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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-34096

DIME COMMUNITY BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

N/A
(Former name or former address, if changed since last report)

New York	**11-2934195**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**
898 Veterans Memorial Highway, Suite 560, Hauppauge, NY	**11788**
***(*Address of principal executive offices)**	**(Zip Code)**

(631) 537-1000
(Registrant’s telephone number, including area code)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 Par Value	DCOM	The NASDAQ Stock Market
Preferred Stock, Series A, $0.01 Par Value	DCOMP	The NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all the reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒	Accelerated Filer ☐
Non-Accelerated Filer ☐	Smaller Reporting Company ☐
	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Classes of Common Stock	Number of shares outstanding at April 30, 2022
$0.01 Par Value	39,243,718

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q 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 “annualized,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “seek,” “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 Dime Community Bancshares, Inc. (together with its direct and indirect subsidiaries, 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 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 conditions or results to differ materially from those expressed or implied by such forward-looking statements. Accordingly, you should not place undue reliance on such statements. These factors include, without limitation, the following:

- increases in competitive pressure among financial institutions or from non-financial institutions;
- fluctuation in market interest rates;
- changes in deposit flows, loan demand or real estate values;
- changes in the quality and composition of our loan or investment portfolios;
- changes in accounting principles, policies or guidelines;
- changes in corporate and/or individual income tax laws or policies;
- 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;
- legislative, regulatory or policy changes;
- the success or consummation of new business initiatives or the integration of any acquired entities may be more difficult or expensive than the Company anticipates; and
- the risks referred to in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 as updated by our Quarterly Reports on Form 10-Q.

Further, the COVID-19 pandemic has caused local and national economic disruption and has had an impact on the Company’s operations and financial results. Given its ongoing and dynamic nature, it is difficult to predict what further effects the 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 continue to increasingly work remotely.

The Company has no obligation to update any forward-looking statements to reflect events or circumstances after the date of this document.

Item 1. Condensed Consolidated Financial Statements

DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)
(Dollars in thousands except share amounts)

	March 31, 2022	December 31, 2021
Assets:		
Cash and due from banks	**$ 432,994**	$ 393,722
Securities available-for-sale, at fair value	**1,277,036**	1,563,711
Securities held-to-maturity	**383,922**	179,309
Loans held for sale	**17,053**	5,493
Loans held for investment, net of fees and costs	**9,249,849**	9,244,661
Allowance for credit losses	**(79,615)**	(83,853)
Total loans held for investment, net	**9,170,234**	9,160,808
Premises and fixed assets, net	**49,940**	50,368
Premises held for sale	**556**	556
Restricted stock	**38,898**	37,732
Bank Owned Life Insurance ("BOLI")	**297,628**	295,789
Goodwill	**155,797**	155,797
Other intangible assets	**7,776**	8,362
Operating lease assets	**61,467**	64,258
Derivative assets	**71,826**	45,086
Accrued interest receivable	**38,456**	40,149
Other assets	**74,662**	65,224
Total assets	**$ 12,078,245**	$ 12,066,364
Liabilities:		
Interest-bearing deposits	**$ 6,476,476**	$ 6,538,551
Non-interest-bearing deposits	**3,953,627**	3,920,423
Total deposits	**10,430,103**	10,458,974
Federal Home Loan Bank of New York ("FHLBNY") advances	**50,000**	25,000
Other short-term borrowings	**2,853**	1,862
Subordinated debt, net	**197,050**	197,096
Derivative cash collateral	**64,450**	4,550
Operating lease liabilities	**63,600**	66,103
Derivative liabilities	**60,586**	40,728
Other liabilities	**54,316**	79,431
Total liabilities	**10,922,958**	10,873,744
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, Series A ($0.01 par, $25.00 liquidation value, 10,000,000 shares authorized and 5,299,200 shares issued and outstanding at March 31, 2022 and December 31, 2021)	**116,569**	116,569
Common stock ($0.01 par, 80,000,000 shares authorized, 41,610,939 shares issued at March 31, 2022 and December 31, 2021, respectively, and 39,459,909 shares and 39,877,833 shares outstanding at March 31, 2022 and December 31, 2021, respectively)	**416**	416
Additional paid-in capital	**494,969**	494,125
Retained earnings	**677,990**	654,726
Accumulated other comprehensive loss, net of deferred taxes	**(49,380)**	(6,181)
Unearned equity awards	**(10,562)**	(7,842)
Treasury stock, at cost (2,151,030 shares and 1,733,106 shares at March 31, 2022 and December 31, 2021, respectively)	**(74,715)**	(59,193)
Total stockholders' equity	**1,155,287**	1,192,620
Total liabilities and stockholders' equity	**$ 12,078,245**	$ 12,066,364

See notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Interest income:		
Loans	**$ 86,420**	$ 81,382
Securities	**7,131**	4,380
Other short-term investments	**368**	993
Total interest income	**93,919**	86,755
Interest expense:		
Deposits and escrow	**2,531**	5,298
Borrowed funds	**2,278**	3,616
Derivative cash collateral	**1**	—
Total interest expense	**4,810**	8,914
Net interest income	**89,109**	77,841
(Credit) provision for credit losses	**(1,592)**	15,779
Net interest income after (credit) provision for credit losses	**90,701**	62,062
Non-interest income:		
Service charges and other fees	**4,058**	2,920
Title fees	**421**	433
Loan level derivative income	**6**	1,792
BOLI income	**1,839**	1,339
Gain on sale of Small Business Administration ("SBA") loans	**242**	164
Gain on sale of residential loans	**148**	723
Net gain on equity securities	—	131
Net gain on sale of securities and other assets	—	710
Loss on termination of derivatives	—	(16,505)
Other	**489**	910
Total non-interest income (loss)	**7,203**	(7,383)
Non-interest expense:		
Salaries and employee benefits	**30,834**	24,819
Occupancy and equipment	**7,584**	6,977
Data processing costs	**3,805**	3,528
Marketing	**1,295**	860
Professional services	**2,094**	1,865
Federal deposit insurance premiums	**1,150**	939
Loss from extinguishment of debt	—	1,594
Curtailment loss	—	1,543
Merger expenses and transaction costs	—	37,942
Amortization of other intangible assets	**586**	357
Other	**2,540**	2,381
Total non-interest expense	**49,888**	82,805
Income (loss) before income taxes	**48,016**	(28,126)
Income tax expense (benefit)	**13,485**	(7,092)
Net income (loss)	**34,531**	(21,034)
Preferred stock dividends	**1,821**	1,821
Net income (loss) available to common stockholders	**$ 32,710**	$ (22,855)
Earnings (loss) per common share:		
Basic	**$ 0.82**	$ (0.66)
Diluted	**$ 0.82**	$ (0.66)

See notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Net income (loss)	**$ 34,531**	$ (21,034)
Other comprehensive income (loss):		
Change in unrealized gain (loss) on securities:		
Change in net unrealized gain (loss) during the period	**(70,131)**	(15,534)
Reclassification adjustment for net gains included in net gain on sale of securities and other assets	**—**	(1,187)
Accretion of net unrealized loss on securities transferred to held to maturity	**170**	—
Change in pension and other postretirement obligations:		
Reclassification adjustment for expense included in other expense	**(934)**	(422)
Reclassification adjustment for curtailment loss	**—**	1,543
Change in the net actuarial gain (loss)	**997**	885
Change in unrealized gain (loss) on derivatives:		
Change in net unrealized gain (loss) during the period	**6,852**	4,948
Reclassification adjustment for loss included in loss on termination of derivatives	**—**	16,505
Reclassification adjustment for expense included in interest expense	**31**	854
Other comprehensive (loss) income before income taxes	**(63,015)**	7,592
Deferred tax (benefit) expense	**(19,816)**	1,137
Total other comprehensive (loss) income, net of tax	**(43,199)**	6,455
Total comprehensive loss	**$ (8,668)**	$ (14,579)

See notes to unaudited condensed consolidated financial statements.

DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
(Dollars in thousands)

Three Months Ended March 31, 2022

	Number of Shares of Common Stock	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Deferred Taxes	Unearned Equity Awards	Common Stock Held by BMP	Treasury Stock, at cost	Total Stockholders' Equity
Beginning balance as of January 1, 2022	**39,877,833**	**$116,569**	**$ 416**	**$ 494,125**	**$654,726**	**$ (6,181)**	**$ (7,842)**	**$ —**	**$(59,193)**	**$ 1,192,620**
Net income	—	—	—	—	**34,531**	—	—	—	—	**34,531**
Other comprehensive loss, net of tax	—	—	—	—	—	**(43,199)**	—	—	—	**(43,199)**
Release of shares, net of forfeitures	**127,812**	—	—	**844**	**(146)**	—	**(3,939)**	—	**3,284**	**43**
Stock-based compensation	—	—	—	—	—	—	**1,219**	—	—	**1,219**
Shares received related to tax withholding	**(40,731)**	—	—	—	—	—	—	—	**(1,414)**	**(1,414)**
Cash dividends declared to preferred stockholders	—	—	—	—	**(1,821)**	—	—	—	—	**(1,821)**
Cash dividends declared to common stockholders	—	—	—	—	**(9,300)**	—	—	—	—	**(9,300)**
Purchase of treasury stock	**(505,005)**	—	—	—	—	—	—	—	**(17,392)**	**(17,392)**
Ending balance as of March 31, 2022	**39,459,909**	**$116,569**	**$ 416**	**$ 494,969**	**$677,990**	**$ (49,380)**	**$ (10,562)**	**$ —**	**$(74,715)**	**$ 1,155,287**

Three Months Ended March 31, 2021

	Number of Shares of Common Stock	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income, Net of Deferred Taxes	Unearned Equity Awards	Common Stock Held by BMP	Treasury Stock, at cost	Total Stockholders' Equity
Beginning balance as of January 1, 2021	21,232,984	$116,569	$ 348	$ 278,295	$600,641	$ (5,924)	$ —	$ (1,496)	$(287,337)	$ 701,096
Cumulative change in accounting principle (Note 1)	—	—	—	—	1,686	—	—	—	—	1,686
Adjusted beginning balance on January 1, 2021	21,232,984	116,569	348	278,295	602,327	(5,924)	—	(1,496)	(287,337)	702,782
Net loss	—	—	—	—	(21,034)	—	—	—	—	(21,034)
Other comprehensive income, net of tax	—	—	—	—	—	6,455	—	—	—	6,455
Reverse merger with Bridge Bancorp Inc.	19,992,284	—	65	206,641	—	—	(2,603)	—	287,107	491,210
Exercise of stock options	15,928	—	—	292	—	—	—	—	80	372
Release of shares, net of forfeitures	335,959	—	3	8,562	—	—	(8,340)	—	(33)	192
Stock-based compensation	—	—	—	—	—	—	836	—	—	836
Shares received to satisfy distribution of retirement benefits	(41,101)	—	—	(1,359)	—	—	—	1,496	(1,130)	(993)
Cash dividends declared to preferred stockholders	—	—	—	—	(1,821)	—	—	—	—	(1,821)
Cash dividends declared to common stockholders	—	—	—	—	(5,175)	—	—	—	—	(5,175)
Ending balance as of March 31, 2021	41,536,054	$116,569	$ 416	$ 492,431	$574,297	$ 531	$(10,107)	$ —	$ (1,313)	$ 1,172,824

See notes to unaudited condensed consolidated financial statements.

DIME COMMUNITY BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	Three Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	**$ 34,531**	$ (21,034)
Adjustments to reconcile net income to net cash provided by operating activities:		
Net gain on sales of securities available-for-sale and other assets	—	(710)
Net gain on equity securities	—	(131)
Net gain on sale of loans held for sale	**(390)**	(887)
Loss on termination of derivatives	—	16,505
Net depreciation, amortization and accretion	**2,768**	(977)
Amortization of other intangible assets	**586**	357
Stock-based compensation	**1,219**	836
(Credit) provision for credit losses	**(1,592)**	15,779
Originations of loans held for sale	**(6,179)**	(12,868)
Proceeds from sale of loans originated for sale	**9,158**	20,291
Increase in cash surrender value of BOLI	**(1,839)**	(1,340)
Decrease in other assets	**8,967**	59,613
Increase (decrease) in other liabilities	**32,394**	(84,352)
Net cash provided by (used in) operating activities	**79,623**	(8,918)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities available-for-sale	—	134,558
Proceeds from sales of marketable equity securities	—	6,101
Purchases of securities available-for-sale	**(3,000)**	(327,222)
Purchases of securities held-to-maturity	**(31,944)**	—
Proceeds from calls and principal repayments of securities available-for-sale	**49,853**	214,029
Proceeds from calls and principal repayments of securities held-to-maturity	**2,733**	—
Proceeds from the sale of portfolio loans transferred to held for sale	**1,069**	3,900
Net increase in loans	**(23,179)**	(326,077)
(Purchases) sales of fixed assets, net	**(1,842)**	1,651
(Purchases) redemptions of restricted stock, net	**(1,166)**	39,006
Net cash received in business combination	—	715,988
Net cash (used in) provided by investing activities	**(7,476)**	461,934
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) increase in deposits	**(28,872)**	870,519
Proceeds (repayments) from FHLBNY advances, short-term, net	**25,000**	(745,000)
Repayments of FHLBNY advances, long-term	—	(140,150)
Proceeds of other short-term borrowings, net	**991**	6,763
Proceeds from exercise of stock options	—	372
Release of stock for benefit plan awards	**43**	192
Payments related to tax withholding for equity awards	**(1,414)**	—
BMP ESOP shares received to satisfy distribution of retirement benefits	—	(993)
Purchase of treasury stock	**(17,392)**	—
Cash dividends paid to preferred stockholders	**(1,821)**	(1,821)
Cash dividends paid to common stockholders	**(9,410)**	(9,778)
Net cash used in financing activities	**(32,875)**	(19,896)
Increase in cash and cash equivalents	**39,272**	433,120
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**393,722**	243,603
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 432,994**	$ 676,723
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	**$ 1,601**	$ 4,625
Cash paid for interest	**4,933**	8,624
Securities available-for-sale transferred to held-to-maturity	**175,260**	—
Loans transferred to held for sale	**15,172**	18,144
Cumulative change due to Current Expected Credit Loss ("CECL") Standard adoption	—	1,686
Net non-cash liabilities assumed in Merger (See Note 2)	—	324,479

See notes to unaudited condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

On February 1, 2021, Dime Community Bancshares, Inc., a Delaware corporation ("Legacy Dime") merged with and into Bridge Bancorp, Inc., a New York corporation ("Bridge") (the "Merger"), with Bridge as the surviving corporation under the name "Dime Community Bancshares, Inc." (the "Holding Company"). At the effective time of the Merger (the "Effective Time"), each outstanding share of Legacy Dime common stock, par value $0.01 per share, was converted into the right to receive 0.6480 shares of the Holding Company's common stock, par value $0.01 per share.

At the Effective Time, each outstanding share of Legacy Dime's Series A preferred stock, par value $0.01 (the "Dime Preferred Stock"), was converted into the right to receive one share of a newly created series of the Holding Company's preferred stock having the same powers, preferences and rights as the Dime Preferred Stock.

Immediately following the Merger, Dime Community Bank, a New York-chartered commercial bank and a wholly-owned subsidiary of Legacy Dime, merged with and into BNB Bank, a New York-chartered trust company and a wholly-owned subsidiary of Bridge, with BNB Bank as the surviving bank, under the name "Dime Community Bank" (the "Bank").

The unaudited consolidated financial statements presented in this Quarterly Report on Form 10-Q include the collective results of the Holding Company and its wholly-owned subsidiary, the Bank, which are collectively herein referred to as "we", "us", "our" and the "Company."

The Merger was accounted for as a reverse merger using the acquisition method of accounting, which means that for accounting and financial reporting purposes, Legacy Dime was deemed to have acquired Bridge in the Merger, even though Bridge was the legal acquirer. Accordingly, Legacy Dime's historical financial statements are the historical financial statements of the combined company for all periods before February 1, 2021 (the "Merger Date").

The Company's results of operations for 2021 include the results of operations of Bridge on and after the Merger Date. Results for periods before the Merger Date reflect only those of Legacy Dime and do not include the results of operations of Bridge. The number of shares issued and outstanding, earnings per share, additional paid-in capital, dividends paid and all references to share quantities of the Company have been retrospectively adjusted to reflect the equivalent number of shares issued to holders of Legacy Dime common stock in the Merger. The assets and liabilities of Bridge as of the Merger Date have been recorded at their estimated fair value and added to those of Legacy Dime. See Note 2. Merger for further information.

As of March 31, 2022, we operated 60 branch locations throughout Long Island and the New York City boroughs of Brooklyn, Queens, Manhattan, and the Bronx.

The Company is a bank holding company engaged in commercial banking and financial services through its wholly-owned subsidiary, Dime Community Bank. The Bank was established in 1910 and is headquartered in Hauppauge, New York. The Holding Company was incorporated under the laws of the State of New York in 1988 to serve as the holding company for the Bank. The Company functions primarily as the holder of all of the Bank's common stock. Our bank operations include Dime Community Inc., a real estate investment trust subsidiary which was formerly known as Bridgehampton Community, Inc., as an operating subsidiary. Our bank operations also include Bridge Abstract LLC ("Bridge Abstract"), a wholly-owned subsidiary of the Bank, which is a broker of title insurance services. In September 2021, the Company dissolved two REITs, DSBW Preferred Funding Corporation and DSBW Residential Preferred Funding Corporation, which were wholly-owned subsidiaries of the Bank, and the preferred shares outstanding were redeemed by its shareholders.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The unaudited consolidated financial statements included herein reflect all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. In preparing the interim financial statements, management has made estimates and assumptions that affect the

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported periods. Such estimates are subject to change in the future as additional information becomes available or previously existing circumstances are modified. Actual future results could differ significantly from those estimates. The annualized results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results of operations that may be expected for the entire fiscal year. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain reclassifications have been made to prior year amounts, and the related discussion and analysis, to conform to the current year presentation. These reclassifications did not have an impact on net income or total stockholders' equity. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which remain significantly unchanged and have been followed similarly as in prior periods.

ASU 2016-13, Financial Instruments – Credit Losses (Topic 326)

The Company adopted ASU No. 2016-13 on January 1, 2021 using the modified retrospective method for all financial assets measured at amortized cost and off-balance sheet credit exposures. ASU 2016-13 was effective for the Company as of January 1, 2020. Under Section 4014 of the CARES Act, financial institutions required to adopt ASU 2016-13 as of January 1, 2020 were provided an option to delay the adoption of the CECL Standard framework. The Company elected to defer adoption of the CECL Standard until January 1, 2021. The CECL Standard requires that the measurement of all expected credit losses for financial assets held at the reporting date be based on historical experience, current conditions, and reasonable and supportable forecasts. This standard requires financial institutions and other organizations to use forward-looking information to better inform their credit loss estimates. Results for reporting periods beginning after January 1, 2021 are presented under the CECL Standard while prior period amounts will continue to be reported in accordance with previously applicable GAAP.

The adoption of the CECL Standard resulted in an initial decrease of $3.9 million to the allowance for credit losses and an increase of $1.4 million to the reserve for unfunded commitments in other liabilities. The after-tax cumulative-effect adjustment of $1.7 million was recorded in retained earnings as of January 1, 2021. There were no held-to-maturity securities as of January 1, 2021 and, therefore, no impact from the adoption of the CECL Standard.

Risks and Uncertainties

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic, which has spread to most countries, including the United States. The pandemic has adversely affected economic activity globally, nationally and locally.

In March 2020, the United States declared a National Public Health Emergency in response to the COVID-19 pandemic. In an effort to mitigate the spread of COVID-19, local state governments, including New York (in which the Bank has retail banking offices), have taken preventative or protective actions such as travel restrictions, advising or requiring individuals to limit or forego their time outside of their homes, and other forced closures for certain types of non-essential businesses. The impact of these actions is expected to continue to have an adverse impact on the economies and financial markets in the United States. The outbreak of COVID-19 has materially, adversely impacted labor supply, supply chains, and certain industries in which our customers and vendors operate, and could materially impair their ability to fulfill their obligations to us. Further additional outbreaks of COVID-19 variants could lead to economic recession and other severe disruptions in the U.S. economy, may disrupt banking and other financial activity in the areas in which we operate, and could potentially create widespread business continuity issues for us.

The Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law at the end of March 2020. The CARES Act is intended to provide relief and lessen a severe economic downturn. The stimulus package includes direct financial aid to American families and economic stimulus to significantly impacted industry sectors. The package also includes extensive emergency funding for hospitals and healthcare providers.

In December 2020, the 2021 Consolidated Appropriations Act was signed into law to provide additional relief.

It is possible that there will be continued material, adverse impacts to significant estimates, asset valuations, and business operations, including intangible assets, investments, loans, deferred tax assets, and derivative counter party risk.

2. MERGER

As described in Note 1. Basis of Presentation, on February 1, 2021, we completed our Merger with Legacy Dime.

Pursuant to the merger agreement, Legacy Dime merged with and into Bridge with Bridge as the surviving corporation under the name “Dime Community Bancshares, Inc.” At the effective time of the Merger, each outstanding share of Legacy Dime common stock, par value $0.01 per share, was converted into 0.6480 shares of the Company’s common stock, par value $0.01 per share.

At the Effective Time, each outstanding share of Legacy Dime’s Series A preferred stock, par value $0.01 was converted into one share of a newly created series of the Company’s preferred stock having the same powers, preferences and rights as the Dime Preferred Stock.

In connection with the Merger, the Company assumed $115.0 million in aggregate principal amount of the 4.50% Fixed-to-Floating Rate Subordinated Debentures due 2027 of Legacy Dime.

The Merger constituted a business combination and was accounted for as a reverse merger using the acquisition method of accounting. As a result, Legacy Dime was the accounting acquirer and Bridge was the legal acquirer and the accounting acquiree. Accordingly, the historical financial statements of Legacy Dime became the historical financial statements of the combined company. In addition, the assets and liabilities of Bridge have been recorded at their estimated fair values and added to those of Legacy Dime as of the Merger Date. The determination of fair value required management to make estimates about discount rates, expected future cash flows, market conditions and other future events that are subjective and subject to change.

The Company issued 21.2 million shares of its common stock to Legacy Dime stockholders in connection with the Merger, which represented 51.5% of the voting interests in the Company upon completion of the Merger. In accordance with FASB ASC 805-40-30-2, the purchase price in a reverse acquisition is determined based on the number of equity interests the legal acquiree would have had to issue to give the owners of the legal acquirer the same percentage equity interest in the combined entity that results from the reverse acquisition.

3. SUMMARY OF ACCOUNTING POLICIES

Summary of Significant Accounting Policies

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary for a fair presentation of the Company’s financial condition as of March 31, 2022 and December 31, 2021, the results of operations and statements of comprehensive income for the three months ended March 31, 2022 and 2021, the changes in stockholders’ equity for the three months ended March 31, 2022 and 2021, and cash flows for the three months ended March 31, 2022 and 2021.

Please see "Part I - Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies" for a discussion of areas in the accompanying unaudited condensed consolidated financial statements utilizing significant estimates.

The Company’s cash flow hedges involve derivative agreements with third-party counterparties that contain provisions requiring the Company to post cash collateral if the derivative exposure exceeds a threshold amount and receive collateral for agreements in a net asset position. Derivative cash collateral represents cash collateral collected for these derivative

agreements in a net asset position. Interest expense on derivative cash collateral is accrued based on the amount outstanding during the period. A reclassification has been made to the December 31, 2021 amount to conform to the current year presentation. The Company reported derivative cash collateral totaling $4.6 million in other liabilities in its consolidated financial statements as of December 31, 2021. Disclosures about the Company’s hedging activities are presented in Note 10 - Derivatives and Hedging Activities.

Adoption of Recent Accounting Standards

Standards That Have Not Yet Been Adopted

ASU 2020-04, Reference Rate Reform (Topic 848)

ASU 2020-04 provides optional expedients and exceptions for applying GAAP to loan and lease agreements, derivative contracts, and other transactions affected by the anticipated transition away from LIBOR toward new interest rate benchmarks. ASU 2020-04 also provides numerous optional expedients for derivative accounting. ASU 2020-04 is effective March 12, 2020 through December 31, 2022. Once optional expedients are elected, the amendments in this ASU must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic within the Codification. We are evaluating the impact of ASU 2020-04 and expect the LIBOR transition will not have a material effect on the Company's consolidated financial statements.

ASU 2021-01, Reference Rate Reform (Topic 848): Scope

ASU 2021-01 clarifies that all derivative instruments affected by changes to the interest rates used for discounting, margining, or contract price alignment due to reference rate reform are in the scope of ASC 848. Entities may apply certain optional expedients in ASC 848 to derivative instruments that do not reference LIBOR or another rate expected to be discontinued as a result of reference rate reform if there is a change to the interest rate used for discounting, margining or contract price alignment. ASU 2021-01 is effective upon issuance and generally can be applied through December 31, 2022. The adoption of ASU 2021-01 is not expected to have a material effect on the Company's consolidated financial statements.

ASU 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging-Portfolio Layer Method

ASU 2022-01 clarifies the accounting for and promotes consistency in the reporting of hedge basis adjustments applicable to both a single hedged layer and multiple layers. The amendments in ASU 2022-01 apply to all entities that elect to apply the portfolio layer method of hedge accounting in accordance with Topic 815. For public business entities, ASU 2022-01 is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. If an entity adopts ASU 2022-01 in an interim period, the effect of adopting the amendments related to basis adjustments should be reflected as of the beginning of the fiscal year of adoption (that is, the initial application date). The adoption of ASU 2022-01 is not expected to have a material effect on the Company's consolidated financial statements.

ASU 2022-02, Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures

ASU 2022-02 eliminates troubled debt restructuring (“TDR”) recognition and measurement guidance and, instead, requires that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan. ASU 2022-02 enhances existing disclosure requirements and introduces new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. For entities that have adopted the amendments of ASU 2016-13, the amendments in ASU 2022-02 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. If an entity elects to early adopt in an interim period, the guidance should be applied as of the beginning of the fiscal year that includes the interim period. The adoption of ASU 2022-02 is not expected to have a material effect on the Company's consolidated financial statements.

4. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Activity in accumulated other comprehensive income (loss), net of tax, was as follows:

(In thousands)	Securities	Defined Benefit Plans	Derivatives	Total Accumulated Other Comprehensive Income (Loss)
Balance as of January 1, 2022	**$ (7,864)**	**$ (1,306)**	**$ 2,989**	**$ (6,181)**
Other comprehensive (loss) income before reclassifications	**(48,075)**	**683**	**4,697**	**(42,695)**
Amounts reclassified from accumulated other comprehensive loss	**116**	**(641)**	**21**	**(504)**
Net other comprehensive (loss) income during the period	**(47,959)**	**42**	**4,718**	**(43,199)**
Balance as of March 31, 2022	**$ (55,823)**	**$ (1,264)**	**$ 7,707**	**$ (49,380)**
Balance as of January 1, 2021	$ 12,694	$ (6,086)	$ (12,532)	$ (5,924)
Other comprehensive (loss) income before reclassifications	(10,570)	1,659	16,476	7,565
Amounts reclassified from accumulated other comprehensive loss	(822)	(288)	—	(1,110)
Net other comprehensive (loss) income during the period	(11,392)	1,371	16,476	6,455
Balance as of March 31, 2021	$ 1,302	$ (4,715)	$ 3,944	$ 531

The before and after tax amounts allocated to each component of other comprehensive income (loss) are presented in the table below for the periods indicated.

(In thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Change in unrealized gain (loss) on securities:		
Change in net unrealized gain (loss) during the period	**$ (70,131)**	$ (15,534)
Reclassification adjustment for net gains included in net gain on sale of securities and other assets	**—**	(1,187)
Accretion of net unrealized loss on securities transferred to held-to-maturity	**170**	—
Net change	**(69,961)**	(16,721)
Tax benefit	**(22,002)**	(5,329)
Net change in unrealized gain (loss) on securities, net of reclassification adjustments and tax	**(47,959)**	(11,392)
Change in pension and other postretirement obligations:		
Reclassification adjustment for expense included in other expense	**(934)**	(422)
Reclassification adjustment for curtailment loss	**—**	1,543
Change in the net actuarial gain (loss)	**997**	885
Net change	**63**	2,006
Tax expense	**21**	635
Net change in pension and other postretirement obligations	**42**	1,371
Change in unrealized gain (loss) on derivatives:		
Change in net unrealized gain (loss) during the period	**6,852**	4,948
Reclassification adjustment for loss included in loss on termination of derivatives	**—**	16,505
Reclassification adjustment for expense included in interest expense	**31**	854
Net change	**6,883**	22,307
Tax expense	**2,165**	5,831
Net change in unrealized gain (loss) on derivatives, net of reclassification adjustments and tax	**4,718**	16,476
Other comprehensive (loss) income, net of tax	**$ (43,199)**	$ 6,455

5. EARNINGS PER COMMON SHARE

Basic earnings per share (“EPS”) is computed by dividing net income available to common stockholders by the weighted-average common shares outstanding during the reporting period. Diluted EPS is computed using the same method as basic EPS, but reflects the potential dilution that would occur if "in the money" stock options were exercised and converted into common stock. In determining the weighted average shares outstanding for basic and diluted EPS, treasury shares are excluded. Vested RSA shares are included in the calculation of the weighted average shares outstanding for basic and diluted EPS. Unvested RSA and PSA shares not yet awarded are recognized as a special class of participating securities under ASC 260, and are included in the calculation of the weighted average shares outstanding for basic and diluted EPS.

The following is a reconciliation of the numerators and denominators of basic and diluted EPS for the periods presented:

	Three Months Ended March 31,	
(In thousands except share and per share amounts)	**2022**	**2021**
Net income (loss) available to common stockholders	**$ 32,710**	$ (22,855)
Less: Dividends paid and earnings allocated to participating securities	**(374)**	165
Income (loss) attributable to common stock	**$ 32,336**	$ (22,690)
Weighted average common shares outstanding, including participating securities	**39,680,652**	34,543,114
Less: weighted average participating securities	**(429,404)**	(282,176)
Weighted average common shares outstanding	**39,251,248**	34,260,938
Basic EPS	**$ 0.82**	$ (0.66)
Income (loss) attributable to common stock	**$ 32,336**	$ (22,690)
Weighted average common shares outstanding	**39,251,248**	34,260,938
Weighted average common equivalent shares outstanding	**—**	1,067
Weighted average common and equivalent shares outstanding	**39,251,248**	34,262,005
Diluted EPS	**$ 0.82**	$ (0.66)

Common and equivalent shares resulting from the dilutive effect of "in-the-money" outstanding stock options are calculated based upon the excess of the average market value of the common stock over the exercise price of outstanding in-the-money stock options during the period.

There were 121,253 and 180,020 weighted-average stock options outstanding for the three months ended March 31, 2022 and 2021, respectively, which were not considered in the calculation of diluted EPS since their exercise prices exceeded the average market price during the period.

6. PREFERRED STOCK

On February 5, 2020, Legacy Dime completed an underwritten public offering of 2,999,200 shares, or $75.0 million in aggregate liquidation preference, of its 5.50% Fixed-Rate Non-Cumulative Perpetual Preferred Stock, Series A, par value $0.01 per share, with a liquidation preference of $25.00 per share (the “Legacy Dime Preferred Stock”). The net proceeds received from the issuance of preferred stock at the time of closing were $72.2 million. On June 10, 2020, Legacy Dime completed an underwritten public offering, a reopening of its February 5, 2020 original issuance, of 2,300,000 shares, or $57.5 million in aggregate liquidation preference, of the Legacy Dime Preferred Stock. The net proceeds received from the issuance of preferred stock at the time of closing were $44.3 million.

At the Effective Time of the Merger, each outstanding share of the Legacy Dime Preferred Stock was converted into the right to receive one share of a newly created series of the Company’s preferred stock having the same powers, preferences and rights as the Legacy Dime Preferred Stock.

The Company expects to pay dividends when, as, and if declared by its board of directors, at a fixed rate of 5.50% per annum, payable quarterly, in arrears, on February 15, May 15, August 15 and November 15 of each year. The Preferred Stock is perpetual and has no stated maturity. The Company may redeem the Preferred Stock at its option at a redemption price equal to $25.00 per share, plus any declared and unpaid dividends (without regard to any undeclared dividends), subject to regulatory approval, on or after June 15, 2025 or within 90 days following a regulatory capital treatment event, as described in the prospectus supplement and accompanying prospectus relating to the offering.

7. SECURITIES

The following tables summarize the major categories of securities as of the dates indicated:

	March 31, 2022			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available-for-sale:				
Treasury securities	**$ 247,665**	**$ —**	**$ (13,134)**	**$ 234,531**
Corporate securities	**151,382**	**980**	**(4,937)**	**147,425**
Pass-through mortgage-backed securities ("MBS") issued by government sponsored entities ("GSEs")	**443,266**	**905**	**(26,055)**	**418,116**
Agency collateralized mortgage obligations ("CMOs")	**469,808**	**7**	**(29,632)**	**440,183**
State and municipal obligations	**38,619**	**2**	**(1,840)**	**36,781**
Total securities available-for-sale	**$ 1,350,740**	**$ 1,894**	**$ (75,598)**	**$ 1,277,036**

	March 31, 2022			
(In thousands)	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Securities held-to-maturity:				
Agency notes	**$ 88,858**	**$ —**	**$ (5,025)**	**$ 83,833**
Pass-through MBS issued by GSEs	**180,379**	**—**	**(13,503)**	**166,876**
Agency CMOs	**114,685**	**—**	**(6,705)**	**107,980**
Total securities held-to-maturity	**$ 383,922**	**$ —**	**$ (25,233)**	**$ 358,689**

	December 31, 2021			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available-for-sale:				
Agency notes	$ 82,476	$ —	$ (2,222)	$ 80,254
Treasury securities	247,916	—	(3,147)	244,769
Corporate securities	148,430	4,354	(754)	152,030
Pass-through mortgage-backed securities ("MBS") issued by government sponsored entities ("GSEs")	528,749	4,271	(6,566)	526,454
Agency collateralized mortgage obligations ("CMOs")	527,348	2,705	(8,795)	521,258
State and municipal obligations	39,175	73	(302)	38,946
Total securities available-for-sale	$ 1,574,094	$ 11,403	$ (21,786)	$ 1,563,711

	December 31, 2021			
(In thousands)	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Securities held-to-maturity:				
Pass-through MBS issued by GSEs	$ 118,382	$ 59	$ (1,141)	$ 117,300
Agency CMOs	60,927	—	(873)	60,054
Total securities held-to-maturity	$ 179,309	$ 59	$ (2,014)	$ 177,354

The Company reassessed classification of certain investments during the three months ended March 31, 2022 and transferred securities with a book value of $182.1 million from available-for-sale to held-to-maturity. The transfer occurred at fair value totaling $175.3 million. The related unrealized losses of $6.8 million were converted to a discount that is being accreted through interest income on a level-yield method over the term of the securities, while the unrealized losses

recorded in other comprehensive income are amortized out of other comprehensive income through interest income on a level-yield method over the remaining term of securities, with no net change to interest income. No gain or loss was recorded at the time of transfer. There were no transfers of securities held-to-maturity to securities available-for-sale during the three months ended March 31, 2022. There were no transfers to or from securities held-to-maturity during the three months ended March 31, 2021.

The carrying amount of securities available-for-sale pledged at March 31, 2022 and December 31, 2021 was $451.4 million and $595.8 million, respectively. The carrying amount of securities held-to-maturity pledged at March 31, 2022 and December 31, 2021 was $352.4 million and $132.0 million, respectively.

At March 31, 2022 and December 31, 2021, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of stockholders' equity.

The amortized cost and fair value of securities are shown by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

	March 31, 2022	
(In thousands)	Amortized Cost	Fair Value
Available-for-sale		
Within one year	$ 4,226	$ 4,196
One to five years	277,389	262,734
Five to ten years	150,906	146,993
Beyond ten years	5,145	4,814
Pass-through MBS issued by GSEs and agency CMO	913,074	858,299
Total	$ 1,350,740	$ 1,277,036
Held-to-maturity		
Within one year	$ —	$ —
One to five years	10,000	9,827
Five to ten years	78,858	74,006
Beyond ten years	—	—
Pass-through MBS issued by GSEs and agency CMO	295,064	274,856
Total	$ 383,922	$ 358,689

The following table presents the information related to sales of securities available-for-sale as of the periods indicated:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Securities available-for-sale		
Proceeds	$ —	$ 134,558
Gross gains	—	1,307
Tax expense on gains	—	414
Gross losses	—	120
Tax benefit on losses	—	38

	Three Months Ended March 31,	
(In thousands)	2022	2021
Proceeds:		
Marketable equity securities	$ —	$ 6,101

There were no gains on marketable equity securities for the three months ended March 31, 2022. Net gain of $131 thousand was recognized on marketable equity securities for the three months ended March 31, 2021. Marketable equity securities were fully liquidated in connection with the termination of the BMP during the three months ended March 31, 2021.

There were no sales of securities held-to-maturity during the three months ended March 31, 2022 and 2021.

The following table summarizes the gross unrealized losses and fair value of securities available-for-sale aggregated by investment category and the length of time the securities were in a continuous unrealized loss position as of the dates indicated:

	March 31, 2022					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Securities available-for-sale:						
Treasury securities	**$ 234,530**	**$ 13,134**	**$ —**	**$ —**	**$ 234,530**	**$ 13,134**
Corporate securities	**95,535**	**4,847**	**2,910**	**90**	**98,445**	**4,937**
Pass-through MBS issued by GSEs	**290,385**	**18,572**	**70,248**	**7,483**	**360,633**	**26,055**
Agency CMOs	**320,114**	**16,773**	**116,425**	**12,859**	**436,539**	**29,632**
State and municipal obligations	**31,150**	**1,308**	**4,190**	**532**	**35,340**	**1,840**

	December 31, 2021					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Securities available-for-sale:						
Agency notes	$ 58,607	$ 1,369	$ 21,647	$ 853	$ 80,254	$ 2,222
Treasury securities	244,769	3,147	—	—	244,769	3,147
Corporate securities	37,620	754	—	—	37,620	754
Pass-through MBS issued by GSEs	422,634	6,333	4,748	233	427,382	6,566
Agency CMOs	349,879	8,672	3,182	123	353,061	8,795
State and municipal obligations	18,887	302	—	—	18,887	302

As of March 31, 2022, none of the Company's available-for-sale debt securities were in an unrealized loss position due to credit and therefore no allowance for credit losses on available-for-sale debt securities was required. Additionally, given the high-quality composition of the Company's held-to-maturity portfolio, the Company did not record an allowance for credit losses on the held-to-maturity portfolio. With respect to certain classes of debt securities, primarily U.S. Treasuries and securities issued by Government Sponsored Entities, the Company considers the history of credit losses, current conditions and reasonable and supportable forecasts, which may indicate that the expectation that nonpayment of the amortized cost basis is or continues to be zero, even if the U.S. government were to technically default. Accrued interest receivable on securities totaling $4.5 million and $4.4 million at March 31, 2022 and December 31, 2021, respectively, was included in other assets in the consolidated balance sheet and excluded from the amortized cost and estimated fair value totals in the table above.

Management evaluates available-for-sale debt securities in unrealized loss positions to determine whether the impairment is due to credit-related factors or noncredit-related factors. Consideration is given to (1) the extent to which the fair value is less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value.

At March 31, 2022, substantially all of the securities in an unrealized loss position had a fixed interest rate and the cause of the temporary impairment was directly related to changes in interest rates. The Company generally views changes in fair value caused by changes in interest rates as temporary, which is consistent with its experience. The following major security types held by the Company are all issued by U.S. government entities and agencies and therefore either explicitly or implicitly guaranteed by the U.S. government; Agency Notes, Treasury Securities, Pass-through MBS issued by GSEs, Agency Collateralized Mortgage Obligations. Substantially all of the corporate bonds within the portfolio have maintained an investment grade rating by either Kroll, Egan-Jones, Fitch, Moody's or Standard and Poor's. None of the unrealized losses are related to credit losses. Substantially all of the state and municipal obligations within the portfolio have all

maintained an investment grade rating by either Moody's or Standard and Poor's. The Company does not have the intent to sell these securities and it is more likely than not that it will not be required to sell the securities before their anticipated recovery. The issuers continue to make timely principal and interest payments on the debt. The fair value is expected to recover as the securities approach maturity.

8. LOANS HELD FOR INVESTMENT, NET

The following table presents the loan categories for the period ended as indicated:

(In thousands)	March 31, 2022	December 31, 2021
One-to-four family residential and cooperative/condominium apartment	$ 669,099	$ 669,282
Multifamily residential and residential mixed-use	3,371,267	3,356,346
Commercial real estate ("CRE")	3,946,918	3,945,948
Acquisition, development, and construction	329,349	322,628
Total real estate loans	8,316,633	8,294,204
C&I	921,009	933,559
Other loans	12,207	16,898
Total	9,249,849	9,244,661
Allowance for credit losses	(79,615)	(83,853)
Loans held for investment, net	$ 9,170,234	$ 9,160,808

Included in C&I loans was Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loans totaling $33.0 million and $66.0 million at March 31, 2022 and December 31, 2021, respectively. SBA PPP loans carry a 100% guarantee from the SBA. The Company may hold an allowance for credit losses as a result of individual loan analysis.

The following tables present data regarding the allowance for credit losses activity for the periods indicated:

	At or for the Three Months Ended March 31, 2022							
	Real Estate Loans							
(In thousands)	One-to-Four Family Residential and Cooperative/ Condominium Apartment	Multifamily Residential and Residential Mixed-Use	CRE	ADC	Total Real Estate	C&I	Other Loans	Total
Allowance for credit losses:								
Beginning balance	$ 5,932	$ 7,816	$ 29,166	$ 4,857	$ 47,771	$ 35,331	$ 751	$ 83,853
(Credit) provision for credit losses	(1,404)	(757)	(521)	(99)	(2,781)	1,516	(389)	(1,654)
Charge-offs	—	—	—	—	—	(2,635)	(3)	(2,638)
Recoveries	—	2	—	—	2	51	1	54
Ending balance	$ 4,528	$ 7,061	$ 28,645	$ 4,758	$ 44,992	$ 34,263	$ 360	$ 79,615

	At or for the Three Months Ended March 31, 2021							
	Real Estate Loans							
	One-to-Four Family Residential and Cooperative/ Condominium Apartment	Multifamily Residential and Residential Mixed-Use	CRE	ADC	Total Real Estate	C&I	Other Loans	Total
Allowance for credit losses:								
Beginning balance, prior to the adoption of CECL	$ 644	$ 17,016	$ 9,059	$ 1,993	$ 28,712	$ 12,737	$ 12	$ 41,461
Impact of adopting CECL as of January 1, 2021	1,048	(8,254)	4,849	381	(1,976)	(1,935)	(8)	(3,919)
Adjusted beginning balance as of January 1, 2021	1,692	8,762	13,908	2,374	26,736	10,802	4	37,542
PCD Day 1	2,220	3,292	23,124	117	28,753	23,374	157	52,284
Provision (credit) for credit losses	1,235	(1,397)	7,813	1,408	9,059	3,219	371	12,649
Charge-offs	(14)	(236)	(8)	—	(258)	(4,017)	—	(4,275)
Ending balance	$ 5,133	$ 10,421	$ 44,837	$ 3,899	$ 64,290	$ 33,378	$ 532	$ 98,200

The following tables present the amortized cost basis of loans on non-accrual status as of the periods indicated:

	March 31, 2022		
(In thousands)	Non-accrual with No Allowance	Non-accrual with Allowance	Reserve
One-to-four family residential and cooperative/condominium apartment	**$ -**	**$ 5,241**	**$ 151**
CRE	**1,254**	**3,719**	**1,564**
Acquisition, development, and construction	**665**	**-**	**-**
C&I	**334**	**24,666**	**14,829**
Other	**-**	**83**	**79**
Total	**$ 2,253**	**$ 33,709**	**$ 16,623**

	December 31, 2021		
(In thousands)	Non-accrual with No Allowance	Non-accrual with Allowance	Reserve
One-to-four family residential and cooperative/condominium apartment	$ -	$ 7,623	$ 1,278
CRE	1,301	3,752	797
C&I	348	26,918	16,973
Other	-	365	361
Total	$ 1,649	$ 38,658	$ 19,409

The Company did not recognize interest income on non-accrual loans held for investment during the three months ended March 31, 2022 and 2021.

The following tables summarize the past due status of the Company's investment in loans as of the dates indicated:

(In thousands)	March 31, 2022						
	30 to 59 Days Past Due	60 to 89 Days Past Due	Loans 90 Days or More Past Due and Still Accruing Interest	Non-accrual	Total Past Due	Current	Total Loans
Real estate:							
One-to-four family residential, including condominium and cooperative apartment	**$ 4,220**	**$ 685**	**$ 341**	**$ 5,241**	**$ 10,487**	**$ 658,612**	**$ 669,099**
Multifamily residential and residential mixed-use	**6,545**	**—**	**—**	**—**	**6,545**	**3,364,722**	**3,371,267**
CRE	**12,493**	**—**	**—**	**4,972**	**17,465**	**3,929,453**	**3,946,918**
Acquisition, development, and construction	**—**	**—**	**—**	**665**	**665**	**328,684**	**329,349**
Total real estate	**23,258**	**685**	**341**	**10,878**	**35,162**	**8,281,471**	**8,316,633**
C&I	**3,689**	**239**	**839**	**25,000**	**29,767**	**891,242**	**921,009**
Other	**169**	**—**	**—**	**84**	**253**	**11,954**	**12,207**
Total	**$ 27,116**	**$ 924**	**$ 1,180**	**$ 35,962**	**$ 65,182**	**$ 9,184,667**	**$ 9,249,849**

(In thousands)	December 31, 2021						
	30 to 59 Days Past Due	60 to 89 Days Past Due	Loans 90 Days or More Past Due and Still Accruing Interest	Non-accrual	Total Past Due	Current	Total Loans
Real estate:							
One-to-four family residential, including condominium and cooperative apartment	$ 3,294	$ 877	$ 1,945	$ 7,623	$ 13,739	$ 655,543	$ 669,282
Multifamily residential and residential mixed-use	30,983	3,339	—	—	34,322	3,322,024	3,356,346
CRE	23,108	887	—	5,053	29,048	3,916,900	3,945,948
Acquisition, development, and construction	—	—	—	—	—	322,628	322,628
Total real estate	57,385	5,103	1,945	12,676	77,109	8,217,095	8,294,204
C&I	3,753	7,040	1,056	27,266	39,115	894,444	933,559
Other	104	3	—	365	472	16,426	16,898
Total	$ 61,242	$ 12,146	$ 3,001	$ 40,307	$ 116,696	$ 9,127,965	$ 9,244,661

Accruing Loans 90 Days or More Past Due:

The Company continued accruing interest on loans with an outstanding balance of $1.2 million at March 31, 2022, and loans with an outstanding balance of $3.0 million at December 31, 2021, all of which were 90 days or more past due. These loans were either well secured, awaiting a forbearance extension or formal payment deferral, or will likely be forgiven through the PPP or repurchased by the SBA, and, therefore, remained on accrual status and were deemed performing assets at the dates indicated above.

Collateral Dependent Loans:

The Company had collateral dependent loans which were individually evaluated to determine expected credit losses as of the dates indicated:

(In thousands)	March 31, 2022 Real Estate Collateral Dependent	March 31, 2022 Associated Allowance for Credit Losses	December 31, 2021 Real Estate Collateral Dependent	December 31, 2021 Associated Allowance for Credit Losses
CRE	**$ 4,781**	**$ 1,357**	$ 3,837	$ 600
Acquisition, development, and construction	**14,165**	**-**	-	-
C&I	**818**	**-**	348	-
Total	**$ 19,764**	**$ 1,357**	$ 4,185	$ 600

TDRs

As of March 31, 2022, the Company had TDRs totaling $26.8 million. The Company has allocated $3.1 million of allowance for those loans at March 31, 2022, with no commitments to lend additional amounts. As of December 31, 2021, the Company had TDRs totaling $942 thousand. The Company has allocated $483 thousand of allowance for those loans at December 31, 2021, with no commitments to lend additional amounts.

During the three months ended March 31, 2022, TDR modifications included extensions of maturity dates, or favorable interest rates and loan terms than the prevailing market interest rates and loan terms.

The following table presents the loans by category modified as TDRs that occurred during the three months ended March 31, 2022:

(Dollars in thousands)	Modifications During the Three Months Ended March 31, 2022 Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
One-to-four family residential and cooperative/condominium apartment	1	$ 37	$ 37
CRE	1	991	991
Acquisition, development, and construction	1	13,500	13,500
C&I	2	11,409	11,409
Total	5	$ 25,937	$ 25,937

There were no loans modified in a manner that met the criteria of a TDR during the three months ended March 31, 2021.

There were no TDR charge-offs during the three months ended March 31, 2022 and 2021. There were no TDRs that subsequently defaulted during the three months ended March 31, 2022 and 2021.

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit structure, loan documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying them as to credit risk. The Company uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Bank's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of then existing facts, conditions, and values, highly questionable and improbable.

The following is a summary of the credit risk profile of loans by internally assigned grade as of the periods indicated, the years represent the year of origination for non-revolving loans:

	March 31, 2022								
(In thousands)	**2022**	**2021**	**2020**	**2019**	**2018**	**2017 and Prior**	**Revolving**	**Revolving-Term**	**Total**
One-to-four family residential, and condominium/cooperative apartment:									
Pass	$ 54,932	$ 128,132	$ 76,520	$ 65,332	$ 68,429	$ 193,054	$ 48,569	$ 11,190	$ 646,158
Special mention	—	—	—	334	748	1,810	845	742	4,479
Substandard	—	—	1,042	1,232	413	14,897	—	878	18,462
Doubtful	—	—	—	—	—	—	—	—	—
Total one-to-four family residential, and condominium/cooperative apartment	54,932	128,132	77,562	66,898	69,590	209,761	49,414	12,810	669,099
Multifamily residential and residential mixed-use:									
Pass	235,590	587,949	330,142	426,898	134,833	1,300,004	14,567	825	3,030,808
Special mention	—	—	10,985	22,251	4,216	29,032	—	—	66,484
Substandard	—	—	1,493	35,304	37,720	199,458	—	—	273,975
Doubtful	—	—	—	—	—	—	—	—	—
Total multifamily residential and residential mixed-use	235,590	587,949	342,620	484,453	176,769	1,528,494	14,567	825	3,371,267
CRE:									
Pass	166,352	864,565	800,777	525,522	298,706	1,038,627	46,693	5,998	3,747,240
Special mention	—	5,289	881	28,819	18,877	30,315	—	—	84,181
Substandard	—	4,528	1,605	7,276	45,292	56,690	—	—	115,391
Doubtful	—	—	—	106	—	—	—	—	106
Total CRE	166,352	874,382	803,263	561,723	362,875	1,125,632	46,693	5,998	3,946,918
Acquisition, development, and construction:									
Pass	8,648	159,843	64,407	40,083	19,783	6,263	14,997	1,160	315,184
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	665	—	—	13,500	—	—	—	14,165
Doubtful	—	—	—	—	—	—	—	—	—
Total acquisition, development, and construction:	8,648	160,508	64,407	40,083	33,283	6,263	14,997	1,160	329,349
C&I:									
Pass	23,876	66,028	93,456	48,768	47,221	58,045	481,706	10,237	829,337
Special mention	4,581	—	2,185	365	2,175	1,116	9,312	1,349	21,083
Substandard	—	465	5,955	5,922	3,419	5,298	15,521	13,011	49,591
Doubtful	—	496	—	8,797	775	10,930	—	—	20,998
Total C&I	28,457	66,989	101,596	63,852	53,590	75,389	506,539	24,597	921,009
Total:									
Pass	489,398	1,806,517	1,365,302	1,106,603	568,972	2,595,993	606,532	29,410	8,568,727
Special mention	4,581	5,289	14,051	51,769	26,016	62,273	10,157	2,091	176,227
Substandard	—	5,658	10,095	49,734	100,344	276,343	15,521	13,889	471,584
Doubtful	—	496	—	8,903	775	10,930	—	—	21,104
Total Loans	$ 493,979	$ 1,817,960	$ 1,389,448	$ 1,217,009	$ 696,107	$ 2,945,539	$ 632,210	$ 45,390	$ 9,237,642

(In thousands)	December 31, 2021 2021	2020	2019	2018	2017	2016 and Prior	Revolving	Revolving-Term	Total
One-to-four family residential, and condominium/cooperative apartment:									
Pass	$ 129,679	$ 86,028	$ 80,195	$ 75,354	$ 77,829	$ 129,276	$ 49,878	$ 12,537	$ 640,776
Special mention	—	1,124	335	752	334	2,158	846	747	6,296
Substandard	—	1,944	2,038	597	2,202	14,512	—	894	22,187
Doubtful	—	—	—	23	—	—	—	—	23
Total one-to-four family residential, and condominium/cooperative apartment	129,679	89,096	82,568	76,726	80,365	145,946	50,724	14,178	669,282
Multifamily residential and residential mixed-use:									
Pass	590,462	341,206	455,277	151,226	332,749	1,145,609	12,277	825	3,029,631
Special mention	—	11,040	14,486	—	11,817	26,252	—	—	63,595
Substandard	—	1,501	35,326	32,390	54,238	137,387	2,278	—	263,120
Doubtful	—	—	—	—	—	—	—	—	—
Total multifamily residential and residential mixed-use	590,462	353,747	505,089	183,616	398,804	1,309,248	14,555	825	3,356,346
CRE:									
Pass	872,049	848,694	529,182	306,360	298,904	815,238	43,183	6,188	3,719,798
Special mention	6,003	1,024	39,305	18,983	11,039	17,438	—	—	93,792
Substandard	4,431	1,732	7,082	45,496	31,747	41,763	—	—	132,251
Doubtful	—	—	106	—	—	—	—	—	106
Total CRE	882,483	851,450	575,675	370,839	341,690	874,439	43,183	6,188	3,945,947
Acquisition, development, and construction:									
Pass	142,123	76,259	56,885	23,456	6,809	774	1,066	588	307,960
Special mention	—	1,078	—	—	—	—	—	—	1,078
Substandard	—	90	—	13,500	—	—	—	—	13,590
Doubtful	—	—	—	—	—	—	—	—	—
Total acquisition, development, and construction:	142,123	77,427	56,885	36,956	6,809	774	1,066	588	322,628
C&I:									
Pass	93,802	121,291	53,116	49,634	36,238	23,615	446,134	9,764	833,594
Special mention	—	1,625	239	2,191	585	52	3,225	1,286	9,203
Substandard	402	5,744	5,789	6,011	2,832	2,844	28,545	13,597	65,764
Doubtful	550	1,621	9,968	752	11,107	—	1,000	—	24,998
Total C&I	94,754	130,281	69,112	58,588	50,762	26,511	478,904	24,647	933,559
Total:									
Pass	1,828,115	1,473,478	1,174,655	606,030	752,529	2,114,512	552,538	29,902	8,531,759
Special mention	6,003	15,891	54,365	21,926	23,775	45,900	4,071	2,033	173,964
Substandard	4,833	11,011	50,235	97,994	91,019	196,506	30,823	14,491	496,912
Doubtful	550	1,621	10,074	775	11,107	—	1,000	—	25,127
Total Loans	$ 1,839,501	$ 1,502,001	$ 1,289,329	$ 726,725	$ 878,430	$ 2,356,918	$ 588,432	$ 46,426	$ 9,227,762

For other loans, the Company evaluates credit quality based on payment activity. Other loans that are 90 days or more past due are placed on non-accrual status, while all remaining other loans are classified and evaluated as performing. The following is a summary of the credit risk profile of other loans by internally assigned grade:

(In thousands)	**March 31, 2022**	**December 31, 2021**
Performing	**$ 12,124**	$ 16,533
Non-accrual	**83**	365
Total	**$ 12,207**	$ 16,898

9. LEASES

The Company recognizes operating lease assets and corresponding lease liabilities related to its office facilities and retail branches. The operating lease assets represent the Company’s right to use an underlying asset for the lease term, and the lease liability represents the Company’s obligation to make lease payments over the lease term.

The operating lease asset and lease liability are determined at the commencement date of the lease based on the present value of the lease payments. As most of our leases do not provide an implicit rate, the Company used its incremental borrowing rate, the rate of interest to borrow on a collateralized basis for a similar term, at the lease commencement date.

The Company made a policy election to exclude the recognition requirements of ASU 2016-02 to short-term leases, those leases with original terms of 12 months or less. Short-term lease payments are recognized in the income statement on a straight-line basis over the lease term. Certain leases may include one or more options to renew. The exercise of lease renewal options is typically at the Company's discretion and are included in the operating lease liability if it is reasonably certain that the renewal option will be exercised. Certain real estate leases may contain lease and non-lease components, such as common area maintenance charges, real estate taxes, and insurance, which are generally accounted for separately and are not included in the measurement of the lease liability since they are generally able to be segregated. The Company does not sublease any of its leased properties. The Company does not lease properties from any related parties.

Maturities of the Company's operating lease liabilities at March 31, 2022 are as follows:

(In thousands)	Rent to be Capitalized
2022	$ 9,020
2023	10,707
2024	10,600
2025	10,366
2026	9,645
Thereafter	17,386
Total undiscounted lease payments	67,724
Less amounts representing interest	(4,124)
Operating lease liabilities	$ 63,600

Other information related to the Company's operating leases was as follows:

	Three Months Ended March 31,	
(In thousands)	**2022**	**2021**
Operating lease cost	**$ 3,262**	$ 3,158
Cash paid for amounts included in the measurement of operating lease liabilities	**—**	3,050

	March 31, 2022	December 31, 2021
Weighted average remaining lease term	**6.4 years**	6.6 years
Weighted average discount rate	**1.79 %**	1.79 %

10. DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's loan portfolio.

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. The Company engages in both cash flow hedges and freestanding derivatives.

Cash Flow Hedges

Cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company uses these types of derivatives to hedge the variable cash flows associated with existing or forecasted issuances of short-term borrowings.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income (loss) and subsequently reclassified into interest expense in the same periods during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's debt. During the next twelve months, the Company estimates that an additional $1.7 million will be reclassified as a decrease to interest expense.

During the three months ended March 31, 2022, the Company did not terminate any derivatives. During the three months ended March 31, 2021, the Company terminated 34 derivatives with notional values totaling $785.0 million, resulting in a termination value of $16.5 million which was recognized in loss on termination of derivatives in non-interest income.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated statements of financial condition as of the dates indicated.

	March 31, 2022				December 31, 2021			
(Dollars in thousands)	**Count**	**Notional Amount**	**Fair Value Assets**	**Fair Value Liabilities**	**Count**	**Notional Amount**	**Fair Value Assets**	**Fair Value Liabilities**
Included in derivative assets/(liabilities):								
Interest rate swaps related to FHLBNY advances	**4**	**$ 150,000**	**$ 11,240**	**$ —**	4	$ 150,000	$ 4,358	$ —

The table below presents the effect of the cash flow hedge accounting on accumulated other comprehensive income (loss) for the periods indicated:

	Three Months Ended March 31,	
(In thousands)	**2022**	**2021**
Gain (loss) recognized in other comprehensive income	**$ 6,852**	$ 4,948
Gain recognized on termination of derivatives	**—**	16,505
Loss reclassified from other comprehensive income into interest expense	**(31)**	(854)

All cash flow hedges are recorded gross on the balance sheet.

The cash flow hedges involve derivative agreements with third-party counterparties that contain provisions requiring the Company to post cash collateral if the derivative exposure exceeds a threshold amount and receive collateral for agreements in a net asset position. As of March 31, 2022 and December 31, 2021, the Company did not post collateral to the third-party counterparties. As of March 31, 2022, the Company received $11.3 million in collateral from its third-party counterparties under the agreements in a net asset position. As of December 31, 2021, the Company received $4.6 million in collateral from its third-party counterparties.

Freestanding Derivatives

The Company maintains an interest-rate risk protection program for its loan portfolio in order to offer loan level derivatives with certain borrowers and to generate loan level derivative income. The Company enters into interest rate swap or interest rate floor agreements with borrowers. These interest rate derivatives are designed such that the borrower synthetically attains a fixed-rate loan, while the Company receives floating rate loan payments. The Company offsets the loan level interest rate swap exposure by entering into an offsetting interest rate swap or interest rate floor with an unaffiliated and

reputable bank counterparty. These interest rate derivatives do not qualify as designated hedges, under ASU 815; therefore, each interest rate derivative is accounted for as a freestanding derivative. The notional amounts of the interest rate derivatives do not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate derivative agreements. The following tables reflect freestanding derivatives included in the consolidated statements of financial condition as of the dates indicated:

	March 31, 2022			
(In thousands)	Count	Notional Amount	Fair Value Assets	Fair Value Liabilities
Included in derivative assets/(liabilities):				
Loan level interest rate swaps with borrower	**20**	**$ 115,621**	**$ 4,258**	**$ —**
Loan level interest rate swaps with borrower	**162**	**1,051,421**	**—**	**(50,760)**
Loan level interest rate floors with borrower	**1**	**23,769**	**9**	**—**
Loan level interest rate floors with borrower	**42**	**334,329**	**—**	**(5,559)**
Loan level interest rate swaps with third-party counterparties	**20**	**115,621**	**—**	**(4,258)**
Loan level interest rate swaps with third-party counterparties	**162**	**1,051,421**	**50,760**	**—**
Loan level interest rate floors with third-party counterparties	**1**	**23,769**	**—**	**(9)**
Loan level interest rate floors with third-party counterparties	**42**	**334,329**	**5,559**	**—**

	December 31, 2021			
(In thousands)	Count	Notional Amount	Fair Value Assets	Fair Value Liabilities
Included in derivative assets/(liabilities):				
Loan level interest rate swaps with borrower	98	$ 599,003	$ 27,440	$ —
Loan level interest rate swaps with borrower	87	612,610	—	(12,620)
Loan level interest rate floors with borrower	33	291,990	615	
Loan level interest rate floors with borrower	12	100,774	—	(53)
Loan level interest rate swaps with third-party counterparties	98	599,003	—	(27,440)
Loan level interest rate swaps with third-party counterparties	87	612,610	12,620	—
Loan level interest rate floors with third-party counterparties	33	291,990	—	(615)
Loan level interest rate floors with third-party counterparties	12	100,774	53	—

Loan level derivative income is recognized on the mark-to-market of the interest rate swap as a fair value adjustment at the time the transaction is closed. Total loan level derivative income is included in non-interest income as follows:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Loan level derivative income	**$ 6**	$ 1,792

The interest rate swap product with the borrower is cross collateralized with the underlying loan and, therefore, there is no posted collateral. Certain interest rate swap agreements with third-party counterparties contain provisions that require the Company to post collateral if the derivative exposure exceeds a threshold amount and receive collateral for agreements in a net asset position. As of March 31, 2022, the Company did not post collateral to its third-party counterparties. As of December 31, 2021, posted collateral was $14.0 million. As of March 31, 2022, the Company received $53.2 million in collateral from its third-party counterparties under the agreements in a net asset position. As of December 31, 2021, the Company did not receive collateral from its third-party counterparties.

Credit Risk Related Contingent Features

The Company’s agreements with each of its derivative counterparties state that if the Company defaults on any of its indebtedness, it could also be declared in default on its derivative obligations and could be required to terminate its derivative positions with the counterparty.

The Company’s agreements with certain of its derivative counterparties state that if the Bank fails to maintain its status as a well-capitalized institution, the Bank could be required to terminate its derivative positions with the counterparty.

For derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, any breach of the above provisions by the Company may require settlement of its obligations under the agreements at the termination value with the respective counterparty. As of March 31, 2022, there were no derivatives in a net liability position, and therefore the termination value was zero. There were no provisions breached for the three months ended March 31, 2022.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 Inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Significant other observable inputs such as any of the following: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, (3) inputs other than quoted prices that are observable for the asset or liability (*e.g.*, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), or (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 Inputs – Significant unobservable inputs for the asset or liability. Significant unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Significant unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Securities

The Company’s available-for-sale securities are reported at fair value, which were determined utilizing prices obtained from independent parties. The valuations obtained are based upon market data, and often utilize evaluated pricing models that vary by asset and incorporate available trade, bid and other market information. For securities that do not trade on a daily basis, pricing applications apply available information such as benchmarking and matrix pricing. The market inputs normally sought in the evaluation of securities include benchmark yields, reported trades, broker/dealer quotes (obtained only from market makers or broker/dealers recognized as market participants), issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. For certain securities, additional inputs may be used or some market inputs may not be applicable. Prioritization of inputs may vary on any given day based on market conditions.

All MBS, CMOs, treasury securities, and agency notes are guaranteed either implicitly or explicitly by GSEs as of March 31, 2022 and December 31, 2021. In accordance with the Company’s investment policy, corporate securities are rated "investment grade" at the time of purchase and the financials of the issuers are reviewed quarterly. Obtaining market values as of March 31, 2022 and December 31, 2021 for these securities utilizing significant observable inputs was not difficult due to their liquid nature.

Derivatives

Derivatives represent interest rate swaps and estimated fair values are based on valuation models using observable market data as of the measurement date.

The following tables present financial assets and liabilities measured at fair value on a recurring basis as of the dates indicated, segmented by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(In thousands)	Total	Fair Value Measurements at March 31, 2022 Using Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Financial Assets:				
Securities available-for-sale:				
Treasury securities	$ **234,531**	$ —	$ **234,531**	$ —
Corporate securities	**147,425**	—	**147,425**	—
Pass-through MBS issued by GSEs	**418,116**	—	**418,116**	—
Agency CMOs	**440,183**	—	**440,183**	—
State and municipal obligations	**36,781**	—	**36,781**	—
Derivative – cash flow hedges	**11,240**	—	**11,240**	—
Derivative – freestanding derivatives, net	**60,586**	—	**60,586**	—
Financial Liabilities:				
Derivative – freestanding derivatives, net	**60,586**	—	**60,586**	—

(In thousands)	Total	Fair Value Measurements at December 31, 2021 Using Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Financial Assets:				
Securities available-for-sale:				
Agency notes	$ 80,254	$ —	$ 80,254	$ —
Treasury securities	244,769	—	244,769	—
Corporate securities	152,030	—	152,030	—
Pass-through MBS issued by GSEs	526,454	—	526,454	—
Agency CMOs	521,258	—	521,258	—
State and municipal obligations	38,946	—	38,946	—
Derivative – cash flow hedges	4,358	—	4,358	—
Derivative – freestanding derivatives, net	40,728	—	40,728	—
Financial Liabilities:				
Derivative – freestanding derivatives, net	40,728	—	40,728	—

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis. That is, they are subject to fair value adjustments in certain circumstances. Financial assets measured at fair value on a non-recurring basis include certain individually evaluated loans (or impaired loans prior to the adoption of ASC 326) reported at the fair value of the underlying collateral if repayment is expected solely from the collateral.

(In thousands)	March 31, 2022 Carrying Value	Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Individually evaluated loans	$ **1,179**	$ —	$ —	$ **1,179**

(In thousands)	Carrying Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2021	Fair Value Measurements Using:		
Individually evaluated loans	$ 1,900	$ —	$ —	$ 1,900

Individually evaluated loans with an allowance for credit losses at March 31, 2022 had a carrying amount of $1.2 million, which is made up of the outstanding balance of $2.5 million, net of a valuation allowance of $1.3 million. Collateral dependent individually analyzed loans as of March 31, 2022 resulted in a credit loss provision of $757 thousand, which is included in the amounts reported in the consolidated statements of income for the three months ended March 31, 2022.

Individually evaluated loans with an allowance for credit losses at December 31, 2021 had a carrying amount of $1.9 million, which is made up of the outstanding balance of $2.5 million, net of a valuation allowance of $600 thousand.

Financial Instruments Not Measured at Fair Value

The following tables present the carrying amounts and estimated fair values of financial instruments other than those measured at fair value on either a recurring or nonrecurring basis for the dates indicated, segmented by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(In thousands)	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
		Fair Value Measurements at March 31, 2022 Using			
Financial Assets:					
Cash and due from banks	**$ 432,994**	**$ 432,994**	**$ —**	**$ —**	**$ 432,994**
Securities held-to-maturity	**383,922**	**—**	**358,689**	**—**	**358,689**
Loans held for investment, net	**9,169,055**	**—**	**—**	**9,095,834**	**9,095,834**
Accrued interest receivable	**38,456**	**—**	**4,483**	**33,973**	**38,456**
Financial Liabilities:					
Savings, money market and checking accounts	**9,648,328**	**9,648,328**	**—**	**—**	**9,648,328**
Certificates of Deposits ("CDs")	**781,775**	**—**	**782,385**	**—**	**782,385**
FHLBNY advances	**50,000**	**—**	**50,039**	**—**	**50,039**
Subordinated debt, net	**197,050**	**—**	**198,650**	**—**	**198,650**
Other short-term borrowings	**2,853**	**2,853**	**—**	**—**	**2,853**
Accrued interest payable	**1,611**	**—**	**1,611**	**—**	**1,611**

(In thousands)	Carrying Amount	Fair Value Measurements at December 31, 2021 Using Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Financial Assets:					
Cash and due from banks	$ 393,722	$ 393,722	$ —	$ —	$ 393,722
Securities held-to-maturity	179,309	—	177,354	—	177,354
Loans held for investment, net	9,158,908	—	—	9,169,872	9,169,872
Accrued interest receivable	40,149	—	4,481	35,668	40,149
Financial Liabilities:					
Savings, money market and checking accounts	9,605,731	9,605,731	—	—	9,605,731
CDs	853,242	—	857,342	—	857,342
FHLBNY advances	25,000	—	25,014	—	25,014
Subordinated debt, net	197,096	—	202,334	—	202,334
Other short-term borrowings	1,862	1,862	—	—	1,862
Accrued interest payable	870	—	870	—	870

12. OTHER INTANGIBLE ASSETS

As a result of the Merger, the Company recorded $10.2 million of core deposit intangible assets and a $780 thousand non-compete agreement intangible asset on the Merger Date.

The following table presents the carrying amount and accumulated amortization of intangible assets that are amortizable and arose from the Merger.

	March 31, 2022			December 31, 2021		
(In thousands)	Core Deposit Intangibles	Non-complete Agreement	Total	Core Deposit Intangibles	Non-complete Agreement	Total
Gross carrying value	**$ 10,204**	**$ 780**	**$ 10,984**	$ 10,204	$ 780	$ 10,984
Accumulated amortization	**(2,428)**	**(780)**	**(3,208)**	(1,962)	(660)	(2,622)
Net carrying amount	**$ 7,776**	**$ -**	**$ 7,776**	$ 8,242	$ 120	$ 8,362

Amortization expense recognized on intangible assets was $586 thousand and $357 thousand for the three months ended March 31, 2022 and 2021, respectively.

Estimated amortization expense for the remainder of 2022 through 2026 and thereafter is as follows:

(In thousands)	Total
2022	$ 1,292
2023	1,425
2024	1,163
2025	958
2026	795
Thereafter	2,143
Total	$ 7,776

13. FHLBNY ADVANCES

The Bank had borrowings from the FHLBNY ("Advances") totaling $50.0 million and $25.0 million at March 31, 2022 and December 31, 2021, respectively, all of which were fixed rate. The average interest rate on outstanding FHLBNY Advances was 0.76% and 0.35% at March 31, 2022 and December 31, 2021, respectively. In accordance with its Advances, Collateral Pledge and Security Agreement with the FHLBNY, the Bank was eligible to borrow up to $3.97 billion as of March 31, 2022 and $4.19 billion as of December 31, 2021, and maintained sufficient qualifying collateral, as defined by the FHLBNY. Certain FHLBNY Advances may contain call features that may be exercised by the FHLBNY. At March 31, 2022 there were no callable Advances.

The Company's prepayment penalty expense was recognized as a loss on extinguishment of debt during the three months ended March 31, 2021. The following table is a summary of FHLBNY extinguishments for the periods presented:

	Three Months Ended March 31,	
(Dollars in thousands)	**2022**	**2021**
FHLBNY advances extinguished	**$ -**	$ 130,150
Weighted average rate	**- %**	1.91 %
Loss on extinguishment of debt	**$ -**	$ 1,594

The following tables present the contractual maturities and weighted average interest rates of FHLBNY advances for each of the next five years. There were no FHLBNY advances with an overnight contractual maturity at March 31, 2022 and December 31, 2021. There are no FHLBNY advances with contractual maturities after 2022 at March 31, 2022 and December 31, 2021:

	March 31, 2022	
(Dollars in thousands) **Contractual Maturity**	**Amount**	**Weighted Average Rate**
2022, fixed rate at rates from 0.75% to 0.77%	**$ 50,000**	**0.76 %**
Total FHLBNY advances	**$ 50,000**	**0.76 %**

	December 31, 2021	
(Dollars in thousands) Contractual Maturity	Amount	Weighted Average Rate
2022, fixed rate at 0.35%	$ 25,000	0.35 %
Total FHLBNY advances	$ 25,000	0.35 %

14. SUBORDINATED DEBENTURES

In connection with the Merger, the Company assumed $115.0 million in aggregate principal amount of the 4.50% fixed-to-floating rate subordinated debentures due 2027 of Legacy Dime on the Merger Date. During the year ended December 31, 2017, Legacy Dime issued $115.0 million of fixed-to-floating rate subordinated notes due June 2027, which become callable commencing on June 15, 2022. The notes will mature on June 15, 2027 (the "Maturity Date"). From and including June 13, 2017 until but excluding June 15, 2022, interest will be paid semi-annually in arrears on each June 15 and December 15 at a fixed annual interest rate equal to 4.50%. From and including June 15, 2022 to, but excluding, the Maturity Date or earlier redemption date, the interest rate shall reset quarterly to an annual interest rate equal to the then-current three-month LIBOR plus 266 basis points, payable quarterly in arrears. Debt issuance cost directly associated with subordinated debt offering was capitalized and netted with subordinated notes payable on the consolidated statements of financial condition.

In September 2015, the Company issued $80.0 million in aggregate principal amount of fixed-to-floating rate subordinated debentures. $40.0 million of the subordinated debentures are callable at par after five years, have a stated maturity of September 30, 2025 and bear interest at a fixed annual rate of 5.25% per year, from and including September 21, 2015 until but excluding September 30, 2020. From and including September 30, 2020 to the maturity date or early redemption date, the interest rate will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR plus 360 basis points. The remaining $40.0 million of the subordinated debentures are callable at par after ten years, have a stated maturity of September 30, 2030 and bear interest at a fixed annual rate of 5.75% per year, from and including September 21, 2015 until but excluding September 30, 2025. From and including September 30, 2025 to the maturity date or early redemption date, the interest rate will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR plus 345 basis points.

The subordinated debentures totaled $197.1 million at March 31, 2022 and $197.1 million at December 31, 2021. Interest expense related to the subordinated debt was $2.2 million and $1.9 million during the three months ended March 31, 2022 and 2021, respectively. The subordinated debentures are included in tier 2 capital (with certain limitations applicable) under current regulatory guidelines and interpretations.

15. RETIREMENT AND POSTRETIREMENT PLANS

The Bank maintains two noncontributory pension plans that existed before the Merger: (i) the Retirement Plan of Dime Community Bank ("Employee Retirement Plan") and (ii) the BNB Bank Pension Plan, covering all eligible employees.

Employee Retirement Plan

The Bank sponsors the Employee Retirement Plan, a tax-qualified, noncontributory, defined-benefit retirement plan. Prior to April 1, 2000, substantially all full-time employees of at least 21 years of age were eligible for participation after one year of service. Effective April 1, 2000, the Bank froze all participant benefits under the Employee Retirement Plan.

BNB Bank Pension Plan

During 2012, Bridge amended the BNB Bank Pension Plan by revising the formula for determining benefits effective January 1, 2013, except for certain grandfathered Bridge employees. Additionally, new Bridge employees hired on or after October 1, 2012 were not eligible for the BNB Bank Pension Plan.

The following table represents the components of net periodic benefit (credit) cost included in other non-interest expense, except for service cost which is reported in salaries and employee benefits expense, in the consolidated statements of income. Net expenses associated with these plans were comprised of the following components:

	Three Months Ended March 31,			
	2022		2021	
(In thousands)	BNB Bank Pension Plan	Employee Retirement Plan	BNB Bank Pension Plan	Employee Retirement Plan
Service cost	**$ 268**	**$ —**	$ 148	$ —
Interest cost	**195**	**155**	249	183
Expected return on assets	**(858)**	**(490)**	(984)	(428)
Amortization of unrealized loss	**—**	**62**	206	229
Net periodic credit	**$ (395)**	**$ (273)**	$ (381)	$ (16)

There were no contributions to the BNB Bank Pension Plan or the Employee Retirement Plan for the three months ended March 31, 2022.

401(k) Plan

The Company maintains a 401(k) Plan (the "401(k) Plan") that existed before the Merger. The 401(k) Plan covers substantially all current employees. Legacy Dime employees that continued to be employed following the Merger Date, that met eligibility requirements, were automatically enrolled in the plan unless they elected not to participate. Newly hired employees are automatically enrolled in the plan on the first day of the month following the 60th day of employment, unless they elect not to participate. Participants may contribute a portion of their pre-tax base salary, generally not to exceed $20,500 for the calendar year ended December 31, 2022. Under the provisions of the 401(k) plan, employee contributions are partially matched by the Bank as follows: 100% of each employee's contributions up to 1% of each employee's compensation plus 50% of each employee's contributions over 1% but not in excess of 6% of each employee's compensation for a maximum contribution of 3.5% of a participating employee's compensation. Participants can invest their account balances into several investment alternatives. The 401(k) plan does not allow for investment in the Company's common stock. Legacy Dime employees were allowed to rollover Company common stock shares in-kind held in the former Dime Community Bank KSOP Plan ("Dime KSOP Plan") and hold in the 401(k) Plan. The 401(k) held Company common stock within the accounts of participants totaling $9.4 million at March 31, 2022. During the three months ended March 31, 2022 and 2021, total expense recognized as a component of salaries and employee benefits expense for the 401(k) Plan was $800 thousand and $643 thousand, respectively.

Dime KSOP Plan

The Dime Community Bank KSOP Plan ("Dime KSOP Plan") was terminated by resolution of the Legacy Dime Board of Directors. The effective date of the Dime KSOP Plan termination was February 1, 2021, the date of the Merger. As such, all participants were required to transfer their assets out of the Dime KSOP Plan.

BMP and Outside Director Retirement Plan

The Holding Company and Bank maintained the BMP, which existed in order to compensate executive officers for any curtailments in benefits due to statutory limitations on benefit plans. Benefit accruals under the defined benefit portion of the BMP were suspended on April 1, 2000, when they were suspended under the Employee Retirement Plan.

Effective July 1, 1996, the Company established the Outside Director Retirement Plan to provide benefits to each eligible outside director commencing upon the earlier of termination of Board service or at age 75. The Outside Director Retirement Plan was frozen on March 31, 2005, and only outside directors serving prior to that date are eligible for benefits.

In connection with the Merger, the Outside Director Retirement Plan and the BMP were terminated resulting in lump sum payments to the participants in the amounts of $2.8 million for the Outside Director Retirement Plan and $6.2 million for the BMP. The total expense recognized as a curtailment loss during the three months ended March 31, 2021 was $1.5 million.

16. STOCK-BASED COMPENSATION

Before the Merger, Bridge and Legacy Dime granted share-based awards under their respective share-based compensation plans, (collectively, the "Legacy Stock Plans"), which are both subject to the accounting requirements of ASC 718.

In May 2021, the Company's shareholders approved the Dime Community Bancshares, Inc. 2021 Equity Incentive Plan (the "2021 Equity Incentive Plan") to provide the Company with sufficient equity compensation to meet the objectives of appropriately incentivizing its officers, other employees, and directors to execute our strategic plan to build shareholder value, while providing appropriate shareholder protections. The Company no longer makes grants under the Legacy Stock Plans. Awards outstanding under the Legacy Stock Plans will continue to remain outstanding and subject to the terms and conditions of the Legacy Stock Plans. At March 31, 2022, there were 999,802 shares reserved for issuance under the 2021 Equity Incentive Plan.

In anticipation of the Merger, Legacy Dime accelerated and vested all unvested and outstanding share-based awards such that there were no outstanding awards as of December 31, 2020. In connection with the Merger, all outstanding stock options granted under Legacy Dime's equity plans, were legally assumed by the combined company and adjusted so that its holder is entitled to receive a number of shares of Dime's common stock equal to the product of (a) the number of shares of Legacy Dime common stock subject to such award multiplied by (b) the Exchange Ratio and (c) rounded, as applicable, to the nearest whole share, and otherwise subject to the same terms and conditions (including, without limitation, with respect to vesting conditions (taking into account any vesting that occurred at the Merger Date)).

In connection with the Merger, all outstanding stock options and time-vesting restricted stock units of Bridge, which we refer to as the Bridge equity awards, which were outstanding immediately before the Merger Date continue to be awards in respect of Dime common stock following the Merger, subject to the same terms and conditions that were applicable to such awards before the Merger Date.

Stock Option Awards

The following table presents a summary of activity related to stock options granted under the Legacy Stock Plans, and changes during the period then ended:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Years	Aggregate Intrinsic Value (In thousands)
Options outstanding at January 1, 2022	121,253	$ 35.39		
Options exercised	—	—		
Options forfeited	—	—		
Options outstanding at March 31, 2022	121,253	$ 35.39	7.0	$ —
Options vested and exercisable at March 31, 2022	121,253	$ 35.39	7.0	$ —

Information related to stock options during each period is as follows:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Cash received for option exercise cost	$ —	$ 372
Income tax (expense) benefit recognized on stock option exercises	—	—
Intrinsic value of options exercised	—	66

The range of exercise prices and weighted-average remaining contractual lives of both outstanding and vested options (by option exercise cost) as of March 31, 2022 were as follows:

	Outstanding Options		Vested Options	
	Amount	Weighted Average Contractual Years Remaining	Amount	Weighted Average Contractual Years Remaining
Exercise Prices:				
$34.87	46,799	7.9	46,799	7.9
$35.35	42,475	6.9	42,475	6.9
$36.19	31,979	5.9	31,979	5.9
Total	121,253	7.0	121,253	7.0

Restricted Stock Awards

The Company has made RSA grants to outside Directors and certain officers under the Legacy Stock Plans and the 2021 Equity Incentive Plan. Typically, awards to outside Directors fully vest on the first anniversary of the grant date, while awards to officers vest over a pre-determined requisite period. All awards were made at the fair value of the Company's common stock on the grant date. Compensation expense on all RSAs is based upon the fair value of the shares on the respective dates of the grant.

The following table presents a summary of activity related to the RSAs granted, and changes during the period then ended:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested allocated shares outstanding at January 1, 2022	446,923	$ 26.45
Shares granted	64,359	34.48
Shares vested	(138,529)	25.50
Shares forfeited	(2,722)	29.23
Unvested allocated shares outstanding at March 31, 2022	370,031	$ 28.18

Information related to RSAs during each period is as follows:

	Three Months Ended March 31,	
(Dollars in thousands)	2022	2021
Compensation expense recognized	**$ 1,024**	$ 836
Income tax benefit recognized on vesting of RSAs	**329**	—

As of March 31, 2022, there was $7.9 million of total unrecognized compensation cost related to unvested RSAs to be recognized over a weighted-average period of 2.8 years.

Performance-Based Share Awards

The Company maintains a long-term incentive award program (“LTIP”) for certain officers, which meets the criteria for equity-based accounting. For each award, threshold (50% of target), target (100% of target) and stretch (150% of target) opportunities are eligible to be earned over a three-year performance period based on the Company’s relative performance on certain goals that were established at the onset of the performance period and cannot be altered subsequently. Shares of common stock are issued on the grant date and held as unvested stock awards until the end of the performance period. Shares are issued at the stretch opportunity in order to ensure that an adequate number of shares are allocated for shares expected to vest at the end of the performance period. Compensation expense on PSAs is based upon the fair value of the shares on the date of the grant for the expected aggregate share payout as of the period end.

The following table presents a summary of activity related to the PSAs granted, and changes during the period then ended:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Maximum aggregate share payout at January 1, 2022	38,948	$ 31.40
Shares granted	60,755	29.63
Maximum aggregate share payout at March 31, 2022	99,703	$ 30.32
Minimum aggregate share payout	—	—
Expected aggregate share payout	80,682	$ 29.42

Information related to PSAs during each period is as follows:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Compensation expense recognized	**$ 195**	$ —
Income tax benefit recognized on vesting of PSAs	**—**	—

As of March 31, 2022, there was $2.0 million of total unrecognized compensation cost related to unvested PSAs based on the expected aggregate share payout to be recognized over a weighted-average period of 2.6 years.

17. INCOME TAXES

During the three months ended March 31, 2022 and 2021, the Company’s consolidated effective tax rates were 28.1% and 25.2%, respectively. There were no significant unusual income tax items during the three months ended March 31, 2022 or 2021.

18. MERGER RELATED EXPENSES

Merger-related expenses were recorded in the consolidated statements of income as a component of non-interest expense and include costs relating to the Merger, as described in Note 2. Merger. These charges represent one-time costs associated with merger activities and do not represent ongoing costs of the fully integrated combined organization. Accounting guidance requires that merger-related transactional and restructuring costs incurred by the Company be charged to expense as incurred. There were no costs associated with merger expenses and transaction costs for the three months ended March 31, 2022. Costs associated with employee severance and other merger-related compensation expense incurred in connection with the Merger totaled $12.1 million for the three months ended March 31, 2021 and were recorded in merger

expenses and transaction costs expense in the consolidated statements of income. Transaction costs (inclusive of costs to terminate leases) in connection with the Merger totaled $25.8 million for the three months ended March 31, 2021, and were recorded in merger expenses and transaction costs in the consolidated statements of income.

19. SUBSEQUENT EVENT

Subordinated Notes Issuance

On May 6, 2022, the Company issued $160.0 million aggregate principal amount of fixed-to-floating rate subordinated notes due 2032 ("the Notes"). The Notes are callable at par after five years, have a stated maturity of May 15, 2032 and bear interest at a fixed annual rate of 5.00% per year, payable semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2022. The last interest payment for the fixed rate period will be May 15, 2027. From and including May 15, 2027 to, but excluding the maturity date or early redemption date, the interest rate will reset quarterly to an annual interest rate equal to the benchmark rate (which is expected to be Three-Month Term SOFR) plus 218 basis points, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2027.

The Company intends to use the net proceeds of the offering for the repayment of $115.0 million of the Company's 4.50% fixed-to-floating rate subordinated notes due 2027, and $40.0 million of the Company's 5.25% fixed-to-floating rate subordinated debentures due 2025. The repayment of the subordinated notes due 2027 is expected to result in a pre-tax write-off of debt issuance costs of approximately $750 thousand. For a further discussion of the subordinated debentures, please see Note 14 to the condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Dime Community Bancshares, Inc., a New York corporation previously known as "Bridge Bancorp, Inc.," is a bank holding company formed in 1988. On a parent-only basis, the Holding Company has minimal operations, other than as owner of Dime Community Bank. The Holding Company is dependent on dividends from its wholly-owned subsidiary, Dime Community Bank, its own earnings, additional capital raised, and borrowings as sources of funds. The information in this report reflects principally the financial condition and results of operations of the Bank. The Bank's results of operations are primarily dependent on its net interest income, which is the difference between interest income on loans and investments and interest expense on deposits and borrowings. The Bank also generates non-interest income, such as fee income on deposit and loan accounts, merchant credit and debit card processing programs, loan swap fees, investment services, income from its title insurance subsidiary, and net gains on sales of securities and loans. The level of non-interest expenses, such as salaries and benefits, occupancy and equipment costs, other general and administrative expenses, expenses from the Bank's title insurance subsidiary, and income tax expense, further affects our net income. Certain reclassifications have been made to prior year amounts and the related discussion and analysis to conform to the current year presentation. These reclassifications did not have an impact on net income or total stockholders' equity.

Completion of Merger of Equals

On February 1, 2021, Dime Community Bancshares, Inc., a Delaware corporation ("Legacy Dime") merged with and into Bridge Bancorp, Inc., a New York corporation ("Bridge") (the "Merger"), with Bridge as the surviving corporation under the name "Dime Community Bancshares, Inc." (the "Holding Company"). At the effective time of the Merger (the "Effective Time"), each outstanding share of Legacy Dime common stock, par value $0.01 per share, was converted into the right to receive 0.6480 shares of the Holding Company's common stock, par value $0.01 per share.

At the Effective Time, each outstanding share of Legacy Dime's Series A preferred stock, par value $0.01 (the "Dime Preferred Stock"), was converted into the right to receive one share of a newly created series of the Holding Company's preferred stock having the same powers, preferences and rights as the Dime Preferred Stock.

Immediately following the Merger, Dime Community Bank, a New York-chartered commercial bank and a wholly-owned subsidiary of Legacy Dime, merged with and into BNB Bank, a New York-chartered trust company and a wholly-owned subsidiary of Bridge, with BNB Bank as the surviving bank, under the name "Dime Community Bank" (the "Bank").

Recent Developments Relating to the COVID-19 Pandemic

As banking was designated by New York State as an essential business, we remain committed to being a source of capital to businesses in our footprint. Over the past several years, we have taken numerous steps, including hiring personnel and adding new processes and systems, that have put us in a position to help our business customers, through programs such as the SBA Paycheck Protection Program ("PPP"). Our retail branch office locations remain open to conduct business. The locations are following the state and local guidance related to COVID vaccination mandates and Centers for Disease Control and Prevention guidance on safe practices and social distancing. All employees and customers must wear a mask when unable to socially distance. We also offer mobile and digital banking platforms. We also allow for a remote working environment for many of our back office personnel. We have not identified any material operational or internal control challenges.

We also prioritize the well-being of our employees, including the creation of the Safety and Wellness Committee. We adhere to the NY Health & Essential Rights ("HERO") Act, under which we have adopted additional guidelines and safety measures to protect our employees against exposure.

Future government actions in response to the COVID-19 pandemic, including vaccination mandates, may affect our workforce, human capital resources, and infrastructure.

It is possible that there will be continued material, adverse impacts to significant estimates, asset valuations, and business operations, including intangible assets, investments, loans, deferred tax assets, and derivative counter party risk as a result of the COVID-19 pandemic.

Lending Operations and Accommodations to Borrowers

The Company's business, financial condition and results of operations generally rely upon the ability of the Bank's borrowers to repay their loans, the value of collateral underlying the Bank's secured loans, and demand for loans and other products and services the Bank offers, which are highly dependent on the business environment in the Bank's primary markets where it operates.

With the passage of the PPP, administered by the SBA, the Company participated in assisting its customers with applications for resources through the program. Since the inception of the program, the consolidated PPP originations for the Company, including originations by both Legacy Dime and Bridge, through December 31, 2021 exceeded $1.90 billion. The Company's ability to respond quickly to the SBA guidelines allowed the Company to be a source of funding for local businesses during the COVID-19 pandemic. The Company's SBA PPP loans generally have a two-year or five-year term and earn interest at 1%. Following the completion of the PPP, the Company sold its 2021 originations in order to re-deploy funds into ongoing loan portfolio growth. The Company believes that the remainder of its SBA PPP loans will ultimately be forgiven by the SBA in accordance with the terms of the program. As of March 31, 2022, the Company had SBA PPP loans totaling $33.0 million, net of deferred fees. It is the Company's expectation that loans funded through the PPP are fully guaranteed by the U.S. government.

We continue to monitor unfunded commitments through the pandemic, including commercial and home equity lines of credit, for evidence of increased credit exposure as borrowers utilize these lines for liquidity purposes.

Selected Financial Highlights and Other Data
(Dollars in Thousands Except Per Share Amounts)

	At or For the Three Months Ended March 31, 2022	At or For the Three Months Ended March 31, 2021
Per Share Data:		
Reported EPS (Diluted)	**$ 0.82**	$ (0.66)
Cash dividends paid per common share	**0.24**	0.24
Book value per common share	**26.32**	25.43
Dividend payout ratio	**29.27 %**	(36.36)%
Performance and Other Selected Ratios:		
Return on average assets	**1.13 %**	(0.79)%
Return on average equity	**11.53**	(8.18)
Net interest spread	**3.07**	2.98
Net interest margin	**3.19**	3.14
Average interest-earning assets to average interest-bearing liabilities	**165.88**	144.13
Non-interest expense to average assets	**1.64**	3.11
Efficiency ratio	**51.8**	117.5
Loan-to-deposit ratio at end of period	**88.7**	97.2
Effective tax rate	**28.08**	25.22
Asset Quality Summary:		
Non-performing loans [(1)]	**$ 35,962**	$ 35,549
Non-performing assets	**35,962**	35,549
Net charge-offs (recoveries)	**2,584**	4,275
Non-performing assets/Total assets	**0.30 %**	0.27 %
Non-performing loans/Total loans	**0.39**	0.34
Allowance for credit loss/Total loans	**0.86**	0.93
Allowance for credit loss/Non-performing loans	**221.39**	276.24

(1) Non-performing loans are defined as all loans on non-accrual status.

Critical Accounting Estimates

Note 1 Summary of Significant Accounting Policies, to the Company's Audited Consolidated Financial Statements in its Annual Report on Form 10-K for the year ended December 31, 2021 contains a summary of significant accounting policies. These accounting policies may require various levels of subjectivity, estimates or judgement by management. Policies with respect to the methodologies it uses to determine the allowance for credit losses on loans held for investment and fair value of loans acquired in a business combinations are critical accounting policies because they are important to the presentation of the Company's consolidated financial condition and results of operations. These critical accounting estimates involve a significant degree of complexity and require management to make difficult and subjective judgments which often necessitate assumptions or estimates about highly uncertain matters. The use of different judgments, assumptions or estimates could result in material variations in the Company's consolidated results of operations or financial condition.

Management has reviewed the following critical accounting estimates and related disclosures with its Audit Committee.

Allowance for Credit Losses on Loans Held for Investment

Methods and Assumptions Underlying the Estimate

On January 1, 2021, we adopted the CECL Standard, which requires that loans held for investment be accounted for under the current expected credit losses model. The allowance for credit losses is established and maintained through a provision for credit losses based on expected losses inherent in our loan portfolio. Management evaluates the adequacy of the

allowance on a quarterly basis, and additions to the allowance are charged to expense and realized losses, net of recoveries, are charged against the allowance.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In determining the allowance for credit losses for loans that share similar risk characteristics, the Company utilizes a model which compares the amortized cost basis of the loan to the net present value of expected cash flows to be collected. Expected credit losses are determined by aggregating the individual cash flows and calculating a loss percentage by loan segment, or pool, for loans that share similar risk characteristics. For a loan that does not share risk characteristics with other loans, the Company will evaluate the loan on an individual basis. Within the model, assumptions are made in the determination of probability of default, loss given default, reasonable and supportable economic forecasts, prepayment rate, curtailment rate, and recovery lag periods. Management assesses the sensitivity of key assumptions at least annually by stressing the assumptions to understand the impact on the model.

Statistical regression is utilized to relate historical macro-economic variables to historical credit loss experience of the peer group. These models are then utilized to forecast future expected loan losses based on expected future behavior of the same macro-economic variables. Adjustments to the quantitative results are adjusted using qualitative factors. These factors include: (1) lending policies and procedures; (2) international, national, regional and local economic business conditions and developments that affect the collectability of the portfolio, including the condition of various markets; (3) the nature and volume of the loan portfolio; (4) the experience, ability, and depth of the lending management and other relevant staff; (5) the volume and severity of past due loans; (6) the quality of our loan review system; (7) the value of underlying collateral for collateralized loans; (8) the existence and effect of any concentrations of credit, and changes in the level of such concentrations; and (9) the effect of external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing portfolio.

For loans that do not share risk characteristics, the Company evaluated the loan on an individual basis based on various factors. Factors that may be considered are borrower delinquency trends and non-accrual status, probability of foreclosure or note sale, changes in the borrower’s circumstances or cash collections, borrower’s industry, or other facts and circumstances of the loan or collateral. The expected credit loss is measured based on net realizable value, that is, the difference between the discounted value of the expected future cash flows, based on the original effective interest rate, and the amortized cost basis of the loan. For collateral dependent loans, expected credit loss is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral, less estimated costs to sell.

Uncertainties Regarding the Estimate

Estimating the timing and amounts of future losses is subject to significant management judgment as these projected cash flows rely upon the estimates discussed above and factors that are reflective of current or future expected conditions. These estimates depend on the duration of current overall economic conditions, industry, borrower, or portfolio specific conditions. Volatility in certain credit metrics and differences between expected and actual outcomes are to be expected.

Customers may not repay their loans according to the original terms, and the collateral securing the payment of those loans may be insufficient to pay any remaining loan balance. Bank regulators periodically review our allowance for credit losses and may require us to increase our provision for credit losses or loan charge-offs.

Impact on Financial Condition and Results of Operations

If our assumptions prove to be incorrect, the allowance for credit losses may not be sufficient to cover expected losses in the loan portfolio, resulting in additions to the allowance. Future additions or reductions to the allowance may be necessary

based on changes in economic, market or other conditions. Changes in estimates could result in a material change in the allowance through charges to earnings would materially decrease our net income.

We may experience significant credit losses if borrowers experience financial difficulties, which could have a material adverse effect on our operating results.

In addition, various regulatory agencies, as an integral part of the examination process, periodically review the allowance for credit losses. Such agencies may require the Bank to recognize adjustments to the allowance based on their judgments of the information available to them at the time of their examination.

Fair value of loans acquired in a business combination

Methods and Assumptions Underlying the Estimate

On February 1, 2021, Legacy Dime merged with and into Bridge, Inc. in a merger of equals business combination accounted for as a reverse merger using the acquisition method of accounting (see Note 2 – Merger). As a result of the Merger, the Company recorded $100.2 million of goodwill, based on the fair value of acquired assets and liabilities of Bridge. The fair value often involved third-party estimates utilizing input assumptions by management which may be complex or uncertain. The fair value of acquired loans is based on a discounted cash flow methodology that considers factors such as type of loan and related collateral, and requires management's judgment on estimates about discount rates, expected future cash flows, market conditions and other future events.

For purchased financial loans with credit deterioration ("PCD"), an estimate of expected credit losses was made for loans with similar risk characteristics and was added to the purchase price to establish the initial amortized cost basis of the PCD loans. Any difference between the unpaid principal balance and the amortized cost basis is considered to relate to non-credit factors and results in a discount or premium. Discounts and premiums are recognized through interest income on a level-yield method over the life of the loans. For acquired loans not deemed PCD at acquisition, the differences between the initial fair value and the unpaid principal balance are recognized as interest income on a level-yield basis over the lives of the related loans.

Uncertainties Regarding the Estimate

Management relied on economic forecasts, internal valuations, or other relevant factors which were available at the time of the Merger in the determination of the assumptions used to calculate the fair value of the acquired loans. The estimates about discount rates, expected future cash flows, market conditions and other future events are subjective and may differ from estimates.

Impact on Financial Condition and Results of Operations

The estimate of fair values on acquired loans contributed to the recorded goodwill from the Merger. In future income statement periods, interest income on loans will include the amortization and accretion of any premiums and discounts resulting from the fair value of acquired loans. Additionally, the provision for credit losses on acquired individually analyzed PCD loans may be impacted due to changes in the assumptions used to calculated expected cash flows.

Liquidity and Capital Resources

The Board of Directors of the Bank has approved a liquidity policy that it reviews and updates at least annually. Senior management is responsible for implementing the policy. The Bank's Asset Liability Committee ("ALCO") is responsible for general oversight and strategic implementation of the policy and management of the appropriate departments are designated responsibility for implementing any strategies established by ALCO. On a daily basis, appropriate senior management receives a current cash position report and one-week forecast to ensure that all short-term obligations are timely satisfied and that adequate liquidity exists to fund future activities. Reports detailing the Bank's liquidity reserves are presented to appropriate senior management on a monthly basis, and the Board of Directors at each of its meetings. In

addition, a twelve-month liquidity forecast is presented to ALCO in order to assess potential future liquidity concerns. A forecast of cash flow data for the upcoming 12 months is presented to the Board of Directors on an annual basis.

Liquidity is primarily needed to meet customer borrowing commitments and deposit withdrawals, either on demand or on contractual maturity, to repay borrowings as they mature, to fund current and planned expenditures and to make new loans and investments as opportunities arise. The Bank's primary sources of funding for its lending and investment activities include deposits, loan and MBS payments, investment security principal and interest payments and advances from the FHLBNY. The Bank may also sell or securitize selected multifamily residential, mixed-use or one-to-four family residential real estate loans to private sector secondary market purchasers, and has in the past sold such loans to FNMA and FHLMC. The Company may additionally issue debt or equity under appropriate circumstances. Although maturities and scheduled amortization of loans and investments are predictable sources of funds, deposit flows and prepayments on real estate loans and MBS are influenced by interest rates, economic conditions and competition.

The Bank is a member of AFX, through which it may either borrow or lend funds on an overnight or short-term basis with other member institutions. The availability of funds changes daily.

The Bank utilizes repurchase agreements as part of its borrowing policy to add liquidity. Repurchase agreements represent funds received from customers, generally on an overnight basis, which are collateralized by investment securities. As of March 31, 2022, the Bank's repurchase agreements totaled $2.9 million, included in other short-term borrowings on the consolidated balance sheets.

The Bank gathers deposits in direct competition with commercial banks, savings banks and brokerage firms, many among the largest in the nation. It must additionally compete for deposit monies against the stock and bond markets, especially during periods of strong performance in those arenas. The Bank's deposit flows are affected primarily by the pricing and marketing of its deposit products compared to its competitors, as well as the market performance of depositor investment alternatives such as the U.S. bond or equity markets. To the extent that the Bank is responsive to general market increases or declines in interest rates, its deposit flows should not be materially impacted. However, favorable performance of the equity or bond markets could adversely impact the Bank's deposit flows.

Total deposits decreased $28.9 million during the three months ended March 31, 2022 compared to an increase of $6.36 billion for the three months ended March 31, 2021. The increase in total deposits during the 2021 period was primarily due to the acquisition of deposits in the Merger. Within deposits, core deposits (*i.e.,* non-CDs) increased $42.6 million during the three months ended March 31, 2022 and increased $6.15 billion during the three months ended March 31, 2021. CDs decreased $71.5 million during the three months ended March 31, 2022 compared to an increase of $217.7 million during the three months ended March 31, 2021. The decrease in CDs during the current period was primarily due to the Bank not renewing higher-cost CDs. In the event that the Bank should require funds beyond its ability or desire to generate them internally, an additional source of funds is available through its borrowing line at the FHLBNY or borrowing capacity through AFX and lines of credit with unaffiliated correspondent banks. At March 31, 2022, the Bank had an additional unused borrowing capacity of $3.00 billion through the FHLBNY, subject to customary minimum FHLBNY common stock ownership requirements (*i.e.*, 4.5% of the Bank's outstanding FHLBNY borrowings).

The Bank increased its outstanding FHLBNY advances by $25.0 million during the three months ended March 31, 2022, compared to a $670.1 million decrease during the three months ended March 31, 2021. See Note 13. "FHLBNY Advances" for further information.

During the three months ended March 31, 2022 and 2021, real estate loan originations totaled $454.3 million and $308.7 million, respectively. During the three months ended March 31, 2022 and 2021, C&I loan originations totaled $26.1 million and $599.1 million, respectively. The decrease in C&I loan originations during the 2022 period was primarily due to PPP loan originations of $573.3 million during the three months ended March 31, 2021.

The Bank did not have proceeds from sales of securities available-for-sale during the three months ended March 31, 2022. Proceeds from sales of available-for-sale securities totaled $134.6 million during the three months ended March 31, 2021. Purchases of available-for-sale securities totaled $3.0 million and $327.2 million during the three months ended March

31, 2022 and 2021, respectively. Proceeds from pay downs and calls and maturities of available-for-sale securities were $49.9 million and $214.0 million for the three months ended March 31, 2022 and 2021, respectively.

The Bank did not have proceeds from sales of held-to-maturity securities during the three months ended March 31, 2022. Purchases of held-to-maturity securities totaled $31.9 million during the three months ended March 31, 2022. Proceeds from pay downs and calls and maturities of held-to-maturity securities were $2.7 million for the three months ended March 31, 2022. The Bank did not have securities held-to-maturity during the three months ended March 31, 2021.

The Company and the Bank are subject to minimum regulatory capital requirements imposed by its primary federal regulator. As a general matter, these capital requirements are based on the amount and composition of an institution's assets. At March 31, 2022, each of the Company and the Bank were in compliance with all applicable regulatory capital requirements and the Bank was considered "well capitalized" for all regulatory purposes.

The following table summarizes Company and Bank capital ratios calculated under the Basel III Capital Rules framework as of the period indicated:

	Actual Ratios at March 31, 2022			
	Bank	Consolidated Company	Basel III Minimum Requirement	To Be Categorized as "Well Capitalized" (1)
Tier 1 common equity ratio	12.7 %	9.6 %	4.5 %	6.5 %
Tier 1 risk-based capital ratio	12.7	10.8	6.0	8.0
Total risk-based capital ratio	13.6	13.5	8.0	10.0
Tier 1 leverage ratio	10.2	8.7	4.0	5.0

(1) Only the Bank is subject to these requirements.

During the three months ended March 31, 2022, the Holding Company repurchased 505,005 shares of its common stock at an aggregate cost of $17.4 million. The Holding Company did not repurchase any shares of its common stock during the three months ended March 31, 2021. As of March 31, 2022, up to 581,682 shares remained available for purchase under the authorized share repurchase programs. See "Part II - Item 2. Other Information - Unregistered Sales of Equity Securities and Use of Proceeds" for additional information about repurchases of common stock.

The Holding Company paid $1.8 million in cash dividends on its preferred stock during both the three months ended March 31, 2022 and 2021, respectively.

The Holding Company paid $9.4 million and $9.8 million in cash dividends on its common stock during the three months ended March 31, 2022 and 2021, respectively.

Contractual Obligations

The Bank generally has outstanding at any time borrowings in the form of FHLBNY advances, short-term or overnight borrowings, subordinated debt, as well as customer CDs with fixed contractual interest rates. In addition, the Bank is obligated to make rental payments under leases on certain of its branches and equipment.

Off-Balance Sheet Arrangements

As part of its loan origination business, the Bank generally has outstanding commitments to extend credit to borrowers, which are originated pursuant to its regular underwriting standards. Available lines of credit may not be drawn on or may expire prior to funding, in whole or in part, and amounts are not estimates of future cash flows. As of March 31, 2022, the

Bank had $378.7 million of firm loan commitments that were accepted by the borrowers. All of these commitments are expected to close during the year ended December 31, 2022.

Additionally, in connection with the Loan Securitization, the Bank executed a reimbursement agreement with FHLMC that obligates the Company to reimburse FHLMC for any contractual principal and interest payments on defaulted loans, not to exceed 10% of the original principal amount of the loans comprising the aggregate balance of the loan pool at securitization. The maximum exposure under this reimbursement obligation is $28.0 million. The Bank has pledged $28.0 million of available-for-sale pass-through MBS issued by GSEs as collateral.

Asset Quality

General

We do not originate or purchase loans, either whole loans or loans underlying mortgage-backed securities ("MBS"), which would have been considered subprime loans at origination, *i.e*., real estate loans advanced to borrowers who did not qualify for market interest rates because of problems with their income or credit history. See Note 7 to our unaudited condensed consolidated financial statements for a discussion of evaluation for impaired securities.

Monitoring and Collection of Delinquent Loans

Our management reviews delinquent loans on a monthly basis and reports to our Board of Directors at each regularly scheduled Board meeting regarding the status of all non-performing and otherwise delinquent loans in our loan portfolio.

Our loan servicing policies and procedures require that an automated late notice be sent to a delinquent borrower as soon as possible after a payment is ten days late in the case of multifamily residential, commercial real estate loans, and C&I loans, or fifteen days late in connection with one-to-four family or consumer loans. Thereafter, periodic letters are mailed and phone calls placed to the borrower until payment is received. When contact is made with the borrower at any time prior to foreclosure, we will attempt to obtain the full payment due or negotiate a repayment schedule with the borrower to avoid foreclosure.

Accrual of interest is generally discontinued on a loan that meets any of the following three criteria: (i) full payment of principal or interest is not expected; (ii) principal or interest has been in default for a period of 90 days or more (unless the loan is both deemed to be well secured and in the process of collection); or (iii) an election has otherwise been made to maintain the loan on a cash basis due to deterioration in the financial condition of the borrower. Such non-accrual determination practices are applied consistently to all loans regardless of their internal classification or designation. Upon entering non-accrual status, we reverse all outstanding accrued interest receivable.

We generally initiate foreclosure proceedings on real estate loans when a loan enters non-accrual status based upon non-payment, unless the borrower is paying in accordance with an agreed upon modified payment agreement. We obtain an updated appraisal upon the commencement of legal action to calculate a potential collateral shortfall and to reserve appropriately for the potential loss. If a foreclosure action is instituted and the loan is not brought current, paid in full, or refinanced before the foreclosure action is completed, the property securing the loan is transferred to Other Real Estate Owned ("OREO") status. We generally attempt to utilize all available remedies, such as note sales in lieu of foreclosure, in an effort to resolve non-accrual loans and OREO properties as quickly and prudently as possible in consideration of market conditions, the physical condition of the property and any other mitigating circumstances. We have not initiated any expected or imminent foreclosure proceedings that are likely to have a material adverse impact on our consolidated financial statements. In the event that a non-accrual loan is subsequently brought current, it is returned to accrual status once the doubt concerning collectability has been removed and the borrower has demonstrated performance in accordance with the loan terms and conditions for a period of generally at least six months.

The C&I portfolio is actively managed by our lenders and underwriters. Most credit facilities typically require an annual review of the exposure and borrowers are required to submit annual financial reporting and loans are structured with financial covenants to indicate expected performance levels. Smaller C&I loans are monitored based on performance and the ability to draw against a credit line is curtailed if there are any indications of credit deterioration. Guarantors are also

required to update their financial reporting. All exposures are risk rated and those entering adverse ratings due to financial performance concerns of the borrower or material delinquency of any payments or financial reporting are subjected to added management scrutiny. Measures taken typically include amendments to the amount of the available credit facility, requirements for increased collateral, additional guarantor support or a material enhancement to the frequency and quality of financial reporting. Loans determined to reach adverse risk rating standards are monitored closely by Credit Administration to identify any potential credit losses. When warranted, loans reaching a Substandard rating could be reassigned to the Workout Group for direct handling.

Non-accrual Loans

Within our held-for-investment loan portfolio, non-accrual loans totaled $36.0 million at March 31, 2022 and $40.3 million at December 31, 2021. Our loan portfolio as of March 31, 2022 includes loans acquired as part of the Merger that were already on non-accrual status, or have since been placed on non-accrual status.

The following is a reconciliation of non-accrual loans as of the dates indicated:

	March 31, 2022	December 31, 2021	March 31, 2021
		(Dollars in thousands)	
Non-accrual loans:			
One-to-four family residential, including condominium and cooperative apartment	**$ 5,241**	$ 7,623	$ 5,384
Multifamily residential and residential mixed-use real estate	**—**	—	4,844
CRE	**4,972**	5,053	10,595
Acquisition, development, and construction	**665**	—	104
C&I	**25,000**	27,266	14,523
Other	**84**	365	99
Total non-accrual loans	**$ 35,962**	$ 40,307	$ 35,549
Ratios:			
Total non-accrual loans to total loans	**0.39 %**	0.44 %	0.34 %
Total non-performing assets to total assets	**0.30**	0.33	0.27

TDRs

We are required to recognize loans for which certain modifications or concessions have been made as TDRs. A TDR has been created in the event that, for economic or legal reasons, any of the following concessions has been granted that would not have otherwise been considered to a debtor experiencing financial difficulties. The following criteria are considered concessions:

- A reduction of interest rate has been made for the remaining term of the loan
- The maturity date of the loan has been extended with a stated interest rate lower than the current market rate for new debt with similar risk
- The outstanding principal amount and/or accrued interest have been reduced

In instances in which the interest rate has been reduced, management would not deem the modification a TDR in the event that the reduction in interest rate reflected either a general decline in market interest rates or an effort to maintain a relationship with a borrower who could readily obtain funds from other sources at the current market interest rate, and the terms of the restructured loan are comparable to the terms offered by the Bank to non-troubled debtors.

During the three months ended March 31, 2022, we modified five loans in a manner that met the criteria for a TDR by granting payment deferrals to borrowers experiencing financial difficulties. We did not modify any loans in a manner that met the criteria for a TDR during the three months ended March 31, 2021.

Accrual status for TDRs is determined separately for each TDR in accordance with our policies for determining accrual or non-accrual status. At the time an agreement is entered into between the Bank and the borrower that results in our

determination that a TDR has been created, the loan can be on either accrual or non-accrual status. If a loan is on non-accrual status at the time it is restructured, it continues to be classified as non-accrual until the borrower has demonstrated compliance with the modified loan terms for a period of at least six months. Conversely, if at the time of restructuring the loan is performing (and accruing) it will remain accruing throughout its restructured period, unless the loan subsequently meets any of the criteria for non-accrual status under our policy and agency regulations. Within the allowance for credit losses, losses are estimated for TDRs on accrual status and well as TDRs on non-accrual status that are one-to-four family loans or consumer loans, on a pooled basis with loans that share similar risk characteristics. TDRs on non-accrual status excluding one-to-four family and consumer loans are individually evaluated to determine expected credit losses. For collateral-dependent TDRs where we have determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and we expect repayment of the loan to be provided substantially through the operation or sale of the collateral, the allowance for credit losses (“ACL”) is measured based on the difference between the fair value of collateral, less the estimated costs to sell, and the amortized cost basis of the loan as of the measurement date. For non-collateral-dependent loans, the ACL is measured based on the difference between the present value of expected cash flows and the amortized cost basis of the loan as of the measurement date.

Please refer to Note 8 to the condensed consolidated financial statements for a further discussion of TDRs.

OREO

Property acquired by the Bank, or a subsidiary, as a result of foreclosure on a mortgage loan or a deed in lieu of foreclosure is classified as OREO. Upon entering OREO status, we obtain a current appraisal on the property and reassesses the likely realizable value (*a/k/a* fair value) of the property quarterly thereafter. OREO is carried at the lower of the fair value or book balance, with any write downs recognized through a provision recorded in non-interest expense. Only the appraised value, or either a contractual or formal marketed value that falls below the appraised value, is used when determining the likely realizable value of OREO at each reporting period. We typically seek to dispose of OREO properties in a timely manner. As a result, OREO properties have generally not warranted subsequent independent appraisals.

There was no carrying value of OREO properties on our consolidated balance sheets at March 31, 2022 or December 31, 2021. We did not recognize any provisions for losses on OREO properties during the three months ended March 31, 2022 or 2021.

Past Due Loans

Our loan portfolio as of March 31, 2022 includes loans acquired from the Merger that were already delinquent, or have since become delinquent.

Loans Delinquent 30 to 59 Days

At March 31, 2022, we had loans totaling $27.1 million that were past due between 30 and 59 days. At December 31, 2021, we had loans totaling $61.2 million that were past due between 30 and 59 days. The 30 to 59-day delinquency levels fluctuate monthly, and are generally considered a less accurate indicator of near-term credit quality trends than non-accrual loans.

Loans Delinquent 60 to 89 Days

At March 31, 2022, we had loans totaling $924 thousand that were past due between 60 and 89 days. At December 31, 2021, we had loans totaling $12.1 million that were past due between 60 and 89 days. The 60 to 89-day delinquency levels fluctuate monthly, and are generally considered a less accurate indicator of near-term credit quality trends than non-accrual loans.

Accruing Loans 90 Days or More Past Due

We continued accruing interest on 13 loans with an aggregate outstanding balance of $1.2 million at March 31, 2022, and nine loans with an aggregate outstanding balance of $3.0 million at December 31, 2021, all of which were 90 days or more

past due. These loans were either well secured, awaiting a forbearance extension or formal payment deferral, or will likely be forgiven through the PPP or repurchased by the SBA, and, therefore, remained on accrual status and were deemed performing assets at the dates indicated above.

Allowance for Off-Balance Sheet Exposures

We maintain an allowance, recorded in other liabilities, associated with unfunded loan commitments accepted by the borrower. The amount of our allowance was $4.4 million at March 31, 2022 and $4.4 million at December 31, 2021. This allowance is determined based upon the outstanding volume of loan commitments at each period end. Any increases or reductions in this allowance are recognized in provision for credit losses.

Allowance for Credit Losses

On January 1, 2021, the Company adopted ASU No. 2016-13 "Financial Instruments – Credit Losses (Topic 326)". ASU 2016-13 was effective for the Company as of January 1, 2020. Under Section 4014 of the CARES Act, financial institutions required to adopt ASU 2016-13 as of January 1, 2020 were provided an option to delay the adoption of the CECL framework. The Company elected to defer adoption of CECL until January 1, 2021. This standard requires that the measurement of all expected credit losses for financial assets held at the reporting date be based on historical experience, current conditions, and reasonable and supportable forecasts. This standard requires financial institutions and other organizations to use forward-looking information to better inform their credit loss estimates.

The adoption of the CECL Standard resulted in an initial decrease of $3.9 million to the allowance for credit losses and an increase of $1.4 million to the reserve for unfunded commitments. The after-tax cumulative-effect adjustment of $1.7 million was recorded as an increase to retained earnings as of January 1, 2021.

We recognized a credit loss recovery of $1.6 million during the three months ended March 31, 2022, compared to a provision of $15.8 million for the three months ended March 31, 2021. The $1.6 million credit loss recovery for the first quarter of 2022 was associated with the improvement in forecasted macroeconomic conditions as well as a reduction in reserves for individually evaluated loans. The $15.8 million credit loss provision for the first quarter of 2021 was due to a provision for credit losses recorded on acquired non-PCD loans which totaled $20.3 million, and a provision for unfunded commitments which approximated $3.1 million for the first quarter of 2021, offset by a credit of $7.6 million primarily as a result of improvement in forecasted macroeconomic conditions.

For a further discussion of the allowance for credit losses and related activity during the three months ended March 31, 2022 and 2021, please see Note 8 to the condensed consolidated financial statements.

The following table presents our allowance for credit losses allocated by loan type and the percent of each to total loans at the dates indicated.

(Dollars in thousands)	March 31, 2022 Allocated Amount	March 31, 2022 Percent of Loans in Each Category to Total Loans	December 31, 2021 Allocated Amount	December 31, 2021 Percent of Loans in Each Category to Total Loans
One-to-four family residential and cooperative/condominium apartment	**$ 4,528**	**0.68 %**	$ 5,932	0.89 %
Multifamily residential and residential mixed-use	**7,061**	**0.21**	7,816	0.23
CRE	**28,645**	**0.73**	29,166	0.74
Acquisition, development, and construction	**4,758**	**1.44**	4,857	1.51
C&I	**34,263**	**3.72**	35,331	3.78
Other loans	**360**	**2.95**	751	4.44
Total	**$ 79,615**	**0.86 %**	$ 83,853	0.91 %

The following table sets forth information about our allowance for credit losses at or for the dates indicated:

	At or for the Three Months Ended March 31, 2022	2021
	(Dollars in thousands)	
Total loans outstanding at end of period [1]	**$ 9,249,849**	$ 10,506,098
Average total loans outstanding during the period[2]	**9,228,480**	8,809,150
Allowance for credit losses balance at end of period	**79,615**	98,200
Allowance for credit losses to total loans at end of period	**0.86 %**	0.93 %
Non-performing loans to total loans at end of period	**0.39**	0.34
Allowance for credit losses to total non-performing loans at end of period	**221.39**	276.24
Ratio of net charge-offs (recoveries) to average loans outstanding during the period:		
One-to-four family residential and cooperative/condominium apartment	**— %**	0.01 %
Multifamily residential and residential mixed-use	**—**	0.03
CRE	**—**	—
Acquisition, development, and construction	**—**	—
C&I	**1.13**	0.93
Other loans	**0.04**	—
Total	**0.11**	0.19

(1) Total loans represent gross loans (excluding loans held for sale), inclusive of deferred fees/costs and premiums/discounts.
(2) Total average loans represent gross loans (including loans held for sale), inclusive of deferred loan fees/costs and premiums/discounts.

Comparison of Financial Condition at March 31, 2022 and December 31, 2021

Assets. Assets totaled $12.08 billion at March 31, 2022, $11.9 million above their level at December 31, 2021, primarily due to an increase of $39.3 million in cash and due from banks, an increase of $26.7 million in derivative assets, and an increase of $9.4 million in our loan portfolio, partially offset by a decrease of $82.1 million in securities.

Total loans increased $9.4 million during the three months ended March 31, 2022, to $9.17 billion at period end. During the period, we had loan originations of $480.4 million. Additionally, our allowance for credit losses decreased by $4.2 million.

Total securities decreased $82.1 million during the three months ended March 21, 2022, to $1.66 billion at period end, primarily due to unrealized losses of $63.3 million and proceeds from principal payments and calls of $52.6 million, offset

in part by purchases of $34.9 million. We transferred $175.3 million of securities available-to-sale to securities held-to-maturity during the three months ended March 31, 2022.

Liabilities. Total liabilities increased $49.2 million during the three months ended March 31, 2022, to $10.92 billion at period end, primarily due to an increase of $64.5 million in derivative cash collateral, and an increase of $25.0 million in FHLBNY advances, partially offset by a decrease of $29.7 million in other liabilities and a decrease of $28.9 million in deposits.

Stockholders' Equity. Stockholders' equity decreased $37.3 million during the three months ended March 31, 2022 to $1.16 billion at period end, primarily due to other comprehensive loss of $43.2 million, repurchases of shares of common stock of $17.4 million, common stock dividends of $9.3 million, and preferred stock dividends of $1.8 million, offset in part by net income for the period of $34.5 million.

Comparison of Operating Results for the Three Months Ended March 31, 2022 and 2021

The Company's results of operations for the three months ended March 31, 2021 include income for the two months following the Merger and the results of Legacy Dime for the month ended January 31, 2021. While Bridge was the legal acquirer and surviving corporation following the Merger, Legacy Dime is considered the acquirer for accounting purposes.

General. Net income was $34.5 million during the three months ended March 31, 2022, higher than the net loss of $21.0 million for the three months ended March 31, 2021. During the three months ended March 31, 2022, net interest income increased by $11.3 million, non-interest income increased by $14.6 million, non-interest expense decreased by $32.9 million, income tax expense increased by $20.6 million, and the credit loss provision decreased by $17.4 million, compared to the three months ended March 31, 2021. Please see "Provision for Credit Losses" for a discussion of the credit loss provision for the three months ended March 31, 2021.

The discussion of net interest income for the three months ended March 31, 2022 and 2021 should be read in conjunction with the following tables, which set forth certain information related to the consolidated statements of income for those periods, and which also present the average yield on assets and average cost of liabilities for the periods indicated. The average yields and costs were derived by dividing income or expense by the average balance of their related assets or liabilities during the periods represented. Average balances were derived from average daily balances. No tax-equivalent adjustments have been made for interest income exempt from Federal, state, and local taxation. The yields include loan fees consisting of amortization of loan origination and commitment fees and certain direct and indirect origination costs, prepayment fees, and late charges that are considered adjustments to yields. Loan fees included in interest income were $834 thousand and $2.8 million during the three months ended March 31, 2022 and 2021, respectively. There are no out-of-period adjustments included in the rate/volume analysis in the following table.

Analysis of Net Interest Income

	Three Months Ended March 31,					
	2022			2021		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
Assets:			(Dollars in Thousands)			
Interest-earning assets:						
Real estate loans (1)	$ 8,296,732	$ 76,437	3.74 %	$ 7,068,571	$ 66,412	3.81 %
Commercial and industrial loans (1)	869,283	9,369	4.37	703,067	9,567	5.52
SBA PPP loans (1)	46,807	417	3.61	1,020,910	5,049	2.01
Other loans (1)	15,658	197	5.10	16,602	354	8.65
Securities	1,726,189	7,131	1.68	865,192	4,380	2.05
Other short-term investments	379,136	368	0.39	383,340	993	1.05
Total interest-earning assets	11,333,805	93,919	3.36 %	10,057,682	86,755	3.50 %
Non-interest earning assets	865,916			608,558		
Total assets	$ 12,199,721			$ 10,666,240		
Liabilities and Stockholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing checking	$ 870,889	$ 367	0.17 %	$ 662,273	$ 311	0.19 %
Money market	3,632,438	973	0.11	2,893,723	2,026	0.28
Savings	1,256,701	207	0.07	863,409	207	0.10
Certificates of deposit	824,883	984	0.48	1,522,017	2,754	0.73
Total interest-bearing deposits	6,584,911	2,531	0.16	5,941,422	5,298	0.36
FHLBNY advances	33,889	77	0.92	853,162	1,711	0.81
Subordinated debt, net	197,080	2,201	4.53	168,607	1,902	4.57
Other short-term borrowings	2,459	—	—	15,021	3	0.08
Total borrowings	233,428	2,278	3.96	1,036,790	3,616	1.41
Derivative cash collateral	14,335	1	0.03	—	—	—
Total interest-bearing liabilities	6,832,674	4,810	0.29 %	6,978,212	8,914	0.52 %
Non-interest-bearing checking	3,979,741			2,494,630		
Other non-interest-bearing liabilities	189,843			164,859		
Total liabilities	11,002,258			9,637,701		
Stockholders' equity	1,197,463			1,028,539		
Total liabilities and stockholders' equity	$ 12,199,721			$ 10,666,240		
Net interest income		$ 89,109			$ 77,841	
Net interest spread (2)			3.07 %			2.98 %
Net interest-earning assets	$ 4,501,131			$ 3,079,470		
Net interest margin (3)			3.19 %			3.14 %
Ratio of interest-earning assets to interest-bearing liabilities			165.88 %			144.13 %
Deposits (including non-interest-bearing checking accounts)	$ 10,564,652	$ 2,531	0.10 %	$ 8,436,052	$ 5,298	0.25 %

(1) Amounts are net of deferred origination costs/ (fees) and allowance for credit losses, and include loans held for sale.

(2) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average-interest earning assets.

Rate/Volume Analysis

	Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 Increase / (Decrease) Due to:		
	Volume	Rate	Total
	(Dollars in thousands)		
Interest-earning assets:			
Real estate loans [(1)]	$ 11,392	$ (1,367)	$ 10,025
Commercial and industrial [(1)]	2,029	(2,227)	(198)
SBA PPP loans [(1)]	(6,744)	2,112	(4,632)
Other loans [(1)]	(16)	(141)	(157)
Securities	3,946	(1,195)	2,751
Other short-term investments	(6)	(619)	(625)
Total interest-earning assets	$ 10,601	$ (3,437)	$ 7,164
Interest-bearing liabilities:			
Interest-bearing checking	$ 94	$ (38)	$ 56
Money market	335	(1,388)	(1,053)
Savings	81	(81)	—
Certificates of deposit	(1,044)	(726)	(1,770)
FHLBNY advances	(1,751)	117	(1,634)
Subordinated debt, net	319	(20)	299
Other short-term borrowings	(1)	(2)	(3)
Derivative cash collateral	1	—	1
Total interest-bearing liabilities	$ (1,966)	$ (2,138)	$ (4,104)
Net change in net interest income	$ 12,567	$ (1,299)	$ 11,268

(1) Amounts are net of deferred origination costs/ (fees) and allowance for credit losses, and include loans held for sale.

Net interest income. Net interest income was $89.1 million during the three months ended March 31, 2022, an increase of $11.3 million from the three months ended March 31, 2021. Average interest-earning assets were $11.33 billion for the three months ended March 31, 2022, an increase of $1.27 billion from $10.06 billion for the three months ended March 31, 2021. Net interest margin ("NIM") was 3.19% during the three months ended March 31, 2022, up from 3.14% during the three months ended March 31, 2021.

Interest Income. Interest income was $93.9 million during the three months ended March 31, 2022, compared to $86.8 million during the three months ended March 31, 2021. During the first quarter of 2022, interest income increased $7.2 million from the first quarter of 2021, primarily reflecting increases in interest income of $10.0 million on real estate loans and $2.8 million on securities, partially offset by decreases in interest income of $4.6 million on SBA PPP loans and $625 thousand on other short-term investments. The increased interest income on real estate loans was related to an increase of $1.23 billion in the average balance of such loans in the 2022 period, offset in part by a 7-basis point decrease in the average yield. The increased interest income on securities was due to an increase of $861.0 million in the average balance of such securities during the period, offset in part by a 37-basis point decrease in the average yield. The increased average balances were related to increased balances from the Merger. The decreased interest income on SBA PPP loans was related to a decrease of $974.1 million in the average balance of such loans in the period, offset in part by a 160-basis point increase in the average yield.

Interest Expense. Interest expense was $4.8 million during the three months ended March 31, 2022, compared to $8.9 million during the three months ended March 31, 2021, primarily reflecting decreases in interest expense of $1.8 million on CDs, $1.6 million on FHLBNY advances, and $1.1 million on money market accounts, offset in part by a $299 thousand increase in interest expense on subordinated debt. The decrease in interest expense was primarily due to decreased rates offered on CDs and money market accounts and decreases of $819.3 million in the average balances of FHLBNY advances and $697.1 million in the average balances of CDs.

Provision for Credit Losses. The Company recognized a credit loss recovery of $1.6 million during the three months ended March 31, 2022, compared to a provision of $15.8 million for the three months ended March 31, 2021. The $1.6 million credit loss recovery for the first quarter of 2022 was due to an improvement in forecasted macroeconomic conditions as well as a reduction in reserves for individually evaluated loans. The $15.8 million credit loss provision for the first quarter of 2021 was due to a provision for credit losses recorded on acquired non-PCD loans which totaled $20.3 million, and a provision for unfunded commitments which approximated $3.1 million for the first quarter of 2021, offset by a credit of $7.6 million primarily as a result of improvement in forecasted macroeconomic conditions.

Non-Interest Income. Non-interest income was $7.2 million during the three months ended March 31, 2022, compared to non-interest loss of $7.4 million during the three months ended March 31, 2021. During the first quarter of 2022, non-interest income increased $14.6 million from the first quarter of 2021, reflecting a $16.5 million loss on termination of derivatives during the 2021 period due to the Merger, an increase of $1.1 million in service charges and other fees, and an increase of $500 thousand in BOLI income during the 2022 period, partially offset by a $710 thousand net gain on sale of securities and other assets during the 2021 period, a decrease of $1.8 million in loan level derivative income, and a decrease of $575 thousand in gain on sale of residential loans during the 2022 period.

During the three months ended March 31, 2021, the Company terminated 34 derivatives with notional values totaling $785.0 million, resulting in a termination value of $16.5 million which was recognized in loss on termination of derivatives in non-interest income. Due to the terminations during the three months ended March 31, 2021, the remaining termination value was recognized as part of the loss on terminations during the three months ended March 31, 2021.

Non-Interest Expense. Non-interest expense was $49.9 million during the three months ended March 31, 2022, compared $82.8 million during the three months ended March 31, 2021. During the first quarter of 2022, non-interest expense decreased $32.9 million from the first quarter of 2021, reflecting merger expenses and transaction costs of $37.9 million, loss on extinguishment of debt of $1.6 million, and curtailment loss of $1.5 million during the 2021 period due to the Merger, partially offset by an increase during the 2022 period of $6.0 million in salaries and employee benefits expenses, and an increase in $607 thousand in occupancy and equipment expense, primarily due to the Merger.

Non-interest expense was 1.64% and 3.11% of average assets during the three months ended March 31, 2022 and 2021, respectively.

Income Tax Expense. Income tax expense was $13.5 million during the three months ended March 31, 2022, compared to income tax benefit of $7.1 million during the three months ended March 31, 2021. The reported effective tax rate for the first quarter of 2022 was 28.1%, and 25.2% for the first quarter of 2021. The increase in the effective tax rate during the first quarter of 2022 compared to the year ago quarter was primarily the result of the loss of benefits from the Company's REITs.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk were presented at December 31, 2021 in Item 7A of the Holding Company's Annual Report on Form 10-K, filed with the SEC on February 28, 2022. The following is an update of the discussion provided therein.

General. The Company's largest component of market risk remains interest rate risk. The Company is not subject to foreign currency exchange or commodity price risk. During the three months ended March 31, 2022, we conducted zero transactions involving derivative instruments requiring bifurcation in order to hedge interest rate or market risk.

Interest Rate Risk Exposure Analysis

Economic Value of Equity ("EVE") Analysis. In accordance with agency regulatory guidelines, the Company simulates the impact of interest rate volatility upon EVE using several interest rate scenarios. EVE is the difference between the present value of the expected future cash flows of the Company's assets and liabilities and the value of any off-balance sheet items, such as derivatives, if applicable.

Traditionally, the fair value of fixed-rate instruments fluctuates inversely with changes in interest rates. Increases in interest rates thus result in decreases in the fair value of interest-earning assets, which could adversely affect the Company's consolidated results of operations in the event they were to be sold, or, in the case of interest-earning assets classified as available-for-sale, reduce the Company's consolidated stockholders' equity, if retained. The changes in the value of assets and liabilities due to fluctuations in interest rates measure the interest rate sensitivity of those assets and liabilities.

In order to measure the Company's sensitivity to changes in interest rates, EVE is calculated under market interest rates prevailing at a given quarter-end ("Pre-Shock Scenario"), and under various other interest rate scenarios ("Rate Shock Scenarios") representing immediate, permanent, parallel shifts in the term structure of interest rates from the actual term structure observed in the Pre-Shock Scenario. An increase in the EVE is considered favorable, while a decline is considered unfavorable. The changes in EVE between the Pre-Shock Scenario and various Rate Shock Scenarios due to fluctuations in interest rates reflect the interest rate sensitivity of the Company's assets, liabilities, and off-balance sheet items that are included in the EVE. Management reports the EVE results to the Board of Directors on a quarterly basis. The report compares the Company's estimated Pre-Shock Scenario EVE to the estimated EVE calculated under the various Rate Shock Scenarios.

The Company's valuation model makes various estimates regarding cash flows from principal repayments on loans and deposit decay rates at each level of interest rate change. The Company's estimates for loan repayment levels are influenced by the recent history of prepayment activity in its loan portfolio, as well as the interest rate composition of the existing portfolio, especially in relation to the existing interest rate environment. In addition, the Company considers the amount of fee protection inherent in the loan portfolio when estimating future repayment cash flows. Regarding deposit decay rates, the Company tracks and analyzes the decay rate of its deposits over time, with the assistance of a reputable third-party, and over various interest rate scenarios. Such results are utilized in determining estimates of deposit decay rates in the valuation model. The Company also generates a series of spot discount rates that are integral to the valuation of the projected monthly cash flows of its assets and liabilities. The valuation model employs discount rates that it considers representative of prevailing market rates of interest with appropriate adjustments it believes are suited to the heterogeneous characteristics of the Company's various asset and liability portfolios. No matter the care and precision with which the estimates are derived, actual cash flows could differ significantly from the Company's estimates resulting in significantly different EVE calculations.

The analysis that follows presents, as of March 31, 2022 and December 31, 2021, the estimated EVE at both the Pre-Shock Scenario and the +100 Basis Point Rate and +200 Basis Point Rate Shock Scenarios.

	March 31, 2022			**December 31, 2021**		
(Dollars in thousands)	**EVE**	**Dollar Change**	**Percentage Change**	**EVE**	**Dollar Change**	**Percentage Change**
Rate Shock Scenarios						
+ 200 Basis Points	**$ 1,887,450**	**$ 146,536**	**8.4%**	$ 1,413,179	$ 194,959	16.0%
+ 100 Basis Points	**1,832,296**	**91,382**	**5.2%**	1,334,981	116,761	9.6%
Pre-Shock Scenario	**1,740,914**	**—**	**—**	1,218,220	—	—

The Company's Pre-Shock Scenario EVE increased from $1.22 billion at December 31, 2021 to $1.74 billion at March 31, 2022. The primary factor contributing to the increase in EVE at March 31, 2022, was the increase in value of the Bank's low-cost deposit base relative to the current rate environment. During the first quarter of 2022, market interest rates utilized in the calculation of economic value increased materially across all yield curve points. However, management held the Bank's cost of deposits relatively flat during this same time period, resulting in additional economic value associated with this low-cost funding base.

The Company's EVE in the +100 Basis Point Rate and +200 Basis Point Rate Shock Scenarios increased from $1.33 billion and $1.41 billion, respectively, at December 31, 2021, to $1.83 billion and $1.89 billion, respectively, at March 31, 2022.

Income Simulation Analysis. As of the end of each quarterly period, the Company also monitors the impact of interest rate changes through a net interest income simulation model. This model estimates the impact of interest rate changes on the Company's net interest income over forward-looking periods typically not exceeding 36 months (a considerably shorter period than measured through the EVE analysis). Management reports the net interest income simulation results to the Company's Board of Directors on a quarterly basis. The following table discloses the estimated changes to the Company's net interest income in various time periods assuming gradual changes in interest rates over a 12-month period beginning March 31, 2022, for the given rate scenarios:

	Percentage Change in Net Interest Income	
Gradual Change in Interest rates of:	**Year-One**	**Year-Two**
+ 200 Basis Points	1.2%	8.5%
+ 100 Basis Points	0.5%	4.4%

Management also examines the potential impact to net interest income by simulating the impact of instantaneous changes to interest rates. The following table discloses the estimated changes to the Company's net interest income in various time periods associated with the given interest rate shock scenarios.

	Percentage Change in Net Interest Income	
Instantaneous Rate Shock Scenarios	**Year-One**	**Year-Two**
+ 200 Basis Points	3.7%	10.6%
+ 100 Basis Points	1.9%	5.7%

Item 4. Controls and Procedures

Management of the Company, with the participation of its Principal Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness as of March 31, 2022, of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15(d)-15(e) under the Exchange Act. Based upon this evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2022 in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management of the Company as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the three months ended March 31, 2022, that has materially affected, or is reasonably likely to materially affect, such controls.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, the Company is routinely named as a defendant in or party to various pending or threatened legal actions or proceedings. Certain of these matters may seek substantial monetary damages. In the opinion of management, the Company was not involved in any actions or proceedings that were likely to have a material adverse impact on its financial condition and results of operations as of March 31, 2022.

Item 1A. Risk Factors

There have been no changes to the risks disclosed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Number of Shares that May Yet be Purchased Under the Programs [(1)]
January 2022	120,215	$ 35.60	120,215	966,472
February 2022	135,317	34.35	135,317	831,155
March 2022	249,473	33.93	249,473	581,682

(1) In August 2021, we announced the adoption of a new stock repurchase program of up to 2,043,968 shares, upon the completion of our existing authorized stock repurchase program. The stock repurchase program may be suspended, terminated, or modified at any time for any reason, and has no termination date. As of March 31, 2022, there were 581,682 shares remaining to be purchased in the program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed February 2, 2021 (File No. 001-34096))
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed February 1, 2021 (File No. 001-34096))
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350
101	The following financial statements from Dime Community Bancshares, Inc.'s Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2022, filed on May 9, 2022, formatted in XBRL: (i) Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021, (ii) Consolidated Statements of Income for the Three Months Ended March 31, 2022 and 2021, (iii) Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2022 and 2021, (iv) Consolidated Statements of Stockholders' Equity for the Three Months Ended March 31, 2022 and 2021, (v) Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2022 and 2021, and (vi) the Condensed Notes to Consolidated Financial Statements.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document
104	Cover page to this Quarterly Report on Form 10-Q, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dime Community Bancshares, Inc.

Dated: May 9, 2022 By: /s/ KEVIN M. O'CONNOR
Kevin M. O'Connor
Chief Executive Officer

Dated: May 9, 2022 By: /s/ AVINASH REDDY
Avinash Reddy
Senior Executive Vice President
and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)

I, Kevin M. O’Connor, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Dime Community Bancshares, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ Kevin M. O’Connor
Kevin M. O’Connor
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a)

I, Avinash Reddy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dime Community Bancshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ Avinash Reddy
Avinash Reddy
Senior Executive Vice President and Chief Financial Officer

This certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

EXHIBIT 32.1

CERTIFICATION PURSUANT TO RULE 13a-14(b) 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dime Community Bancshares, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2022 as filed with the Securities and Exchange Commission, (the “Report”), we, Kevin M. O'Connor, Chief Executive Officer of the Company and, Avinash Reddy, Senior Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2022

/s/ Kevin M. O'Connor
Kevin M. O'Connor
Chief Executive Officer

/s/ Avinash Reddy
Avinash Reddy
Senior Executive Vice President and Chief Financial Officer