

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended September 30, 1997

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: 000-18546

BRIDGE BANCORP, INC.

(Exact name of small business issuer as specified in its charter)

NEW YORK

(State or other jurisdiction of
incorporation or organization)

2200 MONTAUK HIGHWAY
BRIDGEHAMPTON, NEW YORK

(Address of principal executive offices)

11932

(Zip Code)

11-2934195

(IRS Employer Identification Number)

(516) 537-1000

(Issuer's telephone number)

NOT APPLICABLE

(Former name, former address and former fiscal year,
if changed since last report.)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,407,999 shares of common stock as of November 12, 1997.

BRIDGE BANCORP, INC.
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BRIDGE BANCORP, INC. AND SUBSIDIARY
NOTES TO THE UNAUDITED CONSOLIDATED
FINANCIAL STATEMENTS

1. Basis of Financial Statement Presentation

The accompanying unaudited consolidated financial statements include the accounts of Bridge Bancorp, Inc. (the Registrant or Company) and its wholly-owned subsidiary, The Bridgehampton National Bank (the Bank). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In preparing the interim financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities and the revenue and expense for the reported periods. Actual future results could differ significantly from these estimates. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results are not necessarily indicative of the results that may be expected for the year ended December 31, 1997. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 1996.

Part 1. Financial Information
Item 1. Financial Statements

BRIDGE BANCORP, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CONDITION
(In thousands, except share and per share amounts)

	September 30 1997	December 31, 1996

ASSETS		
Cash and due from banks	\$ 10,600	\$ 12,247
Interest earning deposits with banks	134	68
Federal funds sold	--	1,250
	-----	-----
Total cash and cash equivalents	10,734	13,565
Investment in debt and equity securities, net:		
Securities available for sale, at fair value	82,811	57,779
Securities held to maturity (fair value of \$10,474 and \$6,273 respectively)	10,471	6,262
	-----	-----
Total investment in debt and equity securities, net	93,282	64,041
Loans	129,759	118,881
Less:		
Allowance for probable loan losses	1,313	1,238
	-----	-----
Loans, net	128,446	117,643
Banking premises and equipment, net	8,541	6,773
Accrued interest receivable	1,763	1,343
Deferred income taxes	--	51
Other assets	1,502	1,198
	-----	-----
TOTAL ASSETS	\$ 244,268	\$ 204,614
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Demand deposits	\$ 64,923	\$ 50,464
Savings, NOW, and money market deposits	76,131	73,791
Certificates of deposit of \$100,000 or more	37,378	18,251
Other time deposits	43,916	42,341
	-----	-----
Total deposits	222,348	184,847
Accrued interest on depositors' accounts	1,326	1,537
Deferred income taxes	58	--
Other liabilities and accrued expenses	570	1,304
	-----	-----
Total Liabilities	224,302	187,688
	-----	-----
Stockholders' equity:		
Common stock, par value \$5.00 per share:		
Authorized: 6,500,000 shares; issued and outstanding		
1,407,999 shares at 9/30/97 and 1,407,600 shares at 12/31/96	7,202	7,200
Surplus	607	600
Undivided profits	12,161	9,287
Less: Net unrealized appreciation in securities		
available for sale, net of tax	617	460
Treasury Stock at cost, 32,400 shares	(621)	(621)
	-----	-----
Total Stockholders' Equity	19,966	16,926
Commitments and contingencies		
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 244,268	\$ 204,614
	=====	=====

See accompanying notes to the unaudited consolidated financial statements.

BRIDGE BANCORP, INC. AND SUBSIDIARY
 UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
 (In thousands, except share and per share amounts)

	Three Months Ended Sept 30, 1997	Ended Sept 30, 1996	Nine Months Ended Sept 30, 1997	Ended Sept 30, 1996
Interest income:				
Loans (including fee income)	\$2,797	\$2,663	\$ 8,717	\$ 8,183
Deposits with banks	1	8	4	10
Federal funds sold	168	144	332	320
U.S. Treasury and government agency securities	343	362	935	935
State and municipal obligations	265	227	783	650
Other securities	18	10	52	31
Mortgage-backed securities	529	436	1,476	1,189
	-----	-----	-----	-----
Total interest income	4,121	3,850	12,299	11,318
	-----	-----	-----	-----
Interest expense:				
Savings, N.O.W. and money market deposits	412	414	1,212	1,190
Certificates of deposit of \$100,000 or more	434	300	1,203	781
Other time deposits	573	595	1,657	1,851
Other borrowed money	0	8	55	11
	-----	-----	-----	-----
Total interest expense	1,419	1,317	4,127	3,833
	-----	-----	-----	-----
Net interest income	2,702	2,533	8,172	7,485
Provision for possible loan losses	60	90	180	211
	-----	-----	-----	-----
Net interest income after provision for possible loan losses	2,642	2,443	7,992	7,274
	-----	-----	-----	-----
Other income:				
Service charges on deposit accounts	218	182	598	517
Mortgage banking activities	622	402	1,120	678
Gain on sale of building	--	--	1,405	--
Net securities gains	4	28	4	42
Other operating income	271	223	580	670
	-----	-----	-----	-----
Total other income	1,115	835	3,707	1,907
	-----	-----	-----	-----
Other expenses:				
Salaries and employee benefits	1,181	1,018	3,407	2,994
Net occupancy expense	195	125	517	408
Furniture and fixture expense	151	138	418	381
Other operating expenses	872	746	2,298	2,146
	-----	-----	-----	-----
Total other expenses	2,399	2,027	6,640	5,929
	-----	-----	-----	-----
Income before provision for income taxes	1,358	1,251	5,059	3,252
Provision for income taxes	498	435	1,832	1,106
	-----	-----	-----	-----
Net income	\$ 860	\$ 816	\$ 3,227	\$ 2,146
	=====	=====	=====	=====
Basic earnings per share	\$ 0.61	\$ 0.58	\$ 2.29	\$ 1.50
	=====	=====	=====	=====
Diluted earnings per share	\$ 0.60	-----	\$ 2.28	-----
	=====	=====	=====	=====

See accompanying notes to the unaudited consolidated financial statements. All per share amounts have been adjusted to reflect the effects of the split.

BRIDGE BANCORP, INC. AND SUBSIDIARY
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In thousands)

Nine months ended September 30,
 1997 1996

Operating activities:		
Net Income	\$ 3,227	\$ 2,146
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for possible loan losses	180	211
Depreciation and amortization	393	309
Accretion of discounts	(49)	(73)
Amortization of premiums	92	285
Gain on the sale of building	(1,404)	--
Net securities gains	(4)	(43)
(Increase) in accrued interest receivable	(420)	(79)
(Increase) in other assets	(304)	(272)
(Decrease) increase in accrued and other liabilities	(264)	508
	-----	-----
Net cash provided by operating activities	1,447	2,992
	-----	-----
Investing activities:		
Purchases of securities available for sale	(32,157)	(58,902)
Purchases of securities held to maturity	(9,667)	(3,900)
Proceeds from sales of securities available for sale	3,560	24,218
Proceeds from maturing securities available for sale	1,925	8,300
Proceeds from maturing securities held to maturity	4,375	3,721
Proceeds from principal payments on mortgage-backed securities	2,948	5,406
Proceeds from sale of building	1,554	--
Net increase in loans	(10,983)	(4,837)
Proceeds from sale of other real estate owned	--	235
Purchases of banking premises and equipment, net of deletions	(2,310)	(2,026)
	-----	-----
Net cash used by investing activities	(40,755)	(27,785)
	-----	-----
Financing activities:		
Net increase in deposits	37,501	21,141
Decrease in other borrowings	--	6,600
Payment for purchase of treasury stock	--	(\$ 621)
Net proceeds from issuance of restricted common stock		
issued pursuant to equity incentive plan	8	--
Cash dividends paid	(1,032)	(835)
	-----	-----
Net cash provided by financing activities	36,477	26,285
	-----	-----
(Decrease) increase in cash and cash equivalents	(2,831)	1,492
Cash and cash equivalents beginning of period	13,565	7,480
	-----	-----
Cash and cash equivalents end of period	\$ 10,734	\$ 8,972
	=====	=====
Supplemental information-Cash Flows:		
Cash paid for:		
Interest	\$ 4,338	\$ 3,420
Income taxes	\$ 1,848	\$ 904
Noncash investing and financing activities:		
None		

See accompanying notes to the unaudited consolidated financial statements.

Item 2. Management's Discussion and Analysis or Plan of Operation

Financial Condition

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The assets of the Registrant totaled \$244,268,000 at September 30, 1997, an increase of \$39,654,000 or 19.38% from the year end. This increase mainly results from the increase in investment in debt and equity securities of \$29,241,000 or 45.7%, and the increase in net loans of 9.2% or \$10,803,000. Capitalized construction costs attributable to the Registrant's new main office facility were primarily the reason for a net increase in the Bank premises and equipment of \$1,768,000 in the first nine months of 1997. The source of funds for the increase in assets was derived from an increase in deposits of \$37,501,000 or 20.3%. Demand deposits increased \$14,459,000 or 28.7% over December 31, 1996. This increase is attributed to seasonal fluctuations and increased business development efforts. Certificates of deposit of \$100,000 or more increased \$19,127,000 or 104.8% over the prior year end primarily as a result of increased public fund deposits.

Total stockholders' equity was \$19,966,000 at September 30, 1997, an increase of 18.0% over December 31, 1996. The increase of \$3,040,000 was the result of net income for the nine month period ended September 30, 1997, of \$3,227,000, less dividends declared of \$352,000, plus the net increase in unrealized appreciation in securities available for sale, net of tax, of \$157,000; and the proceeds of the issuance of shares of common stock of \$8,000 pursuant to the equity incentive plan. The net increase in securities available for sale is directly attributable to appreciation due to changes in interest rates. Recent volatility in the financial markets had no material effect on the value of the securities held as available for sale.

Stock Split

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On April 15, 1997, the Board of Directors declared a three-for-one stock split in the form of a stock dividend payable May 30, 1997 to stockholders of record as of May 1, 1997. The stock split increased outstanding common shares from 469,333 to 1,407,999 shares. Stockholders equity has been restated to give retroactive recognition to the stock split for all periods presented by reclassifying from undivided profits to common stock the par value of the additional shares arising from the stock split. In addition, all references in the unaudited Consolidated Financial Statements and Notes thereto to the number of shares, per-share amounts, and market prices of the common stock have been restated giving retroactive recognition to the stock split.

Results of Operations

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During the first nine months of 1997, the Registrant earned net income of \$3,227,000 or \$2.29 per share as compared with \$2,146,000 or \$1.50 per share for the same period in 1996. Net income for the three month period ended September 30, 1997 was \$860,000 or \$.61 per share compared to \$816,000 or \$.58 per share for the same period in 1996.

Net income for the nine month period includes a gain on the sale of the Bank's former headquarters building totaling \$829,000 net of applicable taxes of \$575,000. Highlights for the nine months ended September 30, 1997 include: (I) a \$687,000 or 9.2% increase in net interest income; (ii) a \$1,800,000 or 94.4% increase in total other income; and (iii) a \$711,000 or 12.0% increase in total other expenses. The provision for income taxes increased \$726,000 or 65.6%. Highlights for the three month period ended September 30, 1997 include: (I) a \$169,000 or 6.7% increase in net interest income; (ii) a \$280,000 or 33.5% increase in total other income; and (iii) a \$372,000 or 18.6% increase in total other expenses. In 1997, the Company adopted Statement of Accounting Standards No. 128 Earnings per Share.

Net income for the first nine months of 1997 reflects annualized returns of 23.77% on average total stockholders' equity and 1.95% on average total assets as compared to the corresponding figures for the preceding calendar year of 18.84% on average total stockholders' equity and 1.51% on average total assets. Annualized returns on average total stockholders' equity and the average total assets before the gain on the sale of assets, chiefly the former headquarters building, were 17.68% and 1.45%, respectively.

Net interest income, the primary source of income, increased by \$687,000 or 9.2% for the current nine month period over the same period last year. The increase primarily resulted from an increase in average total interest earning assets from \$182,572,000 in the first nine months of 1996 to \$201,448,000 for the comparable period in 1997, a 10.3% increase. The yield on average interest earning assets at September 30, 1997 decreased to 8.1% from 8.3% during the same period in 1996. The cost of average interest bearing liabilities remained the same at 3.8%. The net yield on average earning assets of 5.4% for the period ended September 30, 1997 decreased from 5.5% for the same period in 1996.

A \$60,000 provision for possible loan losses was made each quarter during the nine month period ended September 30, 1997 totalling \$180,000, as compared to a \$211,000 provision for the same period in 1996. The allowance for possible loan losses increased to \$1,313,000 at September 30, 1997, as compared to \$1,238,000 at December 31, 1996. As a percentage of loans the allowance was 1.01% at September 30, 1997 and 1.04% at December 31, 1996. The allowance as a percentage of nonperforming loans (including loans past due 90 days or more and still accruing) was 115.18% at September 30, 1997 compared to 460.2% at December 31, 1996. This decrease results from one loan relationship becoming nonperforming although management believes the borrowing relationship in question is adequately collateralized. The allowance reflects management's evaluation of classified loans, charge-off trends, concentrations of credit and other pertinent factors. It also reflects input from the Bank's 1997 examination by the Office of the Comptroller of the Currency and outside loan review consultants.

Total other income increased during the nine month period ended September 30, 1997 by \$1,800,000 or 94.4% over the same period last year. The increase was the result of: (I) a gain on the sale of assets, principally the sale of the Bank's former headquarter's building, of \$1,405,000; and (ii) mortgage banking activities totaling \$1,120,000, an increase of \$442,000 or 65.2% over the same period last year. For the three month period ended September 30, 1997, mortgage banking activities increased 54.7% or \$220,000 over the same period in the previous year. These increases are the result of the Bank's efforts to further penetrate the mortgage market. Other operating income decreased \$90,000 or 13.4% from the same period last year. The decrease mainly resulted from not realizing the same level of non recurring income in the same period of the current year.

Total other expenses increased during the nine month period ended September 30, 1997 by \$711,000 or 12.0%, and for the three month period ended September 30, 1997 by \$372,000 or 18.4%, over the same period last year. For the three month period ended September 30, 1997, salary and benefit expense increased \$163,000 or 16.0% over the same period in the prior year. For the nine month period ended September 30, 1997 the salary and employee benefit expense of \$413,000 was 13.8% higher than the same period in the previous year. This increase mainly results from increased staffing and salary increases. Net occupancy expense for the nine month period ended September 30, 1997 increased by \$109,000 or 26.7%, and for the three month period ended September 30, 1997 by \$70,000 or 56%, over the same period last year. These increases reflect the costs of the new main headquarters building occupied in May of 1997, increased rental space in the Bank's residential mortgage center and the costs of opening an additional branch office in the village of Southampton. Expected opening date of this branch office is November of 1997. Other operating expenses increased \$152,000 or 7.1% for the nine month period, and \$126,000 or 16.9% for the three month period ended September 30, 1997, respectively. This primarily results from increased loan processing expenses incurred by the Bank as part of a product promotion.

The provision for income taxes increased during the nine month period ended September 30, 1997 by \$726,000 or 65.6% over the same period last year, \$575,000 of the increase being attributable to the tax on the gain realized on the sale of the former headquarters building.. The effective tax rate for the nine month period ended September 30, 1997 was 36% as compared to the prior period of 34% mainly as a result of increased income and decreased benefits of tax exempt income in the current year.

In accordance with the requirement of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRIDGE BANCORP, INC.

Date: November 14, 1997 Thomas J. Tobin

Thomas J. Tobin
President and Chief Executive Officer

Date: November 14, 1997 Christopher Becker

Christopher Becker
Senior Vice President and Treasurer

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