



**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 368(a)

18 Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of FBNBY Bancorp, Inc. common stock for Bridge Bancorp, Inc. common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Bridge Bancorp, Inc. common stock deemed to have been received in the exchange, this loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is December 31, 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>RAYMOND KELLY</b>	Preparer's signature <i>Raymond Kelly</i>	Date <b>2/26/2014</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P01387525</b>
	Firm's name ▶ <b>MARCUM LLP</b>	Firm's EIN ▶ <b>11-1986323</b>		Phone no. <b>631-414-4000</b>	
	Firm's address ▶ <b>10 MELVILLE PARK RD, MELVILLE, NY 11747</b>				

**Bridge Bancorp, Inc.**  
**11-2934195**  
**Attachment 1 to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

**Form 8937 Part II, Box 14**

On February 14, 2014, Bridge Bancorp, Inc. completed the acquisition of FNB NY Bancorp, Inc. through the merger of FNB NY Bancorp, Inc. with and into Bridge Bancorp, Inc., with Bridge Bancorp, Inc. as the surviving entity. Immediately following the merger of FNB NY Bancorp, Inc. with and into Bridge Bancorp, Inc., the First National Bank of New York, a national banking association and wholly owned subsidiary of FNB NY Bancorp, Inc., merged with and into The Bridgehampton National Bank, a national banking association and wholly owned subsidiary of Bridge Bancorp, Inc. with the Bridgehampton National Bank as the surviving entity.

Under the terms of the Merger Agreement, shareholders of FNB NY Bancorp, Inc. received an aggregate of 240,591 shares of Bridge Bancorp, Inc. common stock in exchange for all the issued and outstanding stock of FNB NY Bancorp, Inc. No fractional shares of Bridge Bancorp, Inc. were issued in connection with the Merger. Instead, Bridge Bancorp, Inc. made a cash payment to each FNB NY Bancorp, Inc. shareholder who would otherwise receive a fractional share.

**Form 8937 Part II, Box 15**

The Merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). As such, in general, the aggregate tax basis of the shares of Bridge Bancorp, Inc. common stock received by a FNB NY Bancorp, Inc. shareholder in such exchange will be equal (except for cash received in lieu of fractional shares, as discussed below) to the aggregate basis of the FNB NY Bancorp, Inc. common stock surrendered in exchange for the Bridge Bancorp, Inc. common stock.

FNB NY Bancorp, Inc. shareholders who receive cash instead of fractional shares of Bridge Bancorp, Inc. common stock will be treated as having received the fractional shares in the merger and then as having exchanged the fractional shares for cash. These holders will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocable to the fractional shares.

**Bridge Bancorp, Inc.**  
**11-2934195**  
**Attachment 2 (Page 1/2) to Form 8937**  
**Part II, Box 6**

**Report of Organizational Actions Affecting Basis of Securities**

Example:

*The following example illustrates the method by which a former FNB NY Bancorp, Inc. shareholder could determine his or her tax basis in the Bridge Bancorp, Inc. stock received in the Merger. The example assumes that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of FNB NY Bancorp, Inc. stock in one block at the same price for cash and holds such shares as capital assets. The example does not address any special rules that may apply to a particular shareholder (including shares received as compensation), nor do they address the consequences of any state, local or foreign tax laws.*

**The calculations set forth below are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.**

Number of shares of FNB NY Bancorp, Inc. Stock held prior to the Merger- 100 shares

Tax basis in each share of FNB NY Bancorp, Inc. Stock - \$9

Aggregate tax basis in FNB NY Bancorp, Inc. Stock- \$900 (100 shares x \$9)

Fair market value of each share of Bridge Bancorp, Inc. Stock received in the merger- \$25.38 (average closing stock price for the three days ended February 14, 2014)

Fair market value of Bridge Bancorp, Inc. Stock for purposes of determining fractional share payment - \$25.52 (closing price of Bridge Bancorp, Inc. Stock as of closing date)

1. Cost Basis in FNB NY Bancorp, Inc. Stock: (100 x \$9)	\$	900.00
2. Total Merger Consideration:		
(240,591/6,068,814= .03964)		
(100 x .03964 = 3.964 shrs)		
Stock received (3 shares x \$25.38)	\$	76.14
Value of Fractional Share (0.964 x \$25.52)		<u>24.60</u>
Total Consideration	\$	100.74
3. Realized Loss:		
Total Consideration (See Line 2)	\$	100.74
Less: Cost basis in FNB NY Bancorp, Inc. Stock (see above)		<u>900.00</u>
Realized Loss	\$	(799.26)

**Bridge Bancorp, Inc.**  
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**Attachment 2 (Page 2/2) to Form 8937**  
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**Report of Organizational Actions Affecting Basis of Securities**

4. Recognized Loss:

Determined as the lesser of Realized Loss and Cash Received (not including cash in lieu of the fractional share)	\$	0.00
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5. Tax Basis in Bridge Bancorp, Inc. Stock Received in the Merger

Basis in FNB NY Bancorp, Inc. Stock	\$	900.00
Less: Cash Amount Received		0.00
Less: Recognized Loss		<u>0.00</u>
Basis in Company Shares	\$	900.00

6. Taxable Loss on Fractional Share

Capital paid in lieu of fractional share (0.964 x \$25.52)	\$	24.60
Less: Basis attributable to fractional share (0.964/3.964 x \$900)		<u>218.87</u>
Taxable Loss	\$	(194.27)

7. Final Adjusted Tax Basis in Bridge Bancorp, Inc. Stock

Basis in Bridge Bancorp, Inc. Stock received (including fractional share)	\$	900.00
Less: Basis attributable to fractional share	\$	(218.87)
Basis in Bridge Bancorp, Inc. Stock	\$	681.13
Per Share Basis (\$681.13/3)	\$	227.04

**The calculations set forth above are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.**

\* \* \* \* \*

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matter addressed herein.

Posted to the Bridge Bancorp, Inc. website on March 7, 2014