



BRIDGE
BANCORP, INC.

*Investor Presentation
February 5-7, 2018*

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.

Such forward-looking statements, in addition to historical information, involve risk and uncertainties, and are based on the beliefs, assumptions and expectations of management of the Company. Words such as “expects,” “believes,” “should,” “plans,” “anticipates,” “will,” “potential,” “could,” “intend,” “may,” “outlook,” “predict,” “project,” “would,” “estimated,” “assumes,” “likely,” and variations of such similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements include, but are not limited to, possible or assumed estimates with respect to the financial condition, expected or anticipated revenue, and results of operations and business of the Company, including earnings growth; revenue growth in retail banking lending and other areas; origination volume in the consumer, commercial and other lending businesses; current and future capital management programs; non-interest income levels, including fees from the title abstract subsidiary and banking services as well as product sales; tangible capital generation; market share; expense levels; and other business operations and strategies. For this presentation, the Company claims the protection of the safe harbor for forward-looking statements contained in the PSLRA.

Factors that could cause future results to vary from current management expectations include, but are not limited to, changing economic conditions; legislative and regulatory changes, including increases in FDIC insurance rates; monetary and fiscal policies of the federal government; changes in tax policies; rates and regulations of federal, state and local tax authorities; changes in interest rates; deposit flows; the cost of funds; demands for loan products; demand for financial services; competition; changes in the quality and composition of the Bank’s loan and investment portfolios; changes in management’s business strategies; changes in accounting principles, policies or guidelines; changes in real estate values; an unexpected increase in operating costs; expanded regulatory requirements as a result of the Dodd-Frank Act; and other risk factors discussed elsewhere, and in our reports filed with the Securities and Exchange Commission. The forward-looking statements are made as of the date of this report, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

Mission Statement

*To Be the Preeminent Community
Bank in Our Markets, Providing
Added Value and Superior
Customer Service.*

Investment Thesis/Rationale



Unique Franchise in attractive markets

\$4.4 billion community bank operating in 45 locations

\$1 trillion+ deposit marketplace with above-average household income



Strong Core Funding: 40% Demand Deposits

14% Annual Retail Deposit Growth

0.37% Cost of Funds

93% Loan-to-Deposit ratio



Well Positioned for Higher Rates

Active Management of IRR



Thoughtful Strategic Vision

Disciplined M&A + Strong Organic Growth



Careful Stewards of Capital

6.0% Insider Ownership

\$0.63 of growth in 1-year TBV/share to \$16.14



Experienced Management Team

SVP & Above with Average 20+ years of experience

Profile - Current Franchise

- **Assets:** \$4.4 billion
- **Loans:** \$3.1 billion
- **Deposits:** \$3.3 billion
- **Market Cap:** \$666 million⁽¹⁾
- **Branches:** 45⁽²⁾
- **FTE:** 480



⁽¹⁾ As of February 1, 2018, Stock Price of \$33.80/share and 19.7M common shares outstanding.

⁽²⁾ As of February 16, 2018, franchise will consist of 39 branches as a result of 6 previously announced branch closures.

Q4 2017 - Summary

 **Net Interest Income \$33.6 million**

Net Interest Margin 3.36%

 **Loans of \$3.1 billion**

\$181 million or 25% Annualized Growth

 **Deposits of \$3.3 billion**

\$131 million or 16% Annualized Growth

40% Demand Deposits

 **Net Loss of \$6.9 million or \$.35 Per Diluted Share**

Charge of \$7.6 million related to change in net deferred tax asset value as a result of the Tax Act

Charge of \$5.2 million related to restructuring costs

Quarterly Net Income of \$5.9 million excluding Tax Act and restructuring cost impact

 **Continued to Create Value to Shareholders (Tangible Book Value)**

+ \$.63 to \$16.14 compared to 12/31/16

2017 Recap

	Target	Actual
Loans	<ul style="list-style-type: none"> 13% - 15% growth ~\$400 million increase 	<ul style="list-style-type: none"> 19% growth \$502 million increase
Deposits	<ul style="list-style-type: none"> 13% - 15% growth ~\$400 million increase 	<ul style="list-style-type: none"> 14% growth \$409 million increase
Net Interest Income	<ul style="list-style-type: none"> 8% - 10% growth ~\$130 million total 	<ul style="list-style-type: none"> 5% growth \$127 million total
Non-Interest Income	<ul style="list-style-type: none"> 7% - 9% growth ~\$17 million total 	<ul style="list-style-type: none"> 13% growth \$18.1 million total
Non-interest expense	<ul style="list-style-type: none"> ~\$84 million total 	<ul style="list-style-type: none"> \$83.7 million total¹
Credit	<ul style="list-style-type: none"> Provision of \$4.4 million Allowance/Total Loans of 1.01% 	<ul style="list-style-type: none"> Provision of \$14.1 million Allowance/Total Loans of 1.02%
Capital	<ul style="list-style-type: none"> Tier 1 Bank Leverage Ratio of 9.68% 	<ul style="list-style-type: none"> Tier 1 Bank Leverage Ratio of 9.58%

2018 Outlook

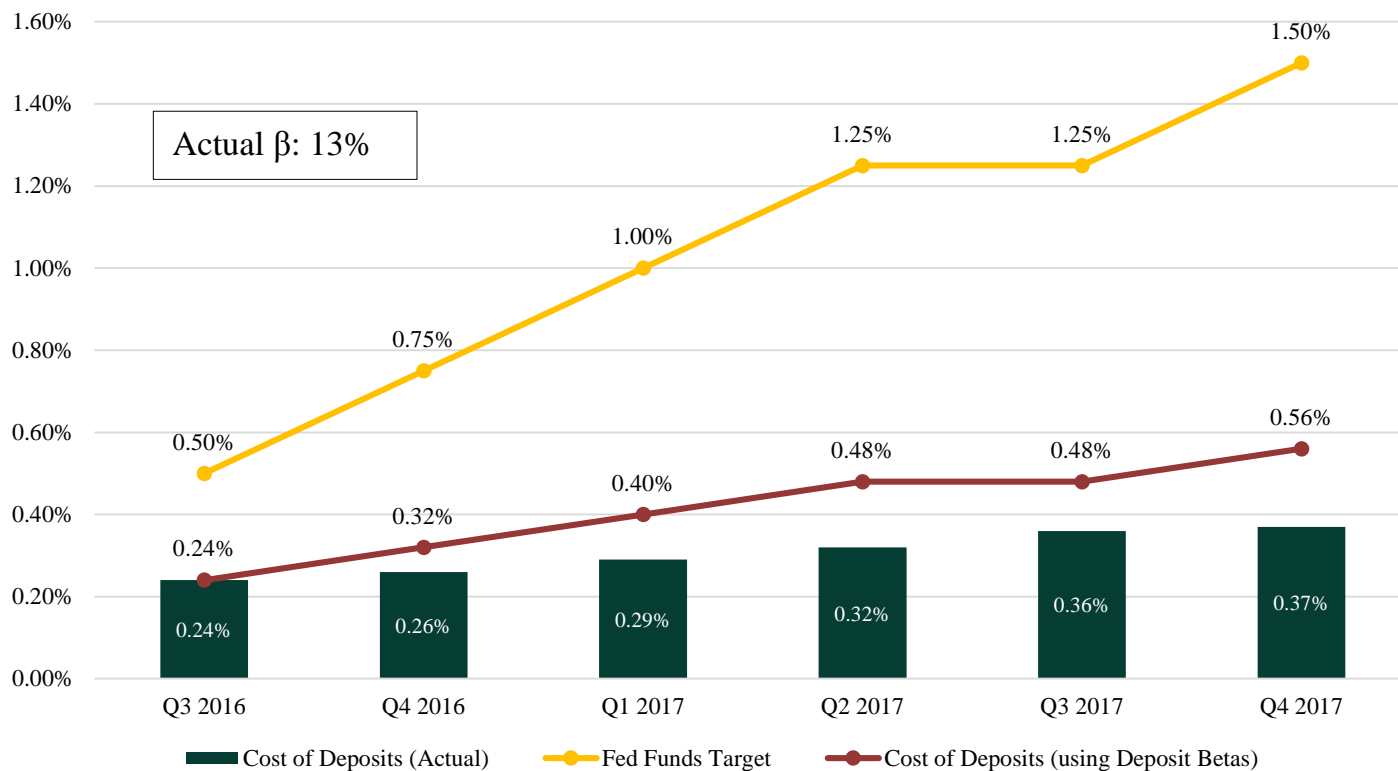
Measure	Target	Comments
Loan Growth	9% - 11%	<ul style="list-style-type: none"> Grow Loans ~\$310 million through a combination of current offerings
Deposit Growth	13% - 15%	<ul style="list-style-type: none"> Grow Deposits ~\$470 million through organic DDA and MMA expansion as well as new deposit initiatives
Loans to Deposits	90% - 95%	<ul style="list-style-type: none"> Balance growth of lending through deposit activity Consistently favorable loans to deposits ratio relative to peers
Net Interest Margin	3.18% - 3.23%	<ul style="list-style-type: none"> Continued NIM compression expected Budgeted 2 Yr. - 10 Yr. Treasury spread of 0.39% at December 2018
Non-Interest Income	5% - 7%	<ul style="list-style-type: none"> Led by continued growth of swap, gain on sale of SBA loans and title fee income
Effective Tax Rate	23%	<ul style="list-style-type: none"> Reinvestment of tax savings back into company by raising minimum wage to \$15/hr., effectively providing raises to 20% of BNB Bank workforce.
Non-Interest Expense	\$85 - \$88 million	<ul style="list-style-type: none"> Continued improvement of expenses to assets Target 1.85%

2018 Outlook

Theme	Comments
Deposit & Loan Pricing	<ul style="list-style-type: none">Well-positioned for higher rates through active management of IRRDeposit initiatives aligned with rising rate environmentMulti-Family loan pricing rationalization
Credit	<ul style="list-style-type: none">Enhanced portfolio analysis as a result of Q4 2017 resultsReorganization of business lines based on customers vs. geographyUnderwriting function centralized under newly created Chief Credit Officer roleCentralized review of contractors
Taxi Medallions	<ul style="list-style-type: none">Total Exposure of \$24.6 million at December 31, 20170.79% of Total LoansReserves of \$2.4 million
Expense Control	<ul style="list-style-type: none">Savings from branch closuresRationalization of compliance costsIncrease Avg. Assets/Avg. FTE 14% to \$9.8 million

Conservative Deposit Pricing Model

Funding Beta Analysis (β)



Exposure to Interest Rate Risk

Interest Rate Risk	12/31/2017	9/30/2017	12/31/2016
--------------------	------------	-----------	------------

Earnings at Risk (Max.)

Pct (%) Change in Net Interest Income with
+200 bps ramp (12 Mths)

Year 1 NII (% Change from Year 1 – Base)

Up 200 BP

-3.5% -4.8% -6.5%

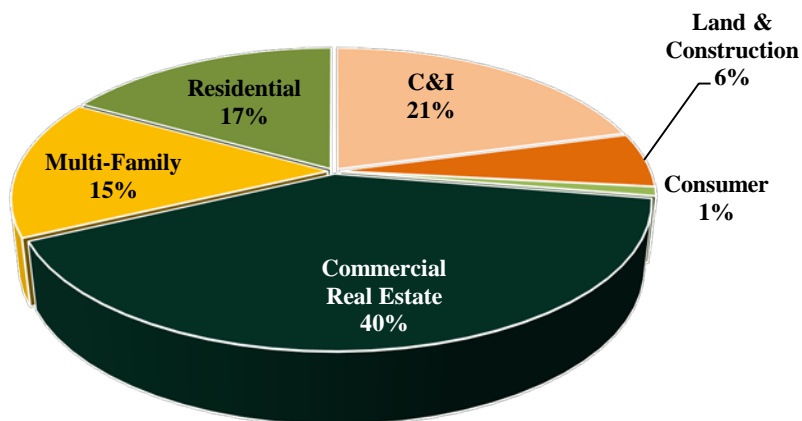
Year 2 NII (% Change from Year 1 – Base)

Up 200 BP

2.4% 0.1% -6.1%

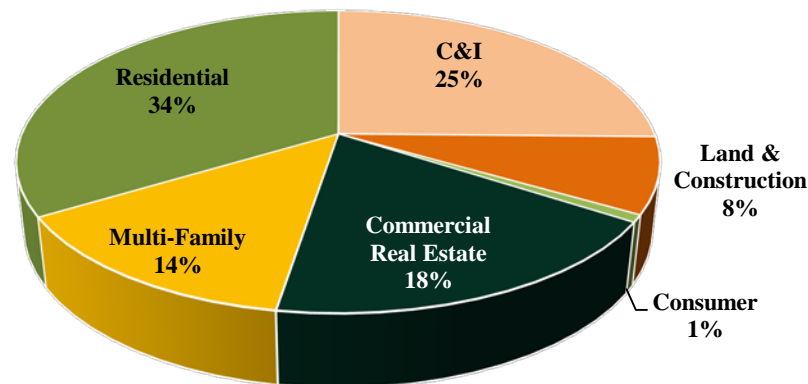
2017 Loan Growth Trend

Full Year



\$502 million growth for the full year 2017

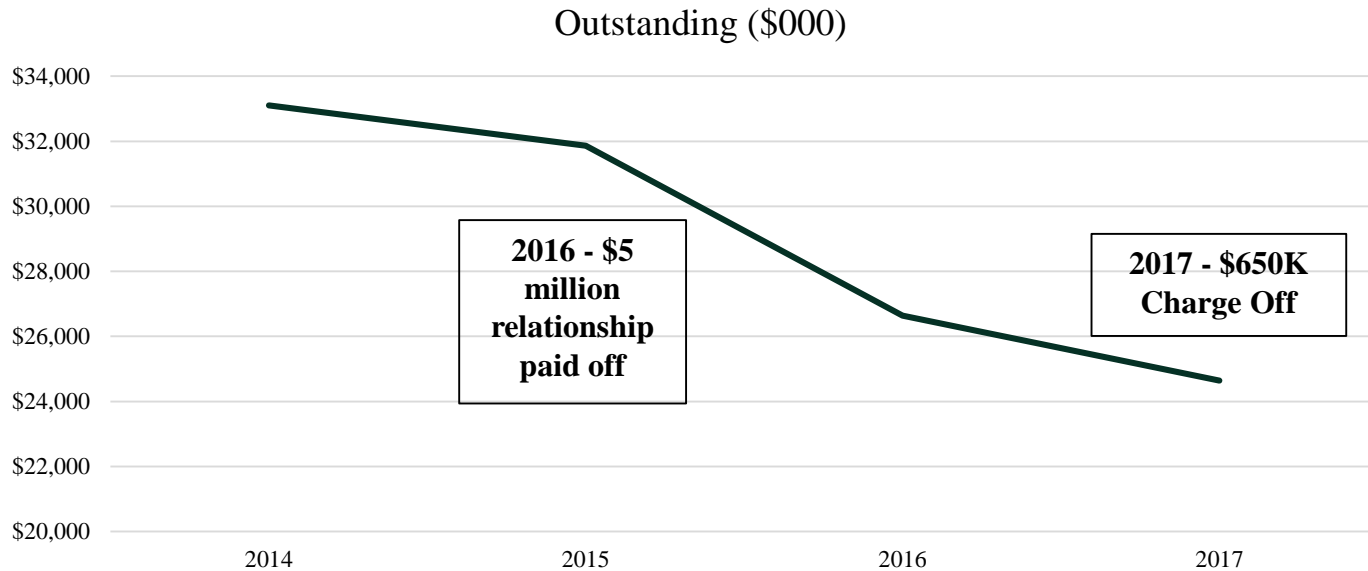
4th Quarter



\$181 million growth in Q4 2017

Significant traction in Residential and C&I markets heading into 2018

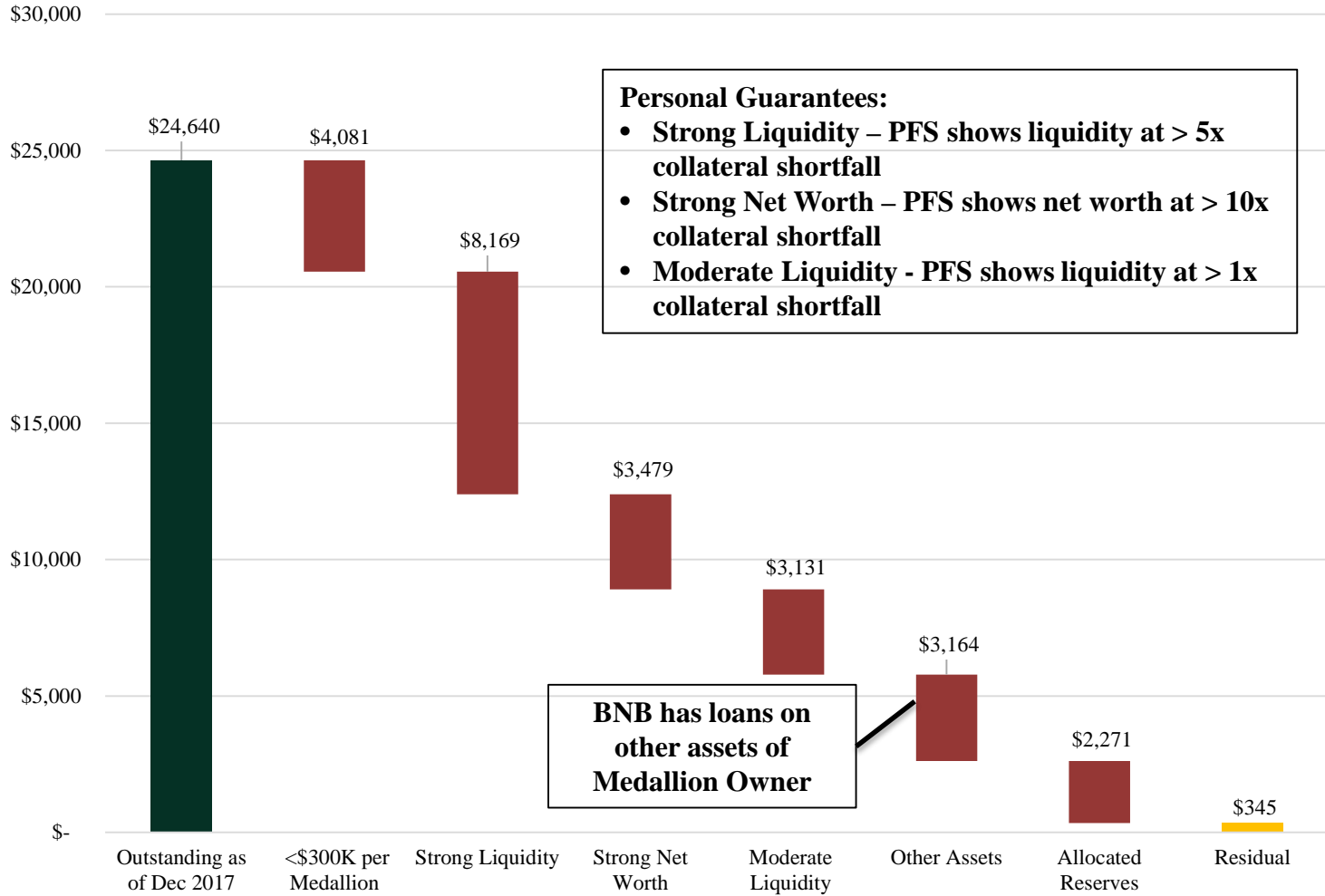
Taxi Medallions



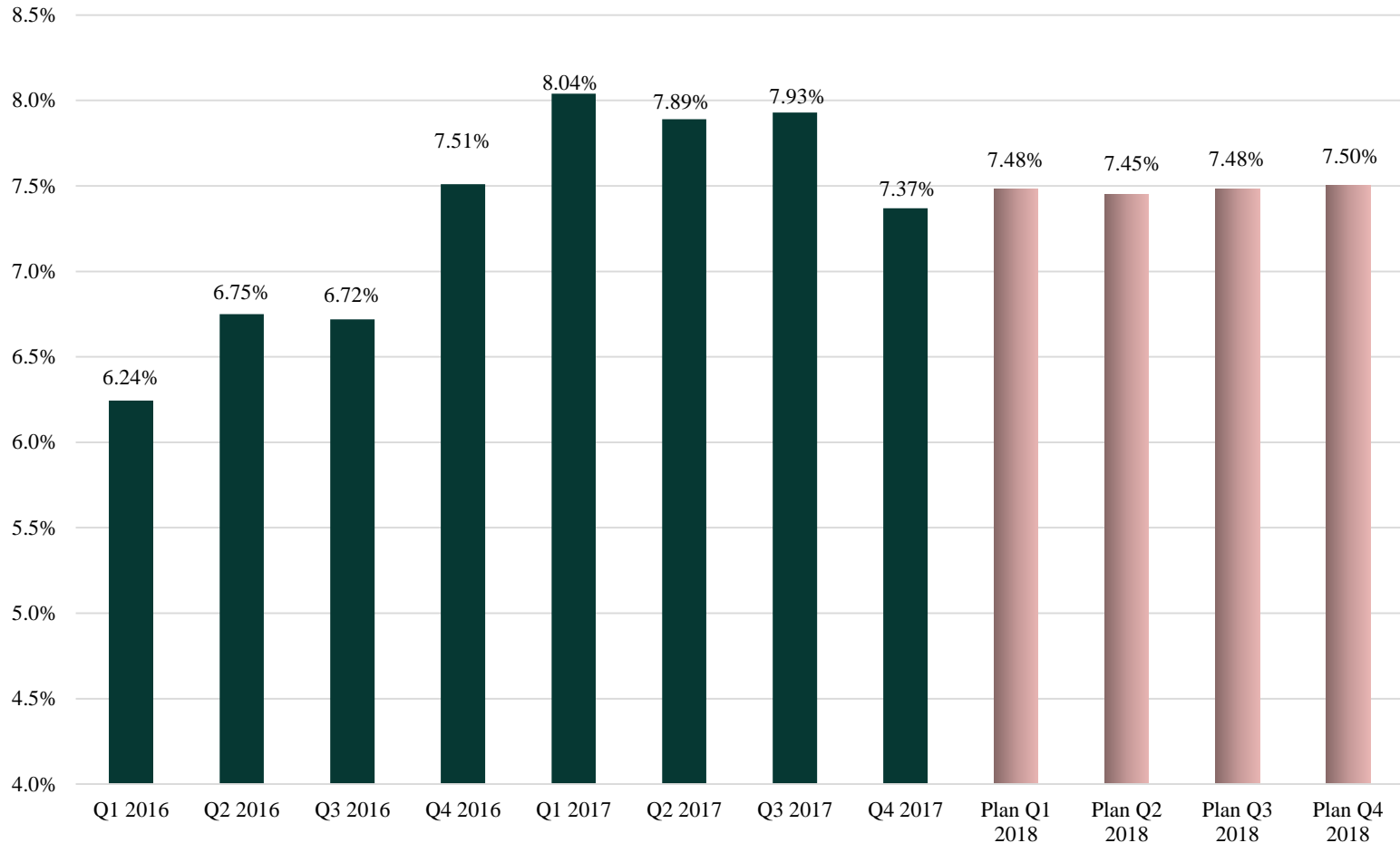
- 📍 All Medallion loans save one are paying as agreed
- 📍 Heightened monitoring of financial health of guarantors – Annual Personal Financial Statements (PFS)
- 📍 Only 1 individual owner/operator medallion - \$229K
- 📍 All loans amortizing
- 📍 Paydowns of \$50K - \$300K made as loans renew – Designated as TDRs
- 📍 Total of 52 medallions

Taxi Medallions

Alternate Sources of Repayment (\$000)



Tangible Common Equity



Summary

Strong & Consistent Financial Performance

Solid trend despite noisy 4Q 2017

Outstanding Asset Quality and Balance Sheet Flexibility

Superior Franchise Growth with Compelling Opportunities

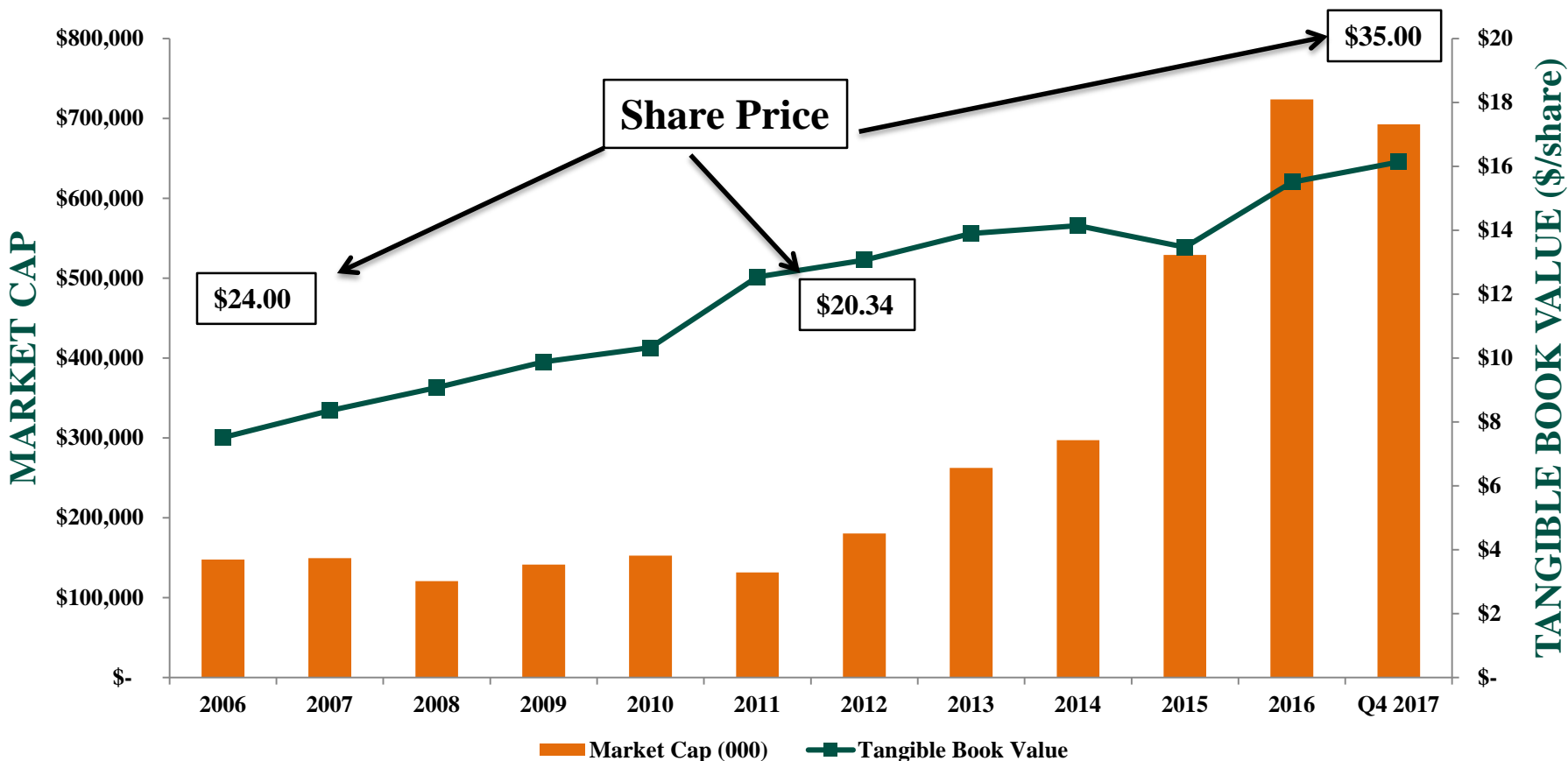
Well-Positioned in Economically Attractive Markets

Experienced Management Team and Board of Directors

Clear Understanding of Risks, Opportunities and Challenges

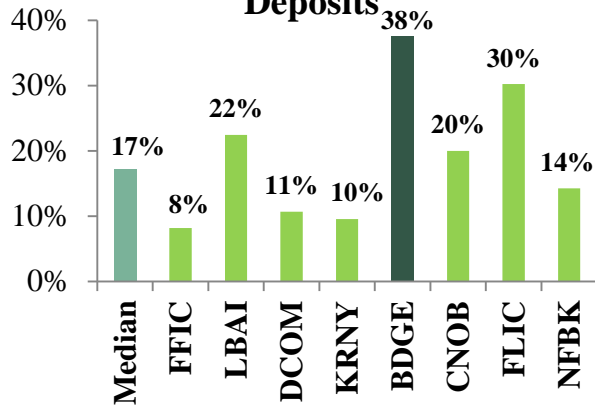
Appendix

BDGE Market Cap & Liquidity

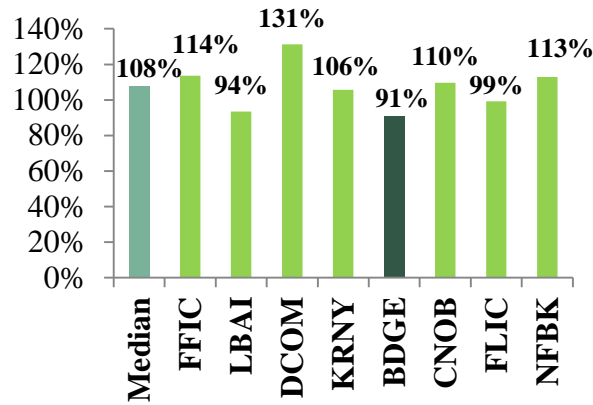


NYC MSA Deposit Analysis

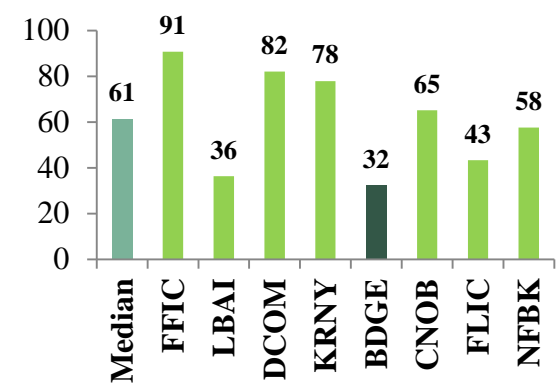
Noninterest Demand/ Deposits



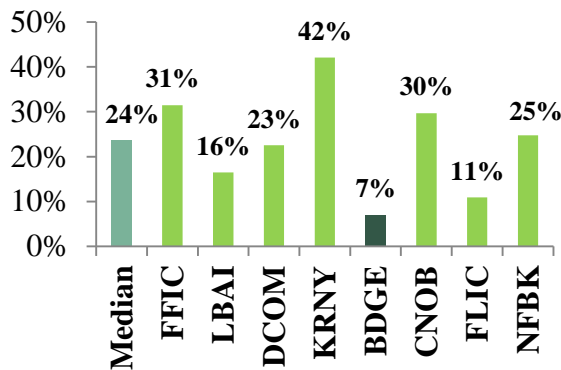
Loans/ Deposits



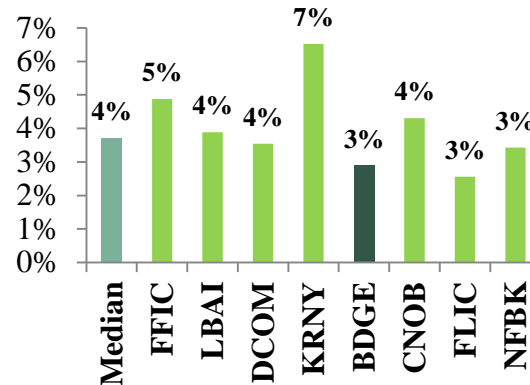
Cost of Deposits (bps)



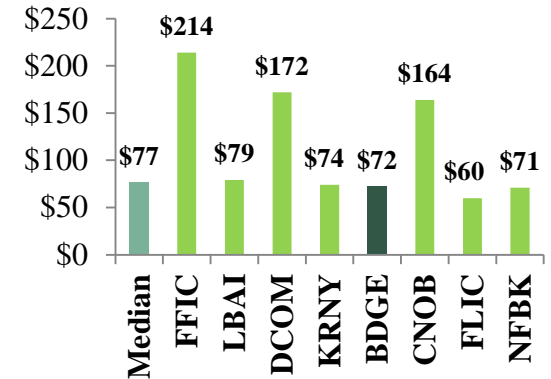
CDs/ Deposits



Jumbo CDs/ Deposits (%)



Avg Branch Size*







*Branch data as of Q2 2017

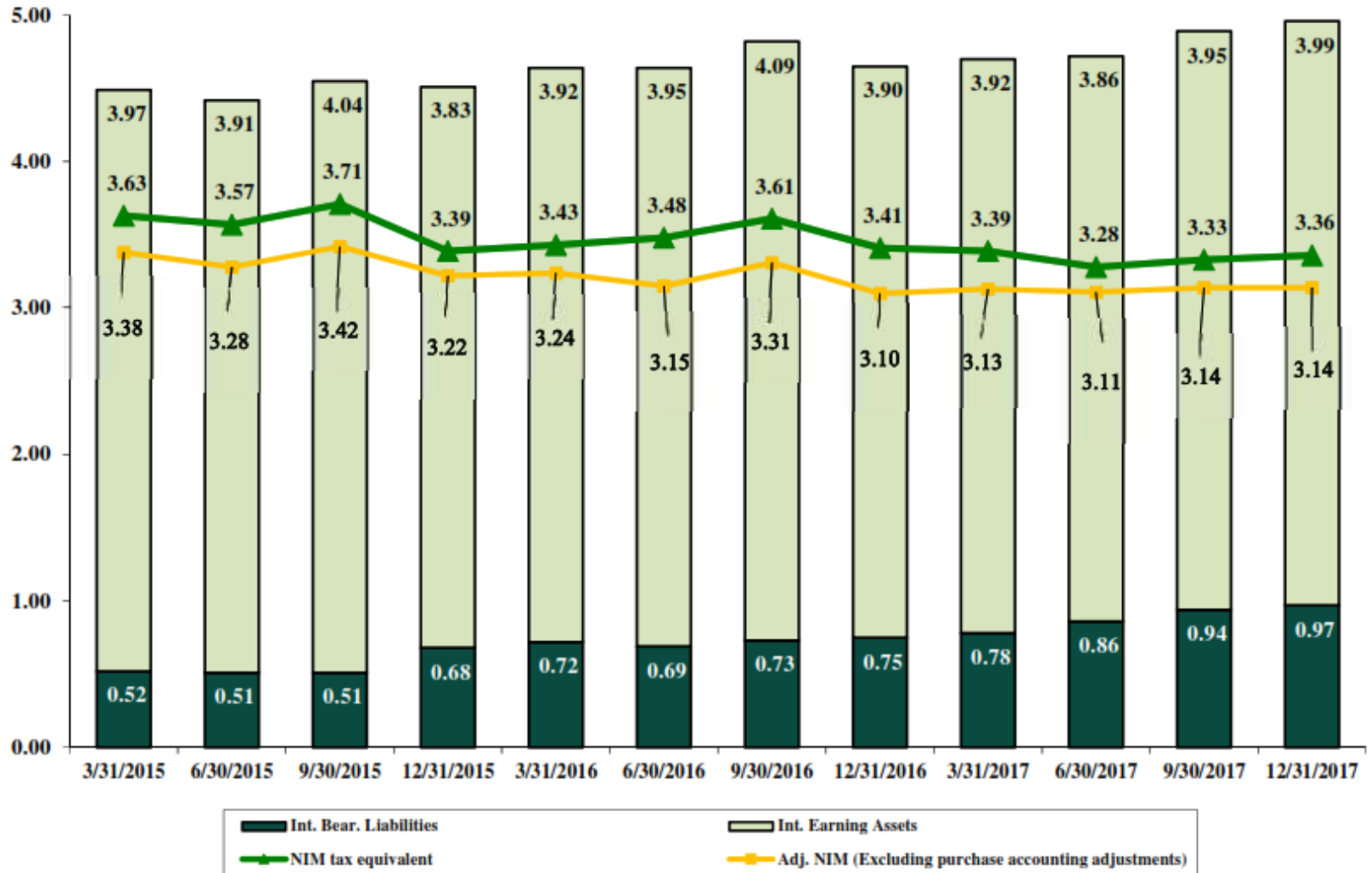
Source: SNL Financial. Data as of Q3 2017 unless otherwise specified

IRR Strategies

(\$ in 000's)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Q4 2017</u>
 Macro Swaps	\$75,000	\$125,000	\$175,000	\$290,000
 Loan Swaps	\$11,175	\$ 56,328	\$ 62,472	\$147,967
 O/N Borrowings as percent of assets (avg.)	6.09%	5.52%	6.85%	6.65%
 Portfolio E-DUR	3.99 years	4.45 years	3.73 years	3.23 years

Quarterly Net Interest Margin

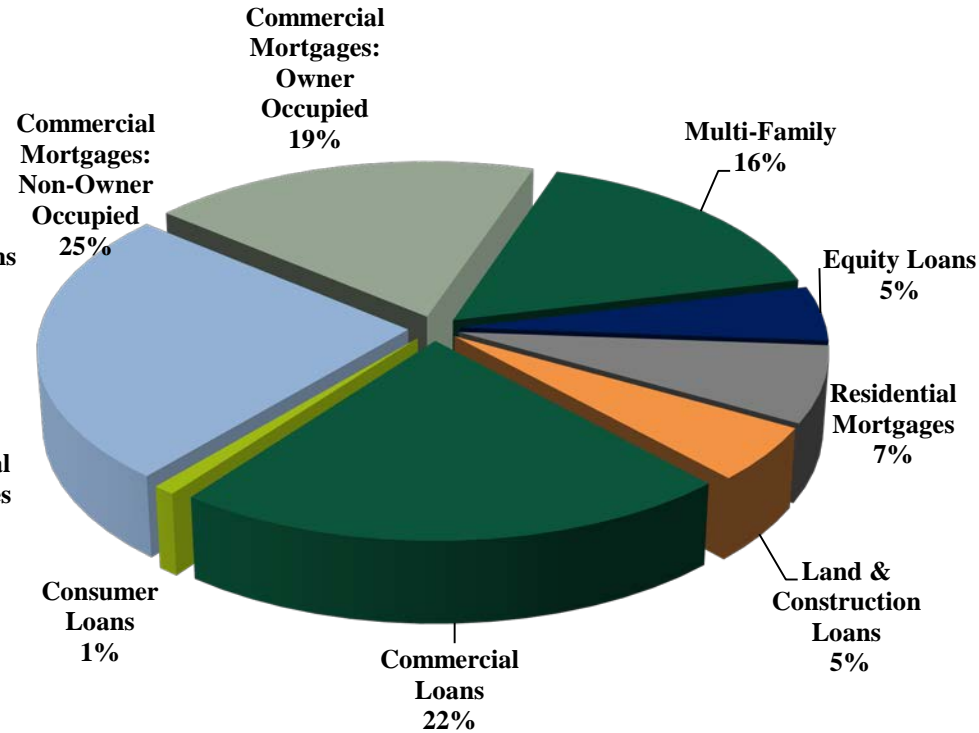
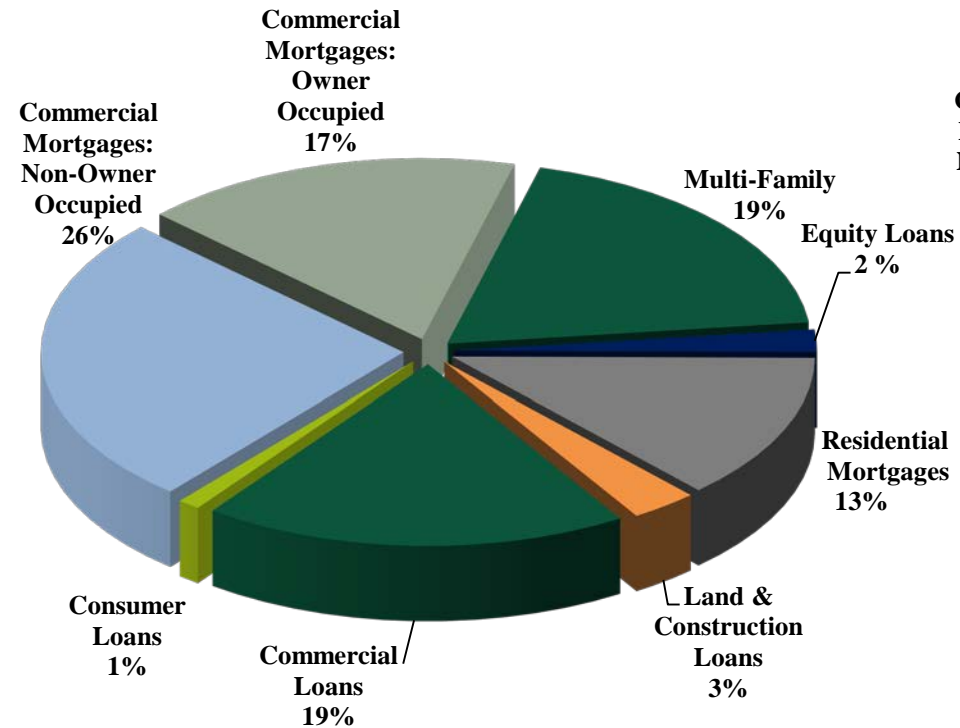


(1) See Appendix for a reconciliation of NIM as reported (GAAP) to Adj. NIM (non-GAAP) financial measure.

Diversified Loan Composition

As of December 31, 2017

As of December 31, 2014



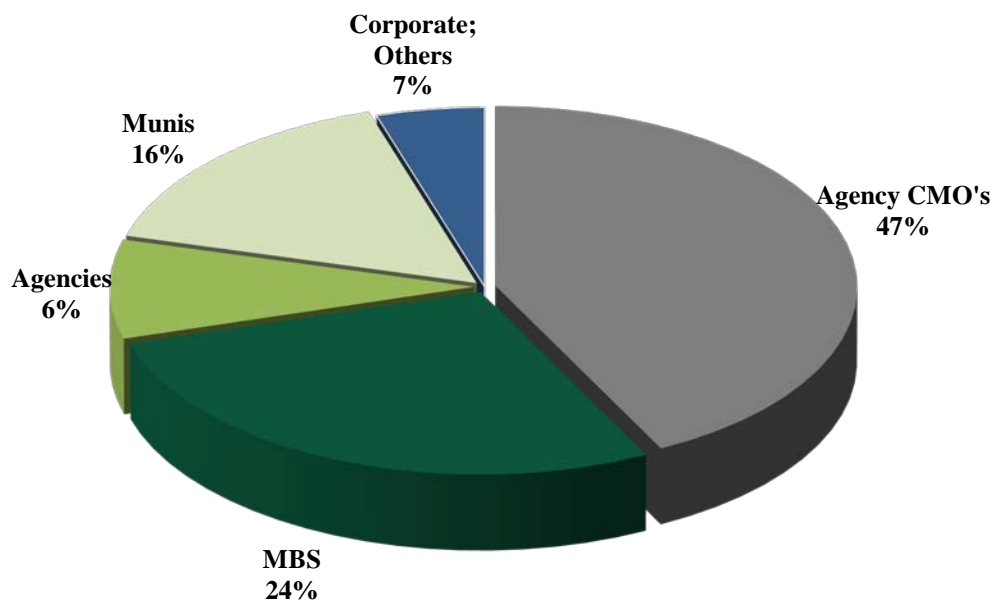
\$3.1 Billion in Total Loans as of December 31, 2017 with a YTD Average Yield of 4.57%

Asset Quality Ratios


	ALLL/Total Loans	Past Due & NPLs/Total Loans	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans*	ALLL/NPLs
<u>Historical</u>					
12/31/2016	1.00%	0.17%	0.05%	0.02%	2087%
03/31/2017	1.00%	0.26%	0.05%	0.01%	2118%
06/30/2017	0.99%	0.36%	0.10%	0.01%	1029%
09/30/2017	1.00%	0.47%	0.26%	0.01%	393%
12/31/2017	1.02%	0.40%	0.22%	0.30%	456%
9/30/2017 Peer Group	0.87%	0.48%	0.60%	0.02%	147%

Conservative Securities Portfolio

December 31, 2017



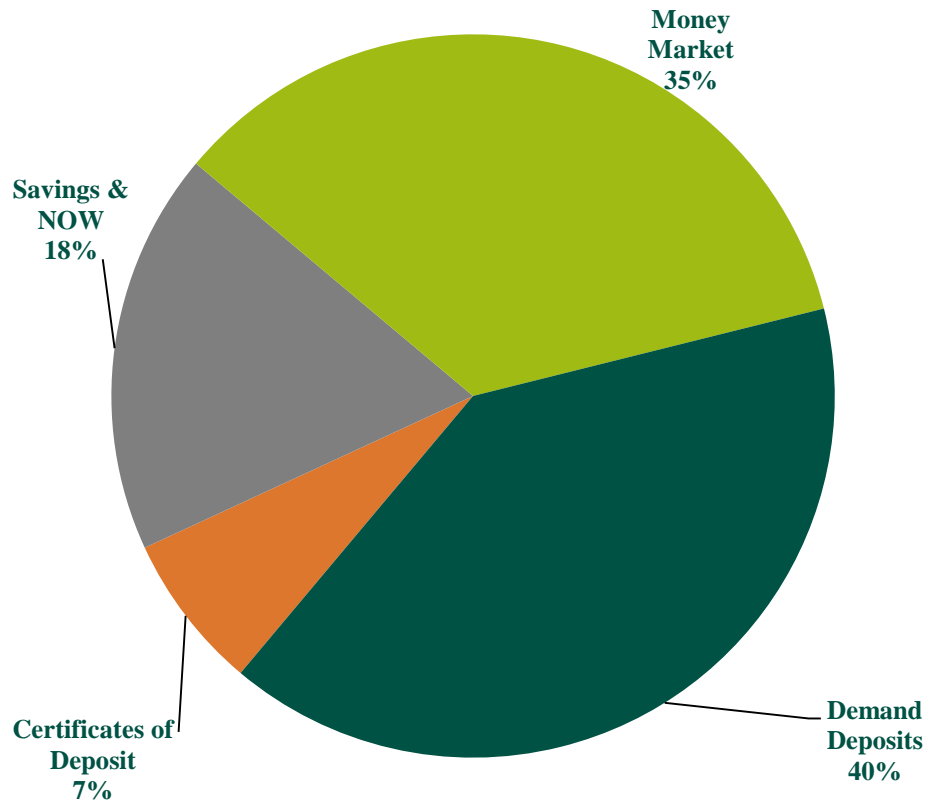
 **\$940 Million in Securities**

 **Exceptional Credit Quality with 80% Guaranteed by the U.S. Government**

 **Effective Portfolio Duration is 3.23 Years**

Deposit Profile

As of December 31, 2017



🚢 **\$3.3 billion in Deposits, Average Cost of 37 bps**

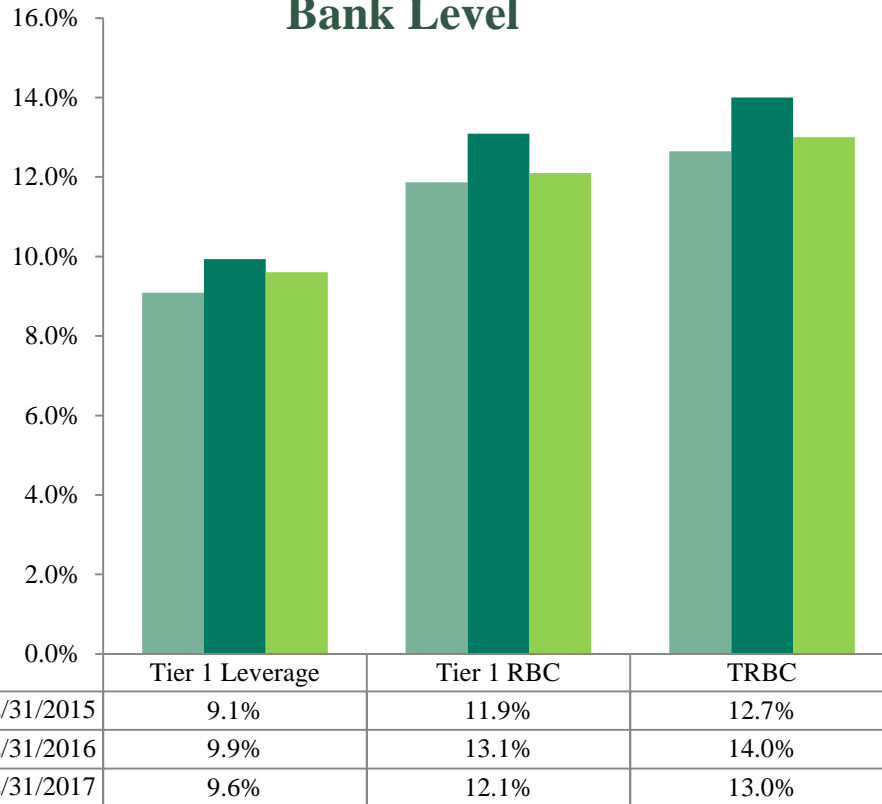
🚢 **10 Year Annualized Growth of 21%**

🚢 **Branch Managers Well Known in The Community**

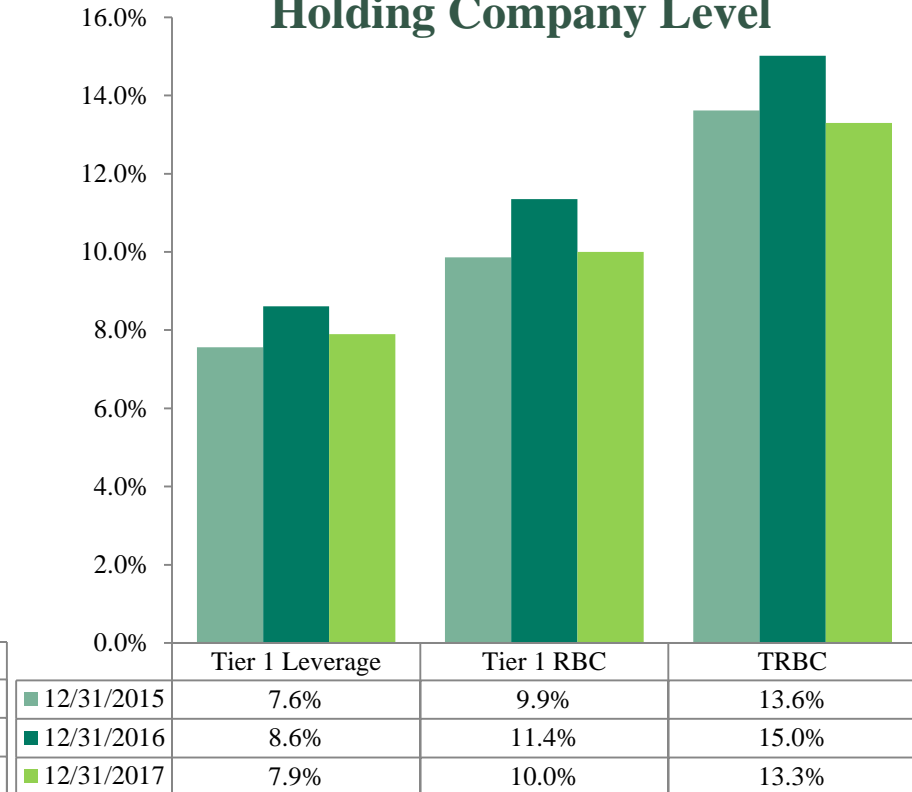
🚢 **Lowest Cost of Funds of Peers**

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***

Reconciliation of GAAP to Non-GAAP Adjustment - NIM

BRIDGE BANCORP, INC. AND SUBSIDIARIES

Non-GAAP Financial Measures (unaudited)

The following table reconciles net interest margin (as reported) to adjusted net interest margin on a tax equivalent basis, excluding accretion income and average purchase accounting adjustments on acquired loans (non-GAAP) :

	Three Months Ended			Year Ended	
	Dec. 31, 2017	Sept. 30, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
(Dollars in thousands)					
Net interest income - as reported	\$ 33,561	\$ 32,345	\$ 30,165	\$ 127,160	\$ 120,871
Tax equivalent adjustment	337	339	344	1,371	1,330
Net interest income, tax-equivalent basis (non-GAAP)	\$ 33,898	\$ 32,684	\$ 30,509	\$ 128,531	\$ 122,201
Adjustment:					
Less: Accretion income on acquired loans	(2,072)	(1,738)	(2,579)	(7,558)	(9,050)
Adjusted net interest income, tax-equivalent basis (non-GAAP)	\$ 31,826	\$ 30,946	\$ 27,930	\$ 120,973	\$ 113,151
Average interest earning assets - as reported	\$ 4,003,876	\$ 3,894,829	\$ 3,562,519	\$ 3,847,009	\$ 3,508,429
Adjustment:					
Average purchase accounting adjustments on acquired loans	14,309	16,077	21,828	16,716	24,792
Adjusted average interest earning assets (non-GAAP)	\$ 4,018,185	\$ 3,910,906	\$ 3,584,347	\$ 3,863,725	\$ 3,533,221
Net interest margin - as reported (1)	3.33%	3.29%	3.37%	3.31%	3.45%
Tax equivalent adjustment	0.03%	0.04%	0.04%	0.03%	0.03%
Net interest margin, tax-equivalent basis (non-GAAP) (2)	3.36%	3.33%	3.41%	3.34%	3.48%
Adjustment:					
Purchase accounting adjustments on acquired loans	(0.22)%	(0.19)%	(0.32)%	(0.21)%	(0.28)%
Adjusted net interest margin (non-GAAP) (3)	3.14%	3.14%	3.09%	3.13%	3.20%

(1) Net interest margin represents net interest income divided by average interest earning assets.

(2) Net interest margin, tax equivalent basis represents net interest income on a tax equivalent basis divided by average interest earning assets.

(3) Adjusted net interest margin represents adjusted net interest income, tax equivalent basis divided by adjusted average interest earning assets.