



Dime Community Bancshares, Inc.
(NASDAQ: DCOM)

February 2024



Forward-Looking Statements

This presentation 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," "likely," "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:

- the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Company's control;
- there may be increases in competitive pressure among financial institutions and from non-financial institutions;
- the net interest margin is subject to material short-term fluctuation based upon market rates;
- changes in deposit flows, loan demand or real estate values may affect the business of the Company;
- changes in the quality and composition of our loan or investment portfolios;
- unanticipated or significant increases in loan losses may negatively affect the Company's financial condition or results of operations;
- changes in accounting principles, policies or guidelines may cause the Company's financial condition to be perceived differently;
- changes in corporate and/or individual income tax laws may adversely affect the Company's business or financial condition or results of operations;
- general economic conditions, either nationally or locally in some or all areas in which the Company conducts business, or conditions in the securities markets or the banking industry, may be different than the Company currently anticipates;
- legislative, regulatory or policy changes may adversely affect the Company's business or results of operations;
- technological changes may be more difficult or expensive than the Company anticipates;
- there may be failures or breaches of information technology security systems;
- success or consummation of new business initiatives or the integration of any acquired entities may be more difficult or expensive than the Company anticipates;
- litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Company anticipates; 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, 2022 as updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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

Investment Highlights

1. *Leading market share and best-in-class deposit franchise with significant scarcity value*
2. *Operates in an attractive, high-density market for business customers*
3. *Strong and consistent financial performance*
4. *Opportunity to transform balance sheet towards business loans*
5. *Superior asset quality through various cycles*
6. *Maintains strong liquidity coverage ratios*
7. *Proactive management team that has capitalized on M&A Disruption*
8. *Strong corporate governance*
9. *Established community ally with an “Outstanding” CRA rating*

New York's Premier Business Bank

History

A community bank built on perseverance, character, customer service and community reinvestment

The Dime Savings Bank of Williamsburg is founded approximately 6 months after President Lincoln delivers Gettysburg Address, and approximately 1 year before the US is reunited after the Civil War

1864



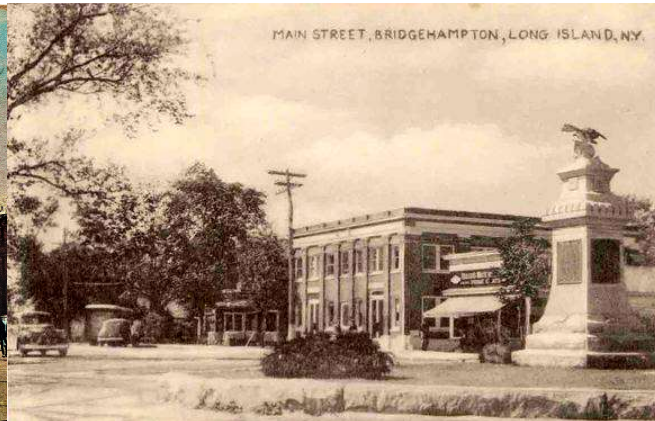
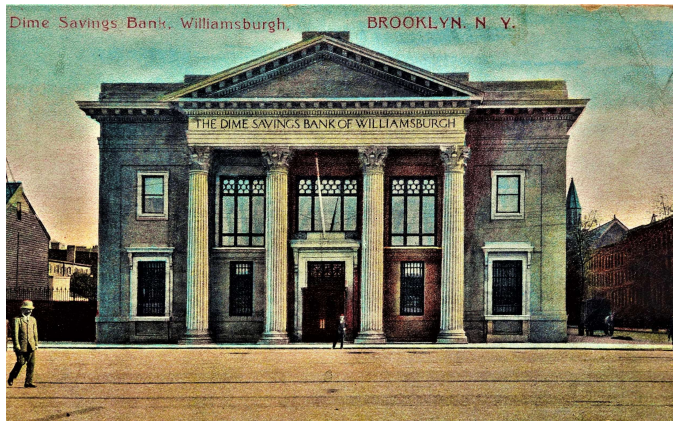
The Bridgehampton National Bank is incorporated in the same week the Boy Scouts of America is incorporated by W.D. Boyce

1910



Dime Community Bank and BNB Bank complete a Merger of Equals amidst the COVID-19 pandemic and combine to loan almost \$2 billion of Paycheck Protection Program loans to customers and businesses in need

2021



Leading Market Share and Significant Scarcity Value

- Dime ranks #1 by deposit market share on Greater Long Island amongst community banks ⁽¹⁾⁽²⁾
- Ubiquitous brand and coverage spanning entire footprint
- Only publicly-traded community bank with over \$1.0 billion of Tier 1 capital headquartered on Greater Long Island
 - In the “sweet spot” to uniquely serve middle market clients with our capabilities, customer focus and capital base
 - Capitalizing on disruption from recent mergers in our footprint as none of the acquirors are locally managed

#1 Community Bank on Greater Long Island by Deposit Market Share

<u>Rank</u>	<u>Institution</u>	<u>Branches</u>	<u>Deposits (\$B)</u>	<u>Market Share</u>
1	Dime	56	\$10.2	22.3%
2	Apple	46	\$7.1	15.6%
3	Flushing	24	\$6.3	13.8%
4	Ridgewood	27	\$4.7	10.3%
5	First of Long Island	40	\$3.4	7.4%

Source: S&P Global. Data as of June 30th, 2023.

From Montauk to Manhattan

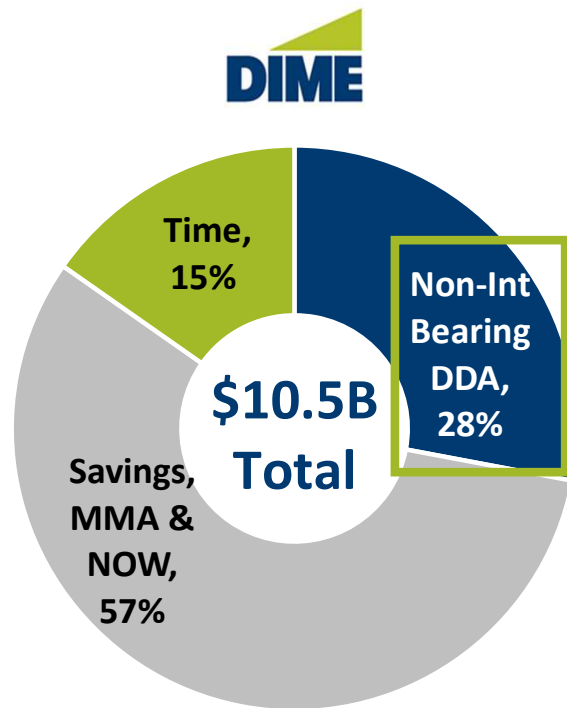


(1) Greater Long Island defined as Kings, Queens, Nassau, and Suffolk Counties.

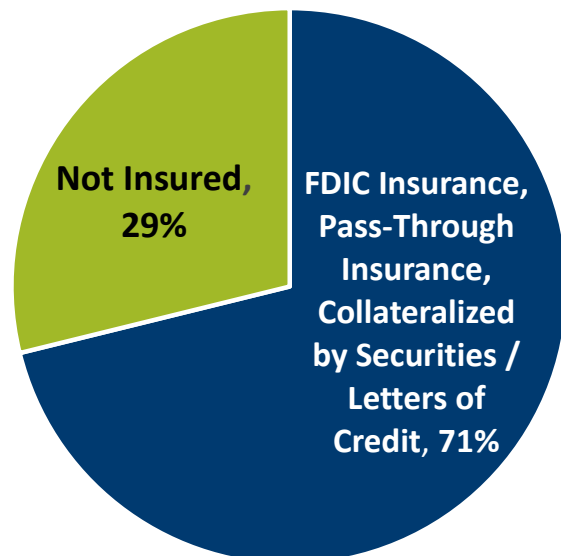
(2) Community Banks defined as Banks with assets less than \$20 billion.

Source: S&P Global

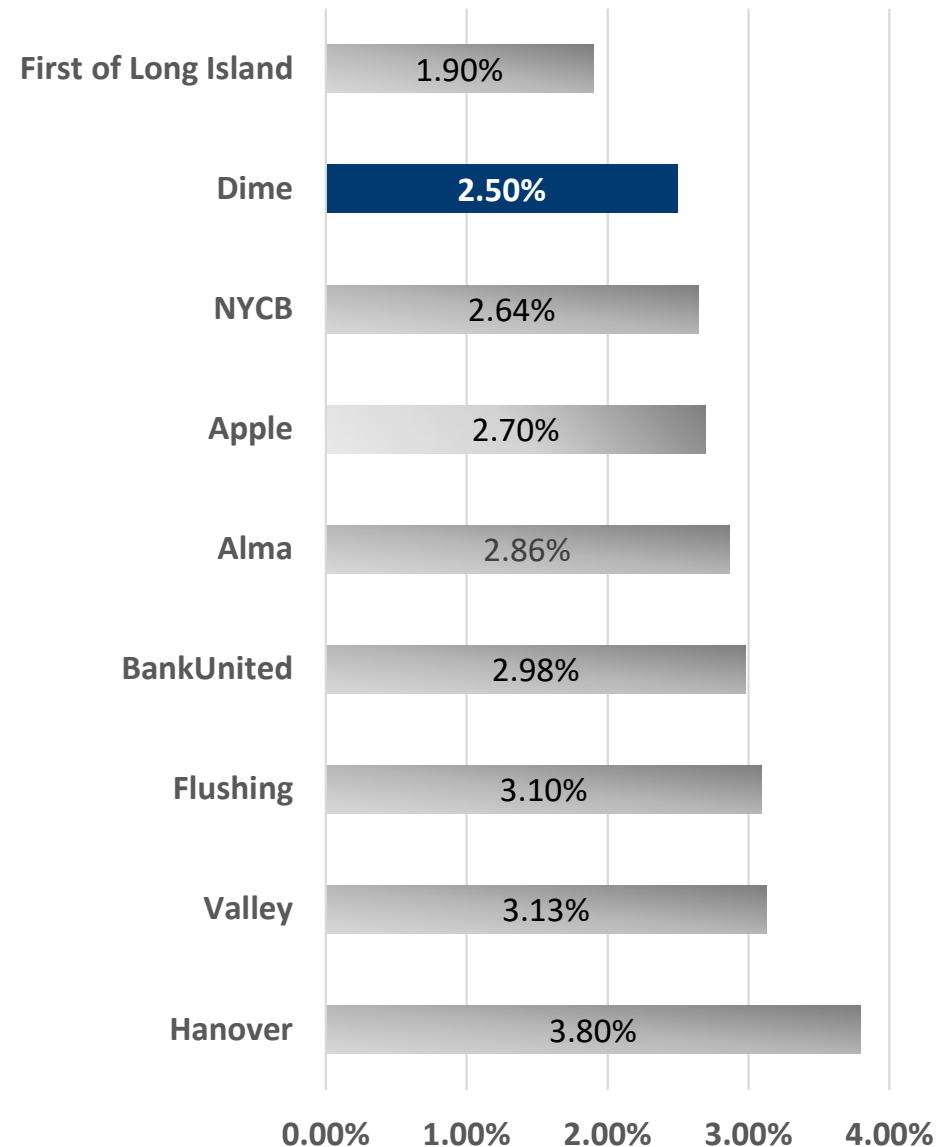
Best-in-Class Deposit Franchise



Q4 2023 Cost of Deposits: 2.50%



Q4 2023 Cost of Deposits: Vs "Footprint Banks" ⁽¹⁾



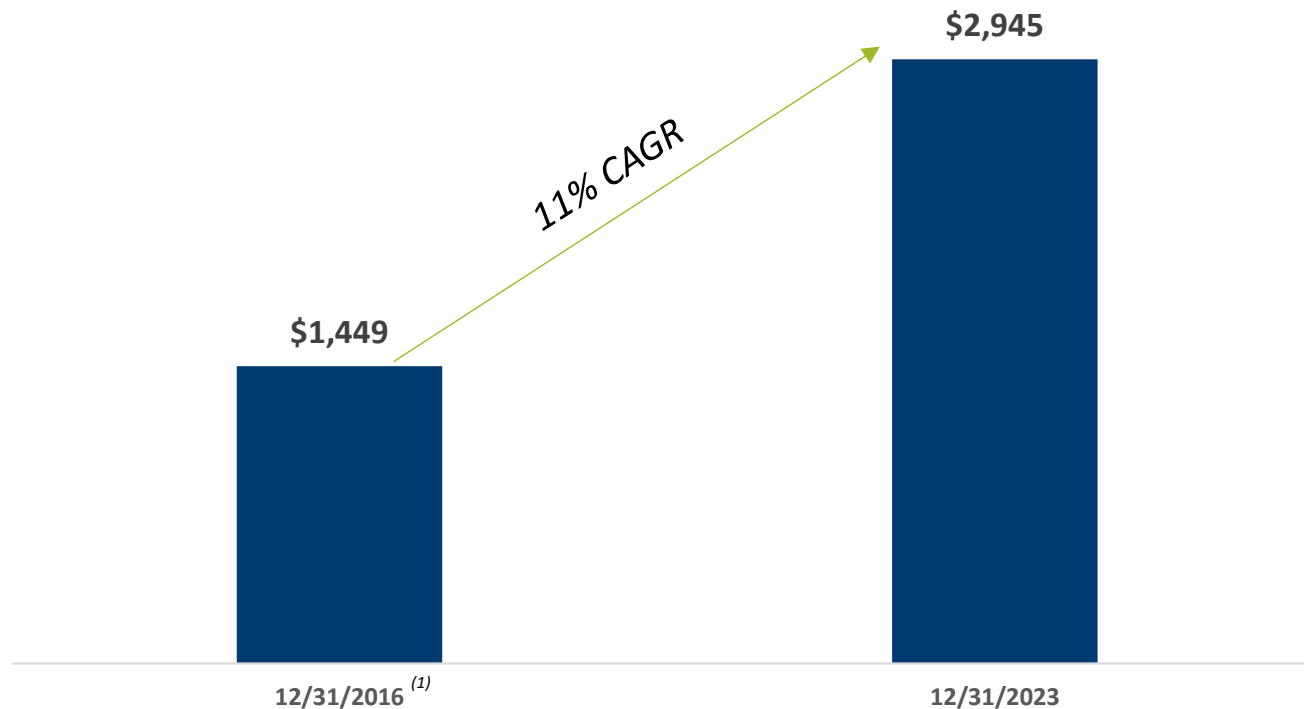
Source: S&P Global.

(1) "Footprint Banks" include institutions with less than \$150B of assets and >\$500M of deposits in any one of the Greater Long Island counties (Kings, Queens, Nassau, Suffolk).



Proven Track Record of DDA Growth

Noninterest Bearing Deposits (\$ in millions)



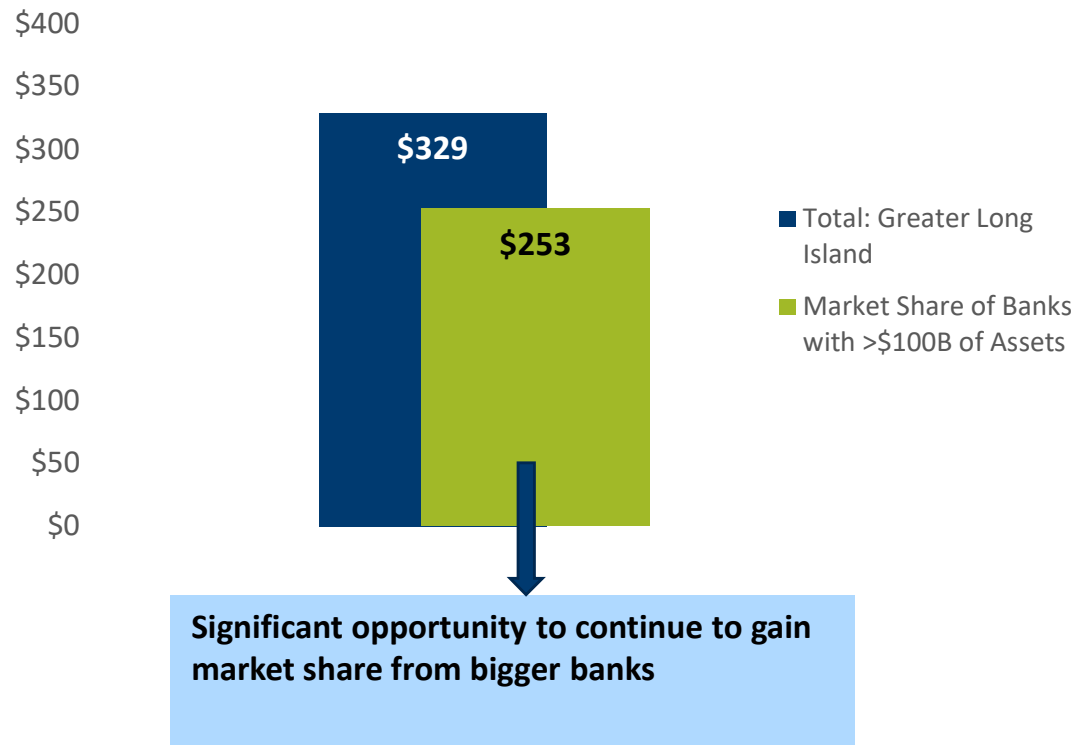
Our management team has a proven track record of growing DDA organically

(1) Represents sum of Legacy Dime & Legacy BNB on a combined basis.

We Operate in An Attractive Market with Significant Opportunities for Market Share Gains

- Combined population of ~ 8 million for Kings, Queens, Nassau, and Suffolk would represent the 14th largest state in the country
- \$329 Billion of total deposits in Greater Long Island marketplace⁽¹⁾

Total Deposits in Market (\$Billions)

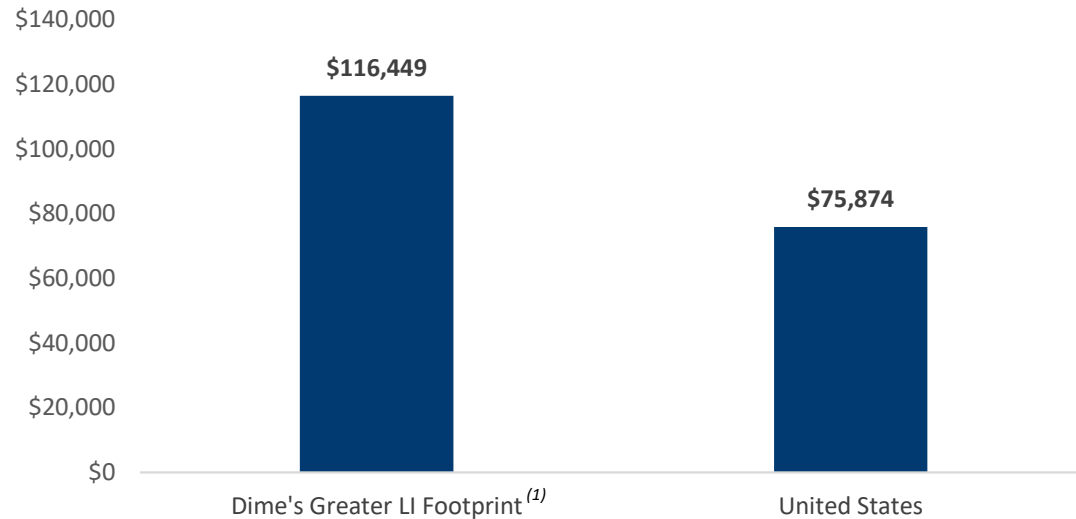


Source: S&P Global. Data as of June 30th, 2023.

(1) Greater Long Island defined as Kings, Queens, Nassau, and Suffolk Counties.

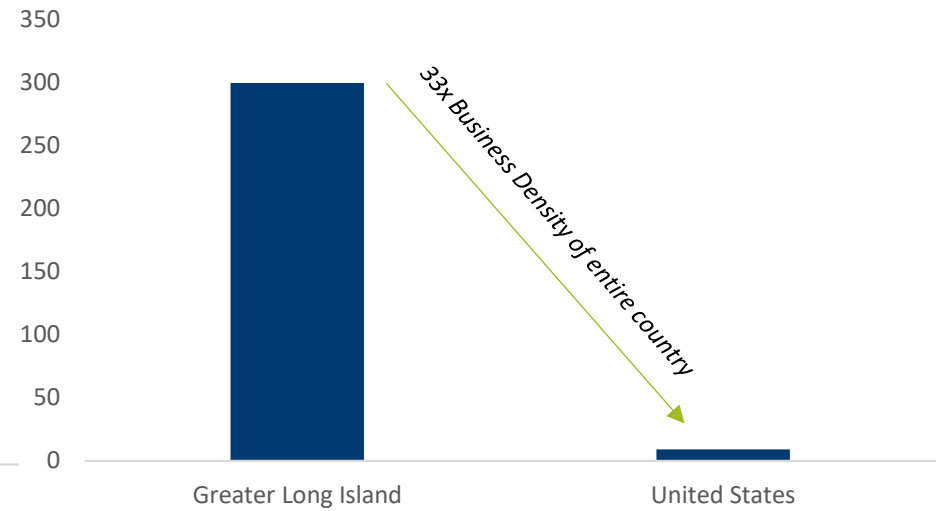
Our Footprint is Characterized by Above Average Wealth and Significant Business Density

Median Household Income



Source: S&P Global

Businesses/Square Mile



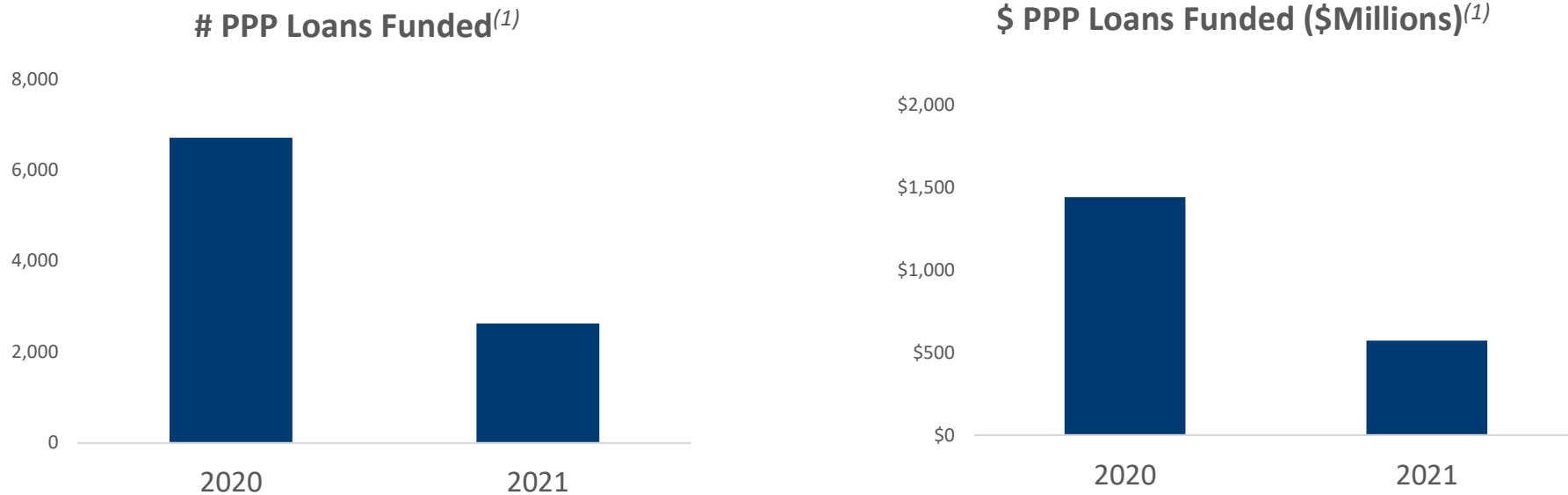
Source: S&P Global

- Median household income in our deposit footprint is well above national average
- The business density across our footprint provides us a unique opportunity
- The attractive demographics of our footprint allows us to operate successfully as a pureplay in-market community commercial bank

(1) Median household income is weighted by Dime's deposits in each county in Greater Long Island.

Highly Responsive Customer Focused Platform As Demonstrated by PPP Performance

PPP Originations

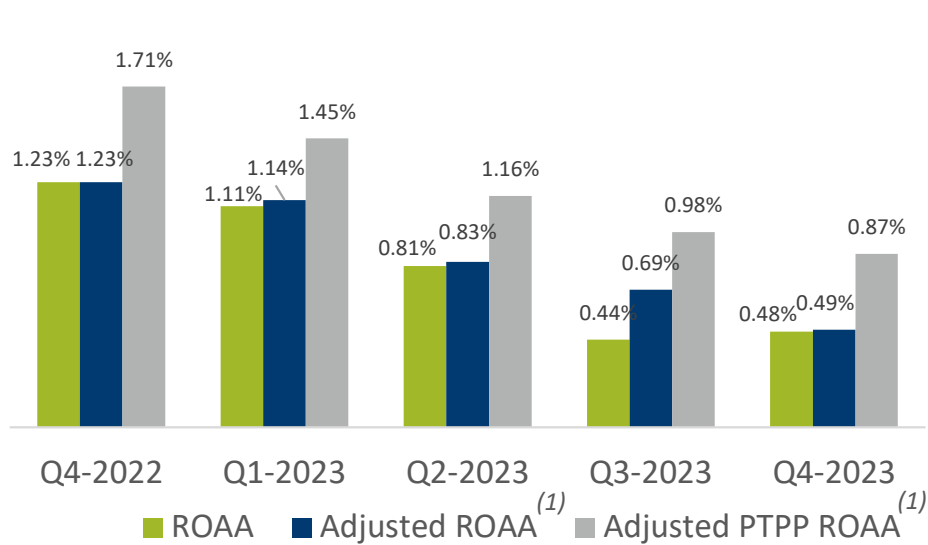


- Participating in PPP was a firmwide priority in FY 2020 and FY 2021
- We were the leading provider of PPP amongst community banks in our footprint
- Serviced existing relationships and generated significant number of new business relationships and customer touchpoints. Testament to our status as a highly responsive community commercial bank
- Sold 2021 PPP Originations in Q2 2021 and recorded \$20.7mm of revenue associated with the recognition of deferred fees

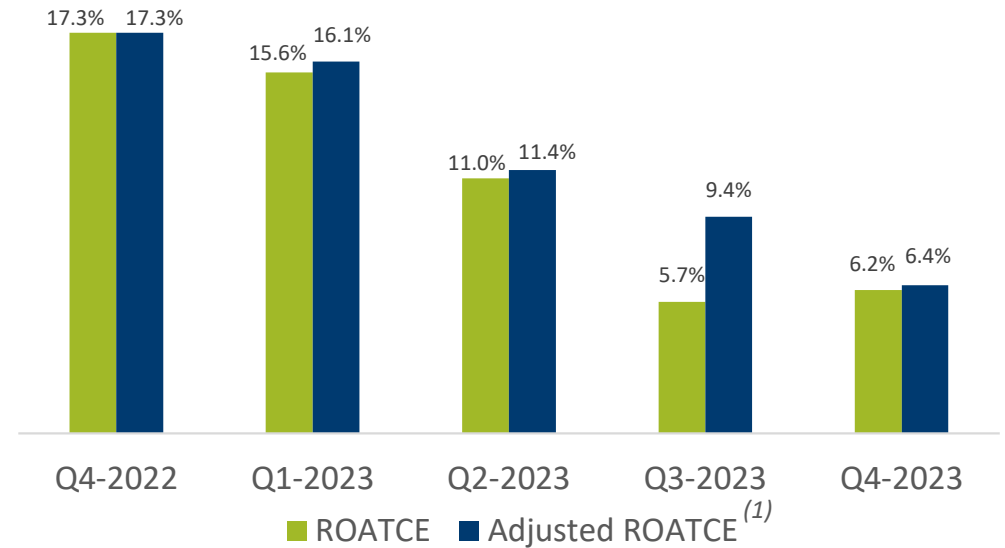
(1) 2020 represents the sum of Legacy Dime and Legacy BNB on a combined basis.

Strong and Consistent Financial Performance

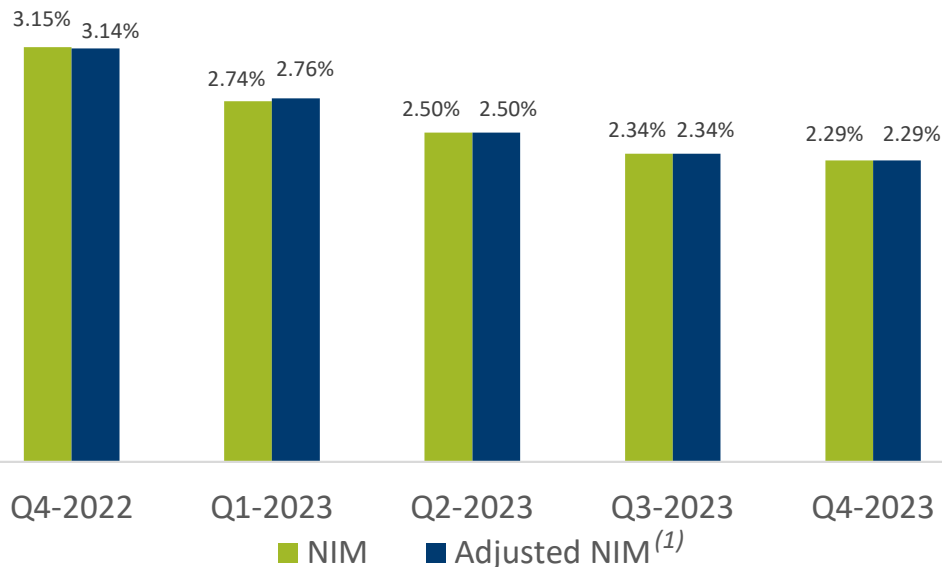
Return on Average Assets



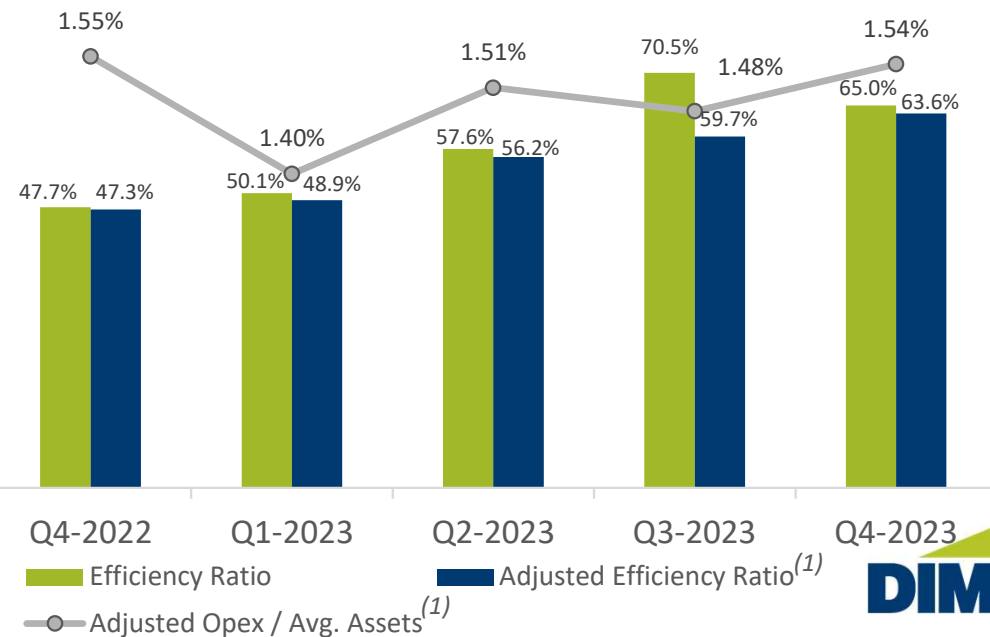
Return on Average Tangible Common Equity



Net Interest Margin



Efficiency Ratio

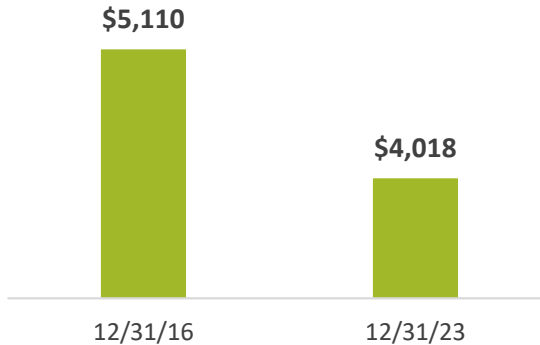


(1) See Appendix for reconciliation of non-GAAP adjusted ratios

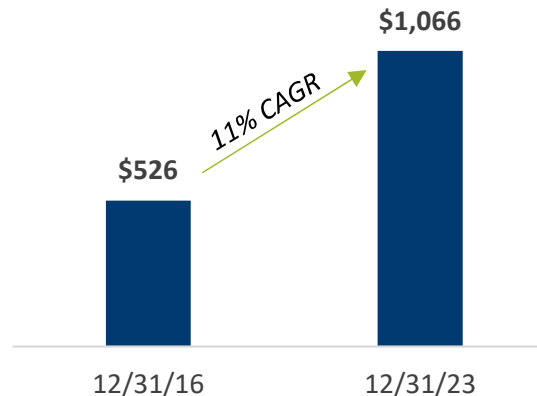
Opportunity to Transform Balance Sheet

Loan Portfolio Mix ⁽¹⁾

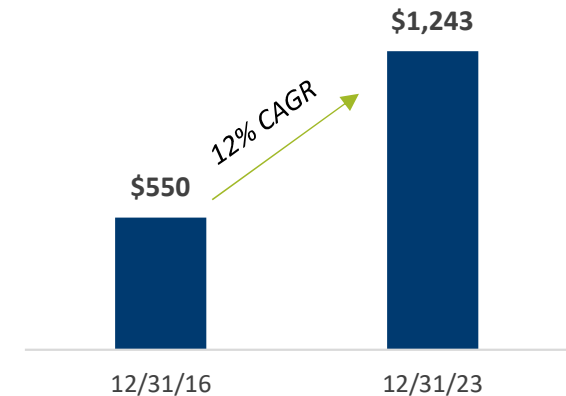
Multifamily (\$ in millions)



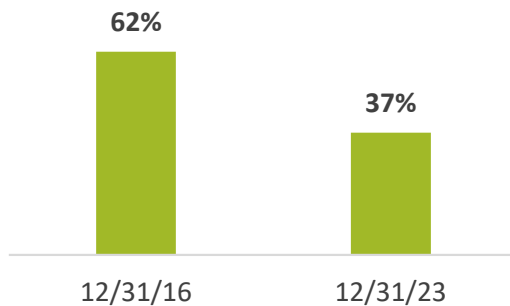
C&I less PPP (\$ in millions)



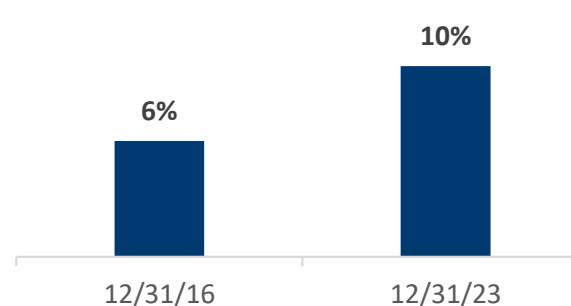
Owner-Occupied CRE (\$ in millions)



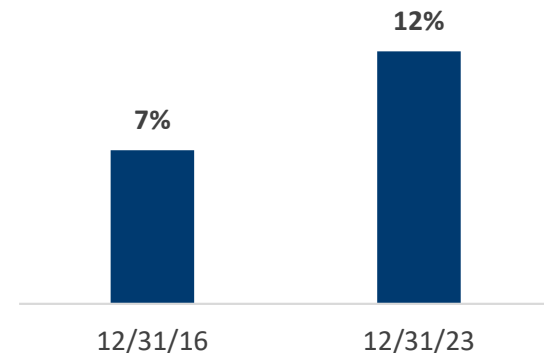
Multifamily (% of Loans) ⁽²⁾



C&I less PPP (% of Loans) ⁽²⁾



Owner-Occupied CRE (% of Loans) ⁽²⁾



- Our focus is on growing Business loans (C&I & Owner-Occupied CRE), which are accompanied by a greater level of associated deposits

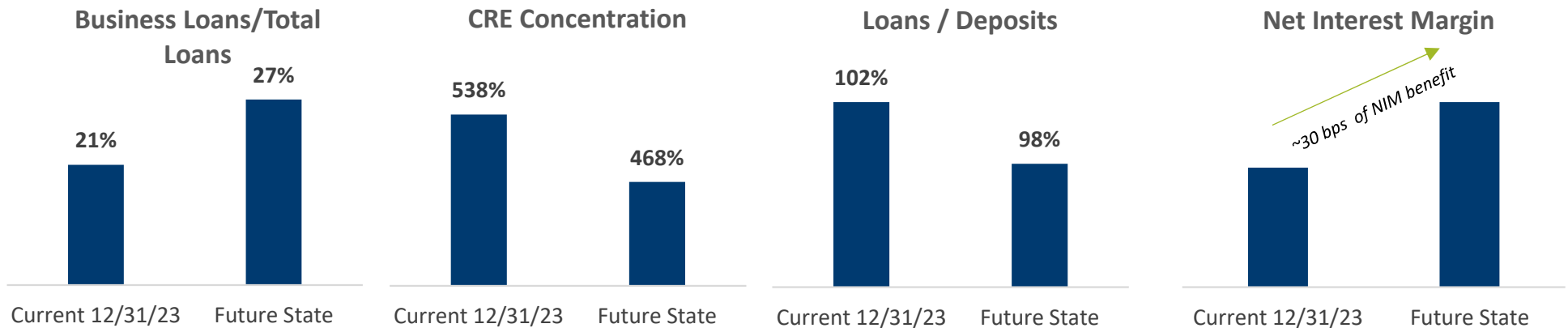
(1) 12/31/16 represents sum of Legacy Dime and Legacy BNB on a combined basis.

(2) % of loans excludes SBA PPP Loans from calculation.

Balance Sheet Metrics and Profitability Expected to Benefit from Rightsizing Multifamily Portfolio

Our strategic plan envisions reducing the weighting of multifamily loans to ~30% of the total portfolio (from ~37% currently). Outlined below is the illustrative impact of using the proceeds, from a planned reduction in multifamily, to grow Business loans and paydown wholesale borrowings

(\$ in millions)	Balance 12/31/2023	Illustrative Changes	Balance Future State
Multifamily	\$4,018	(\$1,000)	\$3,018
Business Loans	\$2,310	\$500	\$2,810
FHLB Borrowings	\$1,313	(\$500)	\$813

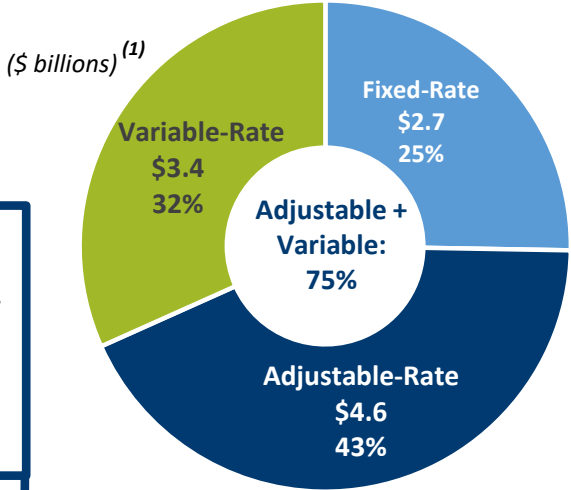


Note – Assumes a rate on existing multifamily loans of 4.53%, rate on new Business loans of ~8.30% and cost of wholesale borrowings of ~5.10%

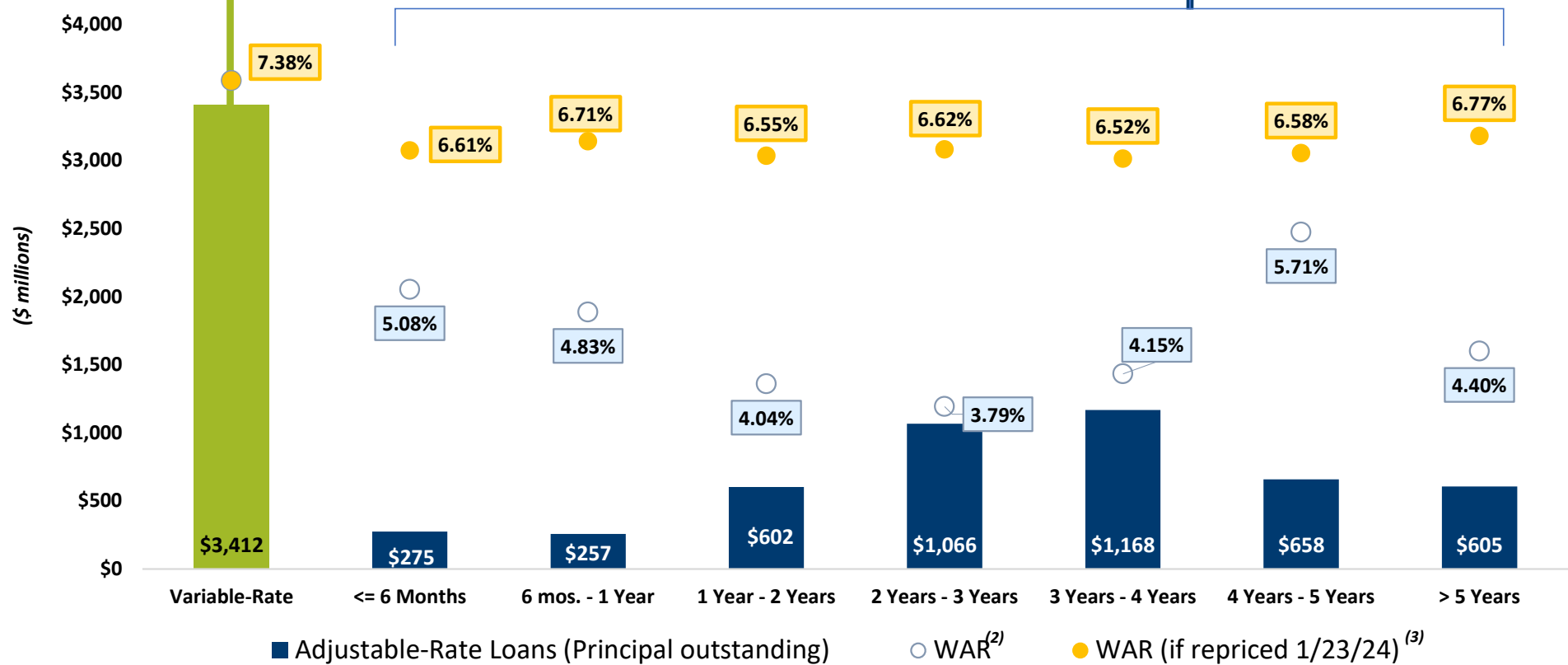
Loan Repricing Opportunity

Variable-rate loans represent 32% of total loan portfolio⁽¹⁾

Adjustable-rate loans (60% tied to FHLB rates & 40% tied to Treasury rates) represent 43% of total loan portfolio⁽¹⁾



Variable & Adjustable-Rate Loan Composition

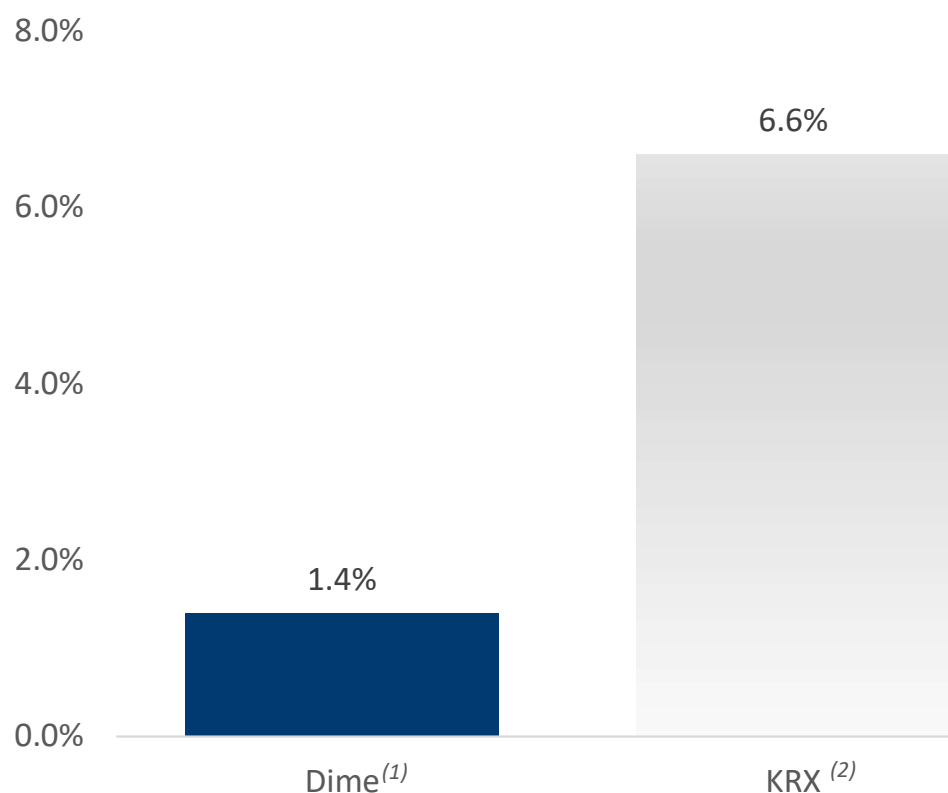


(1) Inclusive of portfolio layer hedges
(2) Current weighted average rate as of 12/31/23
(3) Weighted Average Rate if loans in each tranche reprice based on 1/23/24 index rates + spread

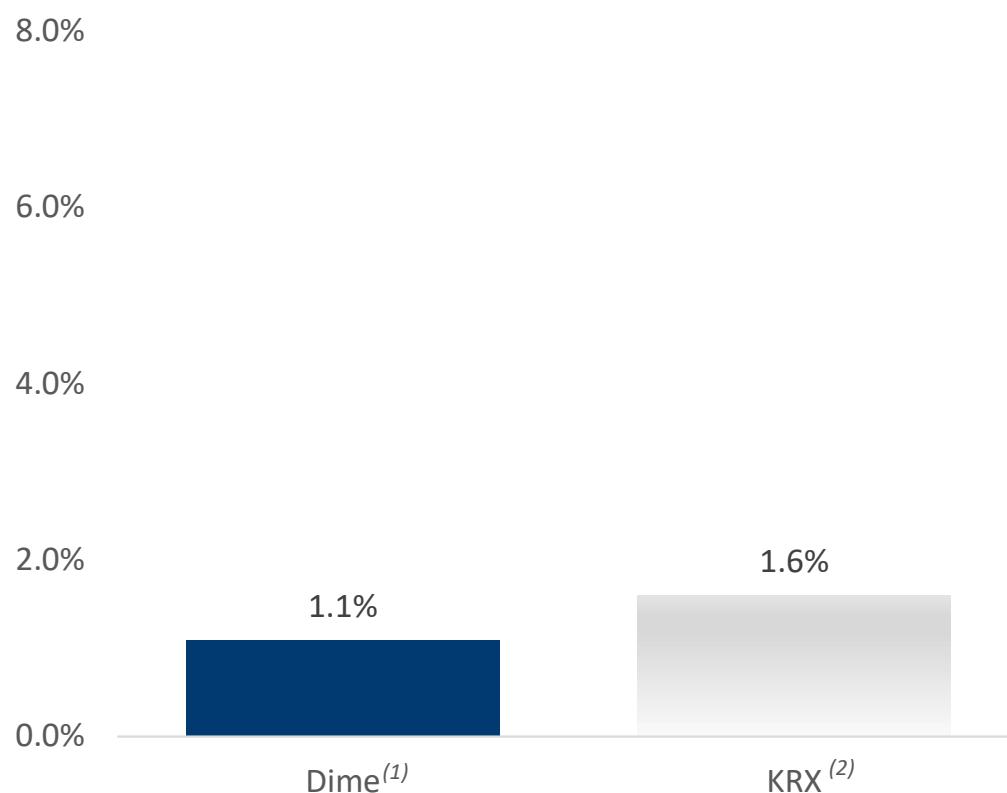
Superior Asset Quality Through Various Cycles

Our cumulative credit losses were extremely low compared to the KRX Bank Index during the 2008 Financial Crisis. Post 2008 Financial Crisis, our credit losses continue to track well below the bank index

Cumulative NCOs from 2007 to 2013 over 2006 Gross Loans



Cumulative NCOs from 2015 to 2022 over 2014 Gross Loans



(1) Represents the sum of Legacy Dime and Legacy BNB on a combined basis.

(2) KBW Regional Banking Index

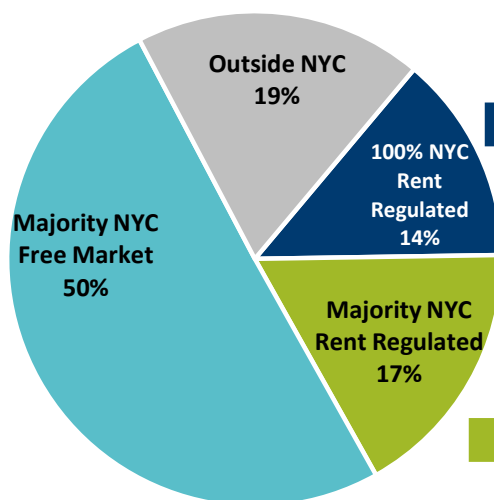
Loans by Asset Class as of December 31, 2023

<i>Dollars in millions</i>		
	Balance	LTV
1-4 Family	\$ 889	56%
Multi-Family	4,018	58%
CRE Owner	1,243	57%
Investor CRE		
Retail	1,188	53%
Office	764	60%
Warehouse/Industrial	470	54%
Hotels	353	57%
Supportive Housing	166	61%
Medical Facility	114	64%
Educational Facility or Library	106	58%
Other ⁽¹⁾	221	57%
Total Investor CRE	3,382	56%
Land & Construction	169	
C&I	1,066	
Other Loans	6	
Total	\$ 10,773	

(1) "Other" category includes various property types such as gas stations, restaurants, storage facilities, and other special use properties.

Overview of Multifamily Portfolio as of December 31, 2023

Composition



- In aggregate, within the 100% NYC Rent-Regulated & Majority NYC Rent-Regulated portfolios, 2024 maturities and repricings are only \$99 million or < 1% of total assets

100% NYC Rent Regulated

Loan Portfolio:	\$548 million
Average Loan Balance:	\$2.50 million
Weighted Average LTV:	57%
Nonperforming Loans / Loans	0.00%
2024 Maturities & Repricing:	\$56 million
2025 Maturities & Repricing:	\$73 million

Majority NYC Rent Regulated

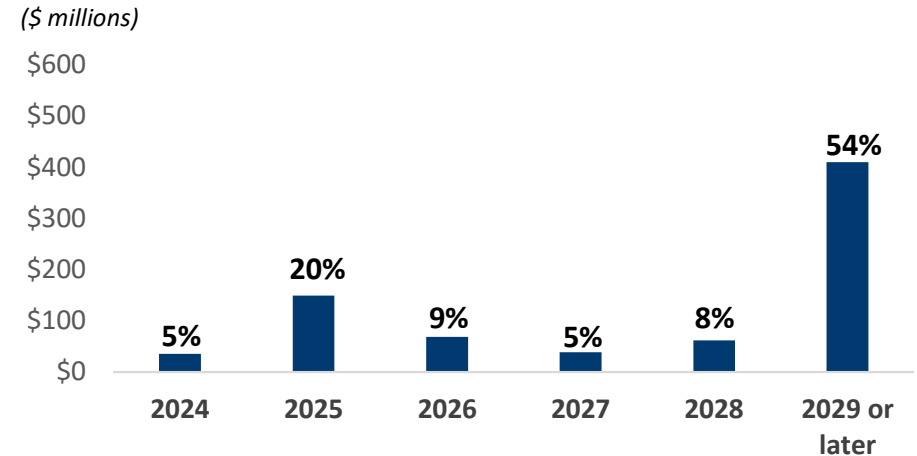
Loan Portfolio:	\$687 million
Average Loan Balance:	\$3.82 million
Weighted Average LTV:	60%
Nonperforming Loans / Loans	0.00%
2024 Maturities & Repricing:	\$43 million
2025 Maturities & Repricing:	\$75 million

Diversified and Granular Investor Office Portfolio

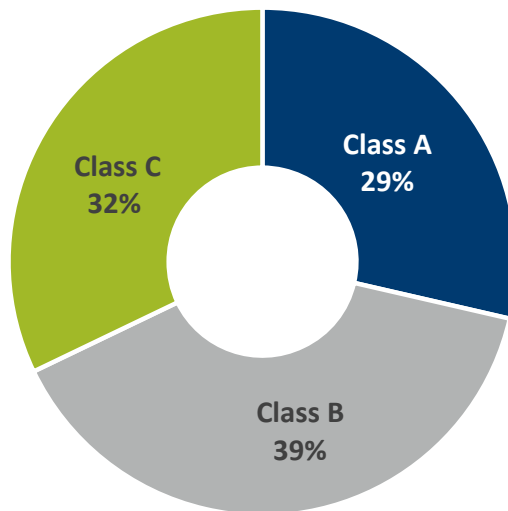
Investor Office Portfolio Characteristics

- Granular portfolio comprised of loans to experienced operators
- Average loan size of ~\$5.9 million
- Manhattan exposure is ~\$195 million with an LTV of ~50%
- Limited near-term maturity wall for office portfolio
 - Only 5% of portfolio maturing in 2024
- Approximately 19% of Investor Office is Medical

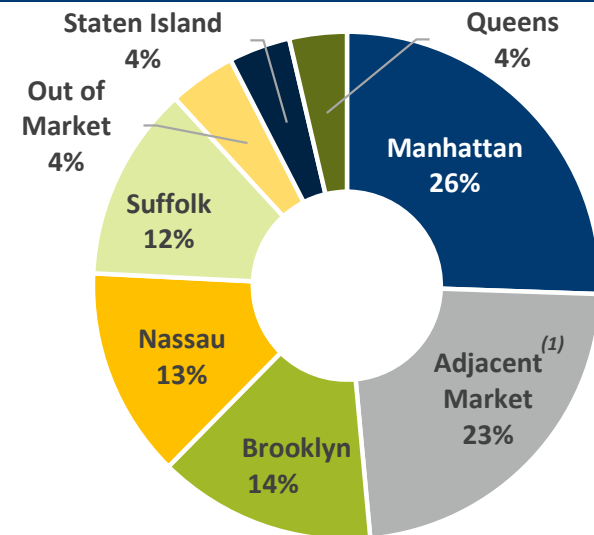
Investor Office Portfolio Maturities



Investor Office Portfolio by Class Type



Investor Office Portfolio by Geography



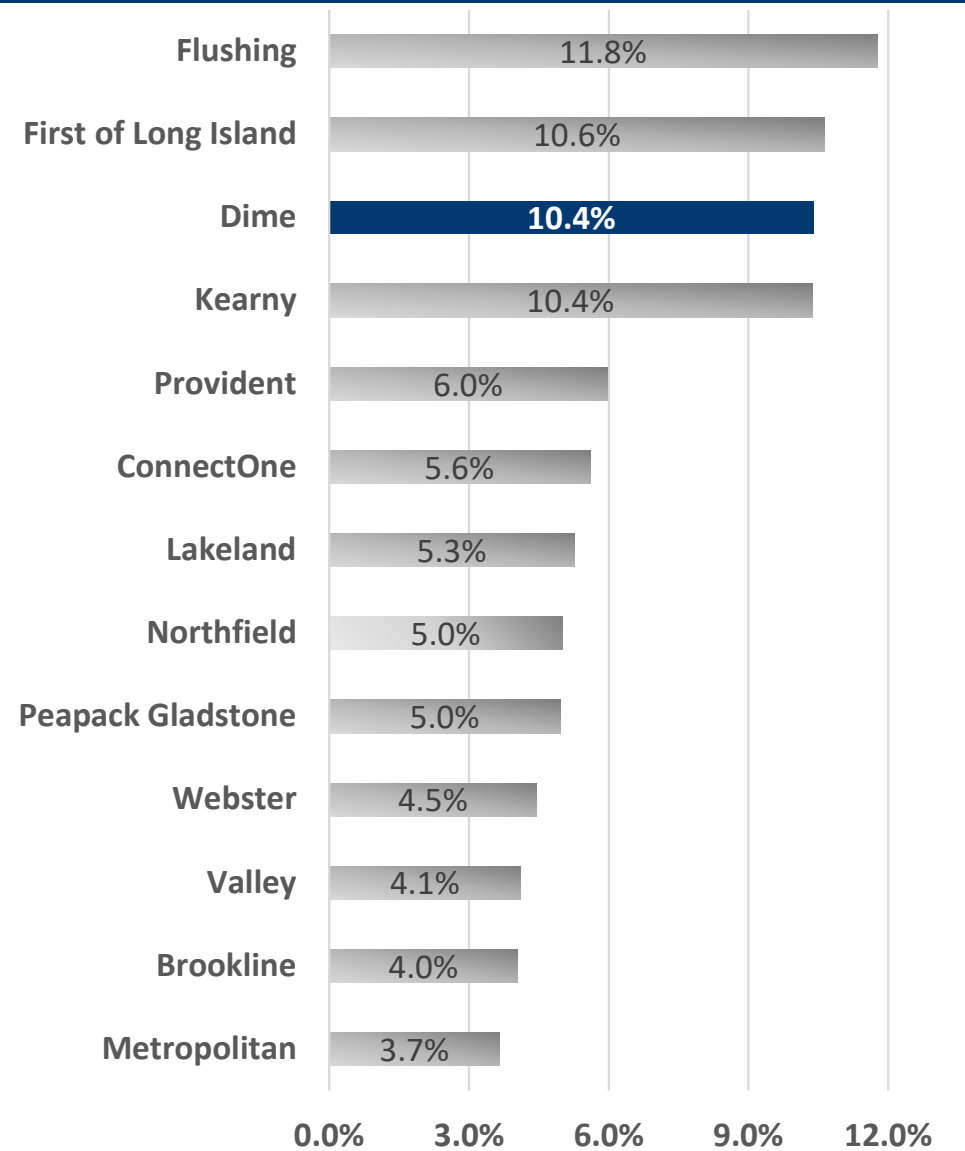
(1) Adjacent Market comprised of loans to existing customers in Westchester (NY), Rockland (NY), Mercer (NJ), Middlesex (NJ), Morris (NJ), and Bergen (NJ)

Note: As of 12/31/23

Strong Liquidity Coverage

- We have protected our deposit base by providing our customers with various products to maximize their deposit insurance including Insured Cash Sweep (“ICS”) and Certificate of Deposit Account Registry Service (“CDARS”)
- As of February 6th, 2024 Dime’s coverage⁽¹⁾ of non-insured deposits (excluding deposits with pass-through insurance and collateralized deposits) was approximately 185%

Q3 2023 Cash & Securities Less Pledged / Assets ⁽²⁾



(1) Coverage defined as (On-Balance Sheet Liquidity + FHLB Capacity + FRB Capacity + Correspondent Lines) / Non-Insured Deposits
(2) Selected Banks with less than \$100B of assets operating in Metro NY. Data from Q3 2023 Regulatory Filings



Proactive Management: Capitalizing on M&A Disruption



	Objective	Results
Merger of Equals Transaction	<ul style="list-style-type: none"> Create a dominant premier community commercial bank on Greater Long Island⁽¹⁾ Generate significant efficiencies through cost savings Enhance scarcity value and brand recognition 	<ul style="list-style-type: none"> ✓ Achieved #1 deposit market share rank amongst community banks on Greater Long Island⁽¹⁾⁽²⁾ and created significant scarcity value ✓ Operated at an adjusted efficiency ratio < 50% in the 24 months following merger completion ✓ Completed systems integration on schedule with promised cost savings realized
Expansion of C&I Lending Operations	<ul style="list-style-type: none"> Capitalize of large merger transactions in our market by hiring productive bankers Build out a middle market lending group and industry specific lending expertise to create a sustainable organic growth story 	<ul style="list-style-type: none"> ✓ Business Loans up 5% Year-over-Year ✓ Hired Head of Middle Market Lending (previously CLO at Bank Leumi) in April 2022 ✓ Recently hired a Head of Healthcare Lending
Hiring Productive Deposit Focused Groups	<ul style="list-style-type: none"> Capitalize on bank failures that impacted the Metro NY area in March 2023 Become an employer of choice by leveraging our distinctive features: best in class technology, flat organizational structure, relationship-based mindset and long-standing financial strength 	<ul style="list-style-type: none"> ✓ Hired 7 deposit-focused groups with proven track records from former Signature and First Republic (21 employees in total) in Q2 2023 ✓ Balances as of 2/6/24: \$398 million

(1) Greater Long Island defined as Kings, Queens, Nassau, and Suffolk Counties.

(2) Community Banks defined as Banks with assets less than \$20 billion.



Strong Corporate Governance

- ✓ Significant Insider Ownership (10% of shares outstanding)
- ✓ Annual election of entire slate of Board of Directors
- ✓ Shareholder representation on Board of Directors (Basswood)
- ✓ CEO & Chairman roles are split
- ✓ Lead Director is Independent

Outstanding Community Reinvestment Act (“CRA”) Rating

- ❖ Dime’s CRA rating upgraded to “OUTSTANDING” – the highest achievable mark, during our most recent CRA examination
- ❖ Praised as a “leader in providing community development services” by the Federal Reserve Bank of New York for strong, effective, and consistent commitment to the markets we serve
 - ✓ Over 300 employee volunteers at 270 different organizations throughout Long Island and New York City
 - ✓ Over 10,000 hours of volunteer service
 - ✓ Dime employees serve on the boards of over 50 non-profit organizations
 - ✓ Originated \$430 million in Community Development loans in 2022

“The volunteers you provide to facilitate our programs are a pleasure to work with and always provide an impactful learning experience to our students. We continue to receive nothing but positive feedback from our schools regarding your volunteers. They are knowledgeable, dedicated, and caring.”

– Junior Achievement of New York, a leading financial education volunteer organization.

“Dime’s ongoing support for PowerUP! ensures that entrepreneurs and small businesses have access to the training, resources, and capital they need to help Brooklyn recover and continue to thrive. Dime’s continuing generosity as Lead Sponsor is more important than ever.”

– Brooklyn Public Library



“A leader in providing community development services”

Appendix

Return on Avg. Assets & Return on Avg. Tangible Common Equity

Reconciliation of Adjusted ROAA					
	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Return on Average Assets - as reported	0.48%	0.44%	0.81%	1.11%	1.23%
Reported net income to common stockholders	\$14,487	\$13,163	\$25,676	\$35,482	\$38,238
Adjustments to net income ⁽¹⁾					
Loss on Equity securities	(321)	299	780		
Net gain on sale of securities and other assets	-	22	-	1,447	-
Severance	25	8,562	481	25	5
FDIC special assessment	999	-	-	-	-
Income tax effect of adjustments and other tax adjustments	(208)	(176)	(373)	(436)	-
Adjusted net income (non-GAAP)	\$14,982	\$21,870	\$26,564	\$36,518	\$38,243
Average Assets (as reported)	\$13,630,096	\$13,759,493	\$13,658,068	\$13,449,746	\$12,985,203
Adjusted Return on Average Assets (non-GAAP)	0.49%	0.69%	0.83%	1.14%	1.23%
Reconciliation of Adjusted ROATCE					
	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Return on Average Tangible Common Equity - as reported (non-GAAP)	6.2%	5.7%	11.0%	15.6%	17.3%
Reported net income available to common stockholders	\$14,487	\$13,163	\$25,676	\$35,482	\$38,238
Adjustments to net income ⁽¹⁾					
Loss on Equity securities	(321)	299	780		
Net gain on sale of securities and other assets	-	22	-	1,447	-
Severance	25	8,562	481	25	5
FDIC special assessment	999	-	-	-	-
Income tax effect of adjustments and other tax adjustments	(208)	(176)	(373)	(436)	-
Amortization of Intangible assets, net of tax	214	256	274	258	295
Adjusted net income available to common stockholders (non-GAAP)	\$15,196	\$22,126	\$26,838	\$36,776	\$38,538
Average Tangible Common Equity	\$948,024	\$943,805	\$940,054	\$914,994	\$888,973
Adjusted Return on Average Tangible Common Equity (non-GAAP)	6.4%	9.4%	11.4%	16.1%	17.3%

(1) Adjustments to net income are taxed at the Company's statutory tax rate during the period unless otherwise noted.

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

Pre-Tax Pre- Provision Net Revenue / Average Assets

Reconciliation of Adjusted Pre-tax Pre-provision Net Revenue (\$000)					
	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Net interest income	\$74,121	\$76,479	\$80,219	\$85,752	\$96,804
Non-interest income	8,872	7,928	10,405	9,001	9,467
Total revenues	82,993	84,407	90,624	94,753	106,271
Non-interest expense	53,944	59,523	52,186	47,475	50,702
Pre-tax pre-provision net revenue (non-GAAP) ⁽¹⁾	\$29,049	\$24,884	\$38,438	\$47,278	\$55,569
Adjustments:					
Loss on Equity securities	(\$321)	\$299	\$780	-	-
Net gain on sale of securities and other assets	-	22	-	1,447	-
Severance	25	8,562	481	25	5
FDIC special assessment	999	-	-	-	-
Adjusted pre-tax pre-provision net revenue (non-GAAP) ⁽²⁾	\$29,752	\$33,767	\$39,699	\$48,750	\$55,574
Average Assets (as reported):	\$13,630,096	\$13,759,493	\$13,658,068	\$13,449,746	\$12,985,203
Adjusted Pre-Tax Pre Provision Net Revenue/Avg. Assets (non-GAAP)	0.87%	0.98%	1.16%	1.45%	1.71%

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

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

Net Interest Margin

Reconciliation of Adjusted Net Interest Margin

	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
NIM - as reported⁽¹⁾	2.29%	2.34%	2.50%	2.74%	3.15%
Net interest income - as reported	\$74,121	\$76,479	\$80,219	\$85,752	\$96,804
Less: Purchase Accounting Accretion on loans ("PAA")	(55)	186	58	586	(390)
Adjusted net interest income excluding PAA on loans, (non-GAAP)	\$74,066	\$76,665	\$80,277	\$86,338	\$96,414
Average interest-earning assets - as reported	\$12,828,060	\$12,984,061	\$12,888,522	\$12,685,235	\$12,198,905
Adjusted NIM excluding PAA on loans, (non-GAAP)⁽²⁾	2.29%	2.34%	2.50%	2.76%	3.14%

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

(2) Adjusted NIM excluding PAA represents adjusted net interest income excluding purchase accounting accretion, divided by adjusted average interest-earning assets.

Efficiency Ratio & Operating Expense to Average Assets

Reconciliation of Adjusted Efficiency Ratio

	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Efficiency ratio - as reported (non-GAAP) ⁽¹⁾	65.0%	70.5%	57.6%	50.1%	47.7%
Non-interest expense - as reported	\$53,944	\$59,523	\$52,186	\$47,475	\$50,702
Less:					
Severance	(25)	(8,562)	(481)	(25)	(5)
FDIC special assessment	(999)	-	-	-	-
Amortization of other intangible assets	(350)	(349)	(349)	(377)	(431)
Adjusted non-interest expense (non-GAAP)	52,570	50,612	51,356	47,073	50,266
Net interest income - as reported	74,121	76,479	80,219	85,752	96,804
Non-interest income- as reported	8,872	7,928	10,405	9,001	9,467
Less:					
Loss on Equity securities	(321)	299	780	-	-
Net gain on sale of securities and other assets	-	22	-	1,447	-
Adjusted non-interest income (non-GAAP)	8,551	8,249	11,185	10,448	9,467
Adjusted total revenues for adjusted efficiency ratio (non-GAAP)	\$82,672	\$84,728	\$91,404	\$96,200	\$106,271
Adjusted efficiency ratio (non-GAAP) ⁽²⁾	63.6%	59.7%	56.2%	48.9%	47.3%

Reconciliation of Adjusted Operating Expense as a % of Average Assets

	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Operating expense as a % of average assets - as reported	1.58%	1.73%	1.53%	1.41%	1.56%
Severance	-	-0.25%	-0.01%	-	-
FDIC special assessment	-0.03%	-	-	-	-
Amortization of other intangible assets	-0.01%	-	-0.01%	-0.01%	-0.01%
Adjusted operating expense as a % of average assets (non-GAAP)	1.54%	1.48%	1.51%	1.40%	1.55%

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

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