



## **Dime Community Bancshares, Inc. Increases Net Income Available to Common Stockholders By 160% Year-Over-Year**

October 29, 2021

**Non-Interest-Bearing Deposits Increase to 36%, Positioning the Company Well for A Rising Interest Rate Scenario**

HAUPPAUGE, N.Y., Oct. 29, 2021 (GLOBE NEWSWIRE) – Dime Community Bancshares, Inc. (NASDAQ: DCOM) (the “Company” or “Dime” or “its”), the parent company of Dime Community Bank (the “Bank”), today reported net income available to common stockholders of \$36.6 million for the quarter ended September 30, 2021, or \$0.89 per diluted common share, compared with net income available to common stockholders of \$14.0 million for the quarter ended September 30, 2020, or \$0.65 per diluted common share. For the quarter ended June 30, 2021, net income available to common stockholders was \$49.5 million, or \$1.19 per diluted common share.

Adjusted net income to common stockholders (non-GAAP) totaled \$41.4 million for the quarter ended September 30, 2021, or \$1.01 per diluted share<sup>1</sup>. Adjusted net income to common stockholders includes the following primary adjustments:

- **Branch restructuring costs:** As previously disclosed, the Company combined five branch locations into other existing branches in October 2021; associated branch restructuring costs were \$4.5 million during the quarter, pre-tax; and
- **Merger expenses and transaction costs:** The Company recorded merger expenses and transaction costs, associated with its February 2021 merger of equals transaction, of \$2.5 million, pre-tax, during the quarter.

Kevin M. O'Connor, Chief Executive Officer (“CEO”) of the Company, stated, “We continue to improve the quality of our deposit base, as evidenced by non-interest-bearing accounts growing to 36% of total deposits. Our high level of non-interest-bearing deposits, coupled with a balance sheet that does not rely on wholesale leverage, positions us well for the time when the Federal Reserve begins raising interest rates. In the third quarter, we saw a resumption of loan growth (excluding Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans) and we continue to maintain healthy pipelines. Finally, we continue to focus on prudent expense management as demonstrated by a core efficiency ratio of 47% for the third quarter.”

### **Highlights for the Third Quarter of 2021 Included:**

- The non-interest-bearing deposits to total deposits ratio increased to 35.8% at September 30, 2021;
- The cost of deposits for the third quarter of 2021 declined to 0.13%;
- Total loans held for investment, net, excluding PPP loans increased by 4% on an annualized basis versus the linked quarter;
- The Company purchased 480,039 shares of its common stock, at a weighted average price of \$32.15 per share;
- Non-performing assets represent only 0.28% of total assets as of September 30, 2021; and
- The Company’s Adjusted Pre-tax Pre-provision Net Revenue (“PPNR”) for the third quarter was \$54.8 million compared to \$52.7 million for the second quarter.<sup>1</sup>

<sup>1</sup> See reconciliation of this non-GAAP financial measure provided elsewhere herein.

### **Management’s Discussion of Quarterly Operating Results**

The Company’s results of operations for the second and third quarters of 2021 include income for the full quarter from the merger with Bridge Bancorp, Inc. (“Bridge”). The Company’s historical information for the third quarter of 2020 does not include the historical GAAP results of Bridge.

#### **Net Interest Income**

Net interest income for the third quarter of 2021 was \$94.8 million compared to \$93.3 million for the second quarter of 2021 and \$44.9 million for the third quarter of 2020.

The table below provides a reconciliation of the reported Net Interest Margin (“NIM”), the adjusted NIM excluding the impact of PPP loans, and the

adjusted NIM excluding the combined impact of PPP loans and purchasing accounting accretion on the loan portfolio.

| (\$ in thousands)   | Q3 2021       | Q2 2021       | Q3 2020      |
|---|---------------|---------------|--------------|
| Net interest income   | \$ 94,828     | \$ 93,254     | \$ 44,944    |
| Less: Net interest income on PPP loans  | (2,502)       | (5,375)       | (1,471)      |
| Adjusted net interest income excluding PPP loans, (non-GAAP)                  | \$ 92,326     | \$ 87,879     | \$ 43,473    |
| Average interest-earning assets   | \$ 11,765,298 | \$ 11,990,107 | \$ 6,164,452 |
| Average PPP loan balances   | (266,472)     | (1,282,347)   | (316,747)    |
| Adjusted average interest-earning assets excluding PPP loans, (non-GAAP)      | \$ 11,498,826 | \$ 10,707,760 | \$ 5,847,705 |
| NIM <sup>(1)</sup>  | 3.20 %        | 3.12 %        | 2.92 %       |
| Adjusted NIM excluding PPP loans (non-GAAP) <sup>(2)</sup>                    | 3.19 %        | 3.29 %        | 2.95 %       |
| Adjusted net interest income excluding PPP loans, (non-GAAP)                  | \$ 92,326     | \$ 87,879     | \$ 43,473    |
| Less: Purchase Accounting Accretion on loans ("PAA")                          | (2,541)       | (1,925)       | —            |
| Adjusted net interest income excluding PPP loans and PAA on loans, (non-GAAP) | \$ 89,785     | \$ 85,954     | \$ 43,473    |
| Adjusted NIM excluding PPP loans and PAA on loans, (non-GAAP) <sup>(3)</sup>  | 3.10 %        | 3.23 %        | 2.95 %       |

(1) NIM represents net interest income divided by average interest-earning assets.

(2) Adjusted NIM excluding PPP represents adjusted net interest income, which excludes net interest income on PPP loans divided by average interest-bearing liabilities excluding PPP loans. The net interest income on PPP loans is calculated using interest income on the PPP balances less an assumed cost of funding the PPP loans, using the overall cost of funds of the Company.

(3) Adjusted NIM excluding PPP and PAA represents adjusted net interest income excluding PPP loans and PAA, divided by adjusted average interest-earning assets, excluding PPP loans.

#### Loan Portfolio

The ending weighted average rate ("WAR") on the total loan portfolio was 3.72% at September 30, 2021, a 6 basis point increase compared to the ending WAR on the total loan portfolio at June 30, 2021. Excluding the impact of PPP loans, the WAR on the loan portfolio was 3.76% at September 30, 2021, compared to 3.79% at June 30, 2021.

Outlined below are loan balances and WARs<sup>(1)</sup> for the current quarter, linked quarter and prior year quarter.

| (\$ in thousands)   | September 30, 2021 |        | June 30, 2021 |        | September 30, 2020 |        |
|---|--------------------|--------|---------------|--------|--------------------|--------|
|   | Balance            | WAR    | Balance       | WAR    | Balance            | WAR    |
| Loans held for investment balances at period end:                               |                    |        |               |        |                    |        |
| One-to-four family residential, including condominium and cooperative apartment | \$ 683,665         | 3.68 % | \$ 704,489    | 3.72 % | \$ 186,975         | 3.97 % |
| Multifamily residential and residential mixed-use <sup>(2)(3)</sup>             | 3,468,262          | 3.57   | 3,503,205     | 3.59   | 2,919,186          | 3.77   |
| CRE   | 3,814,437          | 3.80   | 3,681,331     | 3.83   | 1,675,488          | 4.00   |
| ADC   | 285,379            | 4.69   | 290,462       | 4.73   | 151,866            | 5.04   |
| C&I   | 878,332            | 4.10   | 878,331       | 4.16   | 323,972            | 4.49   |
| Other loans   | 20,713             | 4.97   | 23,275        | 4.99   | 1,448              | 7.56   |
| Loans held for investment excluding PPP   | 9,150,788          | 3.76   | 9,081,093     | 3.79   | 5,258,935          | 3.93   |
| PPP   | 134,083            | 1.00   | 465,538       | 1.00   | 318,568            | 1.00   |
| Total loans held for investment including PPP                                   | \$ 9,284,871       | 3.72 % | \$ 9,546,631  | 3.66 % | \$ 5,577,503       | 3.76 % |

(1) Weighted average rate is calculated by aggregating interest based on the current loan rate from each loan in the category, adjusted for non-accrual loans, divided by the total amount of loans in the category.

(2) Includes multifamily loans underlying cooperatives.

(3) While the loans within this category are often considered "commercial real estate" in nature, multifamily and loans underlying cooperatives are here reported separately from commercial real estate loans in order to emphasize the residential nature of the collateral underlying this significant component of the total loan portfolio.

Outlined below are the loan originations, excluding PPP, for the current quarter, linked quarter and prior year.

| (\$ in millions)                 | Q3 2021  | Q2 2021  | Q3 2020  |
|----------------------------------|----------|----------|----------|
| Loan originations, excluding PPP | \$ 464.9 | \$ 425.7 | \$ 318.9 |

## Deposits and Borrowed Funds

Total deposits decreased by \$392.2 million on a linked quarter basis to \$10.7 billion at September 30, 2021. The decline in total deposits was primarily due to the Company not renewing higher-cost certificates of deposit accounts. Mr. O' Connor stated, "We continue to focus on reducing any high-rate, promotional or rate-sensitive deposits from our portfolio as we prepare for higher interest rates. The weighted average rate on our deposit portfolio declined to 0.11% at September 30, 2021."

Non-interest-bearing deposits increased \$132.8 million during the third quarter of 2021 to \$3.8 billion at September 30, 2021, representing 35.8% of total deposits.

As of September 30, 2021, the Company had \$311.7 million of certificates of deposits, with a weighted average rate of 0.33%, that were set to mature during the fourth quarter of 2021.

Total Federal Home Loan Bank advances were \$25.0 million at September 30, 2021 and June 30, 2021.

## Non-Interest Income

Non-interest income was \$9.7 million during the third quarter of 2021, \$29.5 million during the second quarter of 2021, and \$6.1 million during the third quarter of 2020. Excluding a \$20.7 million gain on sale of PPP loans during the second quarter of 2021, adjusted non-interest income was \$8.8 million during the second quarter of 2021. Excluding the gain on sale of securities and other assets, adjusted non-interest income was \$5.9 million during the third quarter of 2020 (see "Non-GAAP Reconciliation" table at the end of this news release).

## Non-Interest Expense

Total non-interest expense was \$56.8 million during the third quarter of 2021, \$54.9 million during the second quarter of 2021, and \$24.9 million during the third quarter of 2020. Excluding the impact of merger expenses and transaction costs, branch restructuring costs, and amortization of other intangible assets, adjusted non-interest expense was \$49.1 million during the third quarter of 2021, compared to \$48.5 million during the second quarter of 2021, and \$24.1 million during the third quarter of 2020 (see "Non-GAAP Reconciliation" table at the end of this news release).

The ratio of non-interest expense to average assets was 1.80% during the third quarter of 2021, compared to 1.72% during the linked quarter and 1.53% for the third quarter of 2020. Excluding the impact of merger expenses and transaction costs, branch restructuring costs, and amortization of other intangible assets, the ratio of adjusted non-interest expense to average assets was 1.56% during the third quarter of 2021, compared to 1.52% during the linked quarter and 1.48% for the third quarter of 2020 (see "Non-GAAP Reconciliation" table at the end of this news release).

The efficiency ratio was 54.3% during the third quarter of 2021, compared to 44.7% during the linked quarter and 48.6% during the third quarter of 2020. Excluding the impact of merger expenses and transaction costs, branch restructuring costs, and amortization of other intangible assets, the adjusted efficiency ratio was 46.9% during the third quarter of 2021, compared to 47.5% during the linked quarter and 47.3% during the third quarter of 2020 (see "Non-GAAP Reconciliation" table at the end of this news release).

## Income Tax Expense

The reported effective tax rate for the third quarter of 2021 was 27.5%, compared to 28.9% for the second quarter of 2021, and 21.9% for the third quarter of 2020. The decrease in the effective tax rate during the third quarter of 2021 was primarily the result of the decrease in taxable income and lower non-deductible expenses during the period. The effective tax rate for the remainder of 2021 is expected to be approximately 27.5%.

## Credit Quality

Non-performing loans at September 30, 2021 were \$34.0 million, or 0.37% of total loans. Non-performing loans, excluding acquired PCD loans, would have been \$30.1 million, or 0.34% of total loans excluding acquired PCD loans.

A credit loss recovery of \$5.2 million was recorded during the third quarter of 2021, compared to a credit loss recovery of \$4.2 million during the second quarter of 2021, and a credit loss provision of \$5.9 million during the third quarter of 2020. The credit loss recovery of \$5.2 million for the third quarter of 2021 was primarily associated with a reduction in reserves on acquired PCD loans, given the improvement in economic conditions since the time of the merger closing.

The allowance for credit losses as a percentage of total loans was 0.88% at September 30, 2021 as compared to 0.97% at June 30, 2021 and 0.87% at September 30, 2020. Excluding PPP loans, the ratio of allowance for credit losses at September 30, 2021 would have been 0.89%.

## Loans with Payment Deferrals

Full principal and interest ("P&I") deferrals declined to \$26.6 million and represented 0.3% of the total loan portfolio at September 30, 2021.

## Capital Management

The Company's regulatory capital ratios continued to be in excess of all applicable regulatory requirements.

Mr. O'Connor commented, "In August, our Board of Directors approved a new stock repurchase program which authorized the purchase of 5% of outstanding common stock. Our strong balance sheet and internal stress testing analysis results have allowed us to return excess capital to our shareholders. In the third quarter we repurchased 480,039 shares, totaling \$15.4 million and we continue to be active on the repurchase front into the fourth quarter."

Dividends per common share were \$0.24 during the third quarter of 2021.

Book value per common share was \$26.64 and tangible common book value per share (which represents common equity less goodwill and other intangible assets, divided by number of shares outstanding) was \$22.60 at September 30, 2021 (see "Non-GAAP Reconciliation" tables at the end of this news release).

Including the impact of the remaining unrecognized fees on PPP loans, net of tax, adjusted tangible common book value per share would have been \$22.61 (see "Non-GAAP Reconciliation" tables at the end of this news release).

## Earnings Call Information

The Company will conduct a conference call at 8:30 a.m. (ET) on October 29, 2021, during which Kevin M. O'Connor, CEO, will discuss the Company's third quarter performance, with a question and answer session to follow. Dial-in information for the live call is 1-888-348-2672. Upon dialing

in, request to be joined into Dime Community Bancshares, Inc. call with the conference operator.

The conference call will be simultaneously webcast (listen only), and archived for a period of one year, at <https://services.choruscall.com/links/dcom211029.html>. Dial-in information for the replay is 1-877-344-7529 using access code #10160977. Replay will be available October 29, 2021 (10:30 a.m.) through November 12, 2021 (11:59 p.m.).

#### ABOUT DIME COMMUNITY BANCSHARES, INC.

Dime Community Bancshares, Inc. is the holding company for Dime Community Bank, a New York State-chartered trust company with over \$12.3 billion in assets and the number one deposit market share among community banks on Greater Long Island<sup>(1)</sup>.

(1) Aggregate deposit market share for Kings, Queens, Nassau & Suffolk counties for community banks less than \$20 billion in assets.

*This news release contains a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified by use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar terms and phrases, including references to assumptions.*

*Forward-looking statements are based upon various assumptions and analyses made by the Company in light of management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (many of which are beyond the Company's control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Accordingly, you should not place undue reliance on such statements. Factors that could affect our results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Company's control; there may be increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Company and/or the Bank; unanticipated or significant increases in loan losses may negatively affect the Company's financial condition or results of operations; changes in accounting principles, policies or guidelines may cause the Company's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Company's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Company conducts business, or conditions in the securities markets or the banking industry may be less favorable than the Company currently anticipates; legislation or regulatory changes may adversely affect the Company's business; technological changes may be more difficult or expensive than the Company anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Company anticipates; and litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Company anticipates. Further, given its ongoing and dynamic nature, it is difficult to predict what effects the COVID-19 pandemic will have on our business and results of operations. The pandemic and related local and national economic disruption may, among other effects, result in a decline in demand for our products and services; increased levels of loan delinquencies, problem assets and foreclosures; branch closures, work stoppages and unavailability of personnel; and increased cybersecurity risks, as employees increasingly work remotely.*

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#### DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (In thousands)

|   | September 30,<br>2021 | June 30,<br>2021 | December 31,<br>2020 |
|---|-----------------------|------------------|----------------------|
| <b>Assets:</b>  |                       |                  |                      |
| Cash and due from banks   | \$ 629,011            | \$ 1,184,183     | \$ 243,603           |
| Mortgage-backed securities available-for-sale, at fair value                    | 1,212,383             | 863,239          | 426,979              |
| Investment securities available-for-sale, at fair value                         | 496,680               | 398,549          | 111,882              |
| Investment securities held-to-maturity  | 40,303                | —                | —                    |
| Marketable equity securities, at fair value                                     | —                     | —                | 5,970                |
| Loans held for sale   | 14,720                | 29,335           | 5,903                |
| <b>Loans held for investment, net:</b>  |                       |                  |                      |
| One-to-four family and cooperative/condominium apartment                        | 683,665               | 704,489          | 184,989              |
| Multifamily residential and residential mixed-use <sup>(1)(2)</sup>             | 3,468,262             | 3,503,205        | 2,758,743            |
| Commercial real estate ("CRE")  | 3,814,437             | 3,681,331        | 1,878,167            |
| Acquisition, development, and construction ("ADC")                              | 285,379               | 290,462          | 156,296              |
| Total real estate loans   | 8,251,743             | 8,179,487        | 4,978,195            |
| Commercial and industrial ("C&I")   | 878,332               | 878,331          | 319,626              |
| Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loans | 134,083               | 465,538          | 321,907              |
| Other loans   | 20,713                | 23,275           | 2,316                |
| Allowance for credit losses   | (81,255)              | (92,760)         | (41,461)             |
| <b>Total loans held for investment, net</b>                                     | <b>9,203,616</b>      | <b>9,453,871</b> | <b>5,580,583</b>     |
| Premises and fixed assets, net  | 49,615                | 51,127           | 19,053               |
| Premises held for sale  | 2,799                 | 2,799            | —                    |
| Restricted stock  | 37,719                | 22,449           | 60,707               |
| Bank Owned Life Insurance ("BOLI")  | 293,898               | 293,113          | 156,096              |
| Goodwill  | 155,339               | 155,339          | 55,638               |
| Other intangible assets   | 9,077                 | 9,792            | —                    |

|  |                      |                      |                     |
|--|----------------------|----------------------|---------------------|
| Operating lease assets   | 56,836               | 69,189               | 33,898              |
| Derivative assets  | 41,700               | 45,439               | 18,932              |
| Accrued interest receivable  | 43,284               | 47,209               | 34,815              |
| Other assets   | 77,401               | 78,052               | 27,551              |
| <b>Total assets</b>  | <b>\$ 12,364,381</b> | <b>\$ 12,703,685</b> | <b>\$ 6,781,610</b> |
| <b>Liabilities:</b>  |                      |                      |                     |
| Non-interest-bearing checking                                      | \$ 3,821,832         | \$ 3,689,072         | \$ 780,751          |
| Interest-bearing checking  | 989,526              | 1,101,038            | 290,300             |
| Savings  | 1,188,794            | 1,305,028            | 414,809             |
| Money market   | 3,657,669            | 3,670,090            | 1,716,624           |
| Certificates of deposit  | 1,016,216            | 1,300,965            | 1,322,638           |
| <b>Total deposits</b>  | <b>10,674,037</b>    | <b>11,066,193</b>    | <b>4,525,122</b>    |
| FHLB advance   | 25,000               | 25,000               | 1,204,010           |
| Other short-term borrowings  | 2,629                | 1,841                | 120,000             |
| Subordinated debt, net   | 197,142              | 197,188              | 114,052             |
| Operating lease liabilities  | 62,870               | 72,170               | 39,874              |
| Derivative liabilities   | 38,889               | 42,892               | 37,374              |
| Other liabilities  | 162,697              | 94,125               | 40,082              |
| <b>Total liabilities</b>   | <b>11,163,264</b>    | <b>11,499,409</b>    | <b>6,080,514</b>    |
| <b>Stockholders' equity:</b>                                       |                      |                      |                     |
| Preferred stock, Series A  | 116,569              | 116,569              | 116,569             |
| Common stock   | 416                  | 416                  | 348                 |
| Additional paid-in capital   | 493,775              | 492,848              | 278,295             |
| Retained earnings  | 630,744              | 613,791              | 600,641             |
| Accumulated other comprehensive (loss) gain, net of deferred taxes | (1,042)              | 4,576                | (5,924)             |
| Unearned equity awards   | (9,417)              | (8,529)              | —                   |
| Common stock held by the Benefit Maintenance Plan                  | —                    | —                    | (1,496)             |
| Treasury stock, at cost  | (29,928)             | (15,395)             | (287,337)           |
| <b>Total stockholders' equity</b>                                  | <b>1,201,117</b>     | <b>1,204,276</b>     | <b>701,096</b>      |
| <b>Total liabilities and stockholders' equity</b>                  | <b>\$ 12,364,381</b> | <b>\$ 12,703,685</b> | <b>\$ 6,781,610</b> |

(1) Includes loans underlying multifamily cooperatives.

(2) While the loans within this category are often considered "commercial real estate" in nature, multifamily and loans underlying cooperatives are here reported separately from commercial real estate loans in order to emphasize the residential nature of the collateral underlying this significant component of the total loan portfolio.

**DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands except share and per share amounts)

|   | Three Months Ended    |                  |                       | Nine Months Ended     |                       |
|---|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
|   | September 30,<br>2021 | June 30,<br>2021 | September 30,<br>2020 | September 30,<br>2021 | September 30,<br>2020 |
| <b>Interest income:</b>                             |                       |                  |                       |                       |                       |
| Loans   | \$ 94,045             | \$ 94,288        | \$ 53,245             | \$ 269,715            | \$ 161,564            |
| Securities  | 6,030                 | 5,126            | 3,422                 | 15,536                | 10,794                |
| Other short-term investments                        | 583                   | 987              | 729                   | 2,563                 | 2,577                 |
| <b>Total interest income</b>                        | <b>100,658</b>        | <b>100,401</b>   | <b>57,396</b>         | <b>287,814</b>        | <b>174,935</b>        |
| <b>Interest expense:</b>                            |                       |                  |                       |                       |                       |
| Deposits and escrow                                 | 3,565                 | 4,803            | 6,672                 | 13,666                | 28,298                |
| Borrowed funds                                      | 2,265                 | 2,344            | 5,780                 | 8,225                 | 17,613                |
| <b>Total interest expense</b>                       | <b>5,830</b>          | <b>7,147</b>     | <b>12,452</b>         | <b>21,891</b>         | <b>45,911</b>         |
| <b>Net interest income</b>                          | <b>94,828</b>         | <b>93,254</b>    | <b>44,944</b>         | <b>265,923</b>        | <b>129,024</b>        |
| <b>(Credit) provision for credit losses</b>         | <b>(5,187)</b>        | <b>(4,248)</b>   | <b>5,931</b>          | <b>6,344</b>          | <b>20,003</b>         |
| <b>Net interest income after (credit) provision</b> | <b>100,015</b>        | <b>97,502</b>    | <b>39,013</b>         | <b>259,579</b>        | <b>109,021</b>        |
| <b>Non-interest income:</b>                         |                       |                  |                       |                       |                       |
| Service charges and other fees                      | 4,581                 | 3,876            | 1,632                 | 11,377                | 3,918                 |
| Title fees  | 482                   | 688              | —                     | 1,603                 | —                     |
| Loan level derivative income                        | 445                   | 559              | 1,544                 | 2,796                 | 5,201                 |
| BOLI income   | 2,249                 | 1,593            | 1,033                 | 5,181                 | 3,831                 |
| Gain on sale of SBA loans excluding PPP             | 348                   | 973              | 808                   | 1,485                 | 972                   |
| Gain on sale of PPP loans                           | —                     | 20,697           | —                     | 20,697                | —                     |
| Gain on sale of residential loans                   | 304                   | 506              | 617                   | 1,533                 | 974                   |

|  |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net gain on equity securities                            | —                 | —                 | 175               | 131               | 139               |
| Net gain on sale of securities and other assets          | —                 | 20                | 215               | 730               | 3,357             |
| Loss on termination of derivatives                       | —                 | —                 | —                 | (16,505)          | —                 |
| Other  | 1,319             | 632               | 125               | 2,861             | 379               |
| <b>Total non-interest income</b>                         | <b>9,728</b>      | <b>29,544</b>     | <b>6,149</b>      | <b>31,889</b>     | <b>18,771</b>     |
| <b>Non-interest expense:</b>                             |                   |                   |                   |                   |                   |
| Salaries and employee benefits                           | 28,276            | 27,598            | 14,316            | 80,693            | 45,030            |
| Severance  | —                 | 1,875             | —                 | 1,875             | 4,000             |
| Occupancy and equipment                                  | 7,814             | 8,122             | 4,046             | 22,913            | 12,061            |
| Data processing costs                                    | 3,573             | 5,031             | 2,146             | 12,132            | 6,177             |
| Marketing  | 1,054             | 788               | 345               | 2,702             | 1,140             |
| Professional services                                    | 2,751             | 2,538             | 935               | 7,154             | 2,713             |
| Federal deposit insurance premiums                       | 1,173             | 934               | 761               | 3,046             | 1,767             |
| Loss on extinguishment of debt                           | —                 | 157               | —                 | 1,751             | —                 |
| Curtailed loss   | —                 | —                 | —                 | 1,543             | —                 |
| Merger expenses and transaction costs                    | 2,472             | 1,836             | 769               | 42,250            | 2,427             |
| Branch restructuring costs                               | 4,518             | 1,659             | —                 | 6,177             | —                 |
| Amortization of other intangible assets                  | 715               | 835               | —                 | 1,907             | —                 |
| Other  | 4,437             | 3,509             | 1,535             | 10,327            | 4,924             |
| <b>Total non-interest expense</b>                        | <b>56,783</b>     | <b>54,882</b>     | <b>24,853</b>     | <b>194,470</b>    | <b>80,239</b>     |
| <b>Income before taxes</b>                               | <b>52,960</b>     | <b>72,164</b>     | <b>20,309</b>     | <b>96,998</b>     | <b>47,553</b>     |
| <b>Income tax expense</b>                                | <b>14,565</b>     | <b>20,886</b>     | <b>4,441</b>      | <b>28,359</b>     | <b>10,327</b>     |
| <b>Net income</b>  | <b>38,395</b>     | <b>51,278</b>     | <b>15,868</b>     | <b>68,639</b>     | <b>37,226</b>     |
| Preferred stock dividends                                | 1,822             | 1,822             | 1,822             | 5,465             | 2,962             |
| <b>Net income available to common stockholders</b>       | <b>\$ 36,573</b>  | <b>\$ 49,456</b>  | <b>\$ 14,046</b>  | <b>\$ 63,174</b>  | <b>\$ 34,264</b>  |
| <b>Earnings per common share ("EPS"):</b>                |                   |                   |                   |                   |                   |
| <b>Basic</b>   | <b>\$ 0.89</b>    | <b>\$ 1.19</b>    | <b>\$ 0.66</b>    | <b>\$ 1.62</b>    | <b>\$ 1.57</b>    |
| <b>Diluted</b>   | <b>\$ 0.89</b>    | <b>\$ 1.19</b>    | <b>\$ 0.65</b>    | <b>\$ 1.62</b>    | <b>\$ 1.56</b>    |
| <b>Average common shares outstanding for diluted EPS</b> |                   |                   |                   |                   |                   |
|  | <b>40,426,161</b> | <b>40,981,585</b> | <b>21,324,187</b> | <b>38,574,857</b> | <b>21,791,080</b> |

**DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES**  
**UNAUDITED SELECTED FINANCIAL HIGHLIGHTS**  
(Dollars in thousands except per share amounts)

|   | At or For the Three Months Ended |                  |                       | At or For the Nine Months Ended |                       |
|---|----------------------------------|------------------|-----------------------|---------------------------------|-----------------------|
|   | September 30,<br>2021            | June 30,<br>2021 | September 30,<br>2020 | September 30,<br>2021           | September 30,<br>2020 |
| <b>Per Share Data:</b>                                      |                                  |                  |                       |                                 |                       |
| Reported EPS (Diluted)                                      | \$ 0.89                          | \$ 1.19          | \$ 0.65               | \$ 1.62                         | \$ 1.56               |
| Cash dividends paid per common share                        | 0.24                             | 0.24             | 0.22                  | 0.72                            | 0.65                  |
| Book value per common share                                 | 26.64                            | 26.43            | 26.97                 |                                 |                       |
| Tangible common book value per share <sup>(1)</sup>         | 22.60                            | 22.41            | 24.37                 |                                 |                       |
| Common shares outstanding                                   | 40,715                           | 41,160           | 21,416                |                                 |                       |
| Dividend payout ratio                                       | 26.97 %                          | 20.17 %          | 33.33 %               | 44.44 %                         | 41.58 %               |
| <b>Performance Ratios (Based upon Reported Net Income):</b> |                                  |                  |                       |                                 |                       |
| Return on average assets                                    | 1.22 %                           | 1.61 %           | 0.98 %                | 0.76 %                          | 0.78 %                |
| Return on average equity                                    | 12.69                            | 17.22            | 9.22                  | 8.00                            | 7.59                  |
| Return on average tangible common equity <sup>(1)</sup>     | 15.96                            | 22.02            | 10.88                 | 9.84                            | 8.76                  |
| Net interest margin   | 3.20                             | 3.12             | 2.92                  | 3.15                            | 2.83                  |
| Non-interest expense to average assets                      | 1.80                             | 1.72             | 1.53                  | 2.16                            | 1.68                  |
| Efficiency ratio  | 54.3                             | 44.7             | 48.6                  | 65.3                            | 54.3                  |
| Effective tax rate  | 27.50                            | 28.94            | 21.87                 | 29.24                           | 21.72                 |
| <b>Balance Sheet Data:</b>                                  |                                  |                  |                       |                                 |                       |
| Average assets  | \$ 12,584,372                    | \$ 12,756,909    | \$ 6,492,173          | \$ 12,009,522                   | \$ 6,363,768          |
| Average interest-earning assets                             | 11,765,298                       | 11,990,107       | 6,164,452             | 11,277,257                      | 6,069,115             |
| Average tangible common equity <sup>(1)</sup>               | 929,131                          | 908,747          | 516,189               | 873,481                         | 521,385               |
| Loan-to-deposit ratio at end of period                      | 87.0                             | 86.3             | 125.3                 |                                 |                       |

**Capital Ratios and Reserves - Consolidated: (3)**

|  |               |        |        |
|--|---------------|--------|--------|
| Tangible common equity to tangible assets <sup>(1)</sup> | <b>7.54 %</b> | 7.36 % | 7.95 % |
| Tangible equity to tangible assets <sup>(1)</sup>        | <b>8.50</b>   | 8.29   | 9.73   |
| Tier 1 common equity ratio                               | <b>9.92</b>   | 10.06  | 10.69  |
| Tier 1 risk-based capital ratio                          | <b>11.17</b>  | 11.34  | 13.02  |
| Total risk-based capital ratio                           | <b>14.13</b>  | 14.45  | 16.30  |
| Tier 1 leverage ratio                                    | <b>8.37</b>   | 8.24   | 10.10  |
| CRE consolidated concentration ratio <sup>(2)</sup>      | <b>516</b>    | 506    | 545    |
| Allowance for credit losses/ Total loans                 | <b>0.88</b>   | 0.97   | 0.87   |
| Allowance for credit losses/ Non-performing loans        | <b>238.84</b> | 327.94 | 390.31 |

(1) See "Non-GAAP Reconciliation" table for reconciliation of tangible equity, tangible common equity, and tangible assets. Average balances are calculated using the ending balance for months during the period indicated.

(2) The CRE concentration ratio is calculated using the sum of commercial real estate, excluding owner occupied commercial real estate, multifamily, and ADC, divided by consolidated capital. September 30, 2021 amounts are preliminary pending completion and filing of the Company's regulatory reports.

(3) September 30, 2021 amounts are preliminary pending completion and filing of the Company's regulatory reports.

**DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES**  
**UNAUDITED AVERAGE BALANCES AND NET INTEREST INCOME**  
(Dollars in thousands)

|  | Three Months Ended   |                  |                           |                      |                  |                           |                     |                  |                           |
|--|----------------------|------------------|---------------------------|----------------------|------------------|---------------------------|---------------------|------------------|---------------------------|
|  | September 30, 2021   |                  |                           | June 30, 2021        |                  |                           | September 30, 2020  |                  |                           |
|  | Average<br>Balance   | Interest         | Average<br>Yield/<br>Cost | Average<br>Balance   | Interest         | Average<br>Yield/<br>Cost | Average<br>Balance  | Interest         | Average<br>Yield/<br>Cost |
| Assets:                                    |                      |                  |                           |                      |                  |                           |                     |                  |                           |
| Interest-earning assets:                   |                      |                  |                           |                      |                  |                           |                     |                  |                           |
| Real estate loans                          | \$ 8,234,182         | \$ 78,626        | 3.79 %                    | \$ 8,156,368         | \$ 74,437        | 3.66 %                    | \$ 4,874,780        | \$ 47,482        | 3.90 %                    |
| Commercial and industrial loans            | 923,698              | 12,337           | 5.30                      | 932,297              | 13,277           | 5.71                      | 326,636             | 3,574            | 4.38                      |
| SBA PPP loans                              | 266,472              | 2,643            | 3.94                      | 1,282,347            | 6,174            | 1.93                      | 316,747             | 2,178            | 2.75                      |
| Other loans                                | 21,992               | 439              | 7.92                      | 24,349               | 400              | 6.59                      | 1,444               | 11               | 3.05                      |
| Mortgage-backed securities                 | 976,198              | 3,999            | 1.63                      | 825,949              | 3,483            | 1.69                      | 435,920             | 2,707            | 2.48                      |
| Investment securities                      | 462,150              | 2,031            | 1.74                      | 312,012              | 1,643            | 2.11                      | 78,405              | 715              | 3.65                      |
| Other short-term investments               | 880,606              | 583              | 0.26                      | 456,785              | 987              | 0.87                      | 130,520             | 729              | 2.23                      |
| Total interest-earning assets              | <u>11,765,298</u>    | <u>100,658</u>   | 3.39 %                    | <u>11,990,107</u>    | <u>100,401</u>   | 3.36 %                    | <u>6,164,452</u>    | <u>57,396</u>    | 3.72 %                    |
| Non-interest-earning assets                | <u>819,074</u>       |                  |                           | <u>766,802</u>       |                  |                           | <u>327,721</u>      |                  |                           |
| Total assets                               | <u>\$ 12,584,372</u> |                  |                           | <u>\$ 12,756,909</u> |                  |                           | <u>\$ 6,492,173</u> |                  |                           |
| Liabilities and Stockholders' Equity:      |                      |                  |                           |                      |                  |                           |                     |                  |                           |
| Interest-bearing liabilities:              |                      |                  |                           |                      |                  |                           |                     |                  |                           |
| Interest-bearing checking                  | \$ 1,000,435         | \$ 388           | 0.15 %                    | \$ 1,067,043         | \$ 501           | 0.19 %                    | \$ 241,248          | \$ 186           | 0.31 %                    |
| Money market                               | 3,698,124            | 1,467            | 0.16                      | 3,712,344            | 1,941            | 0.21                      | 1,696,297           | 1,858            | 0.44                      |
| Savings                                    | 1,335,310            | 170              | 0.05                      | 1,189,460            | 212              | 0.07                      | 405,582             | 170              | 0.17                      |
| Certificates of deposit                    | 1,138,853            | 1,540            | 0.54                      | 1,421,480            | 2,149            | 0.61                      | 1,425,083           | 4,458            | 1.24                      |
| Total interest-bearing deposits            | 7,172,722            | 3,565            | 0.20                      | 7,390,327            | 4,803            | 0.26                      | 3,768,210           | 6,672            | 0.70                      |
| FHLBNY advances                            | 25,000               | 59               | 0.94                      | 145,324              | 132              | 0.36                      | 1,040,127           | 4,448            | 1.70                      |
| Subordinated debt, net                     | 197,172              | 2,206            | 4.44                      | 197,218              | 2,211            | 4.50                      | 113,992             | 1,330            | 4.64                      |
| Other short-term borrowings                | 2,290                | —                | —                         | 5,514                | 1                | 0.07                      | 5,283               | 2                | 0.12                      |
| Total borrowings                           | <u>224,462</u>       | <u>2,265</u>     | 4.00                      | <u>348,056</u>       | <u>2,344</u>     | 2.70                      | <u>1,159,402</u>    | <u>5,780</u>     | 1.99                      |
| Total interest-bearing liabilities         | <u>7,397,184</u>     | <u>5,830</u>     | 0.31 %                    | <u>7,738,383</u>     | <u>7,147</u>     | 0.37 %                    | <u>4,927,612</u>    | <u>12,452</u>    | 1.01 %                    |
| Non-interest-bearing checking              | 3,789,623            |                  |                           | 3,652,482            |                  |                           | 652,880             |                  |                           |
| Other non-interest-bearing liabilities     | 186,977              |                  |                           | 175,031              |                  |                           | 223,285             |                  |                           |
| Total liabilities                          | <u>11,373,784</u>    |                  |                           | <u>11,565,896</u>    |                  |                           | <u>5,803,777</u>    |                  |                           |
| Stockholders' equity                       | <u>1,210,588</u>     |                  |                           | <u>1,191,013</u>     |                  |                           | <u>688,396</u>      |                  |                           |
| Total liabilities and stockholders' equity | <u>\$ 12,584,372</u> |                  |                           | <u>\$ 12,756,909</u> |                  |                           | <u>\$ 6,492,173</u> |                  |                           |
| Net interest income                        |                      | <u>\$ 94,828</u> |                           |                      | <u>\$ 93,254</u> |                           |                     | <u>\$ 44,944</u> |                           |

|   |                      |                 |               |               |          |        |              |          |        |
|---|----------------------|-----------------|---------------|---------------|----------|--------|--------------|----------|--------|
| Net interest rate spread                                    |                      |                 | <b>3.08 %</b> |               |          |        | 2.99 %       |          | 2.71 % |
| <b>Net interest margin</b>                                  |                      |                 | <b>3.20 %</b> |               |          |        | 3.12 %       |          | 2.92 % |
| Deposits (including non-interest-bearing checking accounts) | <b>\$ 10,962,345</b> | <b>\$ 3,565</b> | <b>0.13 %</b> | \$ 11,042,809 | \$ 4,803 | 0.17 % | \$ 4,421,090 | \$ 6,672 | 0.60 % |

**DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES**  
**UNAUDITED SCHEDULE OF NON-PERFORMING ASSETS**  
(Dollars in thousands)

| Asset Quality Detail  | At or For the Three Months Ended |               |                    |
|---|----------------------------------|---------------|--------------------|
|   | September 30, 2021               | June 30, 2021 | September 30, 2020 |
| Non-performing loans (NPLs) <sup>(1)</sup>                                      |                                  |               |                    |
| One-to-four family residential, including condominium and cooperative apartment | \$ 4,938                         | \$ 4,933      | \$ 867             |
| Multifamily residential and residential mixed-use                               | 859                              | —             | 1,213              |
| CRE   | 4,122                            | 9,152         | 47                 |
| Acquisition, development, and construction ("ADC")                              | —                                | —             | —                  |
| C&I   | 23,727                           | 14,109        | 10,287             |
| Other   | 374                              | 92            | 10                 |
| Total Non-accrual loans   | \$ 34,020                        | \$ 28,286     | \$ 12,424          |
| Loans 90 days delinquent and accruing ("90+ Delinquent")                        |                                  |               |                    |
| One-to-four family residential, including condominium and cooperative apartment | \$ 5,021                         | \$ 5,065      | \$ 470             |
| Multifamily residential and residential mixed-use                               | —                                | 157           | —                  |
| CRE   | 1,004                            | —             | —                  |
| ADC   | —                                | —             | 1,470              |
| C&I   | 257                              | 1,487         | —                  |
| Other   | —                                | —             | —                  |
| 90+ Delinquent  | \$ 6,282                         | \$ 6,709      | \$ 1,940           |
| NPAs and 90+ Delinquent   | \$ 40,302                        | \$ 34,995     | \$ 14,364          |
| NPAs and 90+ Delinquent / Total assets  | 0.33%                            | 0.28%         | 0.21%              |
| Net charge-offs (recoveries) (NCOs)   | \$ 4,191                         | \$ 918        | \$ (69)            |
| NCOs / Average loans <sup>(1)</sup>   | 0.18%                            | 0.04%         | (0.01)%            |

(1) Excludes loans held for sale

**DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES**  
**NON-GAAP RECONCILIATION**  
(Dollars in thousands except per share amounts)

The following tables below provide a reconciliation of certain financial measures calculated under generally accepted accounting principles ("GAAP") (as reported) and non-GAAP 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 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 pre-tax income and expenses associated with the Company's merger with Bridge, as well as branch restructuring costs, and gain on sale of PPP loans.

| Reconciliation of Reported and Adjusted (non-GAAP) Net Income Available to Common Stockholders | Three Months Ended |               |                    | Nine Months Ended  |                    |
|--|--------------------|---------------|--------------------|--------------------|--------------------|
|  | September 30, 2021 | June 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Reported net income (loss) available to common stockholders                                    | \$ 36,573          | \$ 49,456     | \$ 14,046          | \$ 63,174          | \$ 34,264          |
| Adjustments to net income <sup>(1)</sup> :   |                    |               |                    |                    |                    |
| Provision for credit losses - Non-PCD loans (double-count)                                     | —                  | —             | —                  | 20,278             | —                  |



|   |           |           |           |            |           |
|---|-----------|-----------|-----------|------------|-----------|
| Gain on sale of PPP loans                                       | —         | (20,697)  | —         | (20,697)   | —         |
| Net gain on sale of securities and other assets                 | —         | —         | (215)     | (710)      | (3,357)   |
| Loss on termination of derivatives                              | —         | —         | —         | 16,505     | —         |
| Severance   | —         | 1,875     | —         | 1,875      | 4,000     |
| Loss on extinguishment of debt                                  | —         | 157       | —         | 1,751      | —         |
| Curtailment loss  | —         | —         | —         | 1,543      | —         |
| Merger expenses and transaction costs <sup>(2)</sup>            | 2,472     | 1,836     | 769       | 42,250     | 2,427     |
| Branch restructuring costs                                      | 4,518     | 1,659     | —         | 6,177      | —         |
| Income tax effect of adjustments and other tax adjustments      | (2,191)   | 4,852     | (84)      | (19,187)   | (636)     |
| Adjusted net income available to common stockholders (non-GAAP) | \$ 41,372 | \$ 39,138 | \$ 14,516 | \$ 112,959 | \$ 36,698 |

**Adjusted Ratios (Based upon non-GAAP as calculated above)**

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Adjusted EPS (Diluted)                            | \$ 1.01 | \$ 0.94 | \$ 0.68 | \$ 2.90 | \$ 1.68 |
| Adjusted return on average assets                 | 1.37 %  | 1.28 %  | 1.01 %  | 1.31 %  | 0.83 %  |
| Adjusted return on average equity                 | 14.27   | 13.76   | 9.49    | 13.80   | 8.08    |
| Adjusted return on average tangible common equity | 18.02   | 17.48   | 11.25   | 17.44   | 9.38    |
| Adjusted non-interest expense to average assets   | 1.56    | 1.52    | 1.48    | 1.54    | 1.55    |
| Adjusted efficiency ratio                         | 46.9    | 47.5    | 47.3    | 47.4    | 51.1    |

(1) Adjustments to net income are taxed at the Company's statutory tax rate of approximately 31% unless otherwise noted.

(2) Certain merger expenses and transaction costs are non-taxable expense.

The following table presents a reconciliation of net interest income, non-interest income, and non-interest expense to pre-tax pre-provision net revenue (non-GAAP) and adjusted pre-tax pre-provision net revenue (non-GAAP):

|  | Three Months Ended |                  |
|--|--------------------|------------------|
|  | September 30, 2021 | June 30, 2021    |
| Net interest income  | \$ 94,828          | \$ 93,254        |
| Non-interest income  | 9,728              | 29,544           |
| Total revenues   | 104,556            | 122,798          |
| Non-interest expense   | 56,783             | 54,882           |
| <b>Pre-tax pre-provision net revenue (non-GAAP) (1)</b>          | <b>\$ 47,773</b>   | <b>\$ 67,916</b> |
| Adjustments:   |                    |                  |
| Gain on sale of PPP loans  | —                  | (20,697)         |
| Severance  | —                  | 1,875            |
| Loss on extinguishment of debt                                   | —                  | 157              |
| Merger expenses and transaction costs                            | 2,472              | 1,836            |
| Branch restructuring costs                                       | 4,518              | 1,659            |
| <b>Adjusted pre-tax pre-provision net revenue (non-GAAP) (2)</b> | <b>\$ 54,763</b>   | <b>\$ 52,746</b> |

(1) The reported pre-tax pre-provision net revenue is a non-GAAP measure calculated by adding GAAP net interest income and GAAP non-interest loss less GAAP non-interest expense.

(2) The adjusted pre-tax pre-provision net revenue is a non-GAAP measure calculated by adding pre-tax pre-provision net revenue less the net gain on sale of PPP loans, severance, loss on extinguishment of debt, merger expenses and transaction costs, and branch restructuring costs.

The following table presents a reconciliation of operating expense as a percentage of average assets (as reported) and adjusted operating expense as a percentage of average assets (non-GAAP):

|   | Three Months Ended |               |                    | Nine Months Ended  |                    |
|---|--------------------|---------------|--------------------|--------------------|--------------------|
|   | September 30, 2021 | June 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| <b>Operating expense as a % of average assets - as reported</b> | <b>1.80 %</b>      | <b>1.72 %</b> | <b>1.53 %</b>      | <b>2.16 %</b>      | <b>1.68 %</b>      |
| Loss on extinguishment of debt                                  | —                  | —             | —                  | (0.02)             | —                  |
| Curtailment loss  | —                  | —             | —                  | (0.02)             | —                  |
| Severance   | —                  | (0.06)        | —                  | (0.02)             | (0.08)             |
| Merger expenses and transaction costs                           | —                  | (0.06)        | (0.05)             | (0.47)             | (0.05)             |
| Branch restructuring costs                                      | (0.08)             | (0.05)        | —                  | (0.07)             | —                  |
| Amortization of other intangible assets                         | (0.14)             | (0.03)        | —                  | (0.02)             | —                  |

**Adjusted operating expense as a % of average assets (non-GAAP)**

1.56                      1.52                      1.48                      1.54                      1.55

The following table presents a reconciliation of efficiency ratio (non-GAAP) and adjusted efficiency ratio (non-GAAP):

|  | Three Months Ended |               |                    | Nine Months Ended  |                    |
|--|--------------------|---------------|--------------------|--------------------|--------------------|
|  | September 30, 2021 | June 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| <b>Efficiency ratio - as reported (non-GAAP) (1)</b>             | <b>54.3 %</b>      | <b>44.7 %</b> | <b>48.6 %</b>      | <b>65.3 %</b>      | <b>54.3 %</b>      |
| Non-interest expense - as reported                               | \$ 56,783          | \$ 54,882     | \$ 24,853          | \$ 194,470         | \$ 80,239          |
| Less: Severance  | —                  | (1,875)       | —                  | (1,875)            | (4,000)            |
| Less: Merger expenses and transaction costs                      | (2,472)            | (1,836)       | (769)              | (42,250)           | (2,427)            |
| Less: Branch restructuring costs                                 | (4,518)            | (1,659)       | —                  | (6,177)            | —                  |
| Less: Loss on extinguishment of debt                             | —                  | (157)         | —                  | (1,751)            | —                  |
| Less: Curtailment loss   | —                  | —             | —                  | (1,543)            | —                  |
| Less: Amortization of other intangible assets                    | (715)              | (835)         | —                  | (1,907)            | —                  |
| Adjusted non-interest expense (non-GAAP)                         | \$ 49,078          | \$ 48,520     | \$ 24,084          | \$ 138,967         | \$ 73,812          |
| Net interest income - as reported                                | \$ 94,828          | \$ 93,254     | \$ 44,944          | \$ 265,923         | \$ 129,024         |
| Non-interest income (loss) - as reported                         | \$ 9,728           | \$ 29,544     | \$ 6,149           | \$ 31,889          | \$ 18,771          |
| Less: Gain on sale of PPP loans                                  | —                  | (20,697)      | —                  | (20,697)           | —                  |
| Less: Net gain on sale of securities and other assets            | —                  | —             | (215)              | (710)              | (3,357)            |
| Less: Loss on termination of derivatives                         | —                  | —             | —                  | 16,505             | —                  |
| Adjusted non-interest income (non-GAAP)                          | \$ 9,728           | \$ 8,847      | \$ 5,934           | \$ 26,987          | \$ 15,414          |
| Adjusted total revenues for adjusted efficiency ratio (non-GAAP) | \$ 104,556         | \$ 102,101    | \$ 50,878          | \$ 292,910         | \$ 144,438         |
| <b>Adjusted efficiency ratio (non-GAAP) (2)</b>                  | <b>46.9 %</b>      | <b>47.5 %</b> | <b>47.3 %</b>      | <b>47.4 %</b>      | <b>51.1 %</b>      |

- (1) The reported efficiency ratio is a non-GAAP measure calculated by dividing GAAP non-interest expense by the sum of GAAP net interest income and GAAP non-interest (loss) income.
- (2) The adjusted efficiency ratio is a non-GAAP measure calculated by dividing adjusted non-interest expense by the sum of GAAP net interest income and adjusted non-interest income.

The following table presents the tangible assets, tangible common equity, and adjusted tangible common book value per share calculation (non-GAAP):

|  | September 30, 2021 | June 30, 2021 | September 30, 2020 |
|--|--------------------|---------------|--------------------|
| <b>Reconciliation of Tangible Assets:</b>                                |                    |               |                    |
| Total assets   | \$ 12,364,381      | \$ 12,703,685 | \$ 6,619,391       |
| Less:  |                    |               |                    |
| Goodwill   | 155,339            | 155,339       | 55,638             |
| Other intangible assets  | 9,077              | 9,792         | —                  |
| Tangible assets (non-GAAP)   | \$ 12,199,965      | \$ 12,538,554 | \$ 6,563,753       |
| <b>Reconciliation of Adjusted Tangible Common Equity - Consolidated:</b> |                    |               |                    |
| Total stockholders' equity   | \$ 1,201,117       | \$ 1,204,276  | \$ 694,158         |
| Less:  |                    |               |                    |
| Goodwill   | 155,339            | 155,339       | 55,638             |
| Other intangible assets  | 9,077              | 9,792         | —                  |
| Tangible equity (non-GAAP)   | 1,036,701          | 1,039,145     | 638,520            |
| Less:  |                    |               |                    |
| Preferred stock, net   | 116,569            | 116,569       | 116,569            |
| Tangible common equity (non-GAAP)  | \$ 920,132         | \$ 922,576    | \$ 521,951         |
| Add:   |                    |               |                    |
| Unamortized deferred fees on PPP loans, net of tax                       | 612                | 1,979         | 5,435              |
| Adjusted tangible common equity (non-GAAP)                               | \$ 920,744         | \$ 924,555    | \$ 527,386         |
| Common shares outstanding  | 40,715             | 41,160        | 21,416             |
| Tangible common book value per share (non-GAAP)                          | \$ 22.60           | \$ 22.41      | \$ 24.37           |
| Adjusted tangible common book value per share (non-GAAP)                 | \$ 22.61           | \$ 22.46      | \$ 24.63           |



Source: Dime Community Bancshares, Inc.