



BRIDGE  
BANCORP, INC.

*Investor Presentation*  
*March 11-12, 2019*

# Forward Looking Statements

This presentation may contain statements relating to the future results of the Company (including certain projections and business trends) that are considered “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Such forward-looking statements, in addition to historical information, which involve risk and uncertainties, 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 variation 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. 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; demand for loan products; demand for financial services; competition; the Company’s ability to successfully integrate acquired entities; 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; expanded regulatory requirements as a result of the Dodd-Frank Act, which could adversely affect operating results; and other factors discussed under Item 1A., Risk Factors, and in quarterly and other reports filed by the Company with the Securities and Exchange Commission. The forward-looking statements of our Annual Report on Form 10-K, are made as of the date of this presentation, 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.

# Bridge Bancorp Difference

- 🏛️ **Largest community bank headquartered on Long Island**
- 🏛️ **Longstanding history of growth and success**
- 🏛️ **Attractive, high density footprint with favorable customer demographics**
- 🏛️ **Experienced, proven management team**
- 🏛️ **Customer focused, local decision-making**
- 🏛️ **Consistent shareholder return**
- 🏛️ **37% DDA funding**
- 🏛️ **Expanding core margin**
- 🏛️ **Active Interest Rate Risk Management**
- 🏛️ **Superior asset quality**

*Community Banking at its Best from Montauk to Manhattan*

# 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

*\$4.7 billion community bank operating in 40 locations*

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

*Established and growing C&I customer base*



## Strong Core Funding: 37% Demand Deposits

*29% Annualized Deposit Growth in Q4 2018*

*0.75% Cost of Deposits*

*84% Loan-to-Deposit ratio*



## Well Positioned for Higher Rates

*Active Management of IRR*

*Improving Core Margin*

*Increasing Asset Sensitivity*



## Thoughtful Strategic Vision

*Strong Organic Growth + Disciplined M&A*

*Ongoing Balance Sheet Management*



## Careful Stewards of Capital

*9.9% Bank Leverage Ratio*

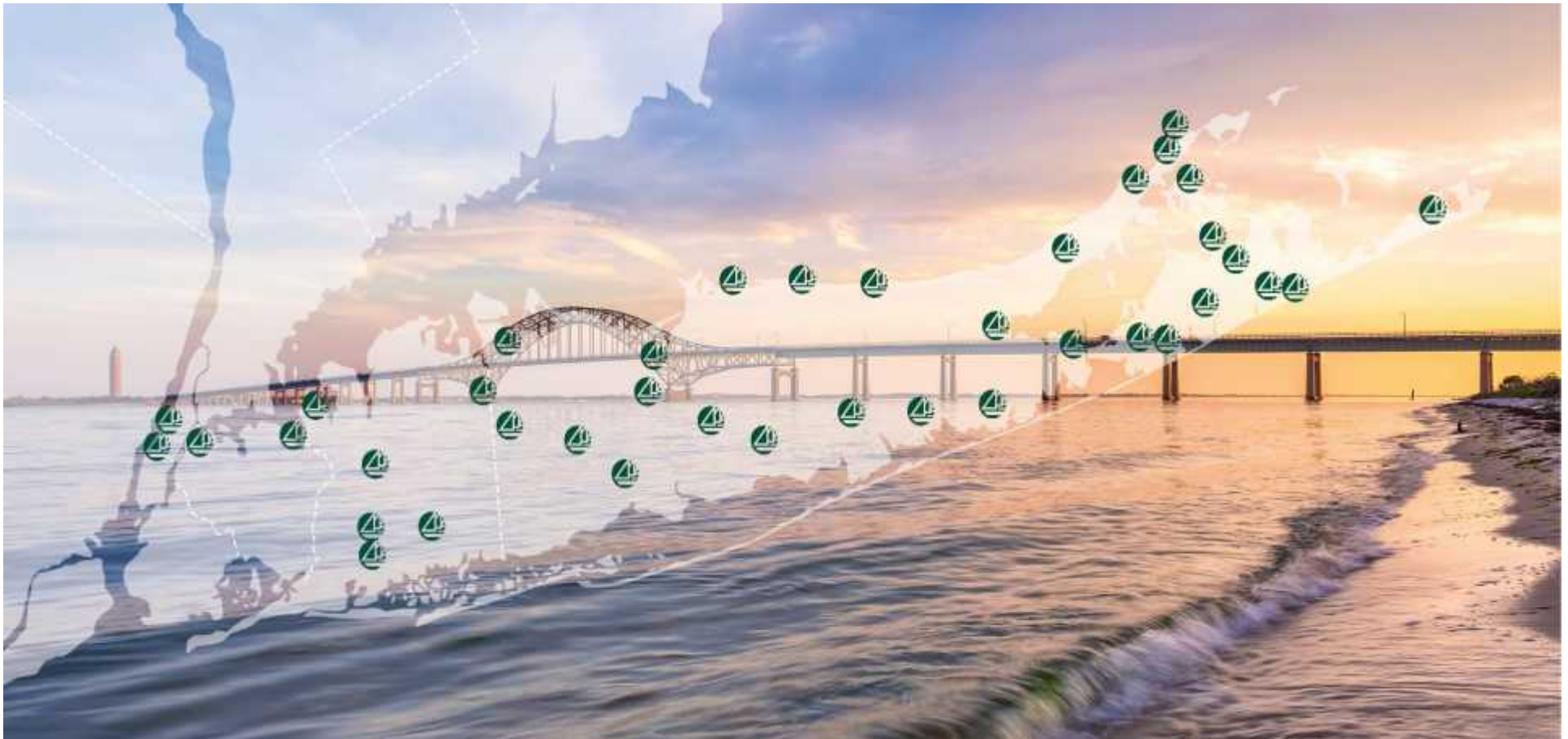


## Experienced Management Team

*SVP & Above with Average 20+ years of experience*

# Profile - Current Franchise

- **Assets:** \$4.7 billion
- **Loans:** \$3.3 billion
- **Deposits:** \$3.9 billion
- **Market Cap:** \$672 million<sup>(1)</sup>
- **Branches/Locations:** 40
- **FTE Employees:** 473



# Q4 2018

 **Net Income of \$13.9 million or \$.70 Per Share**

*ROA of 1.22% & ROE of 12.32%*

 **Net Interest Income \$34.1 million**

*Net Interest Margin 3.26%*

 **Loans of \$3.3 billion**

*\$78 million or 10% Annualized Growth*

 **Deposits of \$3.9 billion**

*\$267 million or 29% Annualized Growth*

*\$111 million or 16% Annualized Non-Public, Non-Brokered Growth*

**“Continue to Deliver on the Mission to Our Customers and Shareholders”**

# 2018 Recap

	Budget	Update	Actual
Loans	<ul style="list-style-type: none"> <li>9% - 11% growth</li> <li>~\$315 million increase</li> </ul>	<ul style="list-style-type: none"> <li>5% - 7% growth</li> <li>~\$175 million increase</li> </ul>	<ul style="list-style-type: none"> <li>6% growth</li> <li>\$173 million increase</li> </ul>
Deposits	<ul style="list-style-type: none"> <li>13% - 15% growth</li> <li>~\$475 million increase</li> </ul>	<ul style="list-style-type: none"> <li>12% - 14% growth</li> <li>~\$430 million increase</li> </ul>	<ul style="list-style-type: none"> <li>17% growth</li> <li>\$552 million increase</li> </ul>
Net Interest Income	<ul style="list-style-type: none"> <li>5% - 7% growth</li> <li>~\$135 million total</li> </ul>	No change	<ul style="list-style-type: none"> <li>8% growth</li> <li>\$137 million total</li> </ul>
Adj. Non-Interest Income	<ul style="list-style-type: none"> <li>5% - 7% growth</li> <li>~\$19 million total</li> </ul>	No change <sup>(1)</sup>	<ul style="list-style-type: none"> <li>8% growth<sup>(1)</sup></li> <li>\$19.5 million total<sup>(1)</sup></li> </ul>
Adj. Non-Interest expense	<ul style="list-style-type: none"> <li>\$85 - \$88 million total</li> </ul>	<ul style="list-style-type: none"> <li>\$88 - \$90 million total</li> </ul>	<ul style="list-style-type: none"> <li>\$88.5 million total<sup>(2)</sup></li> </ul>
Credit	<ul style="list-style-type: none"> <li>Provision of \$4.1 million</li> <li>Allowance/Total Loans of 1.05%</li> </ul>	No change	<ul style="list-style-type: none"> <li>Provision of \$1.8 million</li> <li>Allowance/Total Loans of 0.96%</li> </ul>
Capital	<ul style="list-style-type: none"> <li>Tier 1 Bank Leverage Ratio of 9.36%</li> </ul>	No change	<ul style="list-style-type: none"> <li>Tier 1 Bank Leverage Ratio of 9.88%</li> </ul>

<sup>(1)</sup> Excludes \$7.9 million loss in securities portfolio restructuring

<sup>(2)</sup> Excludes \$8.9 million fraud loss and \$0.8 million office relocation costs



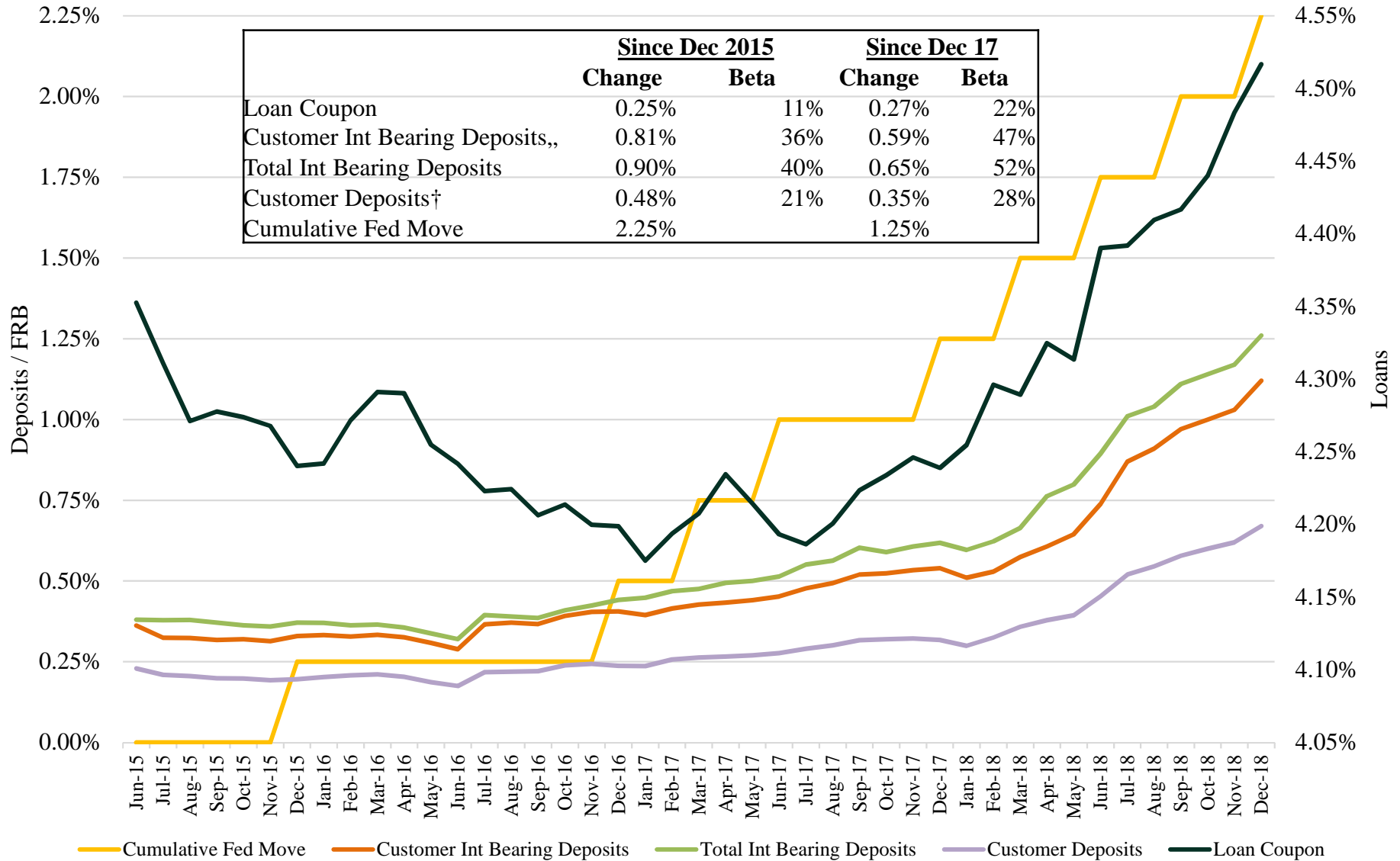
# 2019 Outlook

Measure	Target	Comments
Loan Growth	12% - 14%	<ul style="list-style-type: none"> <li>Grow Loans ~\$400 million through a combination of current offerings</li> </ul>
Deposit Growth	8% - 10%	<ul style="list-style-type: none"> <li>Grow total deposits ~\$350 million</li> <li>IPC deposit growth through organic DDA and MMA expansion and new deposit initiatives</li> <li>Less reliance on brokered deposits</li> </ul>
Loans to Deposits	85% - 90%	<ul style="list-style-type: none"> <li>Balance growth of lending through deposit activity</li> <li>Consistently favorable loans to deposits ratio relative to peers</li> </ul>
Net Interest Margin	3.27% - 3.32%	<ul style="list-style-type: none"> <li>Expected NIM expansion excluding purchase accounting – 2018 core margin 3.24%</li> <li>Budgeted 2 Yr. - 10 Yr. Treasury spread of 0.50% at December 2019</li> </ul>
Non-Interest Income	5% - 7%	<ul style="list-style-type: none"> <li>Led by continued growth of swap, gain on sale of SBA loans</li> <li>Increased focus on treasury management offerings</li> </ul>
Effective Tax Rate	22%	<ul style="list-style-type: none"> <li>Continued benefit from the Tax Cuts &amp; Jobs Act</li> </ul>
Non-Interest Expense	\$93 - \$97 million	<ul style="list-style-type: none"> <li>Continued improvement of expenses to assets</li> <li>Remain under 2.00%</li> </ul>

# 2019 Outlook

Theme	Comments
Deposit & Loan Pricing	<ul style="list-style-type: none"><li>Well-positioned for higher rates; emphasis on floating vs. fixed rate loans</li><li>Existing loan portfolio expected to price up</li><li>Deposit initiatives aligned with rising rate environment</li></ul>
Fraud Monitoring	<ul style="list-style-type: none"><li>Enhanced fraud monitoring analysis</li><li>Reorganization of treasury management operations with fraud monitoring operations</li></ul>
Treasury Management Sales	<ul style="list-style-type: none"><li>More focused approach to treasury management sales process</li><li>Hired Treasury Management Sales Director – Q4 2018</li></ul>
Technology	<ul style="list-style-type: none"><li>Development of online decisioning platform for small-business loans</li><li>Restructured Information Technology Division under newly hired Chief Information Officer</li><li>Increased efficiency through automation</li></ul>

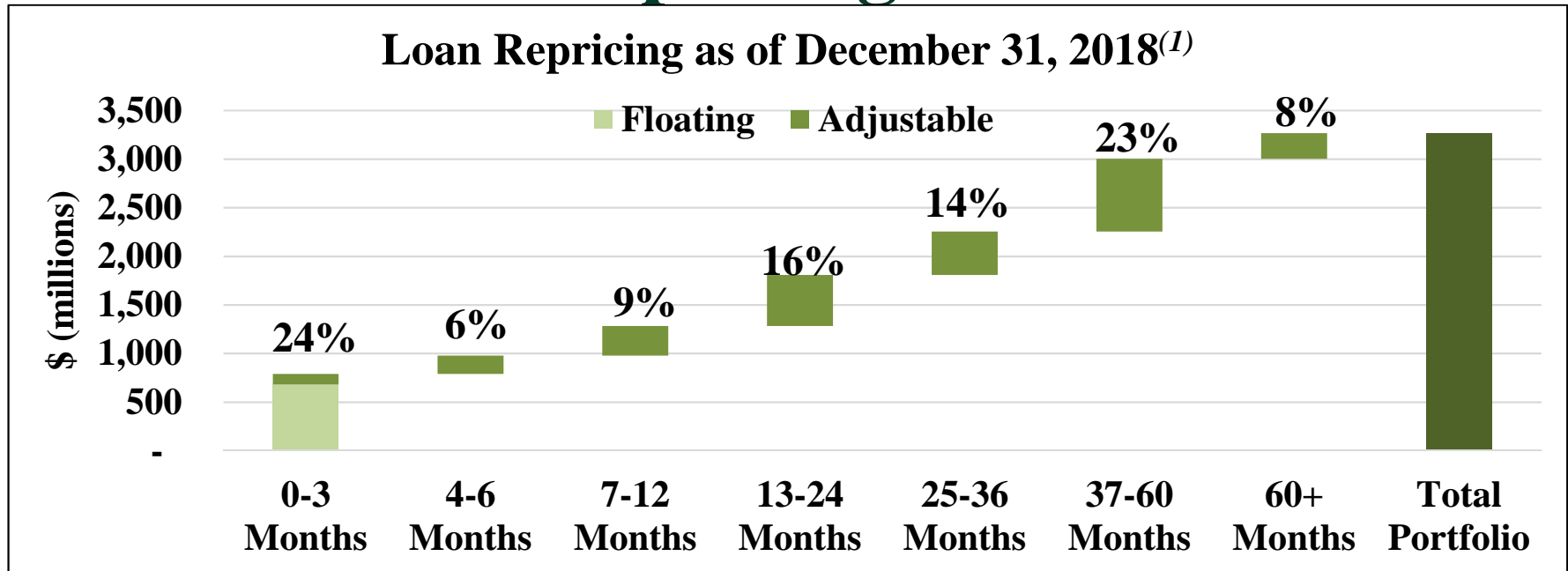
# Historical Portfolio Rates



<sup>(1)</sup> Customer Int Bearing Deposits represents total non-brokered interest bearing deposits

<sup>(2)</sup> Customer Deposits represents total non-brokered deposits inclusive of DDA

# Loan Repricing Schedule



- Approximately \$680M loans reprice daily.
- 39% of the portfolio reprices within 12 months.
- Through 2021, \$231M multifamily loans yielding approximately 3.42% are set to reprice.
- Over the last 2 years, approximately \$275M of loans have moved above their contractual floor rates leading to increased interest income with each additional rate hike.

# YoY BNB Bank Balance Sheet

Balance Sheet \$(000)	December 31,		Variances	Significant Events
	2017	2018		
Cash & Interest Earning Deposits	94,719	295,368	200,649	Large deposit in mid December 2018
Investment Securities	976,131	865,077	(111,054)	Includes Portfolio Restructure
Gross Loans	3,102,752	3,275,811	173,059	Includes loan sale of \$40M
Reserve for Loan Losses	(31,707)	(31,418)	289	
<b>Loans, Net</b>	<b>3,071,045</b>	<b>3,244,393</b>	<b>173,348</b>	
<b>Other Assets</b>	<b>287,869</b>	<b>295,804</b>	<b>7,935</b>	
<b>Total Assets</b>	<b>4,429,764</b>	<b>4,700,642</b>	<b>270,878</b>	
IPC Deposits	2,552,403	2,966,545	414,142	\$81M Growth in DDA, \$160M MMA inflow in mid December
Public Deposits	587,709	665,978	78,269	Organic growth of municipal business YoY
Brokered Deposits	202,261	255,408	53,147	Increased ICS and Brokered CD holdings
<b>Total Deposits</b>	<b>3,342,373</b>	<b>3,887,931</b>	<b>545,558</b>	
Borrowings	552,251	240,972	(311,279)	Reduction of Overnight Funds
Other Liabilities	34,244	39,634	5,390	
<b>Equity</b>	<b>500,896</b>	<b>532,105</b>	<b>31,209</b>	
<b>Total Liabilities &amp; Equity</b>	<b>4,429,764</b>	<b>4,700,642</b>	<b>270,878</b>	

**\$240M Term Funding with Swaps**  
Weighted Average Yield 1.80%

# Exposure to Interest Rate Risk

Interest Rate Risk	<u>12/31/2018</u>	<u>9/30/2018</u>	<u>12/31/2017</u>
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## 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

-1.6%

-2.2%

-3.5%

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

Up 200 BP

6.2%

6.1%

2.4%

- *Balance Sheet swaps: \$240M at 1.80%*
- *Loan back-to-back swaps: \$193M*
- *Investment portfolio restructure*
- *Emphasis on floating rate C&I loans vs fixed rate CRE loans*

# C&I Customer Base

## Strong growth trend in C&I Relationships

*5 year relationship growth of 152% or 1,091 relationships from EOY 2013 – EOY 2018*

*5 year total exposure growth of 307% or \$821 million from EOY 2013 – EOY 2018*

*3,000 loans across 1,800 unique relationships*

## Higher yielding

*Typically floating rate*

*Greater deposit generation potential*

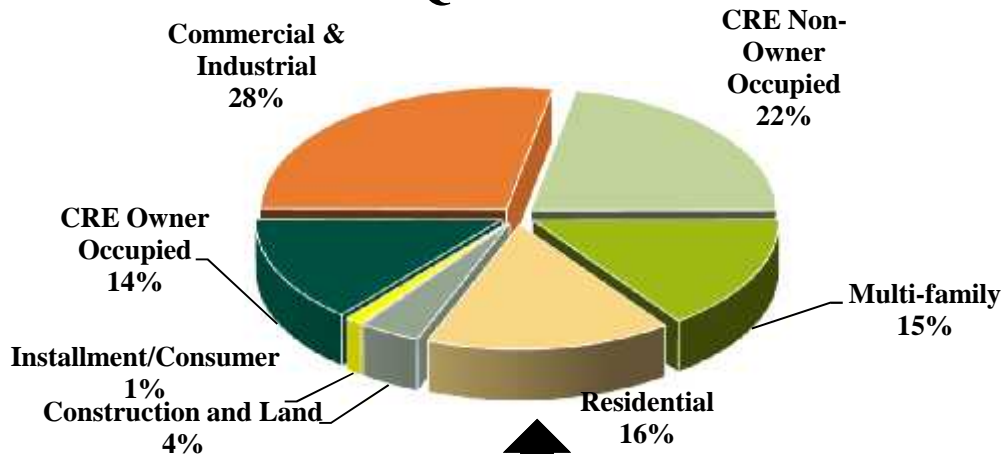
## Continue to build on strong C&I growth trend

*Major opportunity for continued C&I success in newer BNB Bank markets*

*Hiring seasoned, market-knowledgeable lenders to lead expansion*

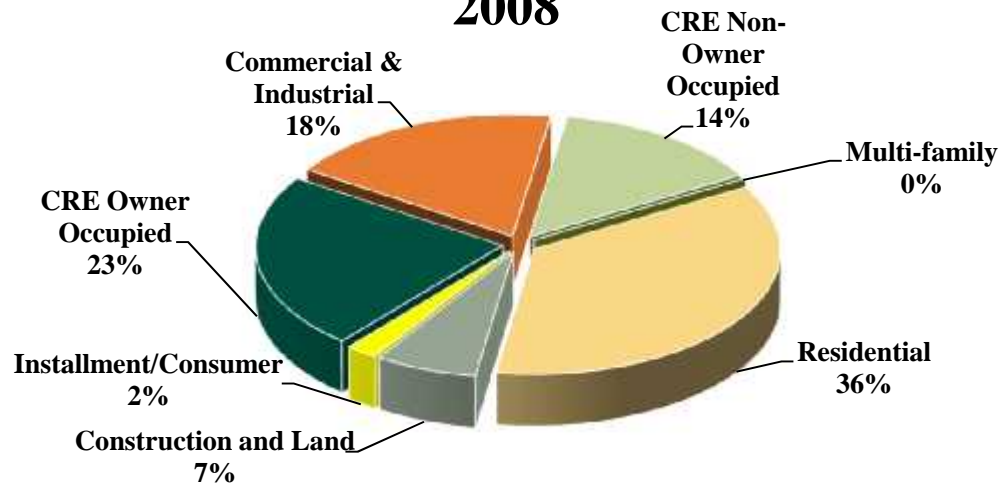
# Loan Profile

Q4 2018



Loan Exposure

2008

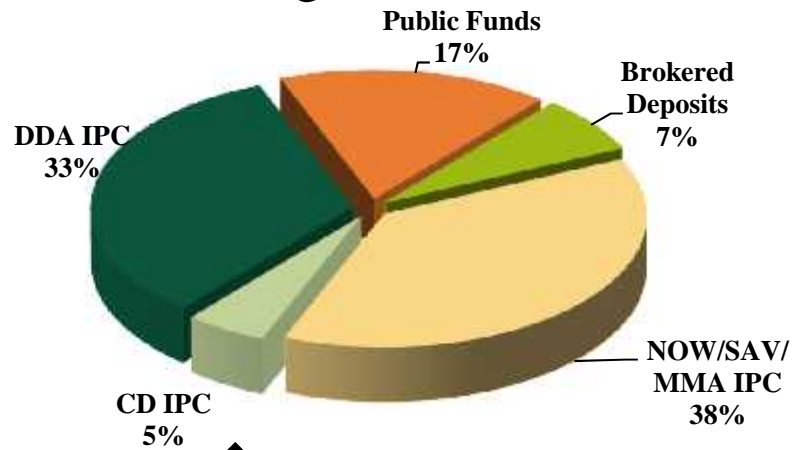


- 🏠 \$3.3 billion in Loans, Average Yield of 4.56%
- 🏠 Loan Growth of \$2.3 billion over 5 years (Q4 2013- Q4 2018)
- 🏠 Maintenance of Credit Discipline & Culture
- 🏠 Consistent With Community Banking Model
- 🏠 Consistent Growth Across All Products and Markets
- 🏠 24% Floating rate loans (3 months or less)\*



# Deposit Profile

Q4 2018



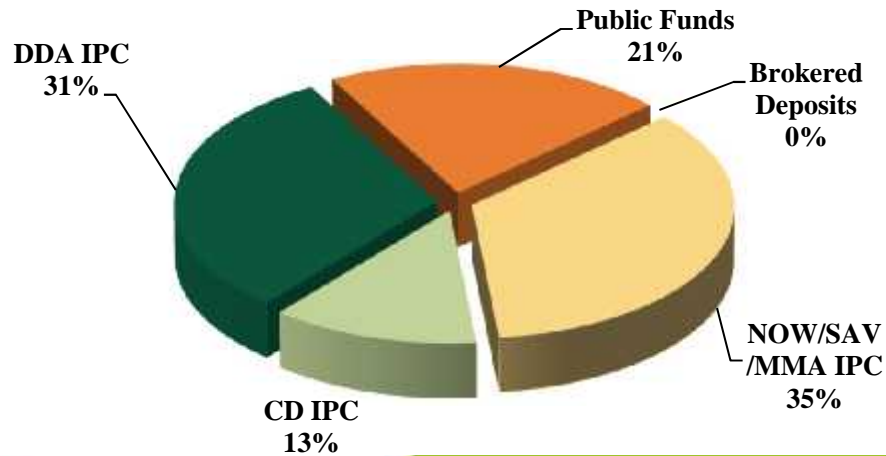
- \$3.9 billion in Deposits, Average Cost of 75 bps
- DDA IPC Deposit Growth of \$796 million over 5 years (Q4 2013- Q4 2018)
- Branch Managers Well Known in the Community
- Top 2 Market Share in 12 Markets
- Among lowest Cost of Funds of Peers

Market Share Source: S&P Global Market Intelligence as of June 30, 2018

Deposit Comparison



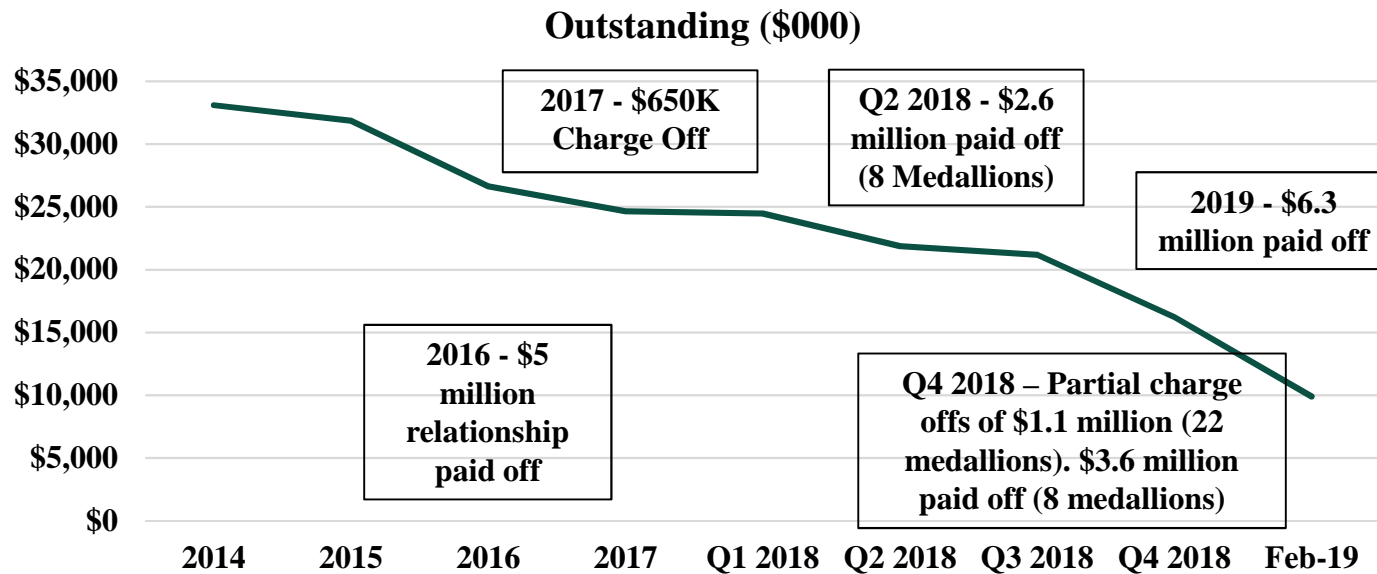
2008



# Asset Quality Ratios

	ALLL/Total Loans	Past Due & NPLs/Loans	NPLs/Total Loans	YTD Net Loan Losses/ Avg Total Loans*	ALLL/NPLs
<b>December 31, 2017</b>	<b>1.02%</b>	<b>0.40%</b>	<b>0.22%</b>	<b>0.30%</b>	<b>456%</b>
<b>March 31, 2018</b>	<b>1.02%</b>	<b>0.41%</b>	<b>0.19%</b>	<b>-0.04%</b>	<b>525%</b>
<b>June 30, 2018</b>	<b>1.00%</b>	<b>0.22%</b>	<b>0.05%</b>	<b>0.08%</b>	<b>1980%</b>
<b>September 30, 2018</b>	<b>1.00%</b>	<b>0.25%</b>	<b>0.06%</b>	<b>0.05%</b>	<b>1639%</b>
<b>December 31, 2018</b>	<b>0.96%</b>	<b>0.23%</b>	<b>0.09%</b>	<b>0.07%</b>	<b>1119%</b>
<i>September 30, 2018 Peer Group</i>	<i>0.81%</i>	<i>0.41%</i>	<i>0.47%</i>	<i>0.03%</i>	<i>159%</i>

# Taxi Medallions



- 📍 **Total of 20 Medallions totaling \$9.9M as of February 28, 2019**
- 📍 **Heightened monitoring of financial health of guarantors – Annual Personal Financial Statements (PFS)**
- 📍 **Only 1 individual owner/operator medallion - \$229K**
- 📍 **Paydowns of \$50K - \$300K made as loans renew – Designated as TDRs**

# SBA Business

- 🚧 **Entered SBA Lending Space through Acquisition of Community National Bank (June 2015)**
- 🚧 **Approved PLP Status**
- 🚧 **Product Integrated Throughout Organization**
- 🚧 **11% of Non-Interest Income**
- 🚧 **#1 Long Island Lender Based on Approved Dollar Volume <sup>1</sup>**
- 🚧 **#4 NY District Lender Based on Approved Dollar Volume <sup>1</sup>**
- 🚧 **#99 USA Lender Based on Approved Dollar Volume <sup>1</sup>**

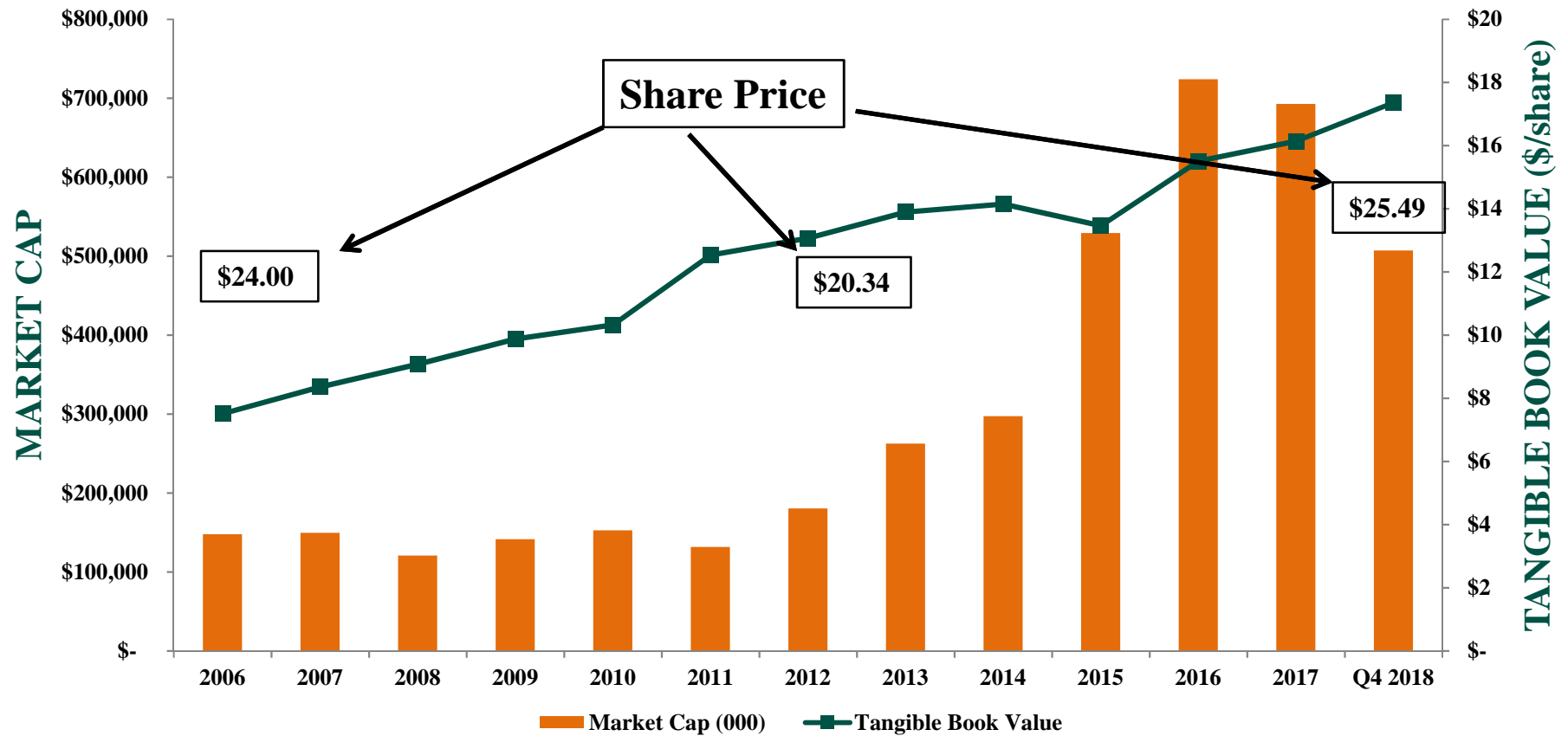
**\$1.2  
Million  
Average  
Loan Size**

# Summary

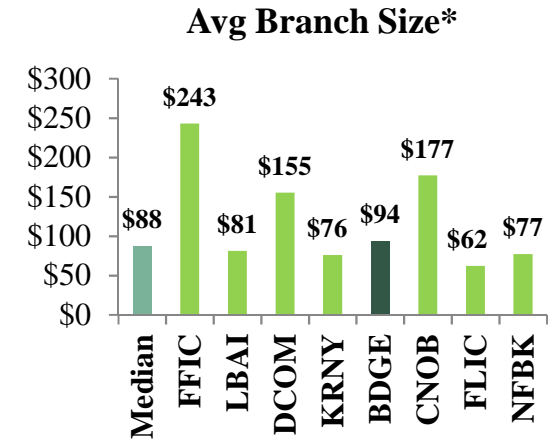
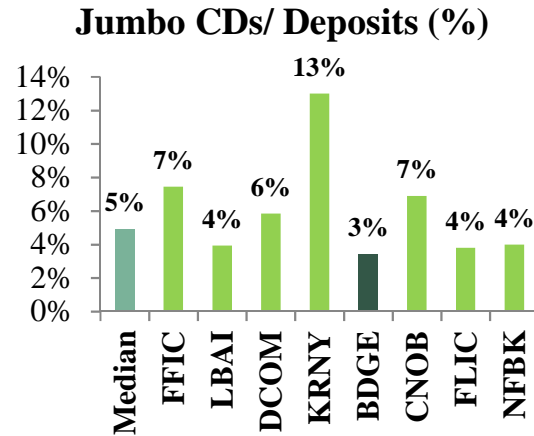
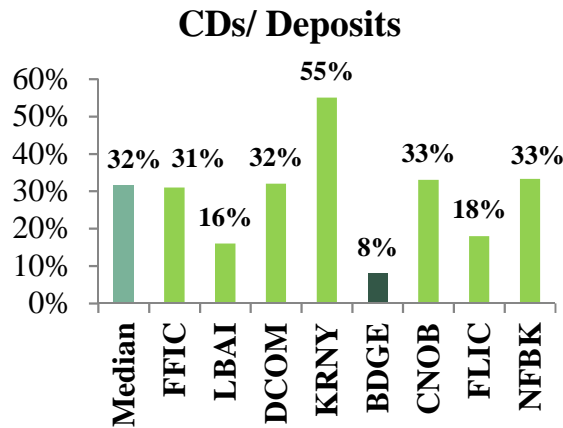
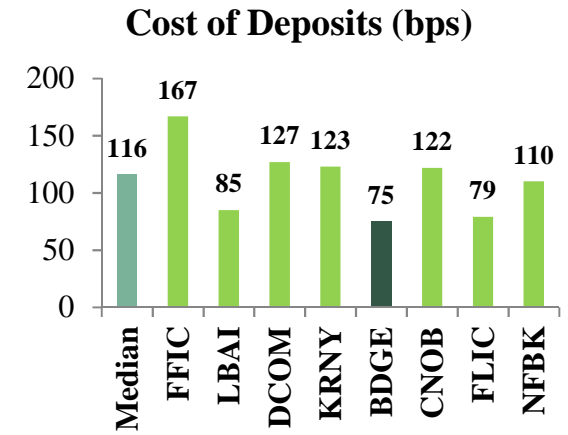
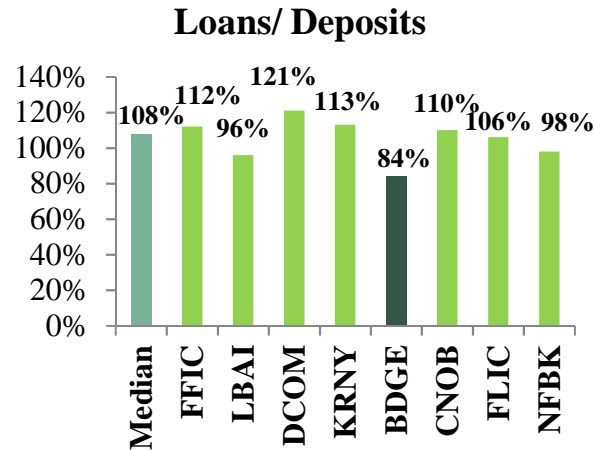
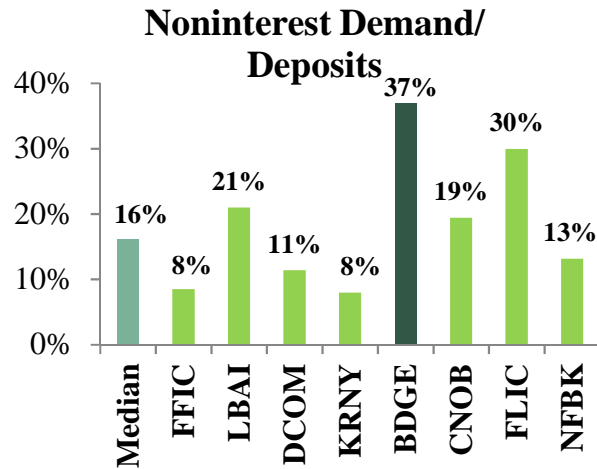
- 🚢 **Strong & Consistent Financial Performance**
- 🚢 **Outstanding Asset Quality and Balance Sheet Flexibility**
- 🚢 **Superior Franchise Growth with Compelling Opportunities**
- 🚢 **Well-Positioned in Economically Attractive Markets**
- 🚢 **Experienced Management Team and Board of Directors**
- 🚢 **Clear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

# Appendix

# BIDGE Market Cap & Liquidity



# NYC MSA Deposit Analysis



\*Branch data as of Q2 2018

Source: S&P Global Market Intelligence . Data as of Q4 2018 unless otherwise specified



**KEY**  
 FFIC - Flushing Financial Corporation  
 LBAI - Lakeland Bancorp, Inc.  
 DCOM - Dime Community Bancshares  
 KRNY - Kearny Financial Corp.  
 BDGE - Bridge Bancorp, Inc.  
 CNOB - ConnectOne Bancorp, Inc.





FLIC - First of Long Island Corporation  
 NFBK - Northfield Bancorp, Inc.



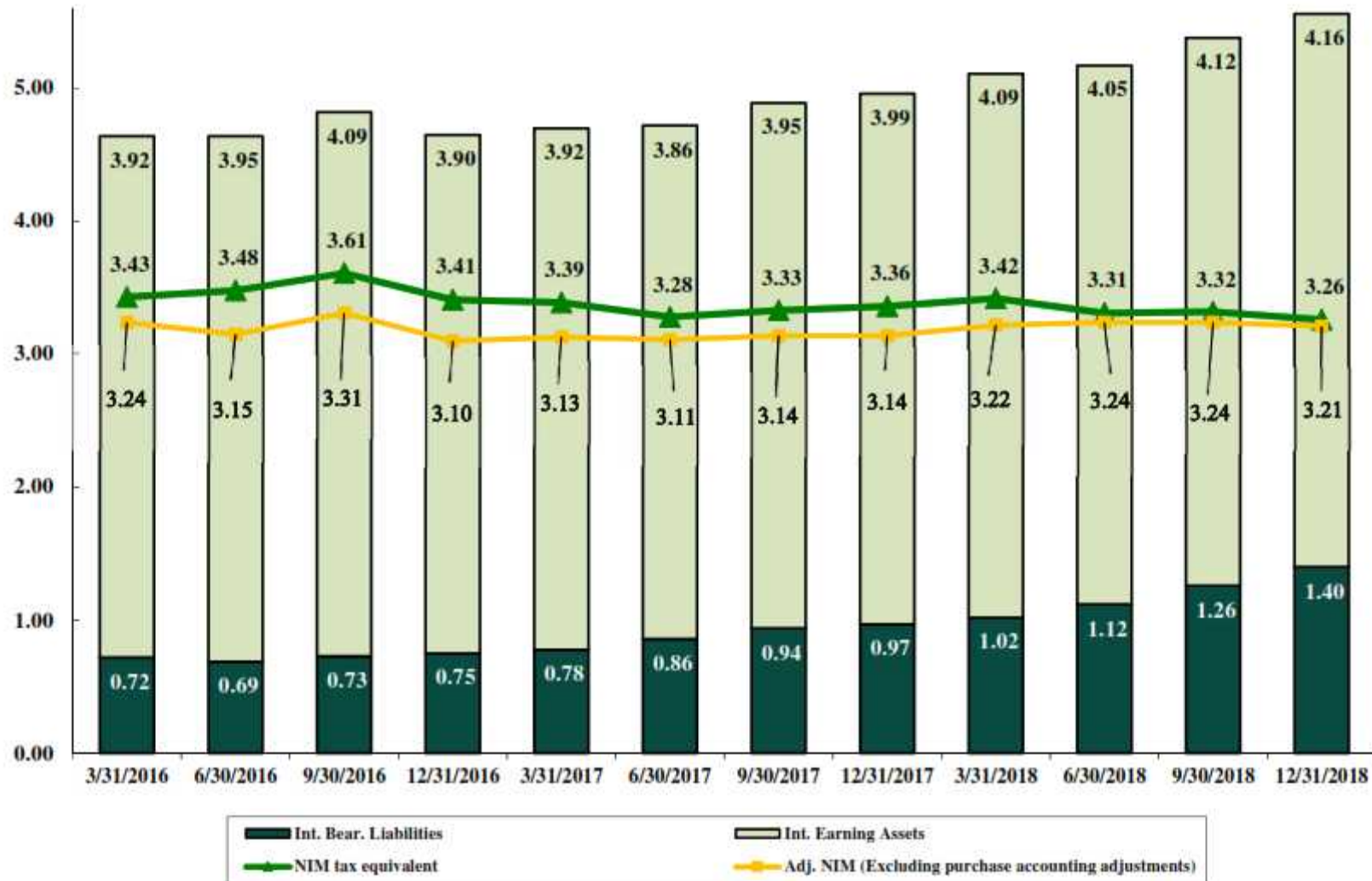
# Cost of Deposits Analysis: Proxy Peers

Institution Name	Int Cost: Total Deposits (%)										Beta
	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	
Eagle Bancorp, Inc.	0.36	0.40	0.42	0.45	0.50	0.51	0.60	0.90	1.03	1.17	0.66
Brookline Bancorp, Inc.	0.45	0.45	0.44	0.47	0.50	0.54	0.58	0.72	0.91	1.03	0.49
Flushing Financial Corporation	0.84	0.84	0.80	0.85	0.97	1.00	1.05	1.24	1.50	1.64	0.63
Dime Community Bancshares, Inc.	0.87	0.87	0.85	0.85	0.86	0.92	0.98	1.09	1.22	1.31	0.40
Lakeland Bancorp, Inc.	0.30	0.30	0.32	0.35	0.41	0.46	0.52	0.58	0.73	0.84	0.39
Sandy Spring Bancorp, Inc.	0.24	0.24	0.27	0.32	0.38	0.41	0.51	0.63	0.75	0.86	0.46
OceanFirst Financial Corp.	0.25	0.26	0.26	0.28	0.29	0.32	0.33	0.35	0.40	0.48	0.16
Kearny Financial Corp.	0.79	0.79	0.78	0.82	0.85	0.89	0.93	0.97	1.08	1.25	0.36
Meridian Bancorp, Inc.	0.81	0.83	0.84	0.87	0.91	1.01	1.02	1.19	1.30	1.47	0.46
ConnectOne Bancorp, Inc.	0.63	0.63	0.61	0.65	0.70	0.76	0.82	0.97	1.09	1.23	0.48
Century Bancorp, Inc.	0.39	0.42	0.43	0.49	0.56	0.62	0.71	0.80	0.94	1.11	0.49
Univest Corporation of Pennsylvania	0.26	0.26	0.27	0.29	0.35	0.41	0.42	0.51	0.66	0.78	0.37
Peapack-Gladstone Financial Corporation	0.53	0.53	0.53	0.59	0.68	0.71	0.77	0.90	1.07	1.18	0.46
Oritani Financial Corp.	0.95	0.93	0.95	0.98	1.02	1.05	1.07	1.17	1.24	1.36	0.31
First of Long Island Corporation	0.42	0.41	0.40	0.42	0.47	0.51	0.57	0.75	0.76	0.78	0.27
First Connecticut Bancorp, Inc.	0.55	0.54	0.51	0.53	0.59	0.65	0.71	0.76	NA	NA	NA
Enterprise Bancorp, Inc.	0.21	0.21	0.22	0.24	0.26	0.32	0.36	0.44	0.56	0.62	0.30
Blue Hills Bancorp, Inc.	0.68	0.69	0.72	0.76	0.83	0.87	0.94	1.04	1.18	1.27	0.39
Hingham Institution for Savings	0.73	0.73	0.73	0.76	0.79	0.87	0.92	1.08	1.24	1.37	0.50
CNB Financial Corporation	0.43	0.43	0.42	0.44	0.45	0.49	0.54	0.64	0.78	0.91	0.41
<b>50th Percentile</b>	<b>0.49</b>	<b>0.49</b>	<b>0.48</b>	<b>0.51</b>	<b>0.57</b>	<b>0.64</b>	<b>0.71</b>	<b>0.85</b>	<b>1.05</b>	<b>1.17</b>	<b>0.53</b>
<b>75th Percentile</b>	<b>0.35</b>	<b>0.37</b>	<b>0.38</b>	<b>0.40</b>	<b>0.44</b>	<b>0.48</b>	<b>0.53</b>	<b>0.64</b>	<b>0.75</b>	<b>0.84</b>	<b>0.36</b>
<b>Bridge Bancorp, Inc.</b>	<b>0.24</b>	<b>0.26</b>	<b>0.29</b>	<b>0.31</b>	<b>0.36</b>	<b>0.37</b>	<b>0.39</b>	<b>0.52</b>	<b>0.67</b>	<b>0.75</b>	<b>0.38</b>

# IRR Strategies

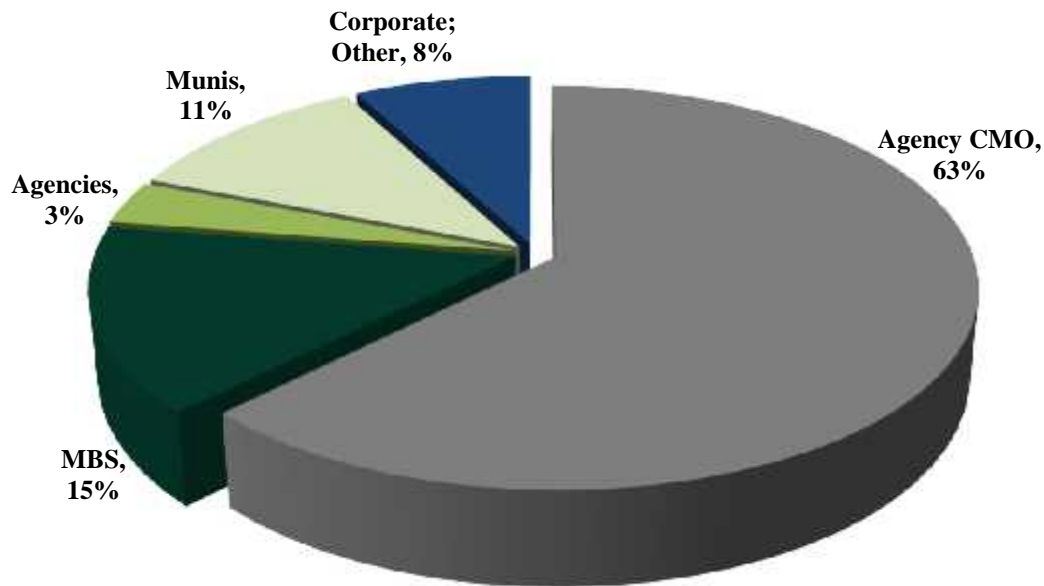
(\$ in 000's)	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Q4 2018</u>
 <b>Macro Swaps</b>	<b>\$125,000</b>	<b>\$175,000</b>	<b>\$290,000</b>	<b>\$240,000</b>
 <b>Loan Swaps</b>	<b>\$ 56,328</b>	<b>\$ 62,472</b>	<b>\$147,967</b>	<b>\$193,401</b>
 <b>O/N Borrowings as percent of assets (avg.)</b>	<b>5.52%</b>	<b>6.85%</b>	<b>6.65%</b>	<b>0.14%</b>
 <b>Portfolio E-DUR</b>	<b>4.45 years</b>	<b>3.73 years</b>	<b>3.23 years</b>	<b>3.05 years</b>

# Quarterly Net Interest Margin




# Conservative Securities Portfolio

December 31, 2018

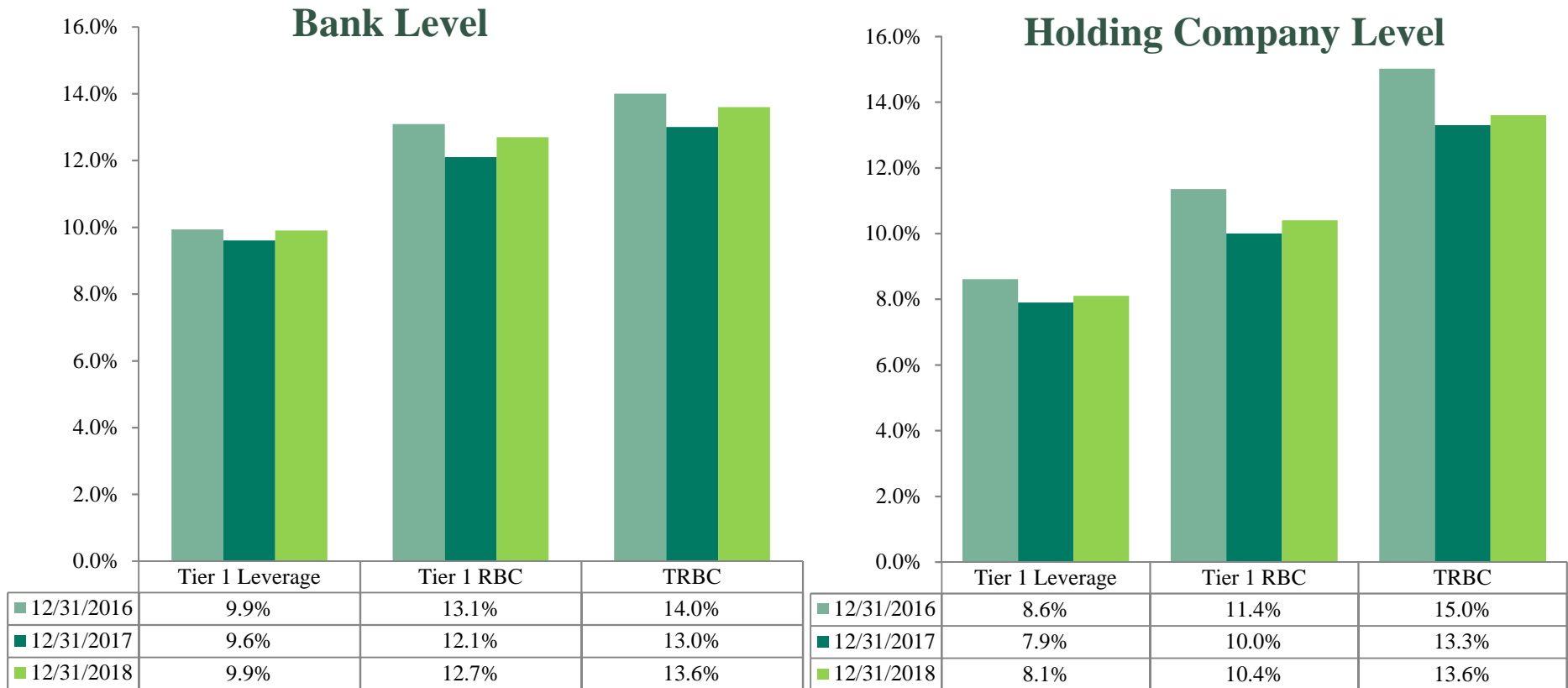


 **\$841 Million in Securities**

 **Exceptional Credit Quality with 84% Guaranteed by the U.S. Government**

 **Effective Portfolio Duration is 3.05 Years**

# Capital Overview



- ***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 – ROA & ROE

## BRIDGE BANCORP, INC. AND SUBSIDIARIES

### Non-GAAP Financial Measures (unaudited)

#### Reconciliation of as reported (GAAP) and non-GAAP financial measures

The following tables below provide a reconciliation of certain financial measures calculated under generally accepted accounting principles ("GAAP") (as reported) and non-GAAP. 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 GAAP in the United States. 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 important than financial results determined in accordance with GAAP.

The following non-GAAP financial measures exclude certain net securities losses associated with the Company's strategic plan to restructure its balance sheet during the second quarter of 2018, a fraud loss during the third quarter of 2018, a fraud recovery and office relocation costs during the fourth quarter of 2018 and restructuring costs and deferred tax asset remeasurement related to the Tax Act during the fourth quarter of 2017.

	Three Months Ended			Year Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Return on average total assets - as reported</b>	<b>1.22 %</b>	<b>0.58 %</b>	<b>(0.63)%</b>	<b>0.87 %</b>	<b>0.49 %</b>
Net securities losses	—	—	—	<b>0.18</b>	—
Net fraud (recovery) loss	<b>(0.05)</b>	0.84	—	<b>0.20</b>	—
Office relocation costs	<b>0.07</b>	—	—	<b>0.02</b>	—
Restructuring costs	—	—	0.73	—	0.19
Income tax effect of adjustments above	<b>(0.01)</b>	(0.18)	(0.26)	<b>(0.09)</b>	(0.07)
Deferred tax asset remeasurement	—	—	0.69	—	0.18
<b>Adjusted return on average total assets (non-GAAP)</b>	<b>1.23</b>	<b>1.24</b>	<b>0.53</b>	<b>1.18</b>	<b>0.79</b>
<b>Return on average stockholders' equity - as reported</b>	<b>12.32 %</b>	<b>5.64 %</b>	<b>(6.07)%</b>	<b>8.66 %</b>	<b>4.64 %</b>
Net securities losses	—	—	—	<b>1.75</b>	—
Net fraud (recovery) loss	<b>(0.53)</b>	8.19	—	<b>1.97</b>	—
Office relocation costs	<b>0.67</b>	—	—	<b>0.17</b>	—
Restructuring costs	—	—	7.04	—	1.81
Income tax effect of adjustments above	<b>(0.03)</b>	(1.80)	(2.46)	<b>(0.86)</b>	(0.63)
Deferred tax asset remeasurement	—	—	6.64	—	1.71
<b>Adjusted return on average stockholders' equity (non-GAAP)</b>	<b>12.43</b>	<b>12.03</b>	<b>5.15</b>	<b>11.69</b>	<b>7.53</b>

# Reconciliation of GAAP to Non-GAAP Adjustment – Net Income

## BRIDGE BANCORP, INC. AND SUBSIDIARIES Non-GAAP Financial Measures (unaudited)

The following table presents a reconciliation of net income (loss) and diluted earnings (loss) per share (as reported) to adjusted net income and adjusted diluted earnings per share excluding net securities losses, net fraud (recovery) loss, office relocation costs, restructuring costs, and deferred tax asset remeasurement related to the Tax Act:

	Three Months Ended			Year Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
(Dollars in thousands, except per share amounts)					
<b>Net income (loss) - as reported</b>	<b>\$ 13,864</b>	<b>\$ 6,547</b>	<b>\$ (6,916)</b>	<b>\$ 39,227</b>	<b>\$ 20,539</b>
Adjustments:					
Net securities losses	—	—	—	7,921	—
Net fraud (recovery) loss	(600)	9,500	—	8,900	—
Office relocation costs	750	—	—	750	—
Restructuring costs	—	—	8,020	—	8,020
Income tax effect of adjustments above	(32)	(2,091)	(2,807)	(3,865)	(2,807)
Deferred tax asset remeasurement	—	—	7,572	—	7,572
<b>Adjusted net income (non-GAAP)</b>	<b>\$ 13,982</b>	<b>\$ 13,956</b>	<b>\$ 5,869</b>	<b>\$ 52,933</b>	<b>\$ 33,324</b>
<b>Diluted earnings (loss) per share - as reported</b>	<b>\$ 0.70</b>	<b>\$ 0.33</b>	<b>\$ (0.35)</b>	<b>\$ 1.97</b>	<b>\$ 1.04</b>
Adjustments:					
Net securities losses	—	—	—	0.40	—
Net fraud (recovery) loss	(0.03)	0.48	—	0.45	—
Office relocation costs	0.04	—	—	0.04	—
Restructuring costs	—	—	0.40	—	0.40
Income tax effect of adjustments above	(0.01)	(0.11)	(0.14)	(0.20)	(0.15)
Deferred tax asset remeasurement	—	—	0.39	—	0.39
<b>Adjusted diluted earnings per share (non-GAAP)</b>	<b>\$ 0.70</b>	<b>\$ 0.70</b>	<b>\$ 0.30</b>	<b>\$ 2.66</b>	<b>\$ 1.68</b>

# Reconciliation of GAAP to Non-GAAP Adjustment - NIM

(Dollars in thousands)	Three Months Ended			Year Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net interest income - as reported	\$ 34,098	\$ 34,214	\$ 33,561	\$ 136,780	\$ 127,160
Tax-equivalent adjustment	139	135	337	596	1,371
Net interest income, tax-equivalent basis	\$ 34,237	\$ 34,349	\$ 33,898	\$ 137,376	\$ 128,531
Adjustment:					
Less: Accretion income on acquired loans	(463)	(690)	(2,072)	(3,737)	(7,558)
Adjusted net interest income, tax-equivalent basis (non-GAAP)	\$ 33,774	\$ 33,659	\$ 31,826	\$ 133,639	\$ 120,973
Average interest-earning assets - as reported	\$ 4,163,267	\$ 4,109,582	\$ 4,003,876	\$ 4,130,802	\$ 3,847,009
Adjustment:					
Average purchase accounting adjustments on acquired loans	5,379	6,018	14,309	6,809	16,716
Adjusted average interest-earning assets (non-GAAP)	\$ 4,168,646	\$ 4,115,600	\$ 4,018,185	\$ 4,137,611	\$ 3,863,725
Average yield on loans, tax-equivalent basis - as reported	4.56 %	4.55 %	4.56 %	4.56 %	4.57 %
Adjustment:					
Purchase accounting adjustments on acquired loans	(0.06)	(0.09)	(0.30)	(0.12)	(0.30)
Adjusted average yield on loans (non-GAAP)	4.50	4.46	4.26	4.44	4.27
Net interest margin - as reported (1)	3.25 %	3.30 %	3.33 %	3.31 %	3.31 %
Tax equivalent adjustment	0.01	0.02	0.03	0.02	0.03
Net interest margin, tax-equivalent basis (2)	3.26	3.32	3.36	3.33	3.34
Adjustment:					
Purchase accounting adjustments on acquired loans	(0.05)	(0.08)	(0.22)	(0.10)	(0.21)
Adjusted net interest margin (non-GAAP) (3)	3.21	3.24	3.14	3.23	3.13

(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 on a tax-equivalent basis divided by adjusted average interest-earning assets.