



BRIDGE
BANCORP, INC.

*RBC Capital Markets Financial Institutions Conference
March 7-8, 2017*

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

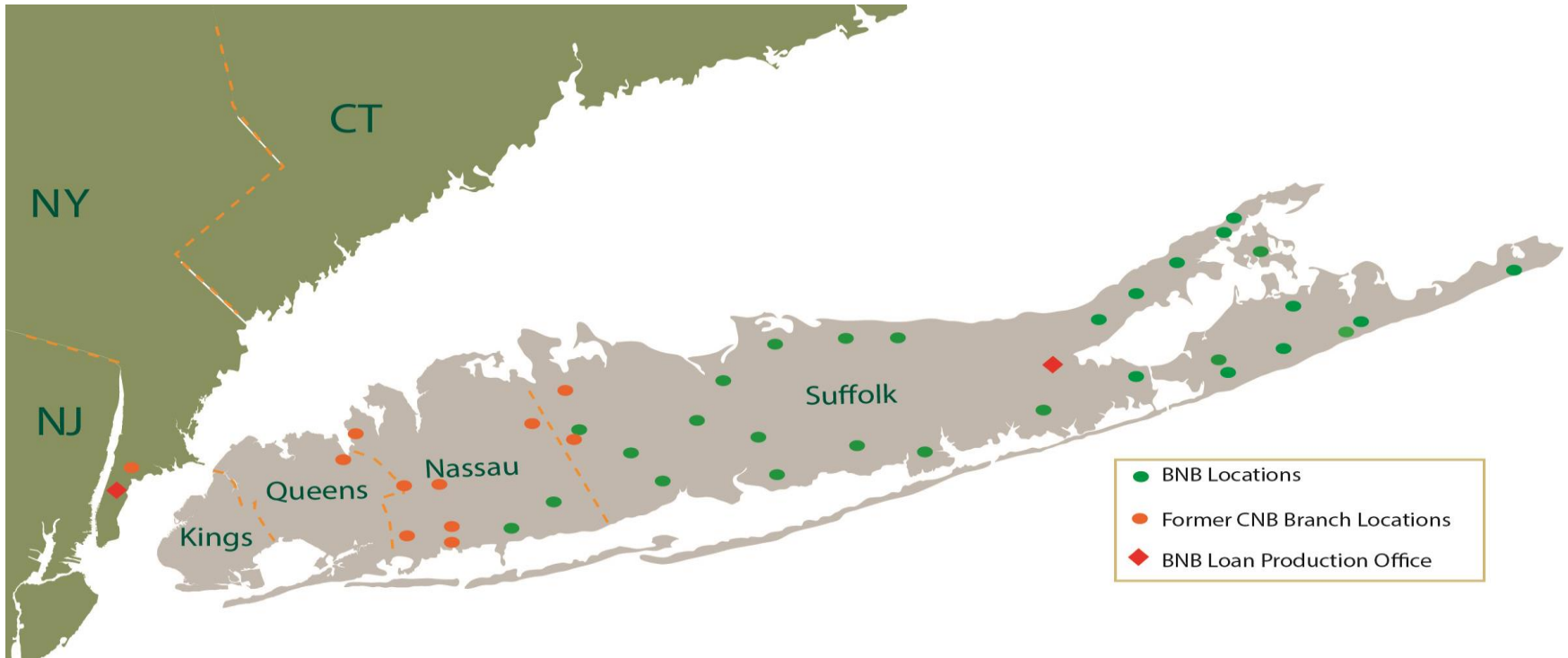
This presentation references non-GAAP financial measures including tangible book value per share, core return on average assets, core return on average equity, core return on average tangible equity, core earnings, core efficiency ratio and core expenses to average assets. These measures are commonly 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

🏢 Headquarters:	Bridgehampton
🏢 Chartered:	1910
🏢 FT Employees:	477
🏢 Branches:	40
🏢 Nasdaq/Russell 2000	BDGE

December 31, 2016

🏢 Assets:	\$4.1 billion
🏢 Loans:	\$2.6 billion
🏢 Deposits:	\$2.9 billion
🏢 Market Cap:	\$716 million ⁽¹⁾



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 \$2.6 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*
- *John P. Vivona, Chief Risk Officer*

Each with Over 25 Years of Financial Services Experience

Continue to hire Experienced Professionals

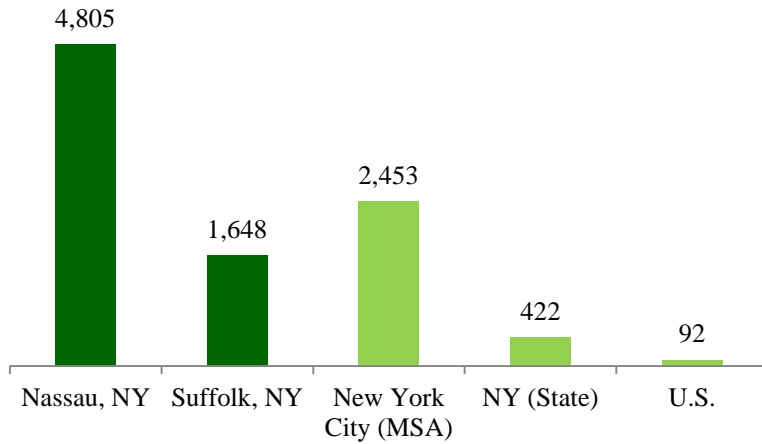
- *Revenue Producers, Compliance & Operational Positions*

Offering Summary – Post Closing

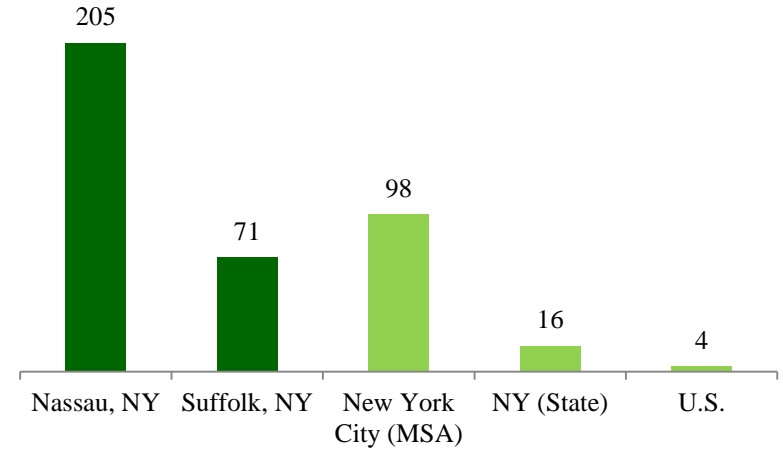
Issuer:	Bridge Bancorp, Inc.
Offering:	Follow-on common stock
Pricing:	\$31.00/share
Net Proceeds:	\$47.5 million
Market Capitalization¹:	\$716 million
Current Quarterly Dividend:	\$0.23 per share
Dividend Yield¹:	2.5%
Use of Proceeds:	General corporate purposes, including support our organic growth, the pursuit of strategic acquisition opportunities and contributing capital to the bank
Book-Running Managers:	Sandler O’Neill + Partners, L.P. Keefe, Bruyette & Woods (A Stifel Company)

Favorable Long Island Demographics

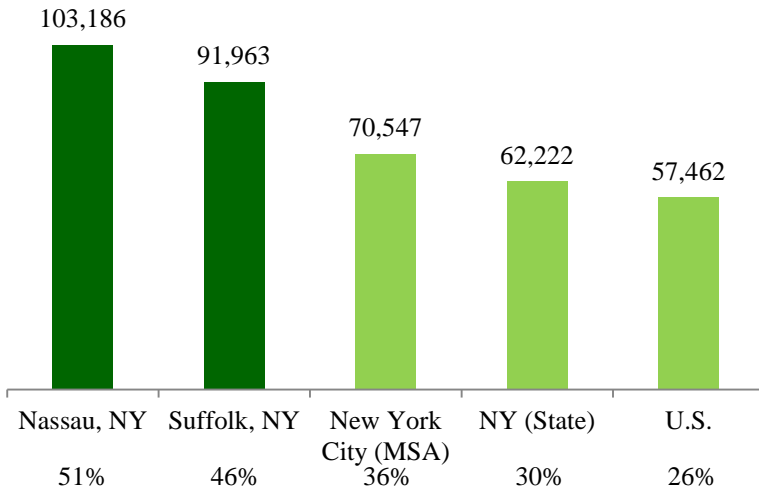
Population Density ¹



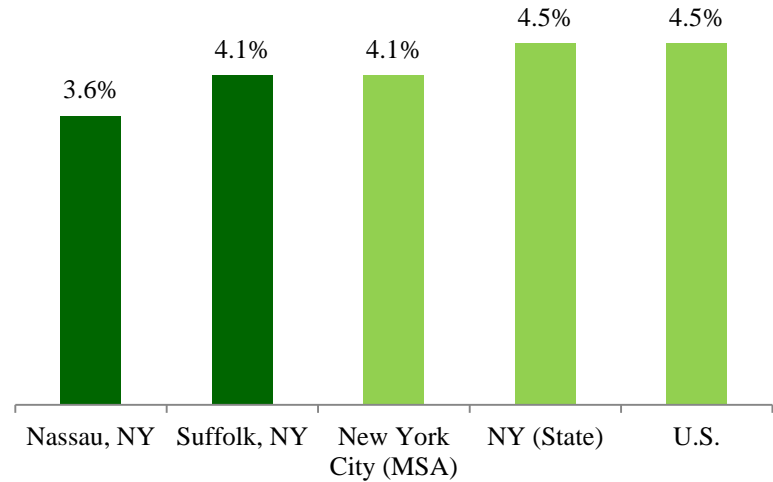
Businesses per Square Mile



Median Household Income



Unemployment Rate ²



% of Households w/ 100K+ Income:

Nassau, NY: 51%
 Suffolk, NY: 46%
 New York City (MSA): 36%
 NY (State): 30%
 U.S.: 26%



Source: SNL Financial LC and Nielsen estimates for 2017.

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

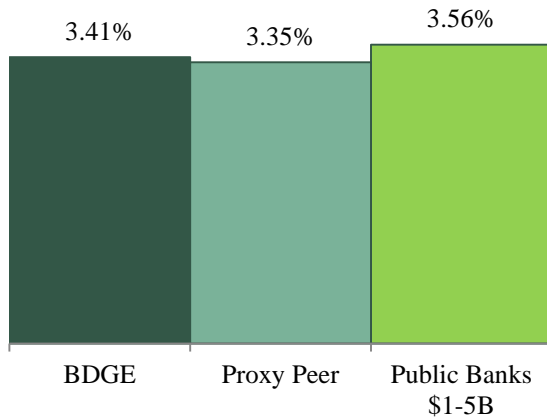
(2) Monthly data as of December 2016.

Accomplishments – 2016

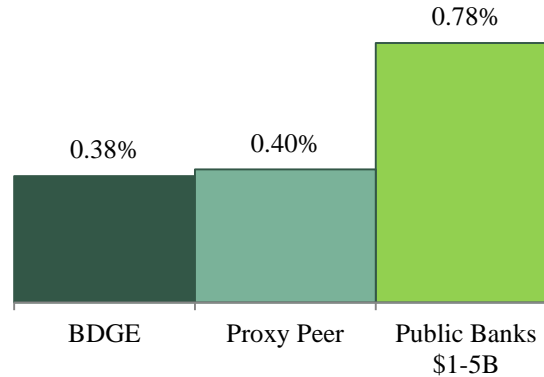
- 🏦 **Record Net Income of \$35.5 million or \$2.00 Per Diluted Share**
 - *ROA .92%; ROE 9.82% and ROTE 14.21%*
- 🏦 **Net Interest Income \$120.9 million**
 - *Net Interest Margin 3.48%*
- 🏦 **Loans of \$2.6 billion**
 - *Growth of \$190 million in 2016 or 8%*
- 🏦 **Deposits of \$2.9 billion**
 - *Demand Deposits of \$1.2 Billion or 40% of total deposits*

Q4 2016 Performance vs Peers

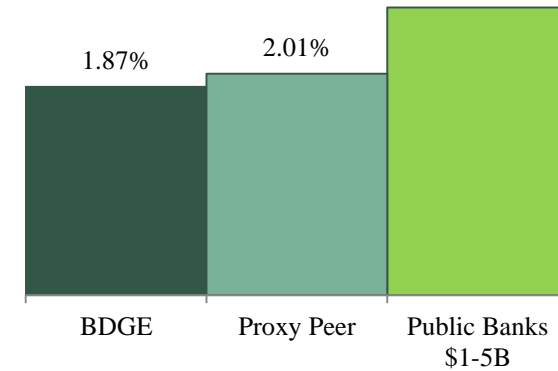
Net Interest Margin



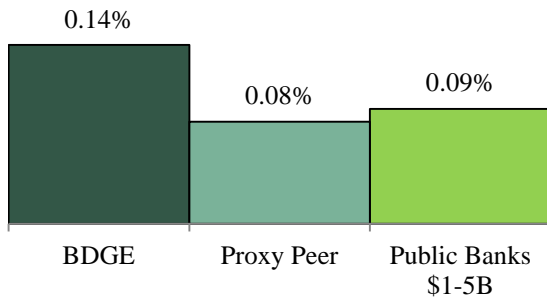
Other Income to Average Assets



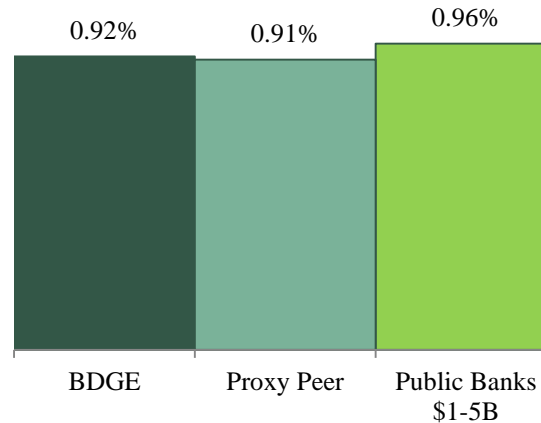
Other Expenses to Average Assets



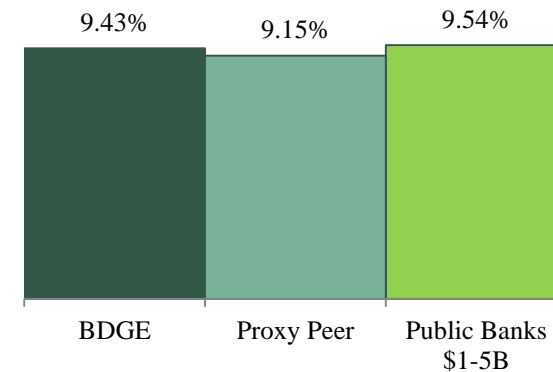
Provision for Loan Losses to Average Assets



Return on Average Assets

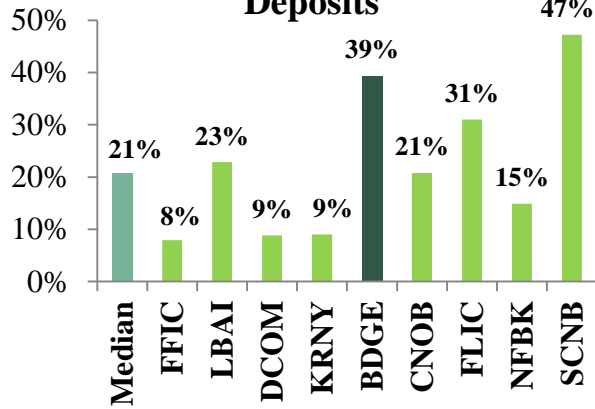


Return on Average Equity

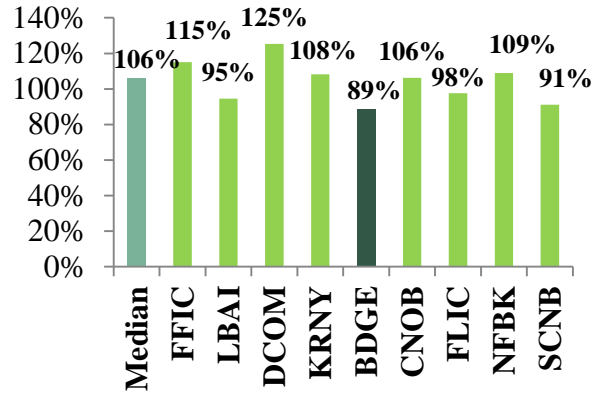


NYC MSA Deposit Analysis

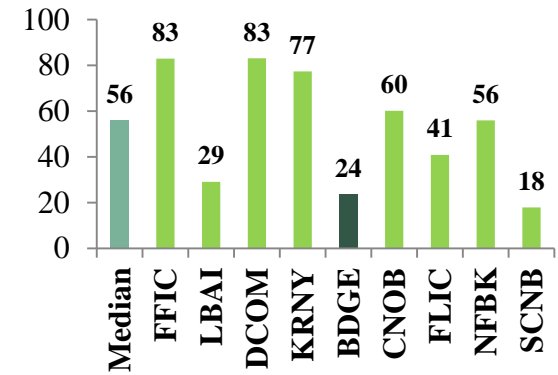
Noninterest Demand/ Deposits



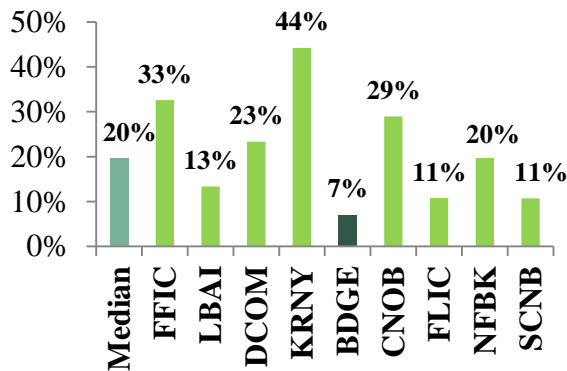
Loans/ Deposits



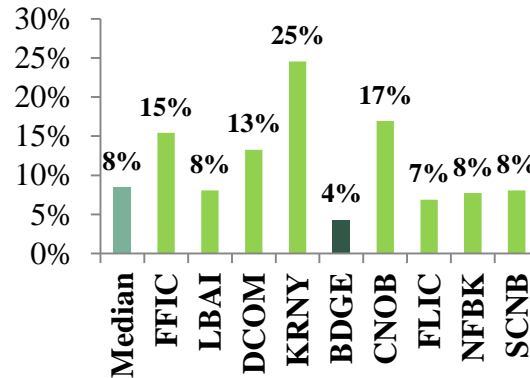
Cost of Deposits (bps)



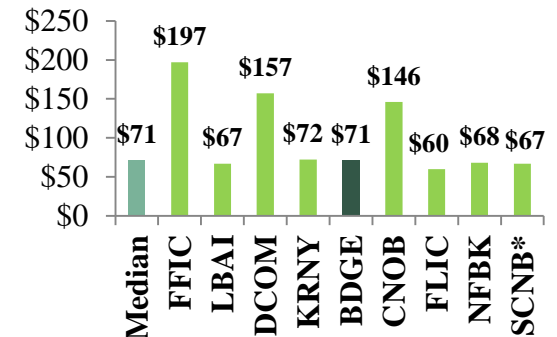
CDs/ Deposits



Jumbo CDs/ Deposits (%)



Avg Branch Size (\$mm, 6/30/16)



*SCNB branch size as of 3/31/16

Source: SNL Financial. Data as of Q4 2016 unless otherwise specified

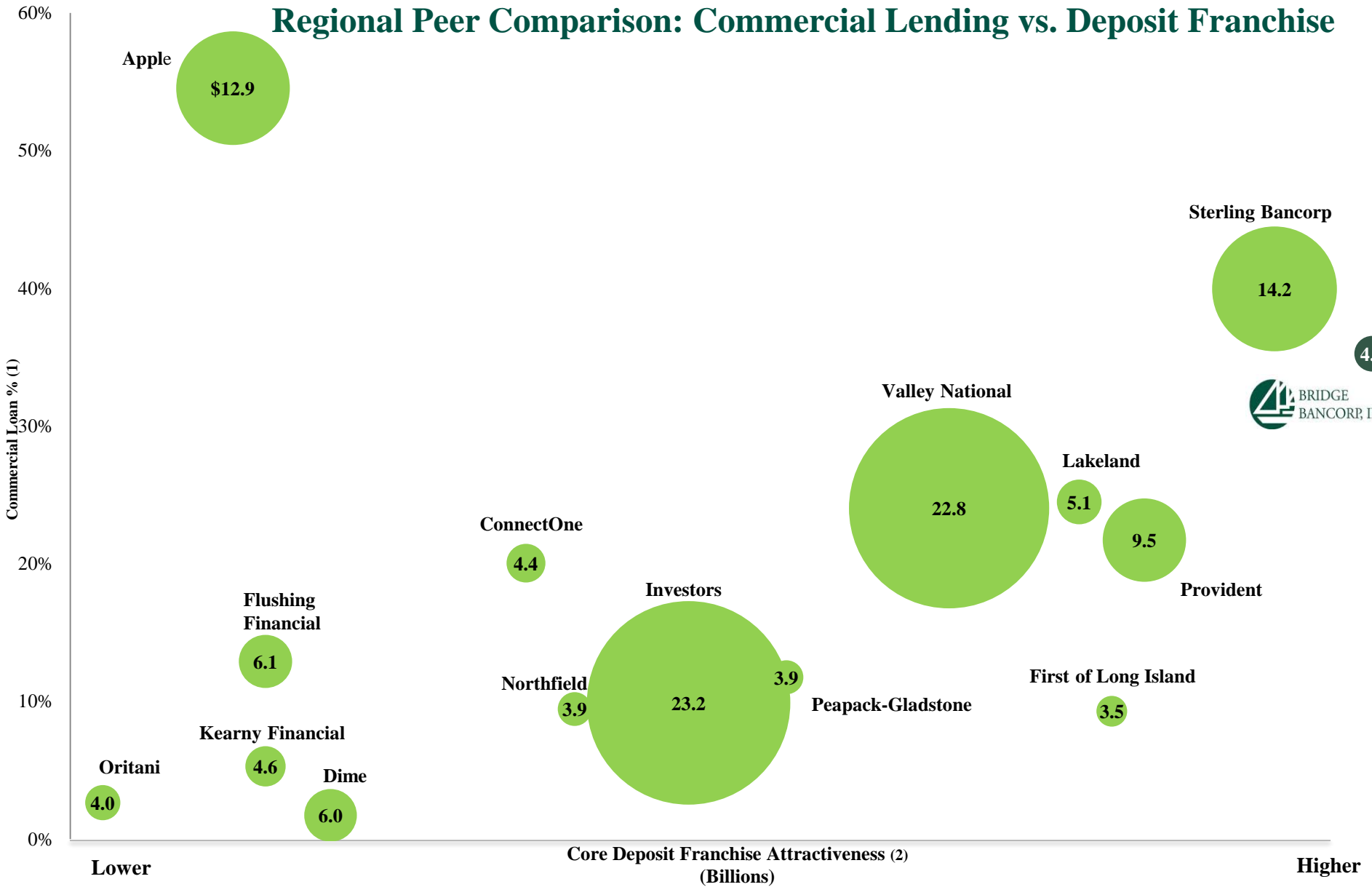
KEY

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

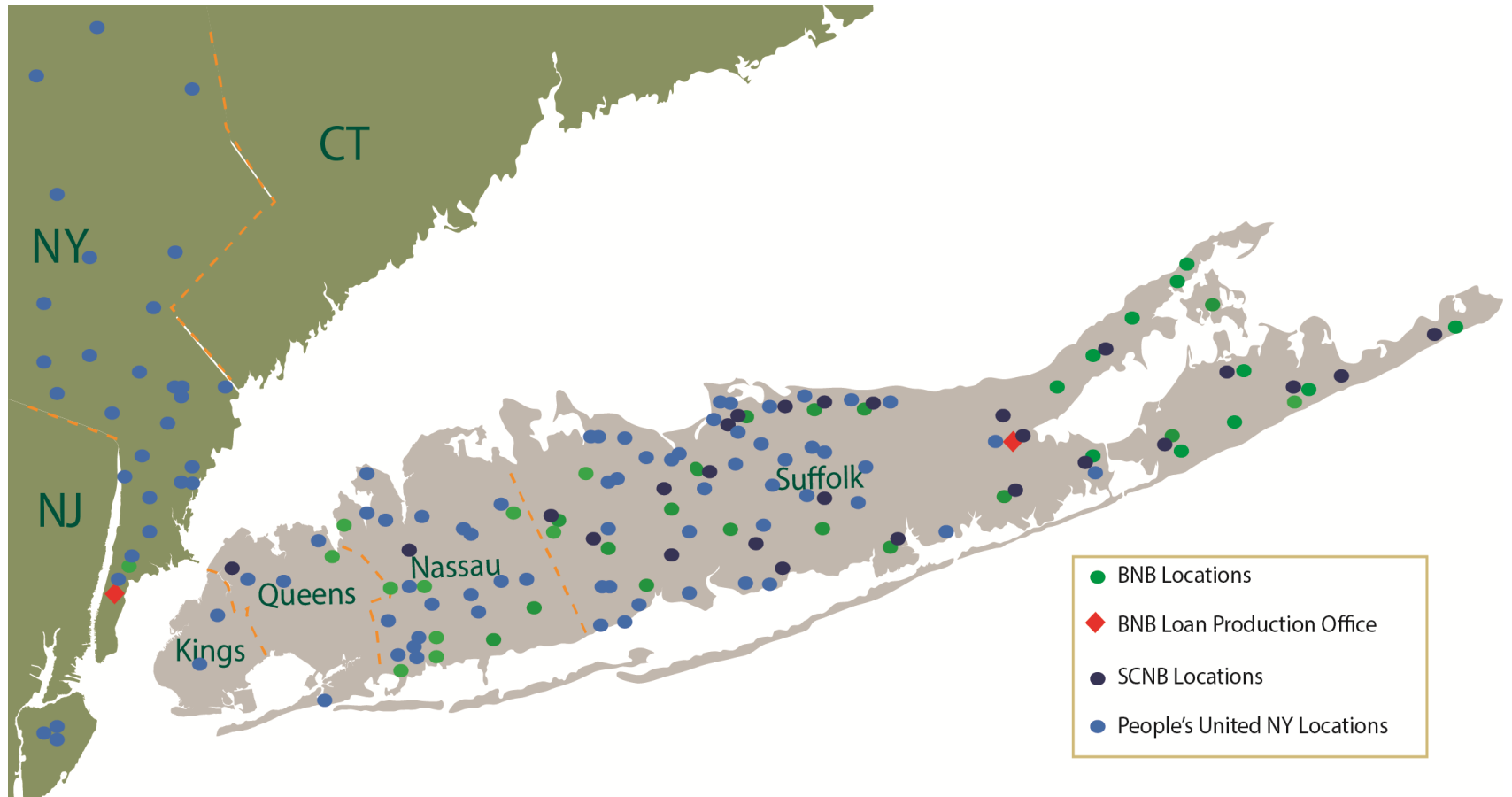
-  **Be the Preeminent Community Bank in Our Marketplace**
-  **Grow the Expanded Franchise**
-  **Attract, Retain and Develop Talented Bankers**
-  **Maximize the Efficiencies of Our Systems and Processes**
-  **Identify & Execute Market Opportunities**

“Execute Our Mission & Deliver Results”

Opportunities For 2017 & Beyond

- 🚢 **\$50 Million Capital Raise – 4th Quarter 2016**
- 🚢 **Peoples United Acquisition of Suffolk Bancorp**
 - *Disruption in Long Island Markets – Customers & Employees*
 - *Branch Closures Anticipated in Overlapping Markets*
- 🚢 **Continue Geographic Expansion into Attractive Markets**
 - *Complementing Organic Push Westward*
- 🚢 **Fastest Growing Community Bank Headquartered on LI**
 - *Assets Increased From \$2.3 Billion to \$4.1 Billion in Last Two Years*

Opportunities



Exposure to Interest Rate Risk

Interest Rate Risk

12/31/16

12/31/15

Earnings at Risk (Max.)

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

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

-6.5%

-4.9%

Up 200 BP





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

-6.1%

-5.6%

Up 200 BP

IRR Strategies for 2016

(\$ in 000's)	<u>2014</u>	<u>2015</u>	<u>2016</u>
 Macro Swaps	\$75,000	\$125,000	\$175,000
 Loan Swaps	\$11,175	\$ 56,328	\$ 62,472
 O/N Borrowings as percent of assets	6.09%	5.52%	6.85%
 Portfolio E-DUR	3.99 years	4.45 years	3.73 years

Summary

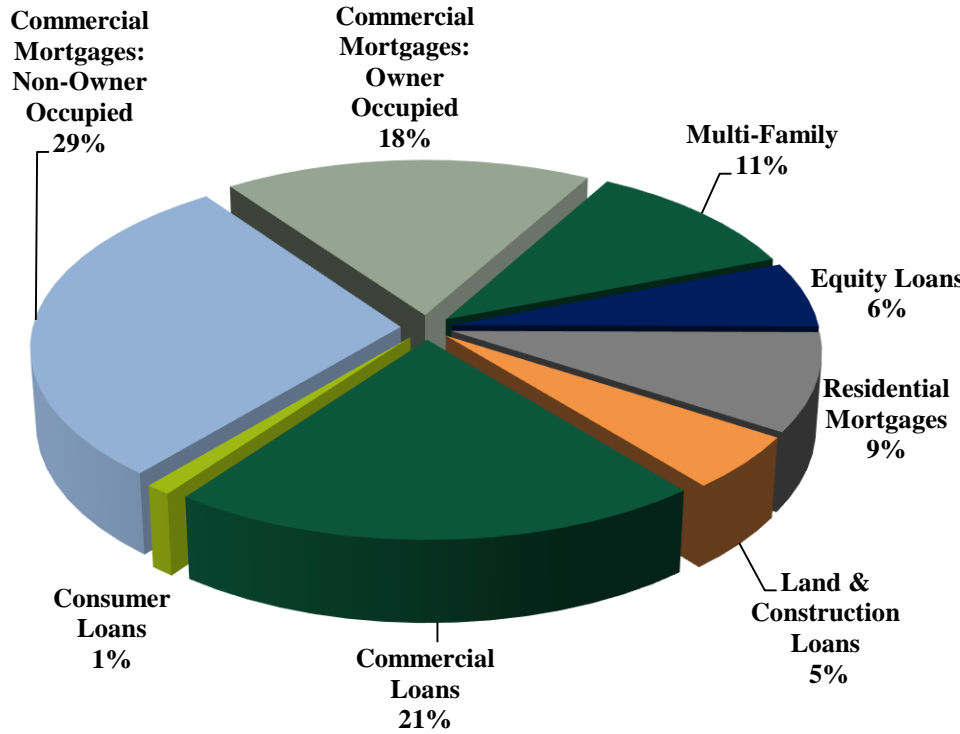
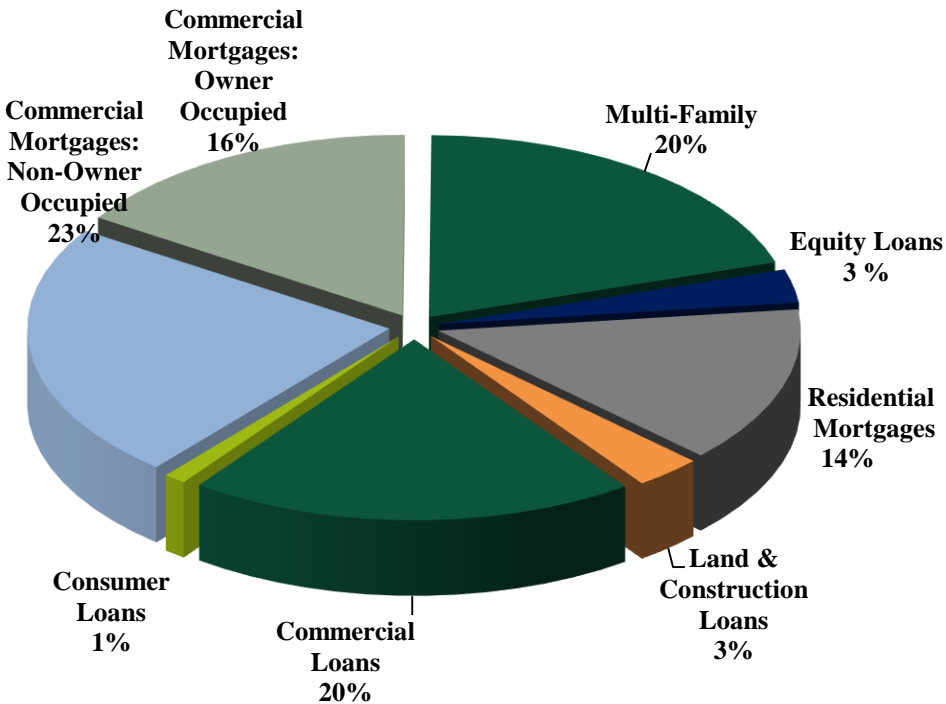
- 🚧 **Strong & Consistent Financial Performance**
- 🚧 **Outstanding Asset Quality and Balance Sheet Flexibility**
- 🚧 **Superior Franchise Growth with Compelling Opportunities**
- 🚧 **Well-Positioned in Economically Attractive Markets**
- 🚧 **Experienced Management Team and Board of Directors**
- 🚧 **Clear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

Appendix

Diversified Loan Composition

As of December 31, 2016

As of December 31, 2013



\$2.6 Billion in Total Loans as of December 31, 2016 with a YTD Average Yield of 4.69%

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

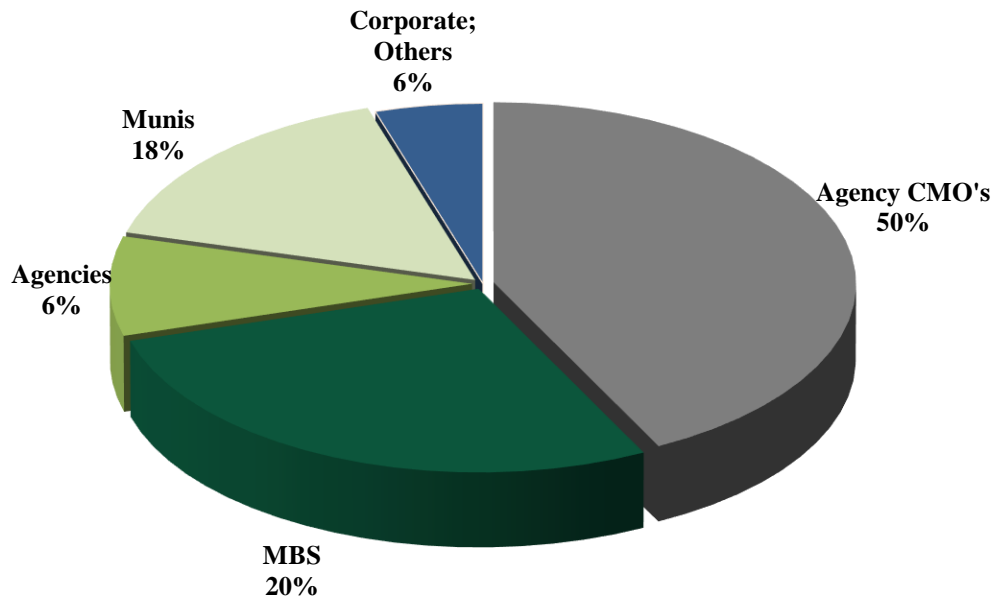
- ☐ **Total exposure of \$26.6 million is exclusively first lien direct obligations of medallion owners, with 99% fleet medallion owners representing just 1.02% of total loans and 6.59% of the bank's total capital**
- ☐ **No new originations planned and we anticipate our exposure and concentration levels to decline even further through amortization, pay-downs and total loan portfolio growth**
- ☐ **Only NYC-Manhattan medallions; All loans carry personal guarantees and are current as of December 31, 2016**
- ☐ **There are eight loans, representing 34% of the portfolio, coming due in 2017**

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>					
12/31/2015	1.21%	0.17%	0.06%	0.05%	1537%
03/31/2016	1.21%	0.24%	0.07%	0.03%	1333%
06/30/2016	1.20%	0.31%	0.08%	0.02%	1108%
09/30/2016	1.19%	0.27%	0.08%	0.03%	1185%
12/31/2016	1.23%	0.17%	0.05%	0.02%	2087%
12/31/2016 Peer Group	1.02%	1.19%	0.65%	0.17%	213%

Conservative Securities Portfolio

December 31, 2016



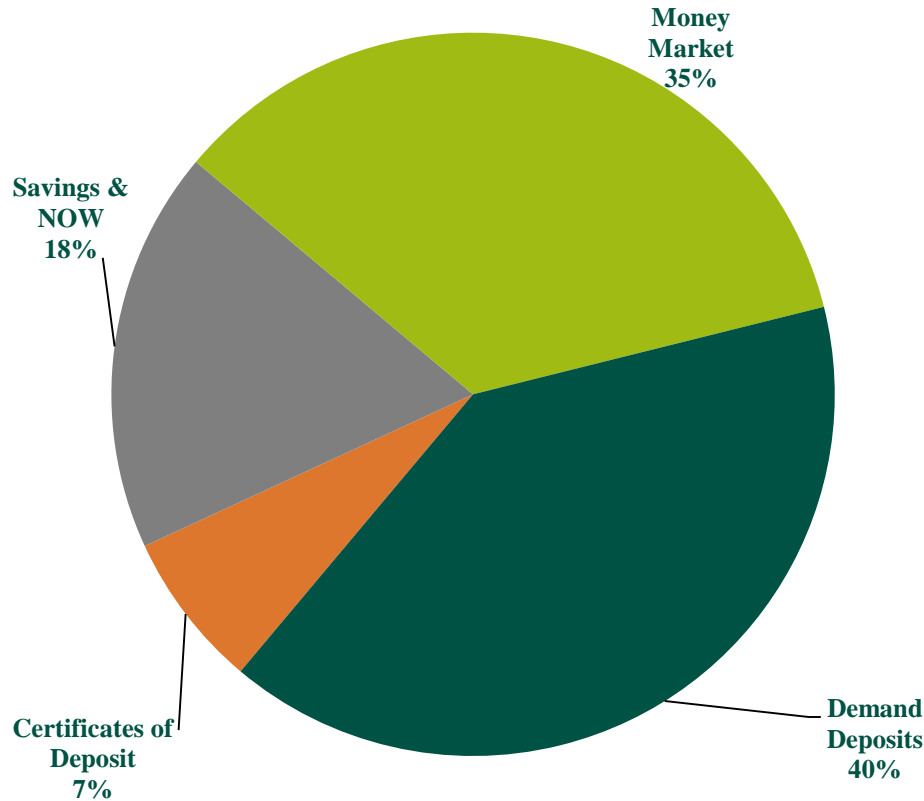
 **\$1,043 Million in Securities**

 **Exceptional Credit Quality with 79% Guaranteed by the U.S. Government**

 **Effective Portfolio Duration is 3.73 Years**

Financial Results - Deposit Profile

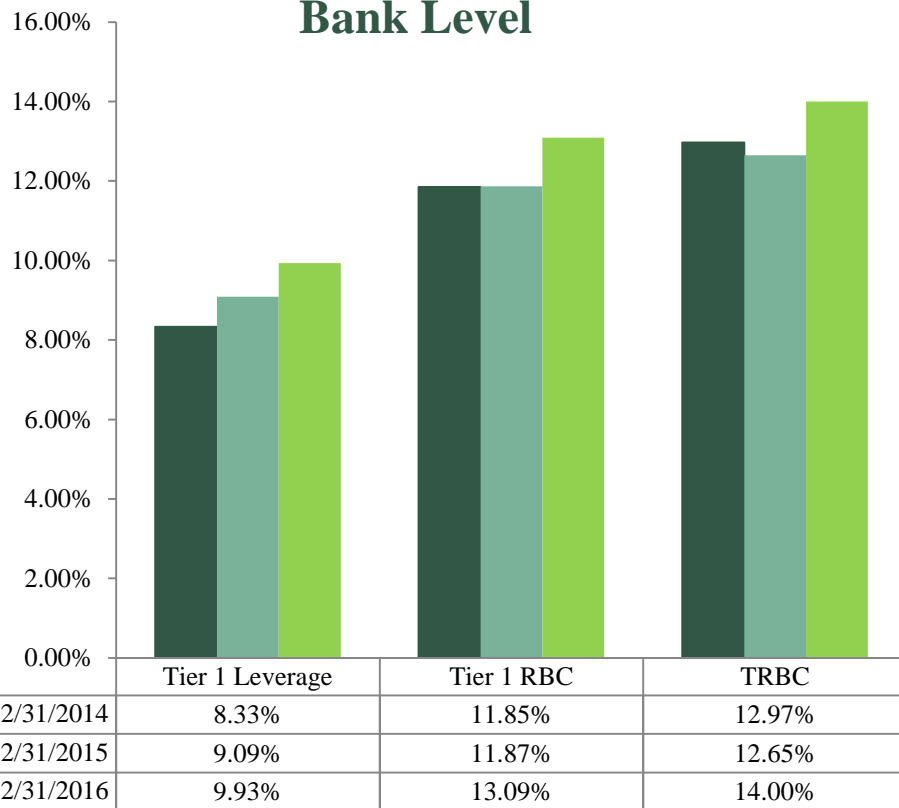
As of December 31, 2016



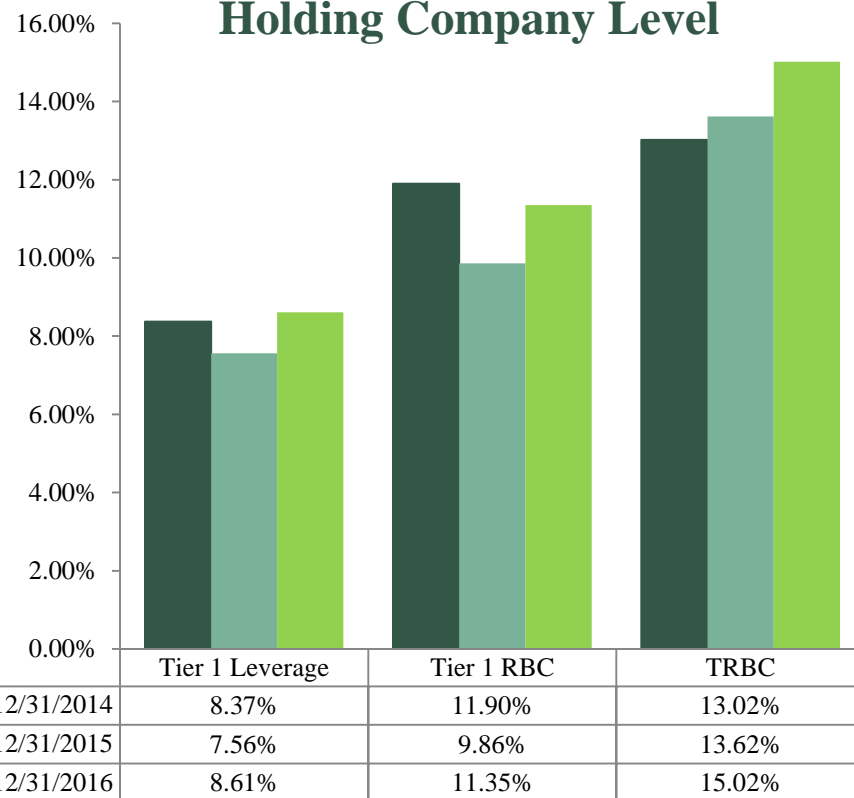
- 🏦 **\$2.9 billion in Deposits, YTD**
Average Cost of 24 Basis Points
- 🏦 **5 Year Annualized Growth of 20% (19% Over 10 Years)**
- 🏦 **Seasoned Bankers Well Known in the Community**
- 🏦 ***Branches Still Matter***

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 12/31/2016</u>
TowneBank	TOWN	Portsmouth, VA	7,973,915
Eagle Bancorp Inc	EGBN	Bethesda, MD	6,890,097
WSFS Financial Corp.	WSFS	Wilmington, DE	6,765,270
Brookline Bancorp Inc.	BRKL	Boston, MA	6,438,129
Flushing Financial Corp.	FFIC	Uniondale, NY	6,058,487
Dime Community Bancshares Inc.	DCOM	Brooklyn, NY	6,005,430
OceanFirst Financial Corp.	OCFC	Toms River, NJ	5,167,052
Lakeland Bancorp	LBAI	Oak Ridge, NJ	5,093,131
Sandy Spring Bancorp Inc.	SASR	Olney, MD	5,091,383
Century Bancorp Inc.	CNBKA	Medford, MA	4,462,608
Meridian Bancorp Inc.	EBSB	Peabody, MA	4,436,002
ConnectOne Bancorp, Inc.	CNOB	Englewood Cliffs, NJ	4,426,348
Washington Trust Bancorp Inc.	WASH	Westerly, RI	4,381,115
Univest Corp. of Pennsylvania	UVSP	Souderton, PA	4,230,528
Cardinal Financial Corp.	CFNL	McLean, VA	4,210,514
Oritani Financial Corp.	ORIT	Township of Washington, NJ	4,012,169
Peapack-Gladstone Financial	PGC	Bedminster, NJ	3,878,633
First of Long Island Corp.	FLIC	Glen Head, NY	3,510,320
Bryn Mawr Bank Corp.	BMTC	Bryn Mawr, PA	3,421,530
Enterprise Bancorp Inc.	EBTC	Lowell, MA	2,526,269
Suffolk Bancorp	SCNB	Riverhead, NY	2,091,502
Hingham Instit. for Savings	HIFS	Hingham, MA	2,014,599

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 December 31,				Twelve months ended December 31,			
	2016		2015		2016		2015	
Net Income/Diluted Earnings Per Share - As Reported	\$ 9,160	\$ 0.50	\$ 7,995	\$ 0.46	\$ 35,491	\$ 2.00	\$ 21,111	\$ 1.43
Adjustments:								
Acquisition Costs	(650)	(0.03)	483	0.03	(920)	(0.05)	9,766	0.67
Amortization of Non-Compete Agreement	547	0.03	364	0.02	1,459	0.08	729	0.05
Gain on Sale of Loans	-	-	-	-	-	-	(279)	(0.02)
Measurement Period Fixed Asset Adjustment ⁽¹⁾	-	-	-	-	(309)	(0.02)	-	-
Income Tax Effect of Adjustments Above	36	-	(304)	(0.02)	(80)	(0.01)	(3,656)	(0.26)
Tax Benefit Related to NYC Tax Law Change	-	-	-	-	-	-	(351)	(0.02)
Core Net Income/Core Diluted Earnings Per Share	<u>\$ 9,093</u>	<u>\$ 0.50</u>	<u>\$ 8,538</u>	<u>\$ 0.49</u>	<u>\$ 35,641</u>	<u>\$ 2.00</u>	<u>\$ 27,320</u>	<u>\$ 1.85</u>

Reconciliation of GAAP to Core Results - ROA

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Return on Average Total Assets - As Reported	0.93%	0.88%	0.92%	0.71%
Acquisition Costs	(0.07)%	0.05%	(0.02)%	0.33%
Amortization of Non Compete Agreement	0.06%	0.04%	0.04%	0.02%
Gain on Sale of Loans	0.00%	0.00%	0.00%	(0.01%)
Measurement Period Fixed Asset Adjustment ⁽¹⁾	0.00%	0.00%	(0.01)%	0.00%
Income Tax Effect of Adjustments Above	0.00%	(0.03%)	0.00%	(0.12%)
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	0.00%	(0.01%)
Core Return on Average Total Assets	0.92%	0.94%	0.93%	0.92%

Reconciliation of GAAP to Core Results - ROE

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Return on Average Stockholders' Equity - As Reported	9.50%	9.27%	9.82%	7.91%
Acquisition Costs	(0.67%)	0.56%	(0.25%)	3.65%
Amortization of Non Compete Agreement	0.57%	0.42%	0.40%	0.27%
Gain on Sale of Loans	0.00%	0.00%	0.00%	(0.10%)
Measurement Period Fixed Asset Adjustment ⁽¹⁾	0.00%	0.00%	(0.09%)	0.00%
Income Tax Effect of Adjustments Above	0.03%	(0.35%)	(0.01%)	(1.37%)
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	0.00%	(0.13%)
Core Return on Average Stockholders' Equity	9.43%	9.90%	9.87%	10.23%

Reconciliation of GAAP to Core Results - ROTCE

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Return on Average Tangible Common Equity - As Reported	13.43%	13.33%	14.21%	10.23%
Acquisition Costs	(0.95%)	0.81%	(0.37%)	4.74%
Amortization of Other Intangible Assets	1.21%	1.12%	1.06%	0.70%
Gain on Sale of Loans	0.00%	0.00%	0.00%	(0.14%)
Measurement Period Fixed Asset Adjustment ⁽¹⁾	0.00%	0.00%	(0.12%)	0.00%
Income Tax Effect of Adjustments Above	(0.09%)	(0.70%)	(0.21%)	(1.89%)
Tax Benefit Related to NYC Tax Law Change	0.00%	0.00%	0.00%	(0.17%)
Core Return on Average Tangible Common Equity	13.60%	14.56%	14.57%	13.47%

Reconciliation of GAAP to Core Results – Efficiency Ratio

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Efficiency Ratio - As Reported	<u>54.09%</u>	<u>57.45%</u>	<u>55.76%</u>	<u>66.19%</u>
Non Interest Expense (Operating Expense) - As Reported	\$ 18,529	\$ 18,173	\$ 77,081	\$ 72,890
Less: Acquisition Costs	(650)	483	(920)	9,766
Less: Amortization of Other Intangible Assets	827	677	2,637	1,447
Less: Measurement Period Fixed Asset Adjustment ⁽¹⁾	<u>-</u>	<u>-</u>	<u>(309)</u>	<u>-</u>
Core Non Interest Expense (Core Operating Expense)	<u>\$ 18,352</u>	<u>\$ 17,013</u>	<u>\$ 75,673</u>	<u>\$ 61,677</u>
Net Interest Income (fully taxable equivalent)	\$ 30,509	\$ 28,222	\$ 122,201	\$ 97,459
Non Interest Income - As Reported	3,748	3,411	16,046	12,668
Less: Net Securities Gains (Losses)	-	2	449	(8)
Less: Gain on Sale of Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>
Core Total Revenues for Efficiency Ratio	<u>\$ 34,257</u>	<u>\$ 31,631</u>	<u>\$ 137,798</u>	<u>\$ 109,856</u>
Core Efficiency Ratio	53.57%	53.79%	54.92%	56.14%

⁽¹⁾ A fixed asset measurement period adjustment for \$0.3 million was recorded in 2016 related to the recovery of depreciation expense recorded in 2015.

Reconciliation of GAAP to Core Results

– Operating Expense to Average Assets

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Operating Expense as a % of Average Assets – As Reported	1.88%	2.00%	2.00%	2.46%
Acquisition Costs	0.07%	(0.05%)	0.02%	(0.33%)
Amortization of Other Intangible Assets	(0.08%)	(0.08%)	(0.06%)	(0.05%)
Measurement Period Fixed Asset Adjustment ⁽¹⁾	0.00%	0.00%	0.01%	0.00%
Core Operating Expense as a % of Average Assets	1.87%	1.87%	1.97%	2.08%