

BRIDGE  
BANCORP, INC.

2013 Annual Report



OUR LENDING REACH

CT

NY

NJ

NEW YORK METRO AREA

LONG ISLAND

- BRIDGEHAMPTON
- CENTER MORICHES
- CUTCHOGUE
- DEER PARK
- EAST HAMPTON
- EAST HAMPTON VILLAGE
- GREENPORT
- HAMPTON BAYS
- HAUPPAUGE
- MASSAPEQUA
- MATTITUCK
- MELVILLE
- MERRICK
- MONTAUK
- PATCHOGUE
- PECONIC LANDING
- ROCKY POINT
- RONKONKOMA
- SAG HARBOR
- SHELTER ISLAND
- SHIRLEY
- SOUTHAMPTON (WINDMILL LANE)
- SOUTHAMPTON VILLAGE
- SOUTHOLD
- WADING RIVER
- WESTHAMPTON BEACH

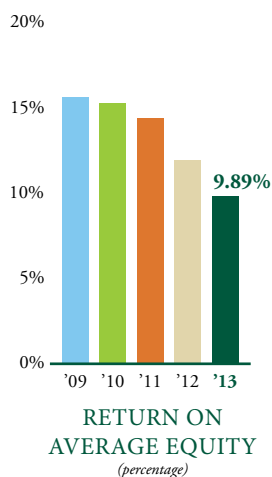
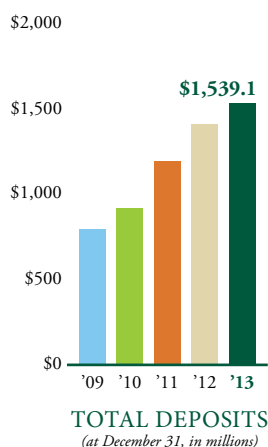
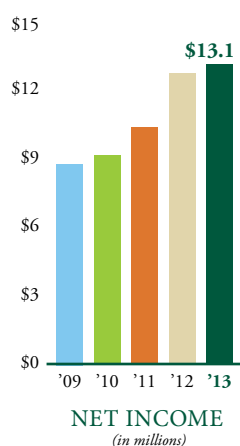
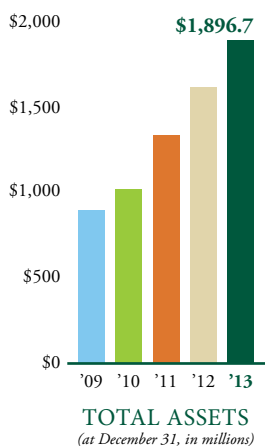
COMMERCIAL LOAN OFFICES

- MANHATTAN
- RIVERHEAD

# FINANCIAL HIGHLIGHTS

(in thousands, except per share data and financial ratios)

For the year ended December 31,	2013	2012
<b>EARNINGS</b>		
Net income	\$ 13,093	\$ 12,772
Return on average equity	9.89%	11.78%
Return on average assets	0.77%	0.88%
<b>BALANCE SHEET</b>		
Assets	\$1,896,746	\$1,624,713
Deposits	\$1,539,079	\$1,409,322
Loans	\$1,013,263	\$ 798,446
Stockholders' equity	\$ 159,460	\$ 118,672
<b>PER SHARE DATA</b>		
Diluted earnings	\$ 1.36	\$ 1.48
Cash dividends paid	\$ 0.69	\$ 1.15
Book value	\$ 14.10	\$ 13.32



## FELLOW SHAREHOLDERS:

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To prepare this message to you, our shareholders, I assimilate information from many sources. I start by reviewing our past annual reports and my messages, determining their relevance and our performance compared to our commitments. I gather input from our officers regarding the significant events, challenges and successes of the past year and solicit the opinions of our Board members, who bring perspective and a broad diversity of experience to our Company. Finally, I review the insights of other stakeholders including customers, regulators, industry experts and shareholders.

My goal in collecting this information remains simple: to explain our performance, our plans and our vision for the future.

You might assume that with the dramatic changes in our industry, the economy, and on the world stage, our direction would have to change significantly. But, that is not entirely true. We began over 100 years ago as a community bank providing the basic services of deposit gathering and lending to local-businesses and individuals. We forged long-term relationships and partnerships in Bridgehampton, helping our community to build savings, buy homes, and expand their businesses or farms. We have this same focus today. It is on a larger scale, for some vastly different industries, and for new geographies, but it is still the essence of community banking. Our understanding of mission and purpose coupled with our commitment to execution is the overarching reason for our continued and sustained success.

This year was highlighted by growth in locations, customers and relationships. The increase in scale and size translated into financial growth. Our overall deposits eclipsed \$1.5 billion and in every branch, balances were higher than 2012. New customers in new markets moved deposit relationships; while new and existing customers

**\$1.9**  
BILLION IN  
ASSETS

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helped our legacy branches achieve record levels of deposits.

Our loan portfolio ended 2013 at over \$1.0 billion, an aggregation of thousands of individual loans to local businesses and consumers.

Recognizing these aggregated amounts as *individual* customers is the key to our success and fundamental to the success of any organization. Each day we challenge our employees to balance the needs of their existing relationships, while simultaneously identifying and attracting new customers. Our overall success reflects the results of each of our bankers in understanding this dual mandate.

The increase in scale and asset base allows us to continue to identify growth opportunities and reinvest back into your Company. We opened two branches, we strengthened systems and processes with technology and people, and continued to balance and align our goals with those of our regulators, while still delivering strong returns and dividends. Net income exceeded \$13 million and our returns on assets and equity, while less than 2012, still exceed the performance of most of the industry.

Our strong performance provided a great opportunity to leverage our infrastructure with an opportunistic acquisition. In October 2013, we announced the \$5.3 million purchase of the former First National Bank of New York, (FNBNY), a three-branch bank with over \$200 million in assets, operating in Melville with two branches in Nassau County: Merrick and Massapequa. This was followed, almost immediately, with a successful common stock offering through which we raised almost \$38 million in capital, supporting both the FNBNY transaction and our organic growth. The offering's success was due in part to the adoption and execution of a strategic initiative to increase investor awareness and improve market liquidity, ultimately enhancing the value of your share ownership.

OUR UNDERSTANDING OF  
MISSION AND PURPOSE  
COUPLED WITH OUR  
COMMITMENT TO  
EXECUTION IS THE  
OVERARCHING REASON  
FOR OUR SUCCESS.



# GROWTH STRATEGICALLY

THE BRANCH NETWORK IS A VITAL ASSET, THE CUSTOMERS' TOUCH POINT AND A COMMUNITY ANCHOR.



*Hauppauge*



*Melville*



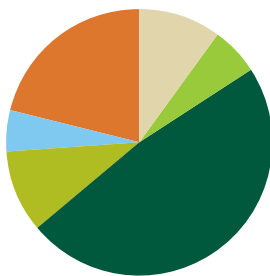
*East Hampton*



*Montauk*

This merger, approved by our primary regulator, closed on February 14, 2014. We immediately converted the acquired customers and branch locations onto our systems, and the three former FNBNY branches reopened as BNB on Tuesday, February 18th as part of our 26-branch network, allowing our new customers to use all of our

branches. Given the inherent complexity and abbreviated time frame, this was a significant accomplishment, and is a testament to the talents of our staff, who leveraged on the plans and experience we gained in executing our first acquisition of Hamptons State Bank in 2011. We look forward to replicating similar success, expanding the



■ Commercial Mortgages	<b>48%</b>
■ Commercial Loans	<b>21%</b>
■ Residential & Consumer Loans	<b>10%</b>
■ Equity Loans	<b>6%</b>
■ Multifamily Loans	<b>10%</b>
■ Construction & Land Loans	<b>5%</b>
<b>Average Yield 5.12%</b>	

TOTAL LOANS BY TYPE *at December 31, 2013*



*Shelter Island*



*Southampton*



*Merrick*

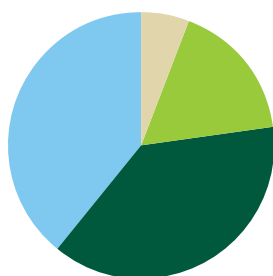


*Massapequa*

business of the former FBNBY, as we begin to deliver the BNB experience in these new markets and to new potential customers. The demographics of the markets we've entered, as measured by various metrics such as median income, business density, and employment levels, are incredibly favorable. The reputation and brand recognition

we have diligently developed and marketed across the breadth of Long Island, coupled with our experienced team, will be the impetus for our success.

Despite a year of very positive macro developments, these are still "challenging times." While the challenges have evolved, many underlying



■ Demand Deposits	<b>38%</b>
■ Money Markets	<b>39%</b>
■ Savings & NOW	<b>17%</b>
■ Certificates of Deposit	<b>6%</b>

**Average Cost of Customer Deposits 0.34%**

TOTAL DEPOSITS BY TYPE *at December 31, 2013*

# GROWTH AND OUR INFRASTRUCTURE

ENHANCED INTERNAL OPERATIONS, SECURE TECHNOLOGY PLATFORMS AND IMPROVED SYSTEMS ARE FUNDAMENTAL TO THE STRONG INFRASTRUCTURE WE HAVE PUT IN PLACE TO SUPPORT GROWTH.



trends and concerns remain. Beginning in 2007 and continuing into 2009, we were on the precipice of—and then deep into—the “Great Recession,” with unprecedented financial upheaval, and massive realignment of financial markets and organizations. As a result, government intervention ensued in ways never before contemplated. It owned, then sold, pieces of our largest financial institutions, and for a time, even owned one of the largest auto manufacturers. The methods employed to stimulate/resuscitate the economy gave rise to new acronyms: TARP, TALE, and QE 1, 2 and 3. There were identified victims, villains and innocent bystanders, and in many cases the same groups wore multiple hats. Today, while the crisis has passed, we still deal daily with the vestiges from this period. Our industry faces increased regulation enacted under Dodd-Frank legislation, more oversight, significantly higher levels of required capital and reserves, and finally, low absolute levels of market interest rates.

Our success in managing through these challenges and cycles is a tribute to our organization’s

**27%**  
INCREASE IN  
LOANS

historical long-term conservative approach. We entered this period with a defined culture and leadership. It begins at the Board level and is dedicated to building on long-term relationships with individuals and businesses. This solid foundation allowed our newest employees the ability and freedom to build and grow, rather than repair and retrench. We have certainly invested in our infrastructure, both with people and systems, but we’ve done it from a position of strength. We have had the opportunity to properly serve long-standing customers, add new customers, and consider new markets and products. We remain diligent in these endeavors. The continuity of both the Board and our senior management team provides the opportunity to look forward, while remaining true to our founding principles.

The future will always create new challenges. We must manage each one strategically and proactively. We have to navigate the unwinding of unprecedented monetary intervention and the generational lows in market interest rates. We must be relevant with our technology, while





BRIDGEHAMPTON NATIONAL BANK



# GROWTH AND OUR PEOPLE

PEOPLE ARE OUR TOP RESOURCE. WE HIRE AND TRAIN THE BEST BANKERS ON LONG ISLAND. THEY DELIVER ON OUR PROMISE TO PUT CUSTOMERS FIRST.



diligent to the attendant cybersecurity risks. We must continue to hire, retain and train our most valuable resource, our people. We must preserve and protect our culture. We must listen and respond to the challenges faced by our customers, as their businesses and industries change and evolve.

During my tenure, we have been highly cognizant of the challenges we faced. We have addressed them directly with our predecessors' principles at our core, and with a view to the opportunities they may create. Our strong proactive regulatory relationships will always be critical to our success. Smart pricing decisions, with a longer-term view on profitability and managing interest rate risk will be critical. Our customers will continue to benefit from current, carefully tested technology integrated with leading edge security features, providing protection for both the customer and the Bank. Our workforce is committed and able, and we are systematically recruiting and training tomorrow's bankers, steeped in BNB culture. Perhaps most important of all, the personal contact of a customer visit, providing a face-to-face relationship with their

banker, will always be a fundamental component of the BNB Community Banking Model. In an increasingly centralized and digital financial services world, this local connection and commitment sets us apart.

I remain very grateful for the opportunities I have been provided to lead this Company, along with its professional and expert team of bankers, from a place I have called home for my entire life. It is truly a privilege and honor to work with a Board that is mindful of our legacy, yet visionary for our future. It is gratifying to reflect on our past accomplishments, but more exciting to share our vision for future possibilities.

Thank you again and I look forward to delivering an even better report next year.

Sincerely,

Kevin M. O'Connor  
*President and Chief Executive Officer*

# CORPORATE INFORMATION

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## BRIDGE BANCORP, INC.

### BOARD OF DIRECTORS

**Marcia Z. Hefter**  
Chairperson

**Dennis A. Suskind**  
Vice Chairperson

**Kevin M. O'Connor**  
Emanuel Arturi

**Antonia M. Donohue**

**Charles I. Massoud**

**Albert E. McCoy, Jr.**

**Raymond A. Nielsen**

**Howard H. Nolan, CPA**

**Rudolph J. Santoro**

**Thomas J. Tobin**

### COMPANY OFFICERS

**Kevin M. O'Connor**  
President and Chief Executive Officer

**Howard H. Nolan, CPA**  
Sr. Executive Vice President,  
Chief Financial Officer and  
Corporate Secretary

### BRIDGEHAMPTON NATIONAL BANK

#### EXECUTIVE OFFICERS

**Kevin M. O'Connor**  
President and Chief Executive Officer

**Howard H. Nolan, CPA**  
Senior Executive Vice President,  
Chief Administrative and  
Financial Officer

**James J. Manseau**  
Executive Vice President,  
Chief Retail Banking Officer

**John M. McCaffery**  
Executive Vice President,  
Treasurer

**Kevin L. Santacroce**  
Executive Vice President,  
Chief Lending Officer

#### SENIOR VICE PRESIDENTS

Seamus J. Doyle  
Nancy Foster  
Patricia F. Horan

Deborah McGrory  
William J. Newham, III  
Stephen Sheridan  
Thomas H. Simson  
John P. Vivona  
Joseph Walsh  
Aidan P. Wood

#### VICE PRESIDENTS

Sharon Abbondondelo  
William Araneo  
Steven Bodziner  
Edward Burger  
Lance P. Burke  
Kimberly Cioch  
Stephanie Clancy  
Deborah Cosgrove  
Lisa DiIorio  
Michelle Dosch  
Michael Fearon  
Beth Flanagan  
Maria M. Fontana  
Peter M. Gajda  
Stanley Glinka  
Michael V. Hadix  
Maureen Hines  
Monica LaCroix-Rubin  
Patricia Liotta  
John B. MacCulley  
Theresa Mackey  
Norma Marx  
Marie A. McAlary  
Michelle McAteer  
Margaret B. Meighan  
Robert P. Mensing  
Nancy Messer  
Corrine Newman  
Deborah Orłowski  
Claudia Pilato  
Philip Rinaldi  
Ann Marie Roberts  
Keith Robertson  
Raymond Sanchez  
Susan G. Schaefer  
Thomas Sullivan  
John Tuohy  
Dawn M. Turnbull  
Donna Wetjen

### INVESTOR RELATIONS

Exchange: NASDAQ®

Symbol: BDGE

**Howard H. Nolan, CPA**

Senior Executive Vice President and  
Corporate Secretary  
2200 Montauk Highway  
P.O. Box 3005

Bridgehampton, NY 11932

631.537.1000

hnolan@bridgenb.com

Shareholders seeking information  
about the Company may access  
presentations, press releases and  
government filings through the  
Bank's website: [www.bridgenb.com](http://www.bridgenb.com).

### STOCK TRANSFER AGENT AND REGISTRAR

Registrar and Transfer Co.

10 Commerce Drive

Cranford, NJ 07016

800.368.5948

[www.rtco.com](http://www.rtco.com)

Shareholders that would like to make  
changes to the name, address or  
ownership of their stock, consolidate  
accounts, eliminate duplicate mail-  
ings, or replace lost certificates or  
dividend checks, should contact  
Registrar and Transfer Co.

### SECURITIES COUNSEL

Luse Gorman Pomerenk & Schick, P.C.

5335 Wisconsin Avenue, NW

Suite 780

Washington, DC 20015-2035

### NOTICE OF ANNUAL MEETING

The Annual Meeting of Shareholders  
is scheduled for 11:00 a.m. on Friday,  
May 2, 2014 in the Community  
Room, Bridgehampton National  
Bank, 2200 Montauk Highway,  
Bridgehampton, NY 11932.



## BRIDGE BANCORP, INC.

2200 Montauk Highway  
P.O. Box 3005  
Bridgehampton, New York 11932  
631.537.1000  
[www.bridgenb.com](http://www.bridgenb.com)

### BRIDGEHAMPTON NATIONAL BANK BRANCHES

<b>Bridgehampton</b> 631.537.8834	<b>Hampton Bays</b> 631.728.9041	<b>Patchogue</b> 631.923.1495	<b>Shirley</b> 631.281.1245
<b>Center Moriches</b> 631.909.4990	<b>Hauppauge</b> 631.909.7500	<b>Peconic Landing (Greenport)</b> 631.477.8150	<b>Southampton Village</b> 631.287.6504
<b>Cutchogue</b> 631.734.5002	<b>Massapequa</b> 516.882.1111	<b>Rocky Point</b> 631.886.0002	<b>Southampton, Windmill Lane</b> 631.287.9500
<b>Deer Park</b> 631.392.1301	<b>Mattituck</b> 631.298.0190	<b>Ronkonkoma</b> 631.940.1470	<b>Southold</b> 631.765.1500
<b>East Hampton</b> 631.324.8480	<b>Melville</b> 631.546.1500	<b>Sag Harbor</b> 631.725.6622	<b>Wading River</b> 631.929.4250
<b>East Hampton Village</b> 631.324.8481	<b>Merrick</b> 516.632.1600	<b>Shelter Island</b> 631.907.2125	<b>Westhampton Beach</b> 631.288.7756
<b>Greenport</b> 631.477.0220	<b>Montauk</b> 631.668.6400		

### BRIDGE ABSTRACT LLC

2200 Montauk Highway  
P.O. Box 3031  
Bridgehampton, NY 11932  
631.537.5750  
[www.bridgeabstractllc.com](http://www.bridgeabstractllc.com)

## ABOUT US

Bridge Bancorp, Inc., a New York corporation (NASDAQ: BDGE), is a bank holding company engaged in commercial banking and financial services through its wholly owned subsidiary, Bridgehampton National Bank (the Bank, BNB). Established in 1910 by farmers and merchants, the Bank today has approximately \$1.9 billion in assets and an ongoing commitment to the tenets of community banking: developing long-term relationships with customers, offering knowledge and understanding of the local marketplace and taking an active role in making the towns and villages it serves better places to live and work. Throughout its history, BNB has established a reputation for personal service, access to decision makers and engaged involvement in the community.

A full range of products and services to businesses, consumers and municipalities is offered by BNB. Its professional team of lenders and branch managers offers flexible banking programs in partnership with customers to help meet their financial needs. Products and services include convenient technologies like online banking, online bill pay, remote deposit capture, merchant services and lockbox, as well as the traditional menu of deposit and loan products. In addition, title insurance is offered through Bridge Abstract.

BNB operates 26 branches in markets in Suffolk and Nassau counties on Long Island.