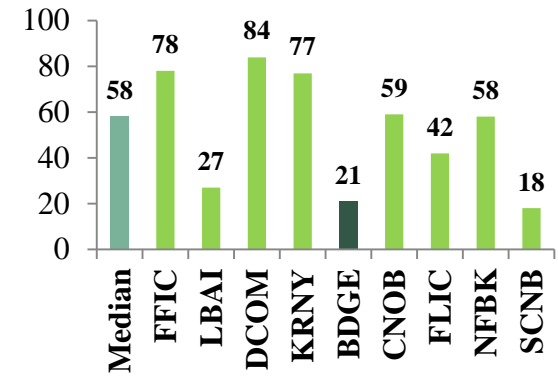
### Noninterest Demand/ Deposits (%)



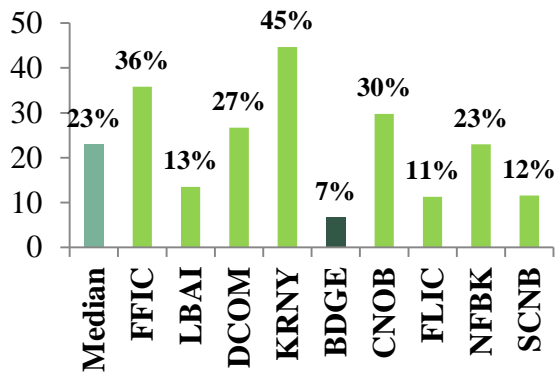
### Loans/ Deposits (%)



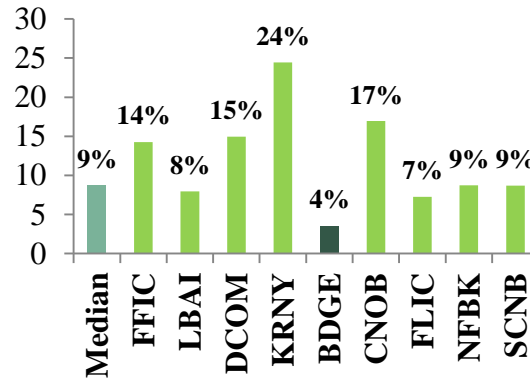
### Cost of Deposits (bps)



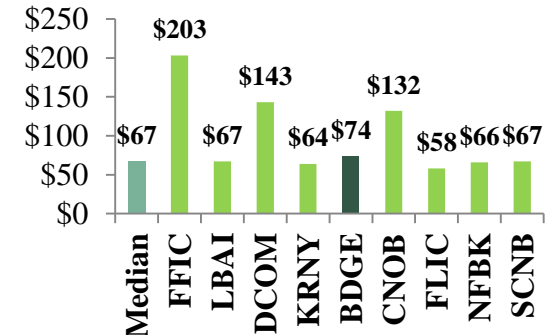
### CDs/ Deposits (%)



### Jumbo CDs/ Deposits (%)



### Avg Branch Size (\$mm, 3/31/16)



Source: SNL Financial. Data as of Q2 2016 unless otherwise specified

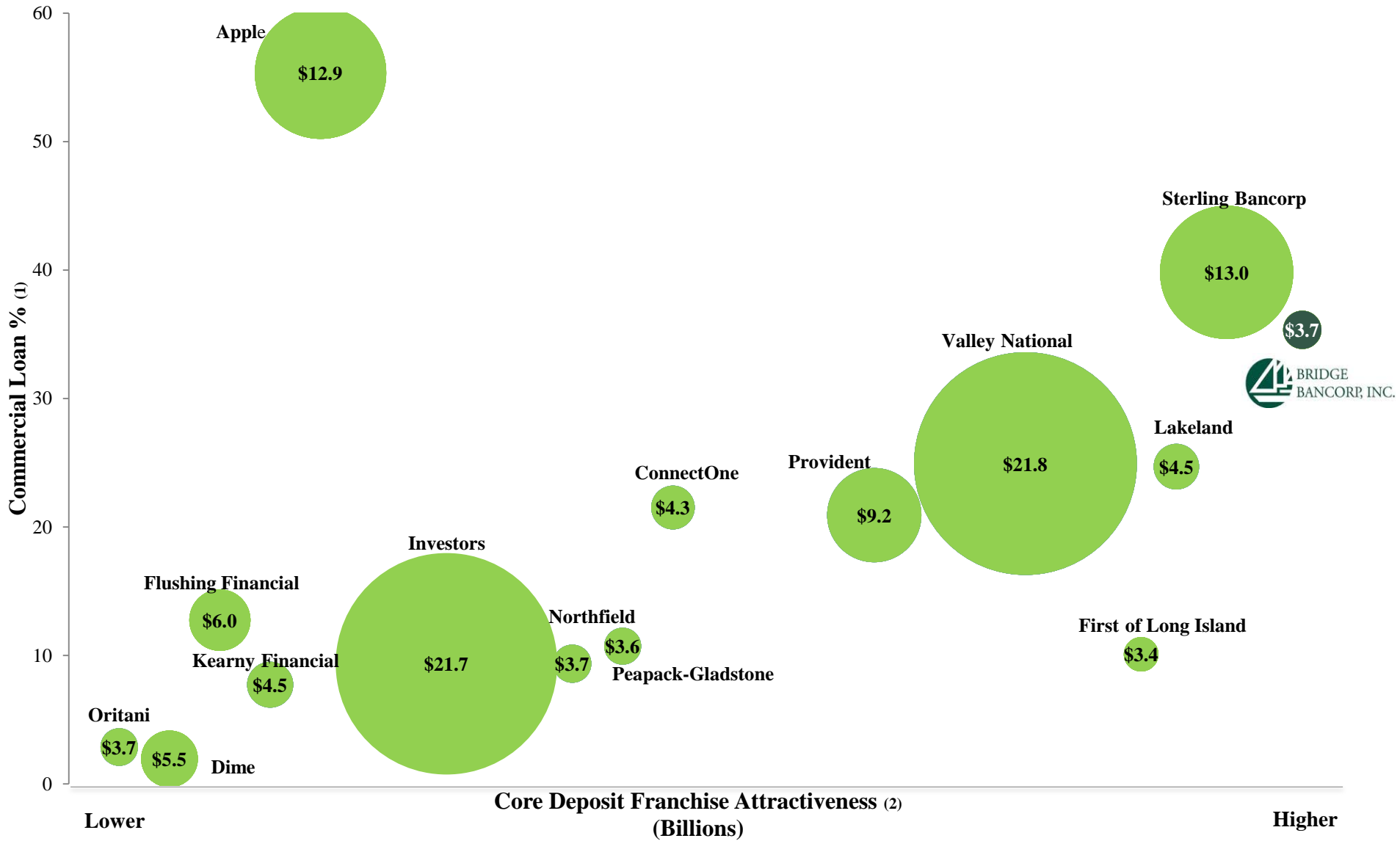
#### KEY

FFIC - Flushing Financial Corporation  
 LBAI - Lakeland Bancorp, Inc.  
 DCOM - Dime Community Bancshares

KRNY - Kearny Financial Corp.  
 BDGE - Bridgehampton National Bank  
 CNOB - ConnectOne Bancorp, Inc.

FLIC - First of Long Island Corporation  
 NFBK - Northfield Bancorp, Inc.  
 SCNB - Suffolk County National Bank

# Regional Peer Comparison: Commercial Lending vs. Deposit Franchise



# Strategic Objectives

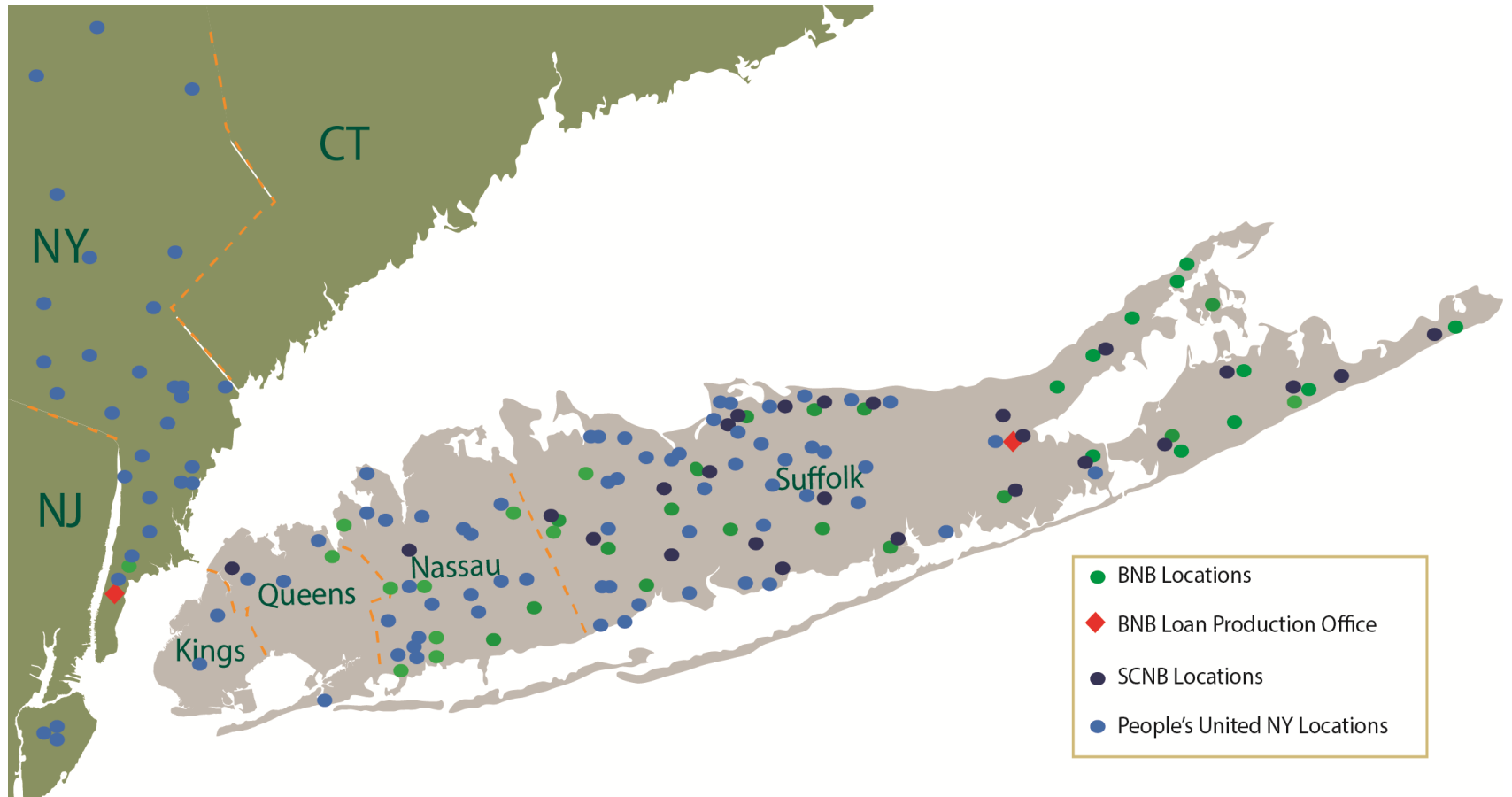
-  **Be the Preeminent Community Bank in Our Marketplace**
-  **Grow the Expanded Franchise**
-  **Attract, Retain and Develop Talented Bankers**
-  **Maximize the Efficiencies of Our Systems and Processes**
-  **Identify & Execute Market Opportunities**

***“Execute Our Mission & Deliver Results”***

# Building Blocks For 2016 & Beyond

- 🚧 **Expand SBA and Residential Lending Platforms**
  - *Leverage Branch Footprint*
  - *Received Preferred Lender Provider Status*
  
- 🚧 **Hired Equipment Finance Team**
  - *Diversifies Loan Portfolio with Higher Yielding Assets*
  
- 🚧 **Hired Experienced Wealth Management Executive**
  - *Expands Reach into Newly Acquired Markets*
  
- 🚧 **NYCB Acquisition of Astoria/Peoples United Acquisition of Suffolk Bancorp**
  - *Disruption in Long Island Markets – Customers & Employees*
  - *Branch Closures Anticipated in Overlapping Markets*
  
- 🚧 **Execute on “Believe in Beyond”**
  
- 🚧 **\$200 Million in Shelf Registration Available**





# Opportunities



# Exposure to Interest Rate Risk

Interest Rate Risk	<u>6/30/16</u>	<u>12/31/15</u>
<b>Earnings at Risk (Max.)</b>		
Pct (%) Change in Net Interest Income with +200 bps ramp (12 Mths)		
<b>Year 1 NII (% Change from Year 1 – Base)</b> Up 200 BP	-4.1%	-4.9%
<b>Year 2 NII (% Change from Year 1 – Base)</b> Up 200 BP	-3.1%	-5.6%




# IRR Strategies for 2016

(\$ in 000's)	<u>2014</u>	<u>2015</u>	<u>Q2 2016</u>
 <b>Macro Swaps</b>	<b>\$75,000</b>	<b>\$125,000</b>	<b>\$125,000</b>
 <b>Loan Swaps</b>	<b>\$11,175</b>	<b>\$ 56,328</b>	<b>\$ 55,702</b>
 <b>O/N Borrowings as percent of assets</b>	<b>6.09%</b>	<b>5.52%</b>	<b>4.17%</b>
 <b>Portfolio E-DUR</b>	<b>3.46 years</b>	<b>4.45 years</b>	<b>2.90 years</b>



# Deleveraging Strategy

## The Environment – Why We Sold

-  **The Yield Curve Flattened in the 1st Quarter and Stayed There**
-  **BNB had Approximately \$250 million in Bonds Financed with Overnight Borrowings**
-  **The MBA Refi Index Spiked in Feb 2016 and Remained Elevated**

# Deleveraging Strategy

## The Impact – What We Sold

- 🚢 **Approximately \$200 million Agency MBS/CMO**
  - Book Yield: 1.76%
  - Projected Yield: 1.40% (Based on Current Speeds)
  - Funding Costs: 0.60%
  - WAL: 2.5 Years
  - Projected WAL: 1.75 Years

# Summary

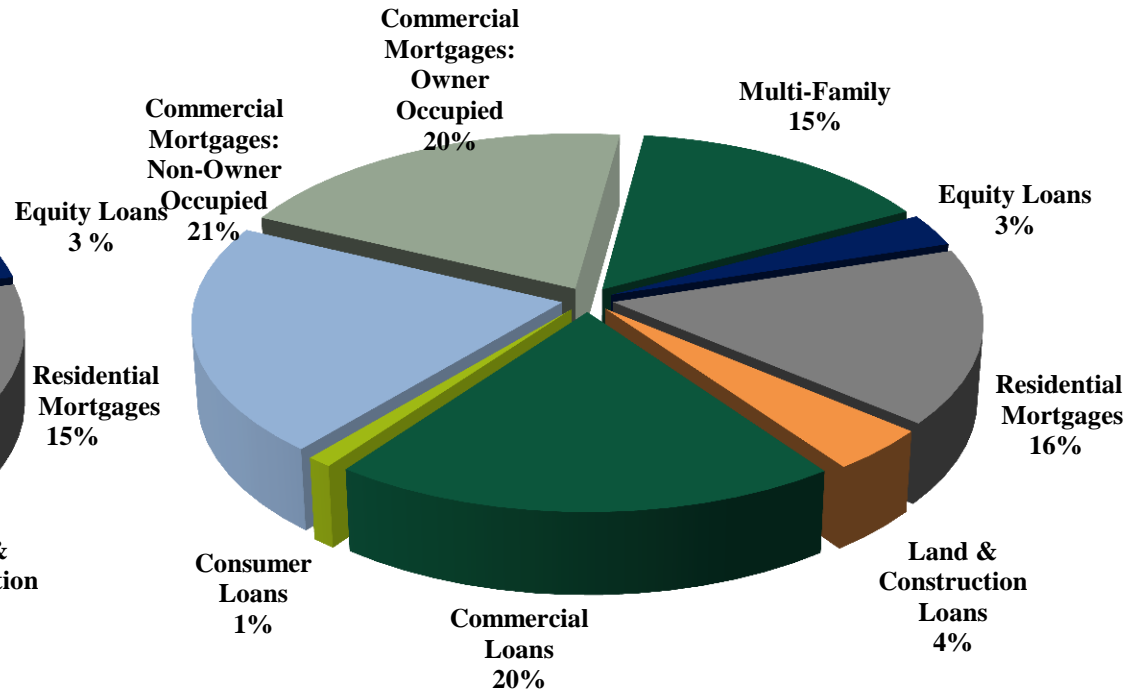
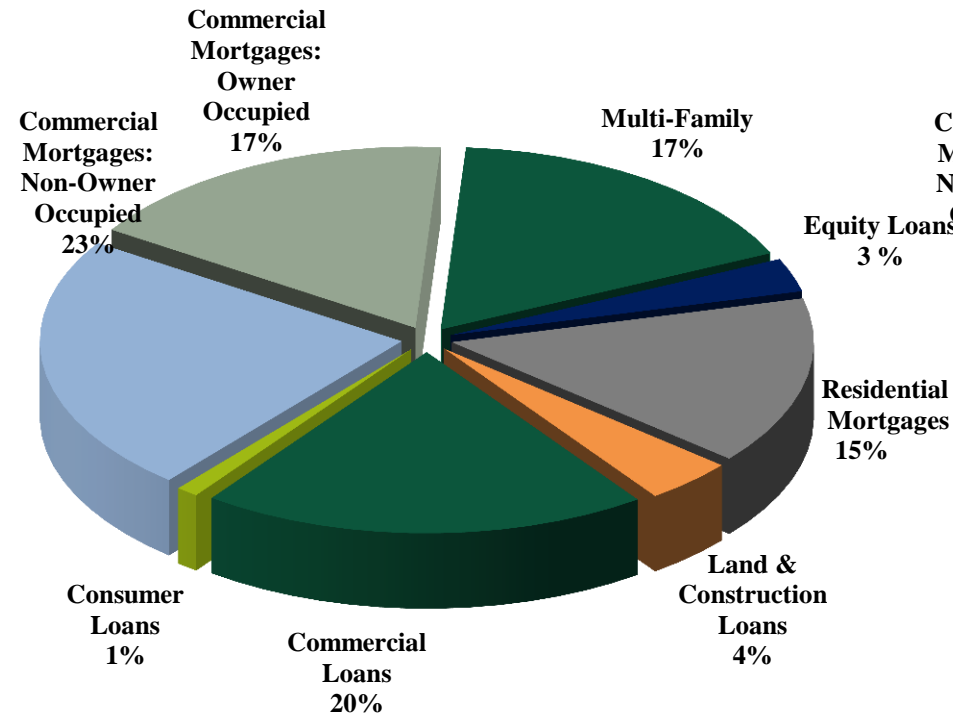
- 🚧 **Strong & Consistent Financial Performance**
- 🚧 **Outstanding Asset Quality and Balance Sheet Flexibility**
- 🚧 **Superior Franchise Growth with Compelling Opportunities**
- 🚧 **Well-Positioned in Economically Attractive Markets**
- 🚧 **Experienced Management Team and Board of Directors**
- 🚧 **Clear Understanding of Risks, Opportunities and Challenges**

# Appendix

# Diversified Loan Composition







*As of June 30, 2016*

*As of December 31, 2015*



**\$2.5 Billion in Total Loans as of June 30, 2016 with an Average Yield of 4.72%**

# CRE Concentration Update

-  **Revised CRE/Multi-Family Approval Memorandum**
-  **Implemented Post-Closing Quality Control Process**
-  **New Loan Origination System will Facilitate Standardization of Process & Underwriting Standards**
-  **Enhanced Annual Review Process**
-  **Expanding Portfolio Management Data Set (DSCR, NOI, Cap Rates, Market Rates, etc.)**
-  **Evolving Capital Stress Test to Incorporate Concentration Thresholds**

# Taxi Medallions

- **Total exposure of \$27 million is exclusively first lien direct obligations of Medallion Owners, with 99% Fleet Medallion Owners representing just 1.07% of total loans and 7.30% of Bank's Tier 2 capital.**
- **No new originations planned and we anticipate our exposure and concentration levels to decline even further through amortization, pay-downs and total loan portfolio growth.**
- **Only NYC-Manhattan Medallions; No exposure to non-NYC medallions. All loans carry personal guarantees.**
- **At June 30, 2016, the Taxi Medallion portfolio is 100% current.**
- **The most recent transaction in December 2015 indicates a market value of \$792,500 per fleet medallion. Based on internal valuation estimates which have been adjusted by over 30% from the peak value, the current average LTV of our portfolio is 70%.**
- **There are no more loans in the Portfolio coming due in 2016. Approximately 12% of the Portfolio comes due in Q1 2017.**

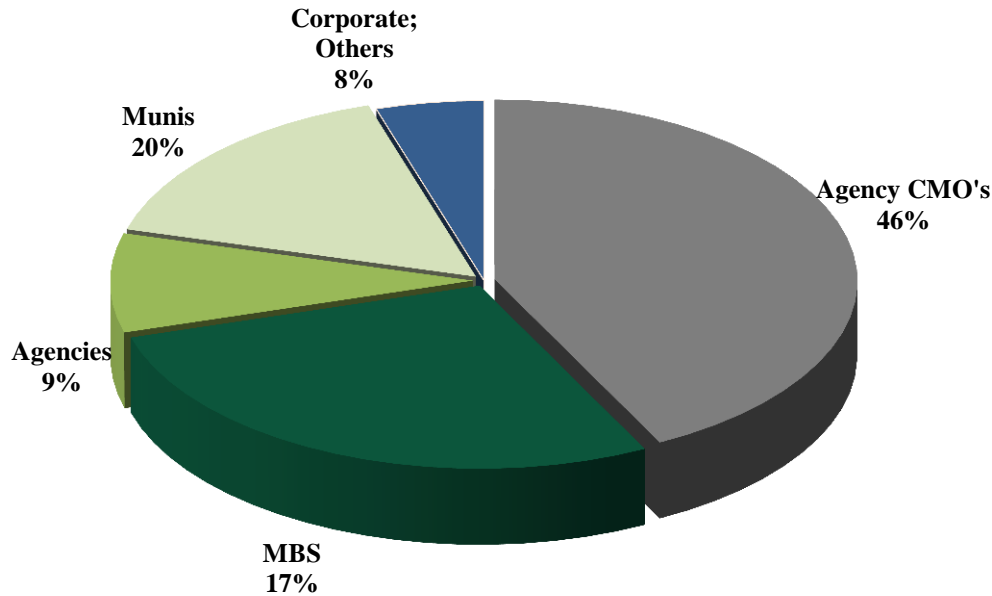
# Asset Quality Ratios

	ALLL/Total Loans*	Past Due & NPLs/Total Loans	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans**	ALLL/NPLs
<b><u>Historical</u></b>					
<b>06/30/2015</b>	<b>1.27%</b>	<b>0.26%</b>	<b>0.09%</b>	<b>0.04%</b>	<b>954%</b>
<b>09/30/2015</b>	<b>1.30%</b>	<b>0.35%</b>	<b>0.06%</b>	<b>0.03%</b>	<b>1444%</b>
<b>12/31/2015</b>	<b>1.21%</b>	<b>0.17%</b>	<b>0.06%</b>	<b>0.05%</b>	<b>1537%</b>
<b>03/31/2016</b>	<b>1.21%</b>	<b>0.24%</b>	<b>0.07%</b>	<b>0.03%</b>	<b>1333%</b>
<b>06/30/2016</b>	<b>1.20%</b>	<b>0.31%</b>	<b>0.08%</b>	<b>0.02%</b>	<b>1108%</b>
<b>06/30/2016 Peer Group</b>	<b>0.91%</b>	<b>0.63%</b>	<b>0.39%</b>	<b>0.04%</b>	<b>301%</b>




# Conservative Securities Portfolio

June 30, 2016



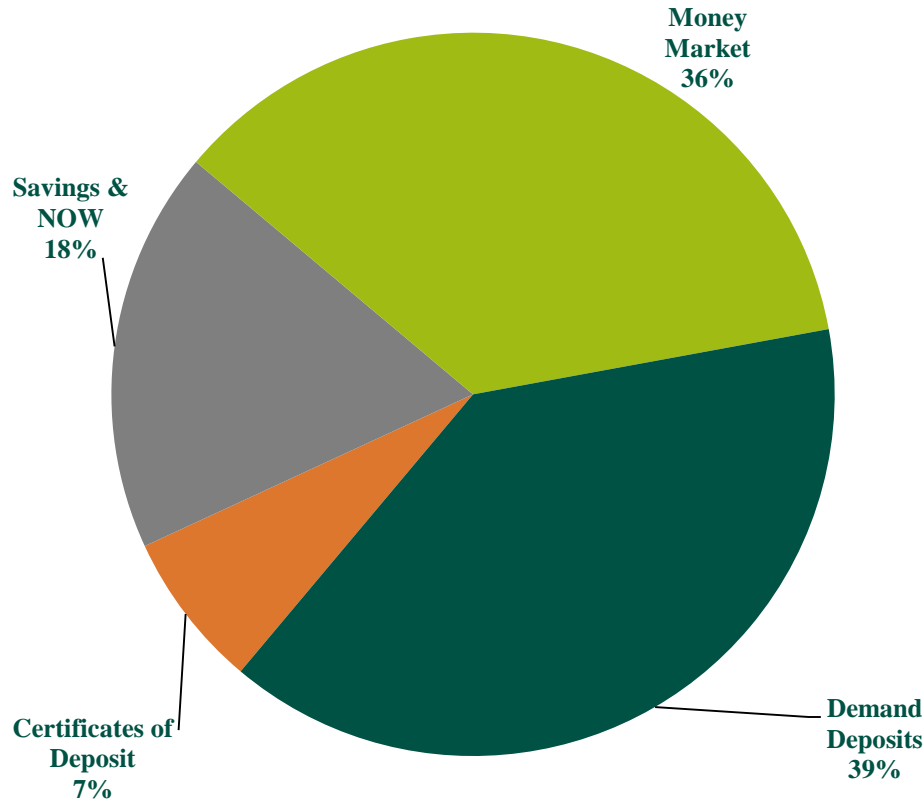
 **\$870 Million in Securities**

 **Exceptional Credit Quality with 75% Guaranteed by the U.S. Government**

 **Effective Portfolio Duration is 2.90 Years**

# Financial Results - Deposit Profile

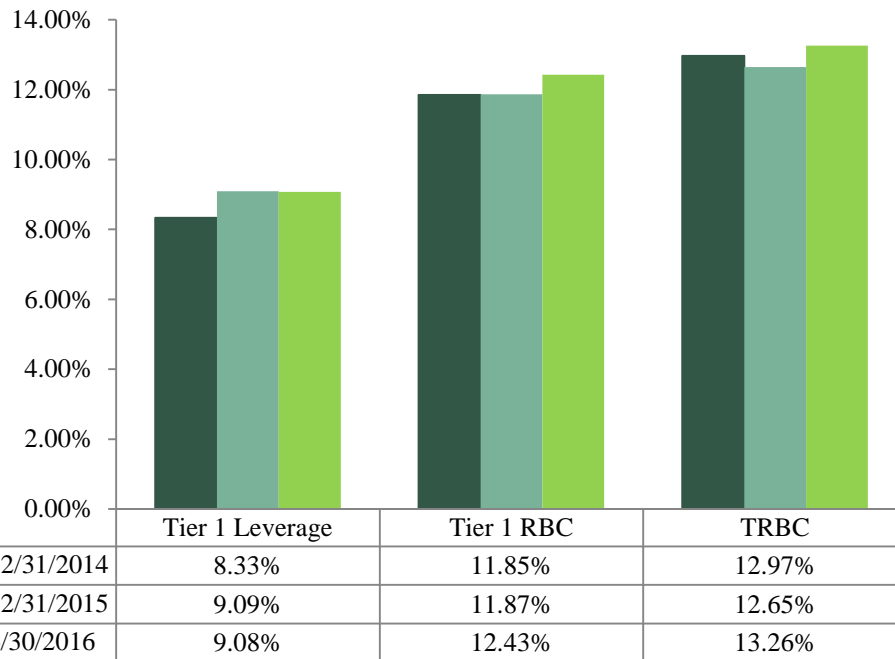
As of June 30, 2016



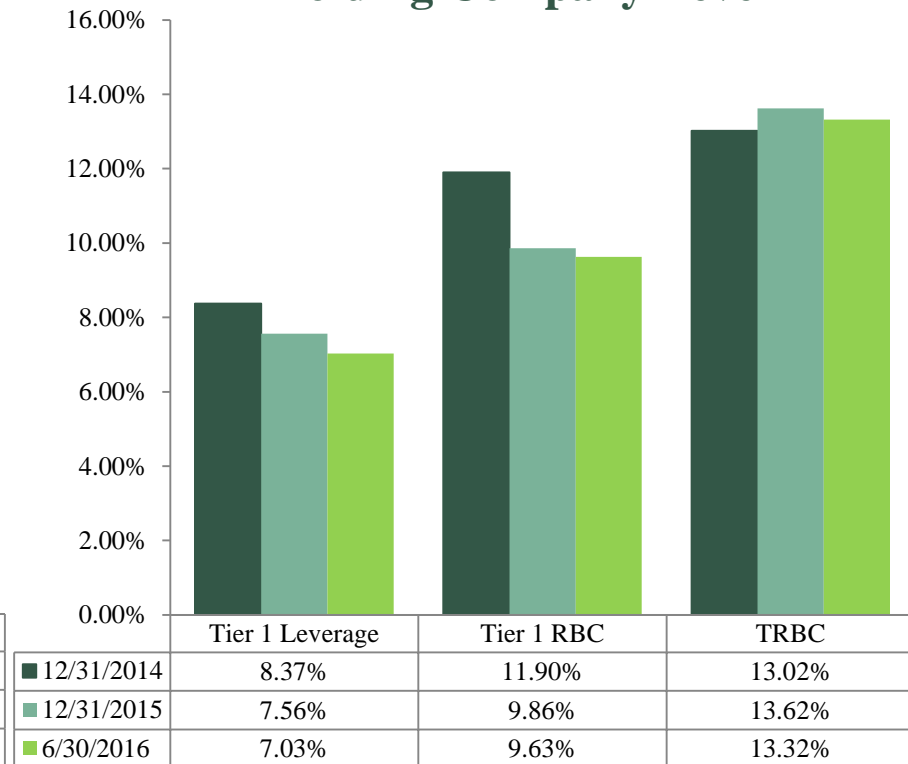
- 🏦 **\$2.9 billion in Deposits, Average Cost of 21 Basis Points**
- 🏦 **5 Year Annualized Growth of 22% (20% Over 10 Years)**
- 🏦 **Seasoned Branch Managers Well Known in the Community**
- 🏦 **Branches Still Matter**

# Capital Overview

## Bank Level



## Holding Company Level



- ***Tier1 Leverage ratio at the Bank reflects \$80 million in sub-debt contributed to the Bank***
- ***Above Board adopted minimum standards & well-capitalized regulatory capital standards***

# Proxy Peer Group

<u>Company Name</u>	<u>Ticker</u>	<u>Location</u>	<u>Total Assets 6/30/2016</u>
TowneBank	TOWN	Portsmouth, VA	7,940,741
Eagle Bancorp Inc	EGBN	Bethesda, MD	6,365,320
Brookline Bancorp Inc.	BRKL	Boston, MA	6,296,502
Flushing Financial Corp.	FFIC	Uniondale, NY	5,986,727
WSFS Financial Corp.*	WSFS	Wilmington, DE	5,684,994
Dime Community Bancshares Inc.	DCOM	Brooklyn, NY	5,556,197
Sandy Spring Bancorp Inc.	SASR	Olney, MD	4,739,449
Lakeland Bancorp	CFNL	McLean, VA	4,467,860
ConnectOne Bancorp, Inc.	CNOB	Englewood Cliffs, NJ	4,262,914
Cardinal Financial Corp.	CNBKA	Medford, MA	4,197,166
Century Bancorp Inc.	LBAI	Oak Ridge, NJ	4,190,312
OceanFirst Financial Corp.	WASH	Westerly, RI	4,047,493
Meridian Bancorp Inc.	EBSB	Peabody, MA	3,929,076
Washington Trust Bancorp Inc.	ORIT	Township of Washington, NJ	3,917,081
Oritani Financial Corp.	PGC	Bedminster, NJ	3,669,338
Peapack-Gladstone Financial	FLIC	Glen Head, NY	3,604,703
First of Long Island Corp.	BMTC	Bryn Mawr, PA	3,367,288
Univest Corp. of Pennsylvania	UVSP	Souderton, PA	3,107,617
Bryn Mawr Bank Corp.	OCFC	Toms River, NJ	3,090,090
Enterprise Bancorp Inc.	EBTC	Lowell, MA	2,433,053
Suffolk Bancorp	SCNB	Riverhead, NY	2,196,375
Hingham Instit. for Savings	HIFS	Hingham, MA	1,918,665

\* June 30, 2016 data is not available

# Reconciliation of GAAP to Core Results

The following tables provide a reconciliation of GAAP (As Reported) and non-GAAP (Core) financial measures. A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes or includes amounts that are required to be disclosed in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). The Company’s management believes the presentation of non-GAAP financial measures provide investors with a greater understanding of the Company’s operating results in addition to the results measured in accordance with GAAP. While management uses these non-GAAP measures in its analysis of the Company’s performance, this information should not be viewed as a substitute for financial results determined in accordance with GAAP or considered to be more information than financial results determined in accordance with GAAP.

# Reconciliation of GAAP to Core Results

## – Net Income and EPS

	Three months ended June 30,				Six months ended June 30,			
	2016		2015		2016		2015	
Net Income/Diluted Earnings Per Share - As Reported	\$ 8,854	\$ 0.50	\$ 463	\$ 0.04	\$ 17,480	\$ 0.99	\$ 5,226	\$ 0.43
Adjustments:								
Acquisition Costs	-	-	8,204	0.66	(270)	(0.01)	8,379	0.69
Amortization of Non-Compete Agreement	365	0.02	-	-	730	0.04	-	-
Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	-	-	-	-	(309)	(0.02)	-	-
Income Tax Effect of Adjustments Above	(128)	-	(2,944)	(0.24)	(53)	-	(2,995)	(0.24)
Tax Benefit Related to NYC Tax Law Change	-	-	(351)	(0.03)	-	-	(351)	(0.03)
Core Net Income/Core Diluted Earnings Per Share	<u>\$ 9,091</u>	<u>\$ 0.52</u>	<u>\$ 5,372</u>	<u>\$ 0.43</u>	<u>\$ 17,578</u>	<u>\$ 1.00</u>	<u>\$ 10,259</u>	<u>\$ 0.85</u>

# Reconciliation of GAAP to Core Results - ROA

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Return on Average Total Assets - As Reported	<b>0.91%</b>	0.07%	<b>0.91%</b>	0.44%
Acquisition Costs	<b>0.00%</b>	1.31%	<b>(0.01%)</b>	0.71%
Amortization of Non Compete Agreement	<b>0.03%</b>	0.00%	<b>0.04%</b>	0.00%
Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	<b>0.00%</b>	0.00%	<b>(0.02%)</b>	0.00%
Income Tax Effect of Adjustments Above	<b>(0.01%)</b>	(0.47%)	<b>0.00%</b>	(0.25%)
Tax Benefit Related to NYC Tax Law Change	<b>0.00%</b>	(0.05%)	<b>0.00%</b>	(0.03%)
Core Return on Average Total Assets	<b>0.93%</b>	0.86%	<b>0.92%</b>	0.87%

# Reconciliation of GAAP to Core Results - ROE

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Return on Average Stockholders' Equity - As Reported	<b>10.07%</b>	0.91%	<b>10.03%</b>	5.47%
Acquisition Costs	<b>0.00%</b>	16.04%	<b>(0.15%)</b>	8.78%
Amortization of Non Compete Agreement	<b>0.42%</b>	0.00%	<b>0.42%</b>	0.00%
Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	<b>0.00%</b>	0.00%	<b>(0.18%)</b>	0.00%
Income Tax Effect of Adjustments Above	<b>(0.15%)</b>	(5.76%)	<b>(0.03%)</b>	(3.13%)
Tax Benefit Related to NYC Tax Law Change	<b>0.00%</b>	(0.69%)	<b>0.00%</b>	(0.37%)
Core Return on Average Stockholders' Equity	<b>10.34%</b>	10.50%	<b>10.09%</b>	10.75%



# Reconciliation of GAAP to Core Results - ROTCE

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Return on Average Tangible Common Equity - As Reported	14.83%	1.02%	14.63%	5.99%
Acquisition Costs	0.00%	18.04%	(0.23%)	9.60%
Amortization of Other Intangible Assets	1.12%	0.10%	1.13%	0.11%
Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	0.00%	0.00%	(0.26%)	0.00%
Income Tax Effect of Adjustments Above	(0.39%)	(6.52%)	(0.22%)	(3.48%)
Tax Benefit Related to NYC Tax Law Change	0.00%	(0.77%)	0.00%	(0.40%)
Core Return on Average Tangible Common Equity	15.56%	11.87%	15.05%	11.82%

# Reconciliation of GAAP to Core Results

## – Efficiency Ratio

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Efficiency Ratio - As Reported	<u>58.09%</u>	<u>94.48%</u>	<u>57.08%</u>	<u>78.26%</u>
Non Interest Expense (Operating Expense) - As Reported	\$ <b>20,441</b>	\$ 22,034	\$ <b>39,348</b>	\$ 35,344
Less: Acquisition Costs	-	8,204	(270)	8,379
Less: Amortization of Other Intangible Assets	<b>672</b>	45	<b>1,348</b>	93
Less: Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	<u>-</u>	<u>-</u>	<u>(309)</u>	<u>-</u>
Core Non Interest Expense (Core Operating Expense)	\$ <b>19,769</b>	\$ 13,785	\$ <b>38,579</b>	\$ 26,872
Net Interest Income (fully taxable equivalent)	<b>30,922</b>	20,795	\$ <b>60,672</b>	\$ 39,830
Non Interest Income - As Reported	<b>4,269</b>	2,527	<b>8,264</b>	5,331
Less: Net Securities Gains (Losses)	<u>383</u>	<u>-</u>	<u>449</u>	<u>(10)</u>
Core Efficiency Ratio	<b>56.79%</b>	59.11%	<b>56.33%</b>	59.49%

# Reconciliation of GAAP to Core Results

## – Operating Expense to Average Assets

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
<b>Operating Expense as a % of Average Assets – As Reported</b>	<b>2.10%</b>	3.52%	<b>2.05%</b>	2.98%
Acquisition Costs	<b>0.00%</b>	(1.31%)	<b>0.01%</b>	(0.70%)
Amortization of Other Intangible Assets	<b>(0.07%)</b>	(0.01%)	<b>(0.07%)</b>	(0.01%)
Measurement Period Fixed Asset Adjustment <sup>(1)</sup>	<b>0.00%</b>	0.00%	<b>0.02%</b>	0.00%
<b>Core Operating Expense as a % of Average Assets</b>	<b>2.03%</b>	2.20%	<b>2.01%</b>	2.27%