

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, 1996

OR

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

2488 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 the latest practicable date: 469,200 shares of common stock as of November 12, 1996.

BRIDGE BANCORP, INC.
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Item 1. Financial Statements

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

	September 1996	December 31 1995
	-----	-----
ASSETS		
Cash and due from banks	\$8,751	\$7,404
Interest earning deposits with banks	\$221	\$76
Federal funds sold	-	-
	-----	-----
Total cash and cash equivalents	\$8,972	\$7,480
Investment in debt and equity securities, net:		
Securities available for sale, at fair value	\$73,469	\$52,689
Securities held to maturity (fair value of \$5,940 and \$6,425 respectively)	\$5,941	\$6,425
	-----	-----
Total investment in debt and equity securities, net	\$79,410	\$59,114
Loans	\$116,185	\$111,480
Less:		
Allowance for possible loan losses	\$1,117	\$1,038
	-----	-----
Loans, net	\$115,068	\$110,442
Banking premises and equipment, net	\$5,492	\$3,775
Other real estate owned	-	\$235
Accrued interest receivable	\$1,603	\$1,524
Deferred income taxes	\$353	\$67
Other assets	\$1,705	\$1,433
	-----	-----
TOTAL ASSETS	\$212,603	\$184,070
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Demand deposits	\$52,072	\$44,291
Savings, NOW, and money market deposits	\$70,439	\$61,518
Certificates of deposit of \$100,000 or more	\$20,967	\$14,256
Other time deposits	\$43,807	\$46,079
	-----	-----
Total deposits	\$187,285	\$166,144
Federal Funds Purchased	\$6,600	-
Accrued interest on depositors' accounts	\$1,893	\$1,474
Other liabilities and accrued expenses	\$593	\$1,032
Total Liabilities	\$196,371	\$168,650
	=====	=====
Stockholders' equity:		
Common stock, par value \$5.00 per share:		
Authorized: 1,500,000 shares; issued and outstanding		
469,200 shares at 9/30/96 and 480,000 shares at 12/31/96	\$2,400	\$2,400
Surplus	\$600	\$600
Undivided profits	\$13,907	\$12,068
Less: Net unrealized (depreciation) appreciation in		
Securities Available for sale, net of tax	(\$54)	\$352
Treasury Stock at cost, 10800 shares	(\$621)	-
	-----	-----
Total Stockholders' Equity	\$16,232	\$15,420
Commitments and contingencies	-	-
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$212,603	\$184,070
	=====	=====

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 September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Interest income:				
Loans (including fee income)	\$2,663	\$2,639	\$8,183	\$7,520
Deposits with banks	8	28	10	28
Federal funds sold	144	137	320	232
U.S. Treasury and government agency securities	362	275	935	866
State and municipal obligations	227	192	650	733
Other securities	10	12	31	36
Mortgage-backed securities	436	395	1,189	1,262
Total interest income	3,850	3,678	11,318	10,677
Interest expense:				
Savings, N.O.W. and money market deposits	414	398	1,190	1,195
Certificates of deposit of \$100,000 or more	300	286	781	1,117
Other time deposits	595	654	1,851	1,676
Other borrowed money	8	-	11	22
Total interest expense	1,317	1,338	3,833	4,010
Net interest income	2,533	2,340	7,485	6,667
Provision for possible loan losses	90	133	211	223
Net interest income after provision for possible loan losses	2,443	2,207	7,274	6,444
Other income:				
Service charges on deposit accounts	182	194	517	548
Net securities gains	28	-	42	31
Mortgage banking activities	402	137	678	248
Other operating income	223	181	670	451
Total other income	835	512	1,907	1,278
Other expenses:				
Salaries and employee benefits	1,018	864	2,994	2,551
Net occupancy expense	125	137	408	415
Furniture and fixture expense	138	106	381	308
Other operating expenses	746	619	2,146	2,013
Total other expenses	2,027	1,726	5,929	5,287
Income before provision for income taxes	1,251	993	3,252	2,435
Provision for income taxes	435	347	1,106	771
Net income	\$816	\$646	\$2,146	\$1,664
Earnings per common share	\$1.73	\$1.35	\$4.51	\$3.47

See accompanying notes to the unaudited cons. fin. state.

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

	Nine Months Ended September 30	
	1996	1995

Operating activities:		
Net Income	\$2,146	\$1,664
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for possible loan losses	211	223
Depreciation and amortization	309	295
Accretion of discounts	(73)	(53)
Amortization of premiums	285	344
Net securities gains	(43)	(31)
Loss on sale of other real estate owned	-	29
(Increase) in accrued interest receivable	(79)	(323)
(Increase) Decrease in other assets	(272)	6
Increase in accrued and other liabilities	508	720

Net cash provided by operating activities	2,992	2,874
	=====	
Investing activities:		
Purchases of securities available for sale	(58,902)	(3,845)
Purchases of securities held to maturity	(3,900)	(5,904)
Proceeds from sales of securities available for sale	24,218	3,088
Proceeds from maturing securities available for sale	8,300	2
Proceeds from maturing securities held to maturity	3,721	8,581
Proceeds from principal payments on mortgage-backed securities	5,406	3,752
Net increase in loans	(4,837)	(15,105)
Proceeds from sales of other real estate owned	235	518
Purchases of banking premises and equipment, net of deletions	(2,026)	(1,114)

Net cash used by investing activities	(27,785)	(10,027)
	=====	
Financing activities:		
Net increase in deposits	21,141	12,779
Decrease in other borrowings	6,600	(1,800)
Payment for purchase of treasury stock	(621)	-
Cash dividends paid	(835)	(672)

Net cash provided by financing activities	26,285	10,307
	=====	
Increase in cash and cash equivalents	1,492	3,154
Cash and cash equivalents beginning of period	7,480	7,511

Cash and cash equivalents end of period	\$8,972	\$10,665
	=====	
Supplemental information-Cash Flows:		
Cash paid for:		
Interest	\$3,420	\$3,185
Income taxes	\$904	\$727
Noncash investing and financing activities:		
Additions to other real estate owned	-	-

See accompanying notes to the unaudited consolidated financial statements

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, 1996. 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, 1995.

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

Financial Condition

The assets of the Registrant totaled \$212,603,000 at September 30, 1996, an increase of \$ 28,533,000 or 15.5% from the year end. This increase mainly results from the increase in investment in debt and equity securities of \$20,296,000; an increase in loans of \$4,705,000; and an increase in banking premises and equipment of \$1,717,000 caused by capitalized construction costs for the Registrant's new office facility in the first nine months of 1996. The source of funds for the increase in assets was derived from an increase in deposits of \$21,141,000 or 12.7% and federal funds purchased of \$6,600,000 at quarter end.

Total stockholders' equity was \$16,232,000 at September 30, 1996, an increase of 5.3% over December 31, 1995. The increase of \$812,000 was the result of undistributed net income for the nine month period ended September 30, 1996, of \$1,839,000 less the change in net unrealized appreciation (depreciation) in securities available for sale, net of tax, of \$406,000; and the purchase of 10800 shares of common stock, which is now held as treasury stock, at a cost of \$620,520. The decrease in the revaluation of securities available for sale is directly attributable to changes in interest rates. Management determined such depreciation to be temporary, and does not expect future sales to result in material loss with regards to results of operations.

Results of Operations

During the first nine months of 1996, the Registrant earned net income of \$2,146,000 or \$4.51 per share as compared with \$1,664,000 or \$3.47 per share for the same period in 1995. Net income for the three month period ended September 30, 1996 was \$816,000 or \$1.73 per share compared to \$646,000 or \$1.35 per share for the same period in 1995. Highlights for the nine months ended September 30, 1996 include: (i) a \$818,000 or 12.3% increase in net interest income; (ii) a \$629,000 or 49.2% increase in total other income; and (iii) a \$642,000 or 12.1% increase in total other expenses.

Net income for the first nine months of 1996 reflects annualized returns of 18.22% on average total stockholders' equity and 1.44% on average total assets as compared to the corresponding figures for the preceding calendar year of 16.29% on average total stockholders' equity and 1.27% on average total assets.

Net interest income, the primary source of income, increased by \$818,000 or 12.3% for the current nine month period over the same period last year. The increase resulted from an increase in average total interest earning assets from \$174,704,000 in the first nine months of 1995 to \$182,572,000 for the comparable period in 1996, a 4.5% increase.

An increase in the net yield on average earning assets from 5.1% for the period ended September 30, 1995 to 5.6% for the same period in 1996 also contributed to the increase in net interest income. The increase in the net yield on average interest earning assets was due to an increase in the average yield on assets from 8.1% for the period ended September 30, 1995 to 8.4% for the same period this year. The average cost of liabilities reduced from 4.0% to 3.8% from the same period last year.

A \$211,000 provision for possible loan losses was made during the nine month period ended September 30, 1996, compared to a \$223,000 provision for the same period in 1995. The allowance for possible loan losses increased to \$1,117,000 at September 30, 1996, as compared to \$1,038,000 at December 31, 1995. As a percentage of loans the allowance was 0.96% at September 30, 1996 and .93% at December 31, 1995. The allowance as a percentage of nonperforming loans (including loans past due 90 days or more and still accruing) was 462.7% at September 30, 1996 compared to 204.3% at December 31, 1995. The allowance reflects management's evaluation of classified loans, charge-off trends, concentrations of credit and other pertinent factors.

Total other income increased during the nine month period ended September 30, 1996 by \$629,000 or 49.2% over the same period last year. The increase was the result of mortgage banking activities totalling \$678,000, an increase of \$430,000 or 173.4% over the same period last year. The increase resulted from the Bank's efforts to further penetrate the mortgage market. Other operating income increased \$219,000 or 48.6% over the same period last year mainly as the result of recoveries on nonperforming loans of \$103,000; a nonrecurring refund from an outsource provider of \$61,000; and increased merchant charge plan income of \$29,000.

Total other expenses increased during the nine month period ended September 30, 1996 by \$642,000 or 12.1% over the same period last year. The components of this change are as follows: (i) increase in salary and benefits of \$443,000 or 17.4% reflecting salary and benefit cost increases and increased staffing of the mortgage banking area; (ii) decrease in FDIC assessments of \$118,000; and (iii) increase in other operating expenses of \$133,000 resulting mainly from increased advertising expense of \$111,000 related to a new advertising campaign, increased loan processing expenses of \$82,000 resulting mainly from increased mortgage banking volume, and a loss of \$65,000 resulting from the settlement of a lawsuit involving a dispute over signing authority on a partnership account which arose out of the normal conduct of business.

The provision for income taxes increased during the nine month period ended September 30, 1996 by \$335,000 or 43.4% over the same period last year. The increase reflects the growth in income before income taxes.

Part II Other Information

Item 6. Exhibits and Reports on Form 8K

On July 30, 1996 the Registrant filed a Form 8K relative to the purchase of 3280 shares or .68 percent of its outstanding common stock to be held as treasury stock. As of September 30, 1996 the Registrant holds 10,800 shares of treasury stock or 2.3 percent.

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 13, 1996

Thomas J. Tobin

Thomas J. Tobin

President and Chief Executive Officer

Date: November 13, 1996

Christopher Becker

Christopher Becker

Vice President and Treasurer

November 14, 1996

Securities and Exchange Commission
450 Fifth Street, N.W.
Filing Desk
Mall Stop 1-H
Washington, DC 20549-1004

Dear Sirs:

Pursuant to regulations of the Securities and Exchange Commission, submitted herewith for filing on behalf of Bridge Bancorp, Inc. (the "Company") is the Company's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 1996.

This filing is being effected by direct transmission to the Commission's EDGAR System.

Sincerely,

Christopher Becker

Christopher Becker

Vice President & Treasurer

9-MOS
Dec-31-1996
Sep-30-1996
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