



BRIDGE  
BANCORP, INC.

## 1Q2020 FINANCIAL RESULTS

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April 30, 2020

# 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. In addition, the COVID-19 pandemic is having an adverse impact on the Company, its customers and the communities it serves. The adverse effect of the COVID-19 pandemic on the Company, its customers and the communities where it operates may adversely affect the Company’s business, results of operations and financial condition for an indefinite period of time. 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.

# MISSION STATEMENT

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

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# OUR RESPONSE TO COVID-19

## Employees

- Approximately 300 employees working remotely
- Branch network continues to operate with drive-up, appointment banking, and reduced hours
- Branch employees receive 100% weekly pay regardless of hours worked
- All front-line employees received special payments
- Enhanced facility cleaning protocols
- Additional PTO for employees required to quarantine

## Customers

- Fee waivers
- Moratoriums – 275 loans for \$371.6 million
- Case-by-Case help – 79 relief loans for \$4.2 million
- Paycheck Protection Program – Funded over 3,500 loans for more than \$900 million

## Communities

- Provided \$260 thousand in grants to non-profit partners working on the COVID-19 relief effort in our footprint
- Grants focused on organizations working to address meeting the basic needs of vulnerable populations, providing emergency food, and health services
- Partnering with local governments and community organizations to help coordinate emergency relief
- Provided Paycheck Protection Program loans to hundreds of non-profit partners
- Set aside a portion of fees generated by the PPP to increase funding for local organizations.

# 1<sup>ST</sup> QUARTER 2020 OVERVIEW

## EARNINGS

- EPS of \$0.47
- v \$0.71 Q4 2019
- v \$0.65 Q1 2019

## NET INTEREST MARGIN

- NIM 3.26%
- v 3.26% Q4 2019
- v 3.29% Q1 2019

*March NIM 3.29%*

## PROVISION

- Adopted and stuck with CECL
- \$1.6 million day-1 CECL adjustment to ACL
- \$5 million provision in Q1 (\$4 million related to COVID-19 crisis)

# BALANCE SHEET

## Balance Sheet

\$ in thousands	Mar-20	Dec-19	Mar-19
<b>Assets</b>			
Cash and cash equivalents	\$ 234,182	\$ 117,194	\$ 100,457
Securities	703,863	804,808	885,031
Loans held for sale	12,643	12,643	-
Loans held for investment	3,762,130	3,680,285	3,391,104
Allowance for credit losses	(39,215)	(32,786)	(31,784)
Loans held for investment, net	3,722,915	3,647,499	3,359,320
Other Assets	387,269	339,376	330,401
<b>Total Assets</b>	<b>\$5,060,872</b>	<b>\$4,921,520</b>	<b>\$4,675,209</b>
<b>Liabilities and stockholders' equity</b>			
Non-interest bearing deposits	\$ 1,481,552	\$ 1,518,958	\$ 1,313,947
Interest bearing deposits	2,574,183	2,295,689	2,411,517
Total deposits	4,055,735	3,814,647	3,725,464
Total borrowings	370,150	514,919	409,753
Other Liabilities	141,734	94,800	74,989
Total liabilities	4,567,619	4,424,366	4,210,206
Total stockholders' equity	493,253	497,154	465,003
<b>Total Liabilities and stockholders' equity</b>	<b>\$5,060,872</b>	<b>\$4,921,520</b>	<b>\$4,675,209</b>

## 1Q 2020 Highlights

- Bolstered liquidity in light of uncertainty at quarter-end
- Borrowed \$100 million @ -0.30%
- Lower yielding investments continue to decline
- C&I loans up after CRE-heavy Q4
- IPC deposits up 10% annualized
- DDA as % of IPC holds at 46%
- Repurchased 180K shares at a cost of \$4.6 million

# INCOME STATEMENT

## Income Statement

\$ in thousands	Three Months Ended		
	Mar-20	Dec-19	Mar-19
Interest income	\$ 44,602	\$ 44,320	\$ 44,515
Interest expense	7,952	8,672	10,192
Net interest income	36,650	35,648	34,323
Provision for credit losses	5,000	600	600
NII after provision for credit losses	31,650	35,048	33,723
Non-interest income:			
Service charges and other fees	2,500	2,487	2,428
Title fees	329	571	306
Gain on sale of SBA loans	371	322	217
Bank owned life insurance	548	560	553
Loan swap fees	1,231	4,260	1,115
Other income	238	226	599
Total non-interest income	5,217	8,426	5,218
Non-interest expense:			
Salaries and employee benefits	15,549	15,011	13,280
Occupancy and equipment	3,499	3,791	3,531
Amortization of other intangible assets	181	182	213
Other expense	5,614	6,348	5,575
Total non-interest expense	24,843	25,332	22,599
Income before income taxes	12,024	18,142	16,342
Income tax expense	2,676	3,934	3,415
<b>Net Income</b>	<b>\$ 9,348</b>	<b>\$ 14,208</b>	<b>\$ 12,927</b>

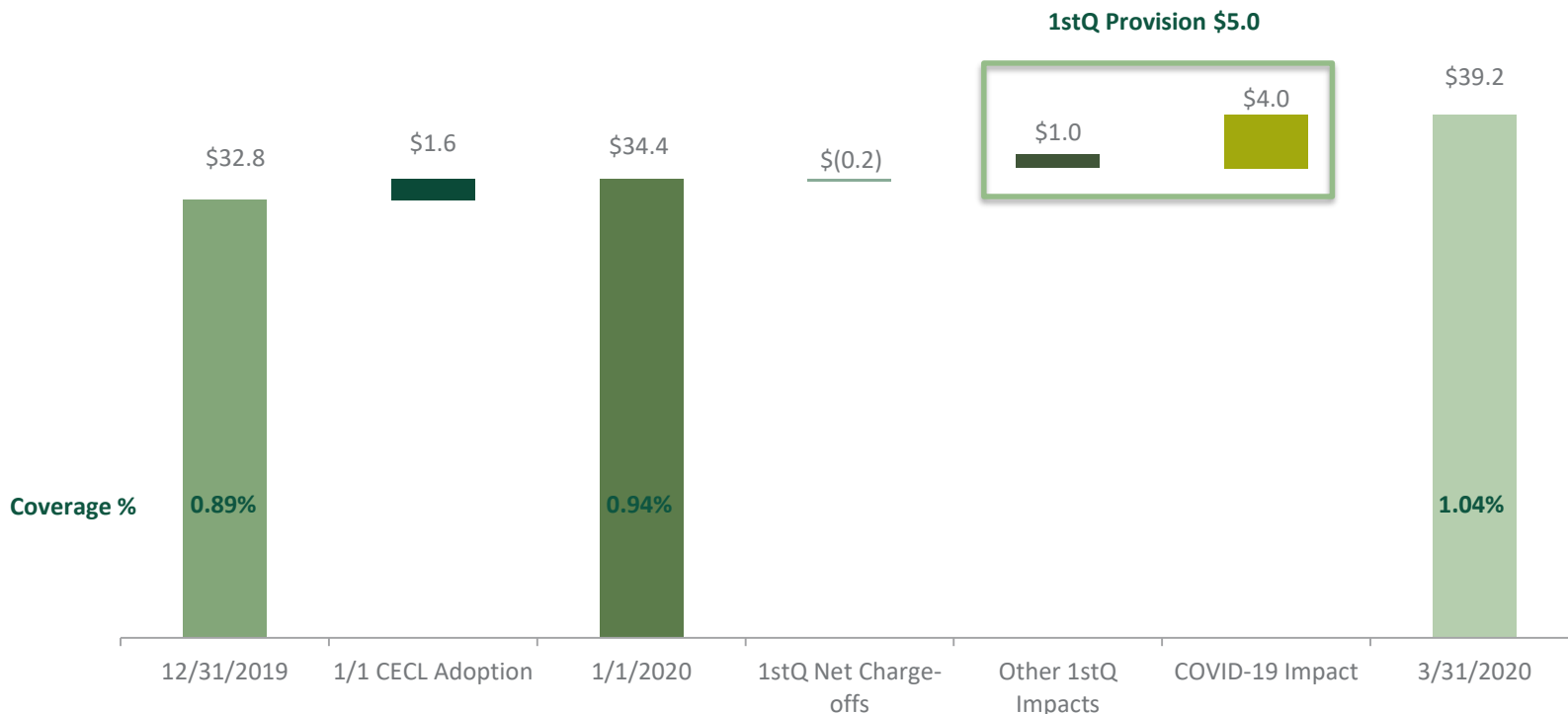
## 1Q2020 Highlights

- Net Interest Income up \$1 million Quarter-Over-Quarter (QOQ)
- NIM stays at 3.26%
- Provision increase to \$5 million - \$4 million due to COVID-19
- Service Charges up Quarter-Over-Quarter and Year-Over-Year
- Title, SBA, and Swap income up Year-Over-Year
- Non-Interest Expense down Quarter-Over-Quarter

# COVID-19/CECL

(\$ in millions)

## Allowance for Credit Losses (ACL)



- The increase in the 1stQ ACL is primarily related to the reasonable and supportable forecast component of the newly adopted CECL standard which includes the impact of COVID-19 coupled with increased draws on lines of credit in March as a result of the pandemic
- Other 1stQ impacts include an increase in specific reserves, provision for charge-offs, and changes in other qualitative factors resulting from changes in the portfolio



# COVID-19 ENHANCED CREDIT EXPOSURE

(\$ in millions)

<u>Industry</u>	<u>Exposure</u>	<u>% of Loans</u>
Hotels	\$66.4	1.8%
Restaurants	\$45.5	1.2%
Passenger Transportation	\$36.7	1.0%
Leisure	\$31.3	0.8%
Museums	\$17.4	0.5%
Catering	\$9.4	0.3%
<b>Total</b>	<b>\$206.7</b>	<b>5.5%</b>

- Above industries were identified based on potential risk to cash flow due to the Coronavirus pandemic

# COVID-19 RESPONSE

- Moratoriums & Forbearance

- 275 Loan Moratoriums were completed totaling \$371.6MM (9.9% of total loan balances) in exposure

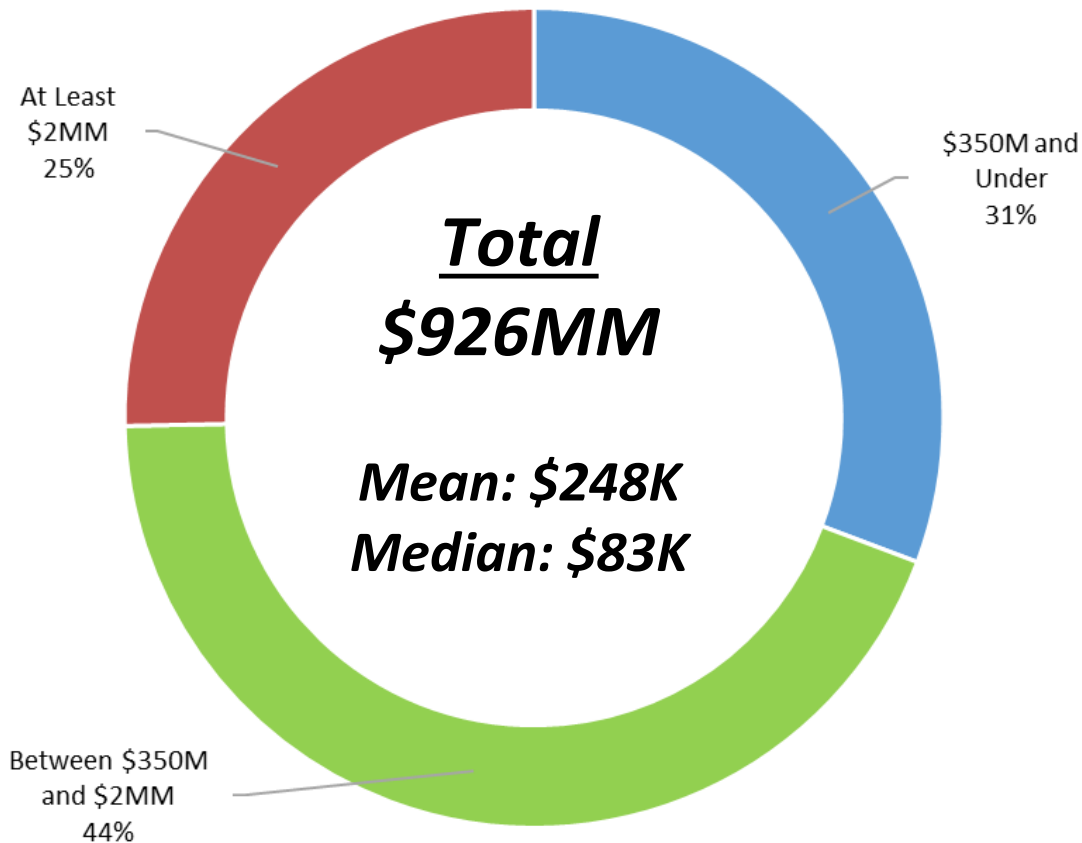
Moratoriums are further broken down into the following categories:

	<u># Loans</u>	<u>\$ Loans</u>	<u>% of Category</u>
• Commercial Real Estate :	82 loans	\$219.7MM	13.0%
• Multifamily:	16 loans	\$76.4MM	9.6%
• Commercial & Industrial:	110 loans	\$37.7MM	5.0%
• Residential/Consumer:	67 loans	\$37.8MM	7.4%

- 79 loans were funded in the Loan Relief program totaling \$4.2MM with an average loan size of \$53K
- Participated in Paycheck Protection Program

# PAYCHECK PROTECTION PROGRAM (PPP)

## Amount Financed



**Top 5 Industries: Construction, Professional, Manufacturing, Accommodation/Food, and Administrative**