



BRIDGE  
BANCORP, INC.

*Sandler East Coast Financial Services Investor Presentation  
November 10-11, 2015*

# 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 these factors in our filings with the U.S. Securities and Exchange Commission, including in the “Risk Factors” section of our 2014 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 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, securities (losses) and tax benefit. Reconciliations to comparable GAAP financial measures can be found in the Appendix section of this presentation.

# 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 \$2.3 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*

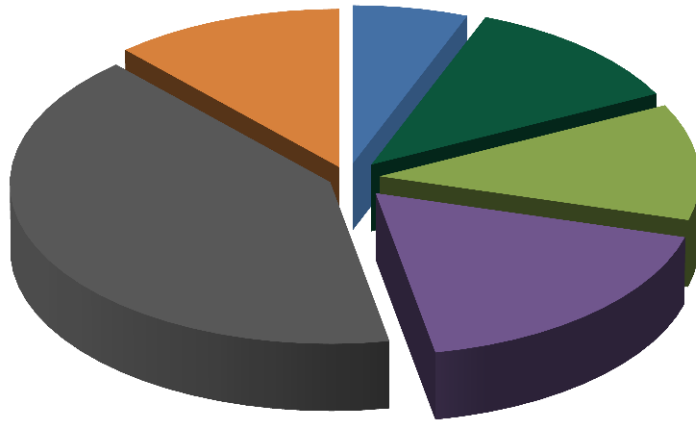
**Each with Over 25 Years of Financial Services Experience**

## Continue to hire Experienced Professionals commensurate with size & complexity of Company

- *Revenue Producers, Compliance & Operational Positions*

# Where Do Our Bankers Come From?

## Recent Business Development Additions



■ Bank of America  
■ Chase  
■ North Fork /Cap One

■ Bank of New York  
■ HSBC  
■ Suffolk County National Bank

 **22 Years Average Banking Experience**

 **NYC Team Leader – Chase Credit Trained; Grew our NY LPO to \$100 million in Loans**

 **Strong Core of Former North Fork Bankers**

# Strategic Objectives

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

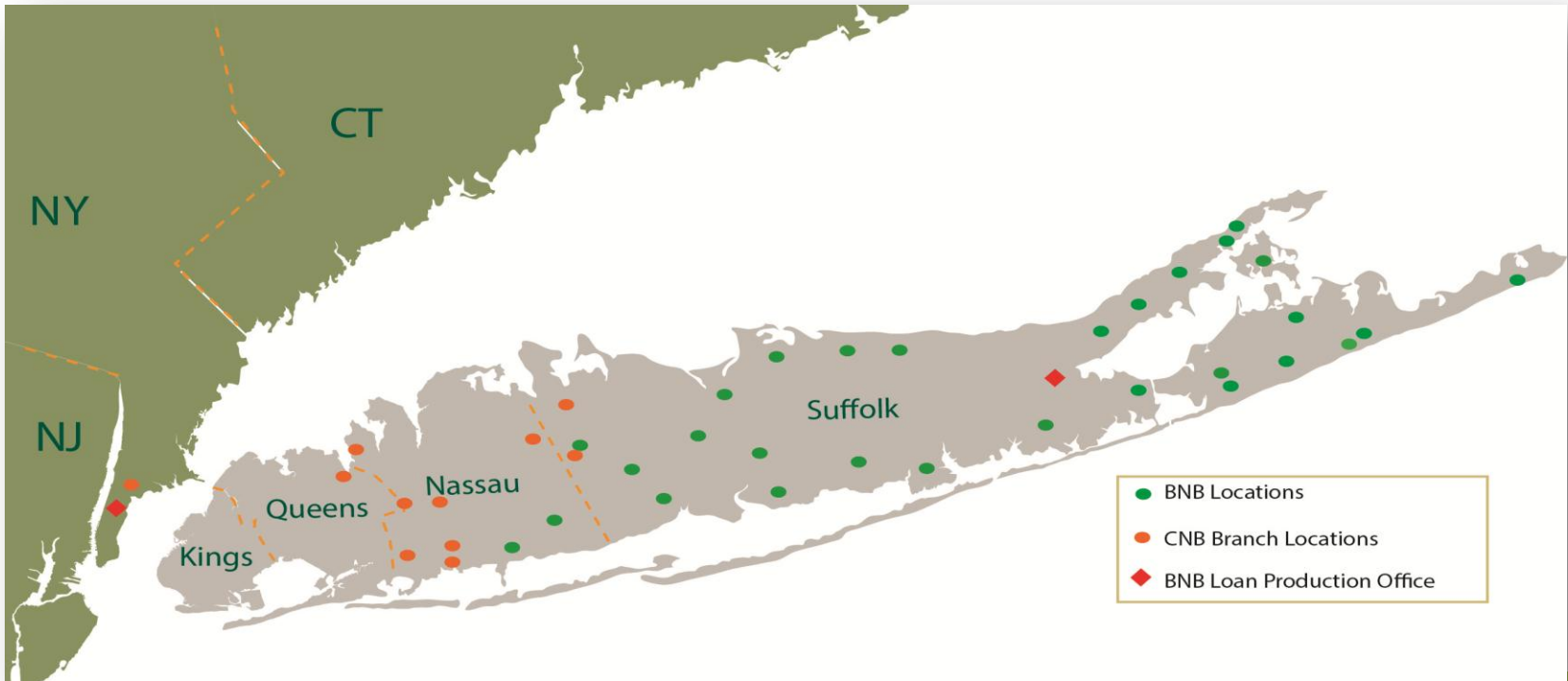
*“Execute Our Mission & Deliver Results”*

# Current Franchise

🏢 **Headquarters:** Bridgehampton  
🏢 **Chartered:** 1910  
🏢 **FT Employees:** 436  
🏢 **Branches:** 40  
🏢 **Nasdaq/Russell 2000** BDGE

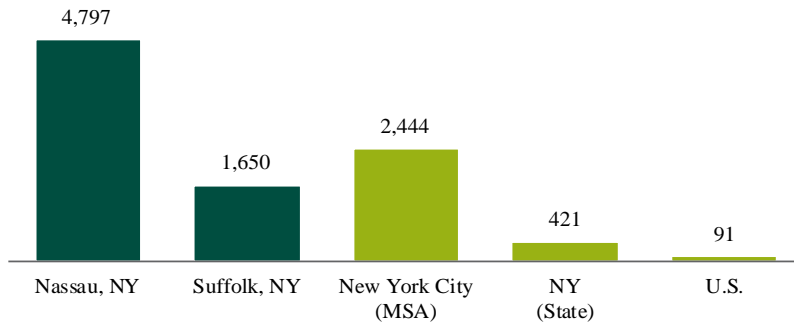
September 30, 2015

🏢 **Assets:** \$3.5 billion  
🏢 **Loans:** \$2.3 billion  
🏢 **Deposits:** \$2.9 billion  
🏢 **Market Cap:** \$534 million <sup>(1)</sup>

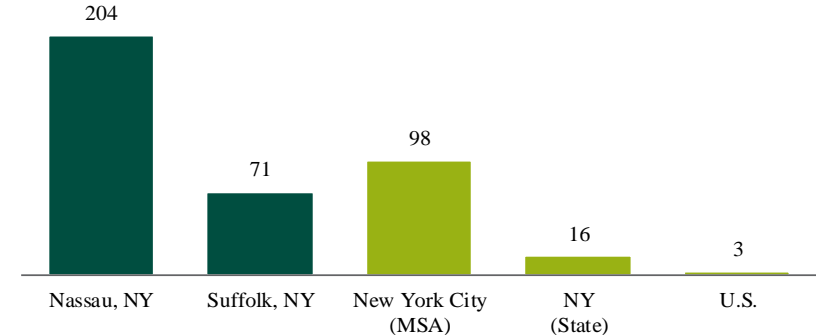


# Favorable Long Island Demographics

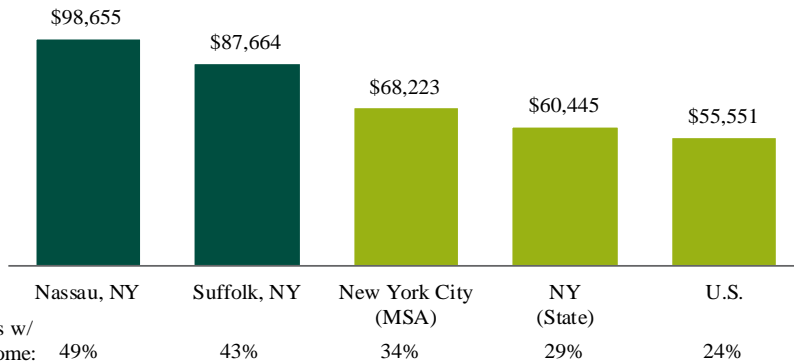
Population Density <sup>1</sup>



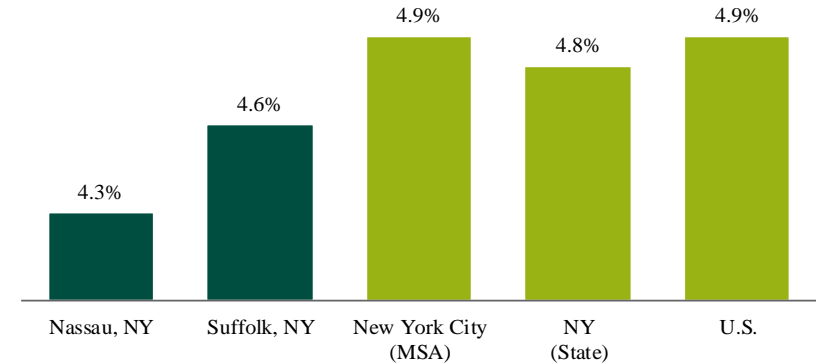
Businesses per Square Mile



Median Household Income



Unemployment Rate <sup>2</sup>



Source: SNL Financial and Nielsen estimates for 2016.

(1) Population density calculated as number of people per square mile.

(2) Data as of September 2015.



# Community National Bank (CNB) Acquisition

## Strategic Rationale for Acquisition

- ***Created #1 REAL Community Bank Headquartered on LI with \$3.5 billion in Assets***
  - Top 5 deposit market share<sup>1</sup> with combined 40 branch network
  - Diversified \$750 million Loan Portfolio with \$800 million in Low Cost Deposit Base
- ***Continue Geographic Expansion into Highly Attractive Markets***
  - Complementing organic push westward
- ***Increased Size and Scale, and Enhanced Operating Leverage & Profitability***
  - Accretive to Earnings with Expected Cost Saves Achieved
- ***Excess Liquidity & Higher Lending Limits Provide Additional Growth Potential***
  - Service Larger Customers & Expand Existing Relationships

# Opportunities For 2016 & Beyond

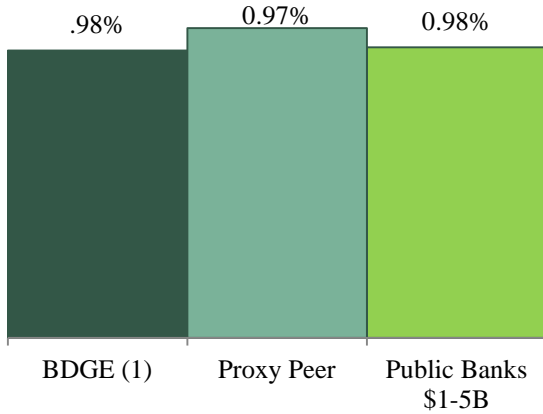
- 🚢 **Hired Equipment Finance Team**
  - *Diversifies loan portfolio with higher yielding assets*
- 🚢 **Hired experienced Wealth Management Executive**
  - *Expands reach into newly acquired markets*
- 🚢 **Expand SBA and Residential Lending Platforms**
  - *Leverage Branch Footprint*
- 🚢 **NYCB acquisition of Astoria**
  - *Disruption in Long Island Markets – Customers & employees*
  - *Branch Closures anticipated in Overlapping Markets*
    - *Evaluate branch location/managers & staff*
- 🚢 **Execute on “Believe in Beyond”**

# Strategies & Accomplishments – Q3 2015

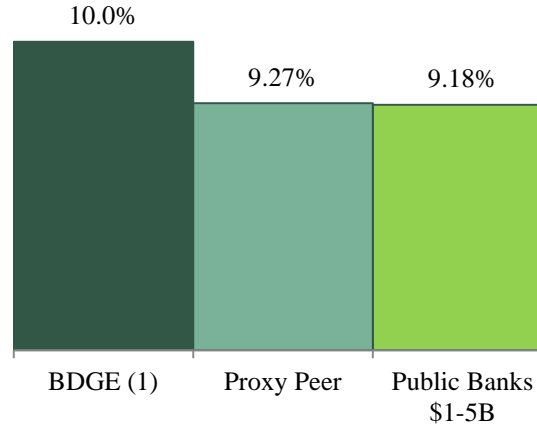
- 🏛️ **Core Net Income of \$8.5 million or \$.49 Per Share**
  - *Core ROA .98%; Core ROE 10.00%; and Core ROTE 14.78%*
- 🏛️ **Record Net Interest Income \$29.1 million**
  - *Net Interest Margin 3.71%*
- 🏛️ **Loan Growth of \$1.1 billion**
  - *85% Higher Than a Year Ago (Organic growth of 28%)*
- 🏛️ **Deposits of \$2.9 billion**
  - *61% Higher Than a Year Ago (Organic growth of 19%)*
- 🏛️ **Issued \$80 million in Subordinated Debentures**
  - *Tangible Book Value of \$13.58/Share*

# September 2015 QTR Performance vs Peers

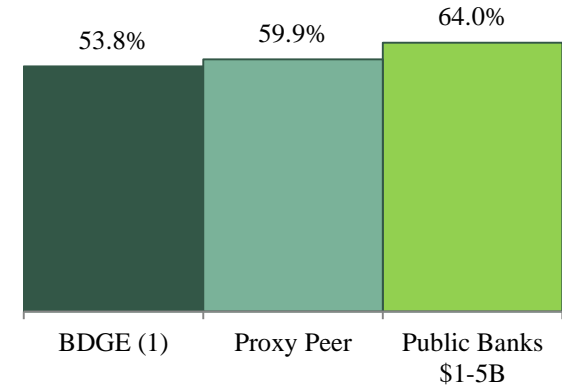
## Return on Average Assets



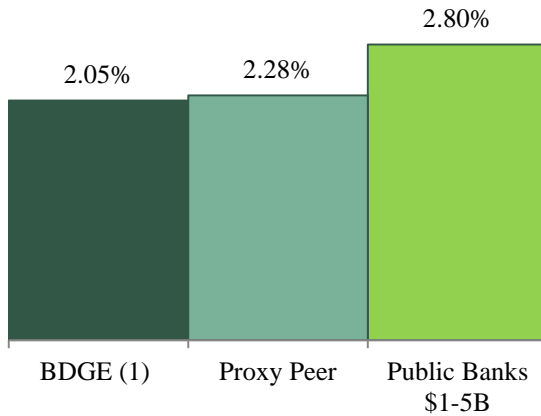
## Return on Average Equity



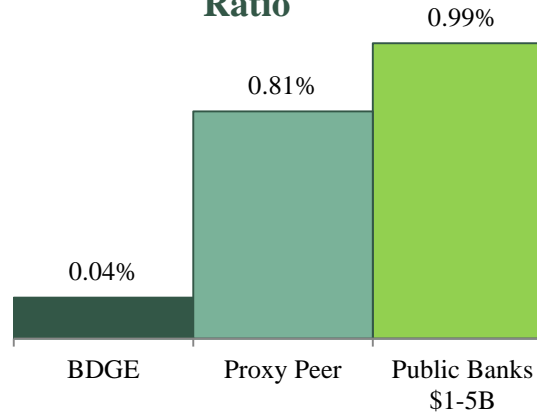
## Efficiency Ratio



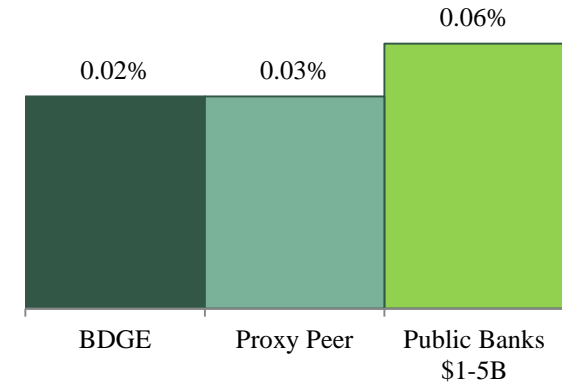
## Expenses to Average Assets



## Non Performing Assets Ratio



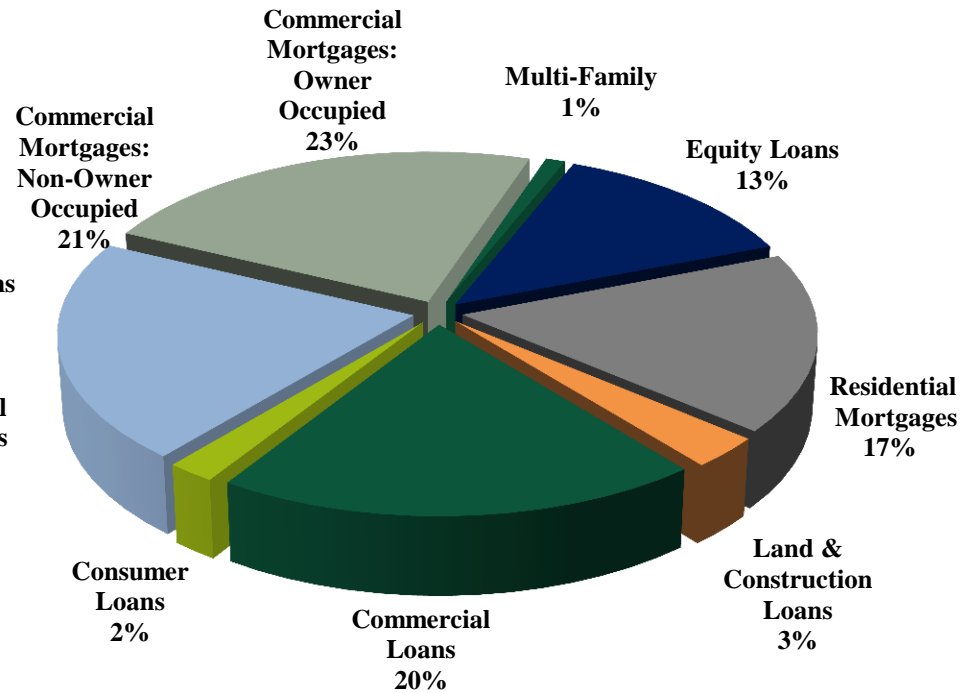
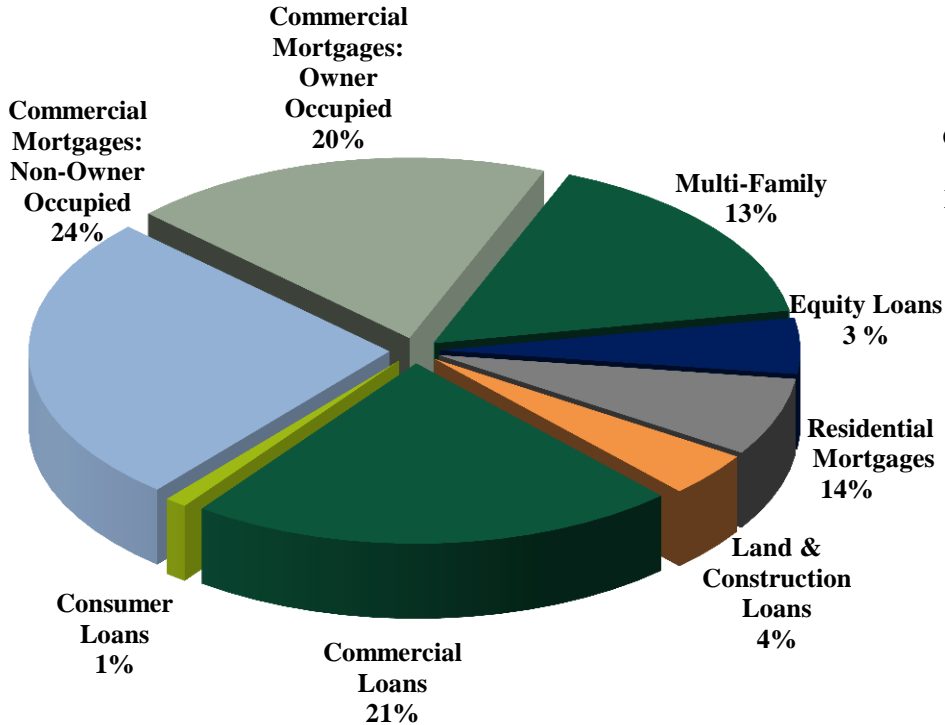
## Net Charge Offs



# Diversified Loan Composition

*As of September 30, 2015*

*As of September 30, 2010*



**\$2.3 Billion in Total Loans as of September 30, 2015 with an Average Yield of 4.81%.**

# Taxi Medallions

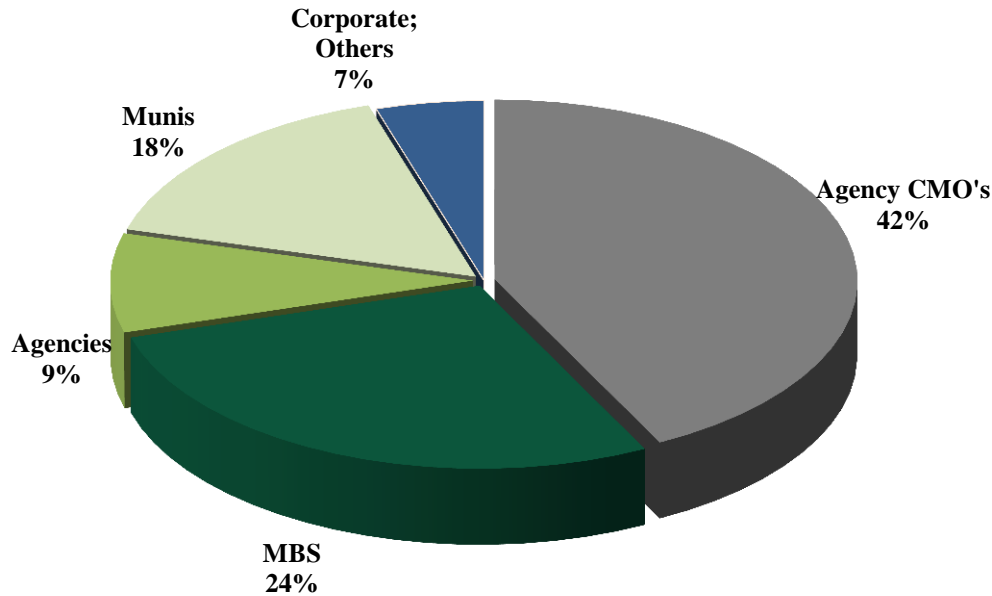
- **Total exposure of \$33 million is exclusively first lien direct obligations of Medallion Owners, with 99% Fleet Medallion Owners representing just 1.44% of total loans and 9.95% of Bank's tier 2 capital.**
- **No new originations planned and we anticipate our exposure and concentration levels to 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 September 30, 2015, the Taxi Medallion portfolio is 100% current.**
- **The most recent transaction in September 2015 indicates a market value of \$805,000 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 63%.**
- **Approximately 35% of the Portfolio comes due during the remainder of 2015 and 22% in 2016**
- **Our intention is to work with Medallion Owners who may be unable to refinance existing notes away from the Bank.**

# Asset Quality Ratios


	ALLL/Total Loans*	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans	ALLL/NPLs
<b><u>Historical</u></b>				
12/31/2010	1.69%	1.33%	0.22%	126%
12/31/2011	1.87%	0.68%	0.28%	261%
12/31/2012	1.81%	0.41%	0.21%	439%
12/31/2013	1.58%	0.38%	0.09%	419%
12/31/2014	1.39%	0.09%	0.05%	1466%
<b><u>Current</u></b>				
9/30/2015	1.30%	0.06%	0.03%	1444%
<b><u>Proxy Peer Group Median</u></b>				
9/30/2015	0.99%	0.77%	0.04%	101%

# Conservative Securities Portfolio

September 30, 2015



 **\$858 Million in Securities**

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

 **Effective Portfolio Duration is 3.46 Years**



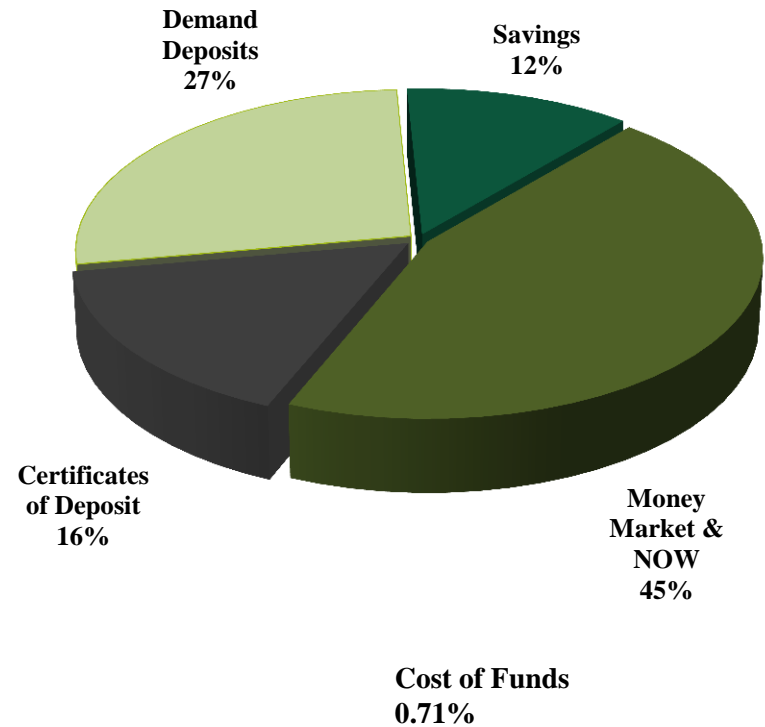
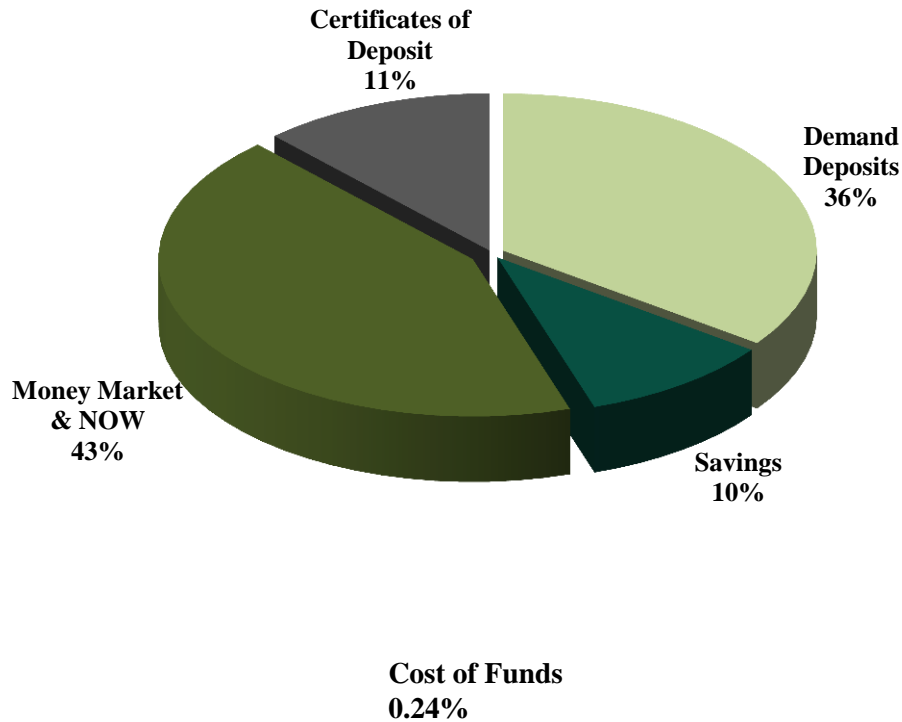
# Exposure to Interest Rate Risk

Interest Rate Risk	<u>9/30/15</u>	<u>6/30/15</u>	<u>9/30/14</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	-3.6%	-5.1%	-6.3%
<b>Year 2 NII (% Change from Year 1 – Base)</b> Up 200 BP	-2.2%	-4.9%	-8.3%

# Deposit Profile

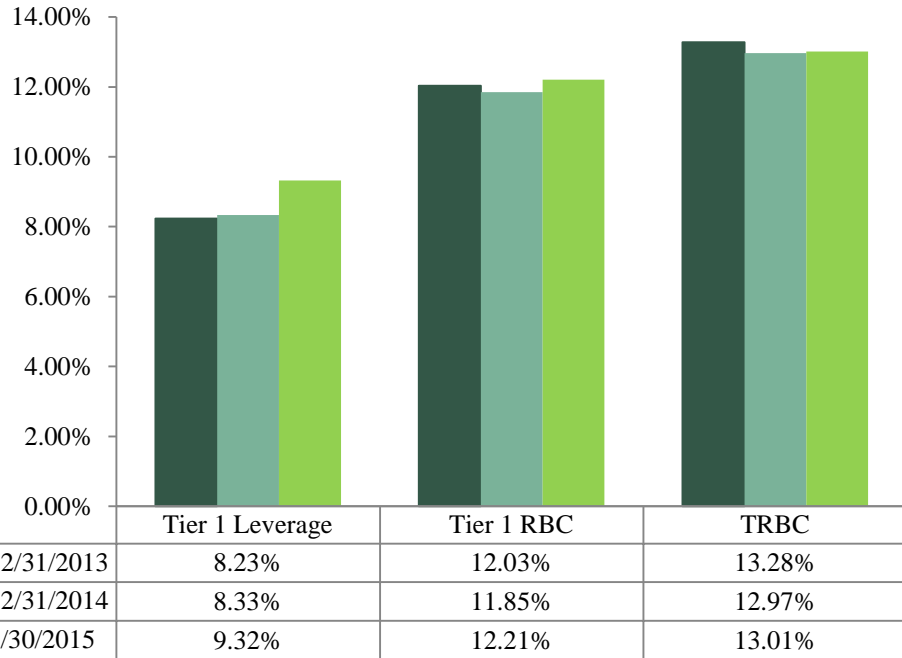
September 30, 2015

September 30, 2010

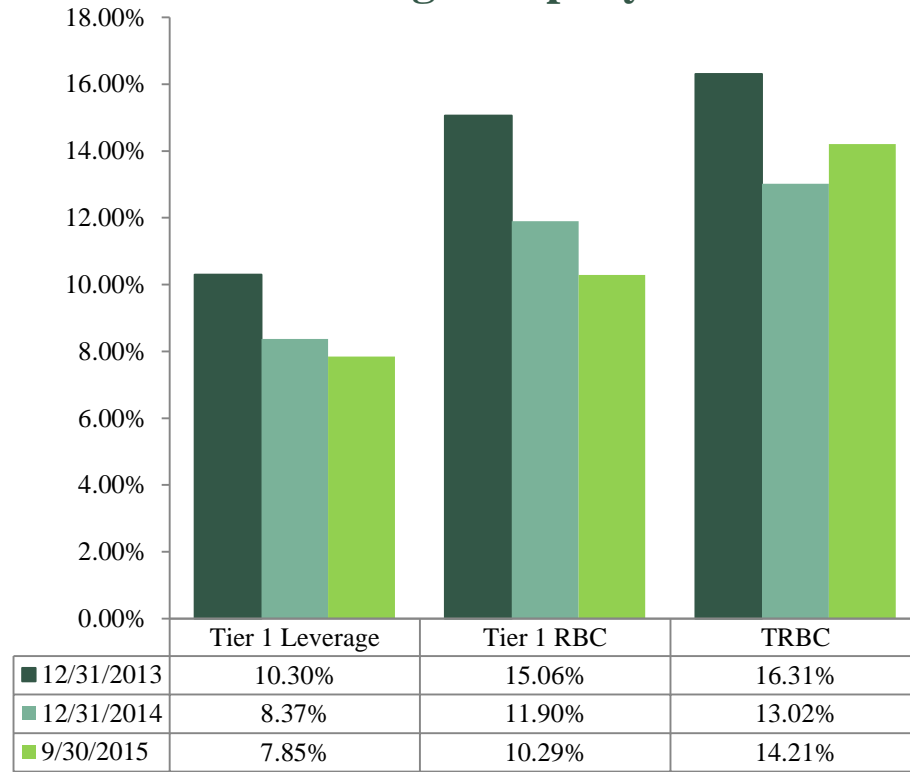


# Capital Overview

## Bank Level



## Holding Company Level



- ***Tier1 Leverage ratio at the Bank reflects \$50 million of the \$80 million in sub-debt contributed to the Bank.***
- ***Above Board adopted minimum standards & well-capitalized regulatory capital standards***

# Sub-Debt Issuance

- 🚢 **\$80 million raised September 21, 2015:**
  - *\$40 million – 15 years (Non-call 10 years) 5.75%*
  - *\$40 million – 10 years (Non-call 5 years) 5.25%*
- 🚢 **\$50 million contribution to Bank Capital or 200 bpts in Capital**
- 🚢 **Retain \$30 million at Holding Company providing 6 quarters of liquidity**
- 🚢 **Bank Dividend Capacity of \$32.7 million at September 30, 2015**

# 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

# Proxy Peer Group

<u>Company Name</u>	<u>Ticker</u>	<u>Location</u>	<u>Total Assets 9/30/15</u>
TowneBank	TOWN	Portsmouth, VA	6,173,891
Eagle Bancorp Inc.	EGBN	Bethesda, MD	5,888,958
Brookline Bancorp Inc.	BRKL	Boston, MA	5,839,529
Flushing Financial Corp.	FFIC	Uniondale, NY	5,502,075
WSFS Financial Corp.	WSFS	Wilmington, DE	5,067,942
Dime Community Bancshares Inc.	DCOM	Brooklyn, NY	4,832,492
Sandy Spring Bancorp Inc.	SASR	Olney, MD	4,611,034
Cardinal Financial Corp.	CFNL	McLean, VA	3,881,736
Century Bancorp Inc.	CNBKA	Medford, MA	3,856,407
ConnectOne Bancorp, Inc.	CNOB	Englewood Cliffs, NJ	3,838,253
Lakeland Bancorp	LBAI	Oak Ridge, NJ	3,743,100
Washington Trust Bancorp Inc.	WASH	Westerly, RI	3,674,836
Meridian Bancorp Inc.	EBSB	Peabody, MA	3,375,848
Oritani Financial Corp.	ORIT	Township of Washington, NJ	3,348,652
Peapack-Gladstone Financial	PGC	Bedminster, NJ	3,268,963
First of Long Island Corp.	FLIC	Glen Head, NY	2,993,170
Bryn Mawr Bank Corp.	BMTC	Bryn Mawr, PA	2,952,742
Univest Corp. of Pennsylvania	UVSP	Souderton, PA	2,851,568
OceanFirst Financial Corp.	OCFC	Toms River, NJ	2,557,898
Enterprise Bancorp Inc.	EBTC	Lowell, MA	2,195,314
Suffolk Bancorp	SUBK	Riverhead, NY	2,066,844
Hingham Instit. for Savings	HIFS	Hingham, MA	1,690,959

# 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				Nine Months Ended			
	September 30,				September 30,			
	2015		2014		2015		2014	
<b>Net Income/Diluted Earnings Per Share – As Reported</b>	\$ 7,890	\$0.45	\$ 4,871	\$ 0.42	\$ 13,116	\$ 0.94	\$ 9,595	\$ .83
Adjustments:								
Acquisition Costs and Branch Restructuring, Net of Income Taxes	579	0.04	-	-	5,963	0.43	3,082	0.27
Non Compete Agreement, Net of Income Taxes	233	0.01	-	-	233	0.02	-	-
Net Securities (Gains) Losses, Net of Income Taxes	-	-	(6)	-	6	-	727	0.06
Tax Benefit Related to NYC Tax Law Change	-	-	-	-	(351)	(0.03)	-	-
(Gain)/loss on sale of loans	(179)	(0.01)	-	-	(179)	(0.01)	-	-
<b>Core Net Income/Diluted Earnings Per Share</b>	<b>\$ 8,523</b>	<b>\$ 0.49</b>	<b>\$ 4,865</b>	<b>\$ 0.42</b>	<b>\$ 18,788</b>	<b>\$ 1.35</b>	<b>\$13,404</b>	<b>\$ 1.16</b>

# Reconciliation of GAAP to Core Results - ROA

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Return on Average Total Assets - As Reported</b>	<b>0.91%</b>	0.89%	<b>0.64%</b>	0.61%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	<b>0.06%</b>	0.00%	<b>0.29%</b>	0.19%
Non Compete Agreement, Net of Income Taxes	<b>0.03%</b>	0.00%	<b>0.01%</b>	0.00%
Net Securities Losses, Net of Income Taxes	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.05%
Tax Benefit Related to NYC Tax Law Change	<b>0.00%</b>	0.00%	<b>(0.02%)</b>	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	<b>(0.02%)</b>	0.00%	<b>(0.01%)</b>	0.00%
<b>Core Return on Average Total Assets</b>	<b>0.98%</b>	0.89%	<b>0.91%</b>	0.85%

# Reconciliation of GAAP to Core Results - ROE

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Return on Average Stockholders' Equity - As Reported</b>	<b>9.25%</b>	10.83%	<b>7.26%</b>	7.27%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	<b>0.68%</b>	0.00%	<b>3.30%</b>	2.34%
Non-Compete Agreement, Net of Income Taxes	<b>0.28%</b>	0.00%	<b>0.13%</b>	0.00%
Net Securities (Gains) Losses, Net of Income Taxes	<b>0.00%</b>	(0.01%)	<b>0.00%</b>	0.55%
Tax Benefit Related to NYC Tax Law Change	<b>0.00%</b>	0.00%	<b>(0.19%)</b>	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	<b>(0.21%)</b>	0.00%	<b>(0.10%)</b>	0.00%
<b>Core Return on Average Stockholders' Equity</b>	<b>10.00%</b>	10.82%	<b>10.40%</b>	10.16%

# Reconciliation of GAAP to Core Results - ROTCE

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Return on Average Tangible Common Equity - As Reported</b>	<b>13.37%</b>	11.65%	<b>8.97%</b>	7.73%
Acquisition Costs and Branch Restructuring, Net of Income Taxes	<b>0.98%</b>	0.00%	<b>4.07%</b>	2.48%
Amortization of Other Intangible Assets, Net of Income Taxes	<b>0.73%</b>	0.15%	<b>0.34%</b>	0.13%
Net Securities (Gains) Losses, Net of Income Taxes	<b>0.00%</b>	(0.01%)	<b>0.00%</b>	0.59%
Tax Benefit Related to NYC Tax Law Change	<b>0.00%</b>	0.00%	<b>(0.24%)</b>	0.00%
Net Gain on Sale of Loans, Net of Income Taxes	<b>(0.30%)</b>	0.00%	<b>(0.12%)</b>	0.00%
<b>Core Return on Average Tangible Common Equity</b>	<b>14.78%</b>	11.79%	<b>13.02%</b>	10.93%

# Reconciliation of GAAP to Core Results

## – Efficiency Ratio

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>Efficiency Ratio - As Reported</b>	<b>58.12%</b>	60.04%	<b>69.71%</b>	69.85%
Non Interest Expense	\$ 19,373	\$ 12,094	\$ 54,717	\$ 39,231
Less: Acquisition Costs and Branch Restructuring	904	-	9,283	4,734
Less: Amortization of Other Intangible Assets	677	96	770	250
Non Interest Expense excl. Adjustments	\$ 17,792	\$ 11,998	\$ 44,664	\$ 34,247
Net Interest Income (fully taxable equivalent)	29,408	17,581	69,237	50,511
Non Interest Income	3,926	2,562	9,257	5,656
Less: Net Securities Gains (Losses) and Net Gain on Sale of Loans	279	9	269	(1,119)
Total Revenues excl. Adjustments	\$ 33,055	\$ 20,134	\$ 78,225	\$ 57,286
<b>Core Efficiency Ratio</b>	<b>53.83%</b>	59.59%	<b>57.10%</b>	59.78%

# Reconciliation of GAAP to Core Results

## – Operating Expense to Average Assets

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Operating Expense as a % of Average Assets - As Reported</b>	<b>2.23%</b>	2.21%	<b>2.66%</b>	2.50%
Acquisition Costs and Branch Restructuring	<b>(0.10%)</b>	0.00%	<b>(0.45%)</b>	(0.30%)
Amortization of Other Intangible Assets	<b>(0.08%)</b>	(0.02%)	<b>(0.04%)</b>	(0.02%)
<b>Core Operating Expense as a % of Average Assets</b>	<b>2.05%</b>	2.19%	<b>2.17%</b>	2.18%