



Dime Community Bancshares, Inc.
(NASDAQ: DCOM)

August 2021



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," "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 or 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 Dime Community Bank (the "Bank");
- 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, 2020 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 effects the pandemic will have on our business and results of operations in the future. 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 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.



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. *Highly responsive customer focused platform – demonstrated by PPP performance*
4. *Continued opportunity to transform balance sheet over time*
5. *Superior asset quality through various cycles. Performed detailed 3rd party loan reviews as part of merger*
6. *Skilled acquiror with significant M&A Experience. Poised to capitalize on recent large transactions in our footprint*
7. *Strong corporate governance*

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

DIME

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

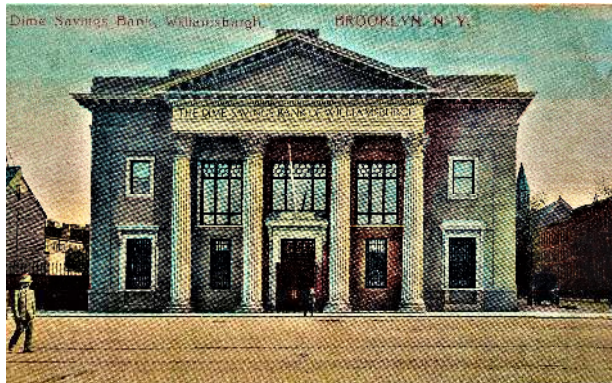
1910

BNB Bank

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

DIME



DIME

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

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

Rank	Institution	Branches	Deposits (\$B)	Market Share
1	Dime	64 ³	\$9.4	23.3%
2	Apple	45	\$6.3	15.5%
3	Flushing	23	\$5.7	14.1%
4	Ridgewood	27	\$4.1	10.2%
5	First of Long Island	46	\$3.1	7.6%

Source: S&P Global. Data as of June 30th, 2020.

From Montauk to Manhattan



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

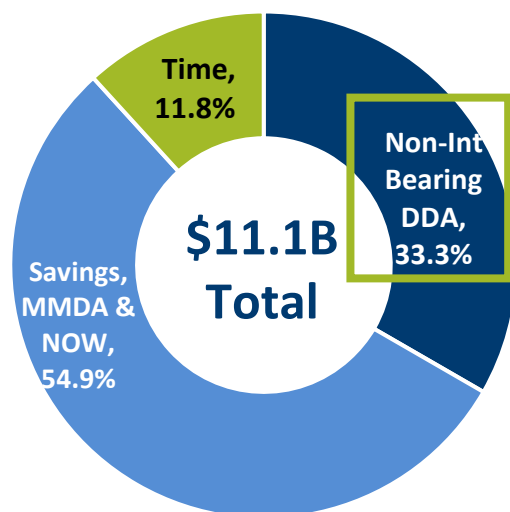
2 Community Banks defined as Banks with assets less than \$20 billion.

3 Dime announced that it will be combining 5 branches in 2021; pro forma for the consolidation the branch count for Greater Long Island would be 59.

Source: S&P Global



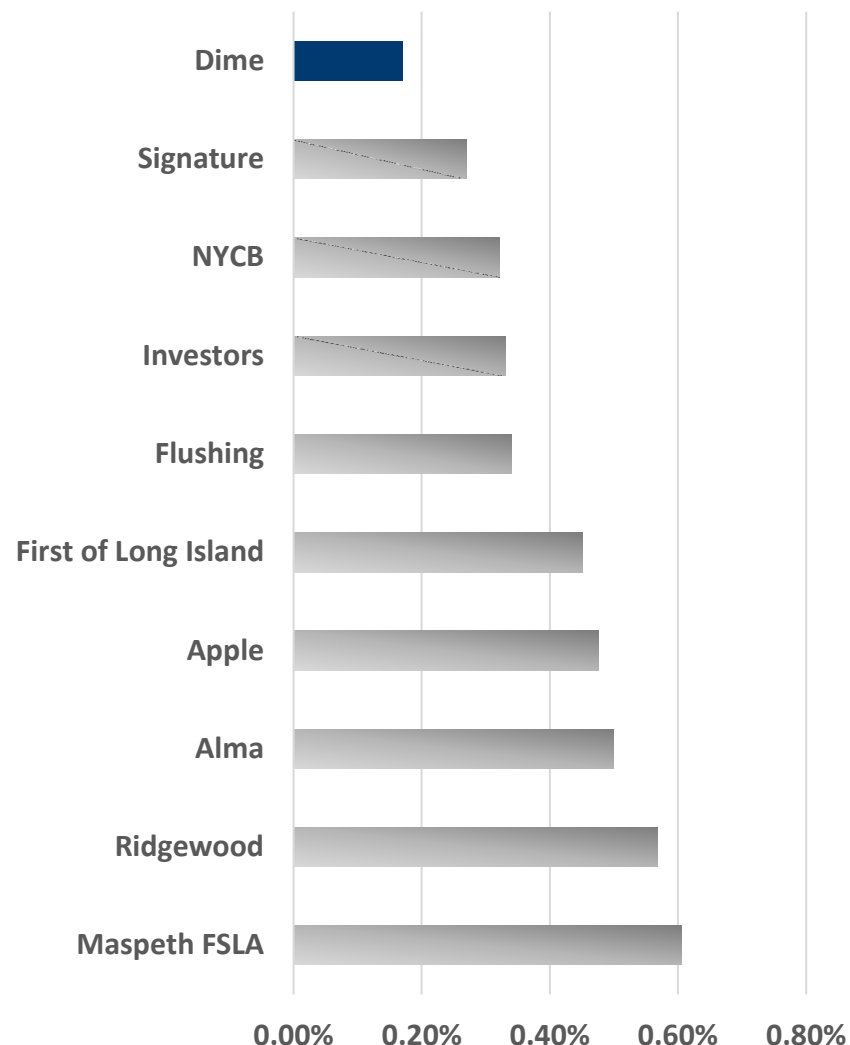
Best-in-Class Deposit Franchise



MRQ Cost of Deposits: 0.17%

Our 3 Year Target for DDA %: 40%

Cost of Deposits: Vs "Footprint Banks"¹

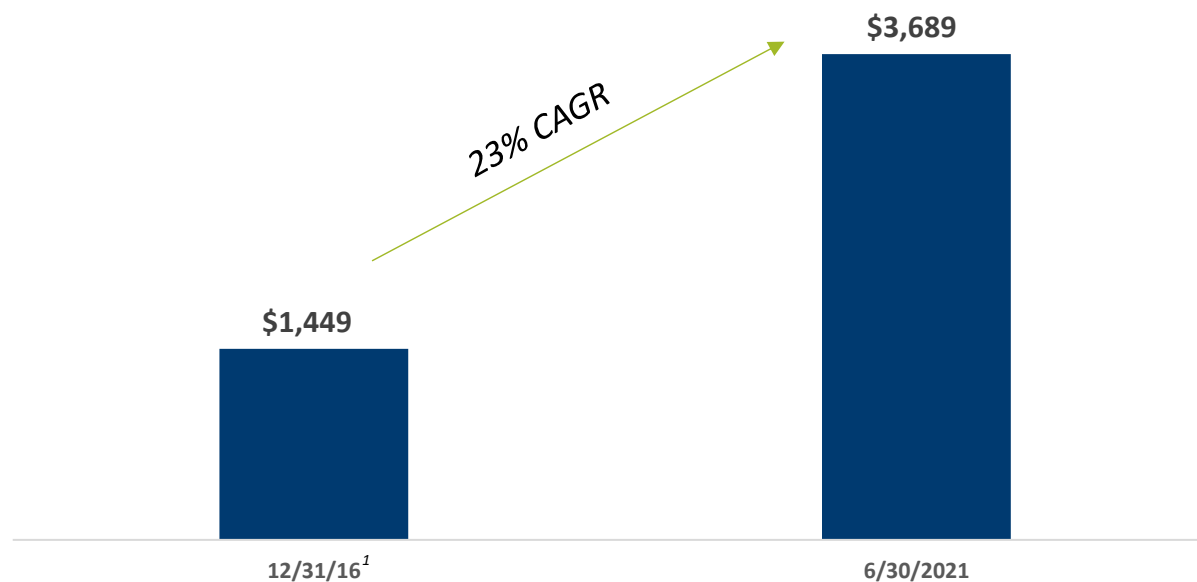


Source: S&P Global – financial data as of most recent quarter reported
¹ "Footprint Banks" defined as Banks with less than \$100B of assets and >\$500M of deposits in any one of the Greater Long Island counties (Kings, Queens, Nassau, Suffolk).



Proven Track Record of DDA Growth

Noninterest Bearing Deposits (\$ in millions)

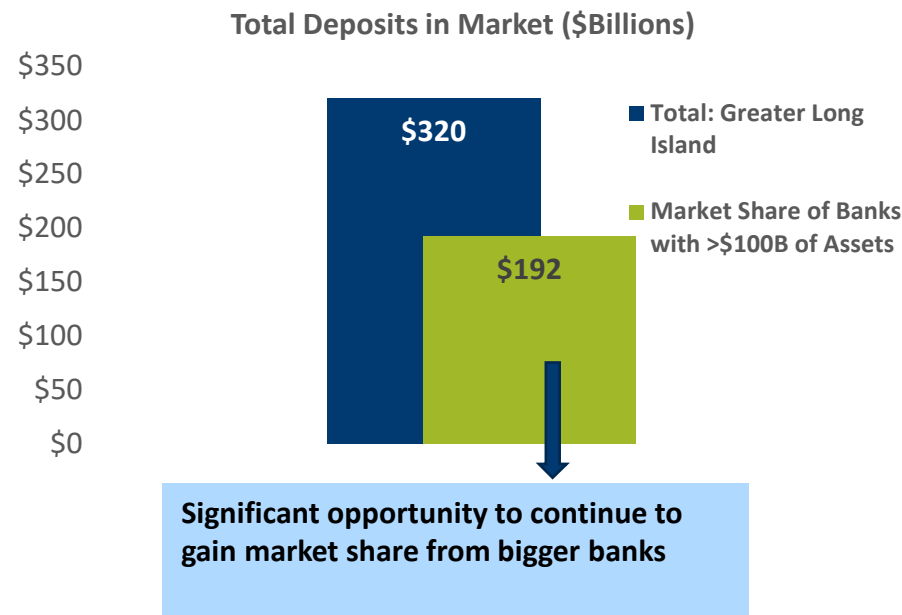


Our management team has a proven track record of growing DDA organically

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

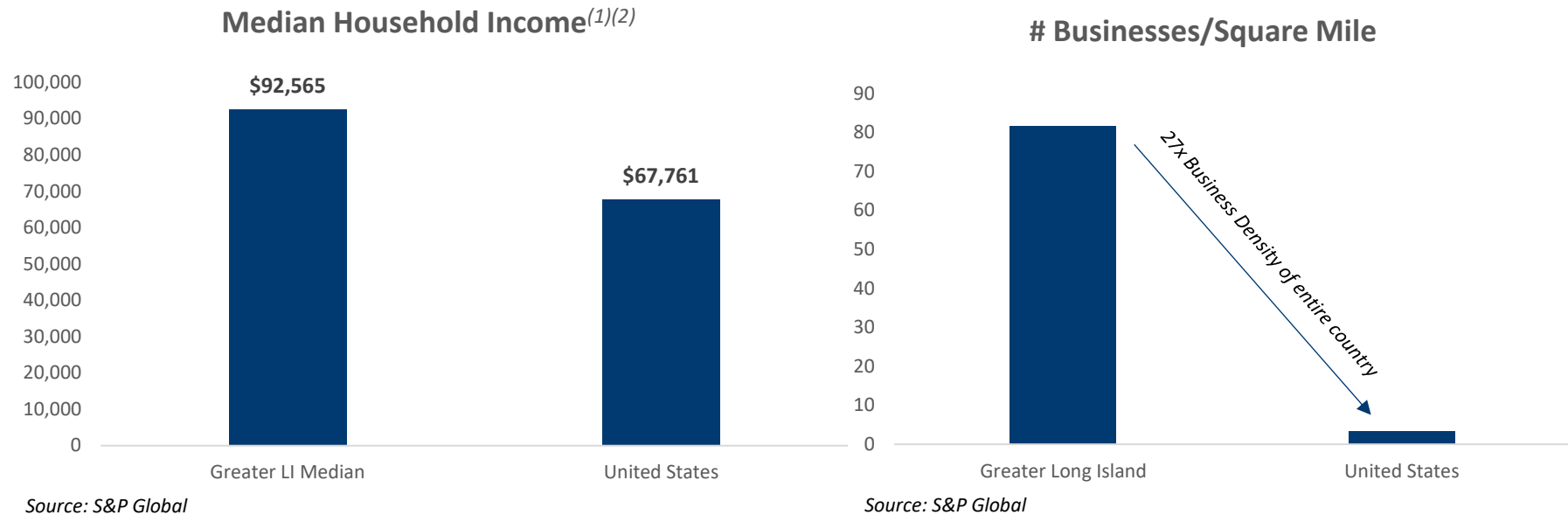
- Combined population of ~ 8 million for Kings, Queens, Nassau, and Suffolk would represent the 14th largest state in the country
- \$320 Billion of total deposits in Greater Long Island marketplace¹



Source: S&P Global. Data as of June 30th, 2020.

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

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



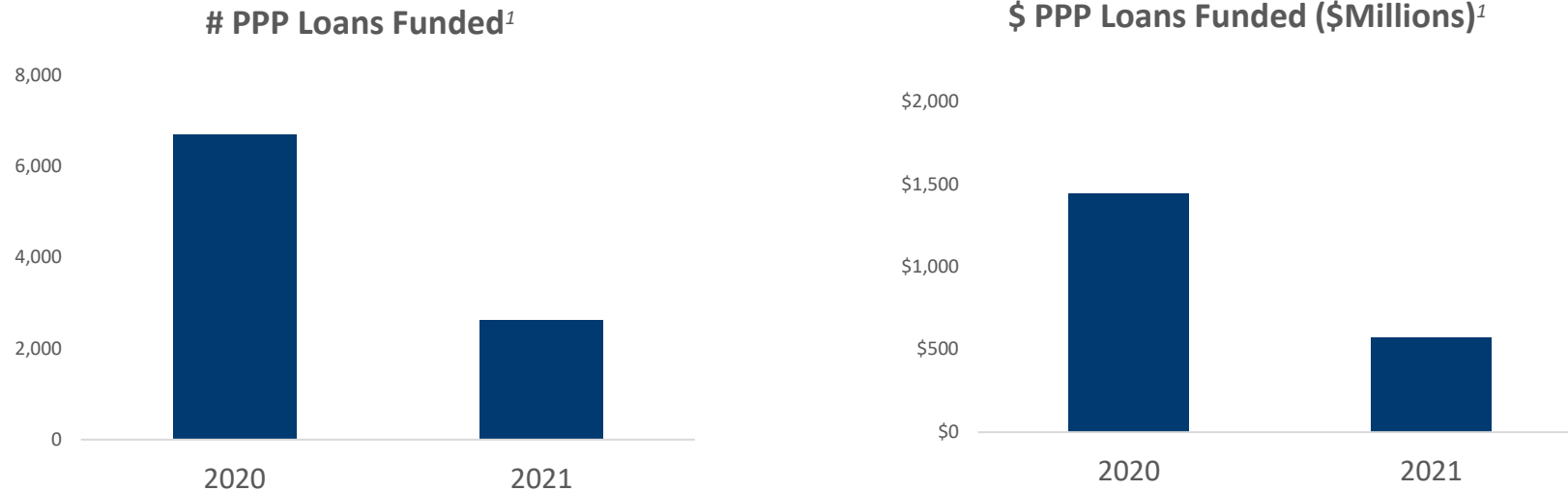
- Median household income in our deposit footprint is well above national average
- The business density across our footprint provides us a unique opportunity
- The attractive demographics of our footprint allows us to operate successfully as a pureplay in-market community commercial bank

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

2 Median is calculated as simple median of Greater Long Island counties.

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
 - Approximately **12x** median of Footprint Banks²
- 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 \$20.7M of revenue associated with the recognition of deferred fees³

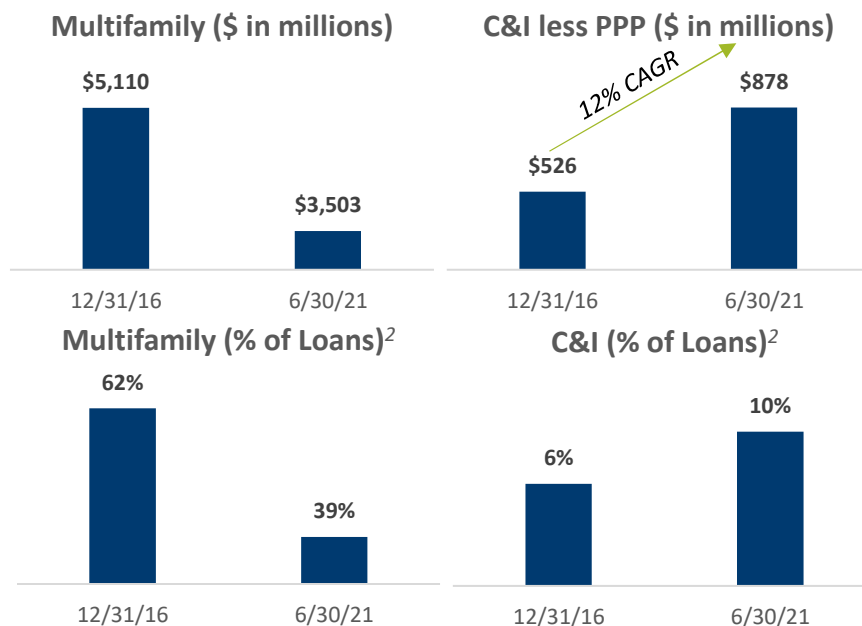
¹ 2020 represents the sum of Legacy Dime and Legacy BNB on a combined basis.

² Available data compiled for 2020 PPP production prior to PPP loan forgiveness.

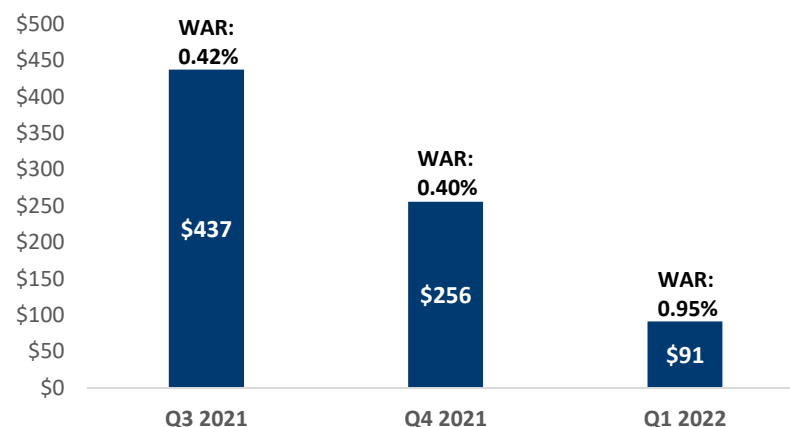
³ Note, the unrecognized deferred fees related to 2020 PPP originations were \$2.0 million at June 30, 2021.

Continued Opportunity to Transform Balance Sheet

Loan Portfolio Mix¹



CD Maturities (\$ in millions)



- Over the next 3-years, we expect to lower the contribution of multi-family loans to ~20%-25% and replace with relationship-based commercial loans which are accompanied with a greater level of associated deposits
- We expect our cost of deposits (0.17% in Q2 2021) to trend to the low double-digits by the end of 2021. We continue to have opportunities to reprice our CD book lower as well as adjust rates on select money market categories

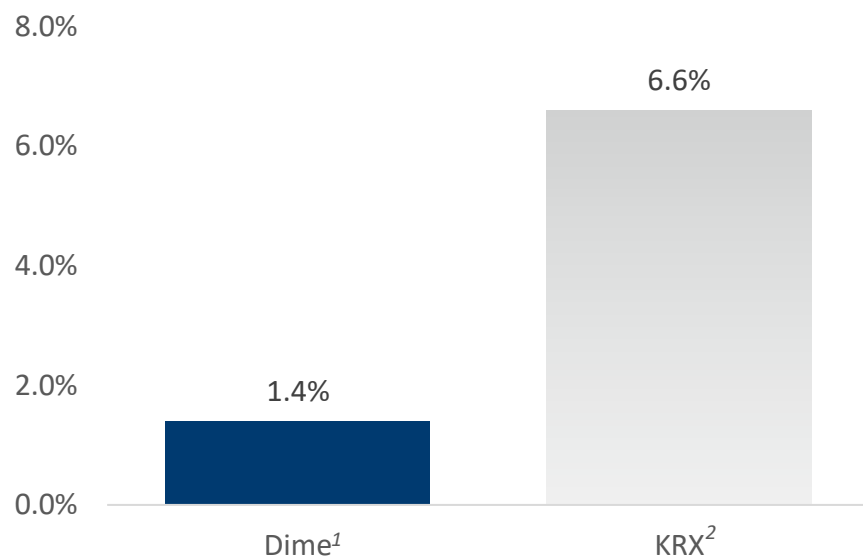
¹ 12/31/16 represents sum of Legacy Dime and Legacy BNB on a combined basis.

² % of loans excludes SBA PPP Loans from calculation.

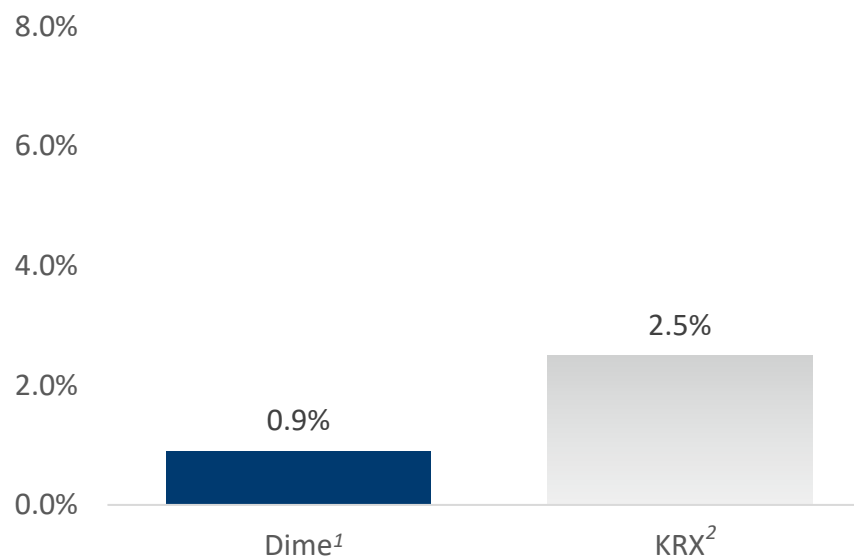
Superior Asset Quality Through Various Cycles

Our cumulative credit losses were extremely low relative to the 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 2014 to 2020 over 2013 Gross Loans



- Multiple loan-reviews were conducted by an independent nationally recognized 3rd party firm to provide significant comfort re: loan loss reserve and credit marks as part of purchase accounting
 - Reviews conducted pre-pandemic (February 2020), at the onset of pandemic (March 2020), pre-merger announcement (June 2020) and prior to closing (January 2021)

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

² KBW Regional Banking Index.

Skilled Acquiror with Significant M&A Experience



Kevin O'Connor
CEO

*(Part of numerous
M&A transactions at
North Fork)*



Stuart Lubow
President & COO

*(Sale of Community National,
Garden State,
Community State)*



Avi Reddy
CFO

*(Former M&A banker at
Evercore, Barclays and
Lehman Brothers)*

- ✓ Closed merger transaction on February 1. Completed systems integration over the weekend of April 17th
- ✓ Grew DDA by approximately \$740 million since closing of merger transaction
- ✓ Post completion of the merger, operated the Company at an efficiency ratio of approximately 48%
- ✓ **With our system conversion complete we are poised to capitalize on disruption from recent large mergers in our footprint. None of the acquirors are headquartered in our footprint or locally managed**

Strong Corporate Governance

- ✓ Significant Insider Ownership (16.4% 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

Appendix

Tangible Book Value Per Share

Reconciliation of 6/30/21 Adjusted Tangible Common Equity - Consolidated (\$000)	
Total stockholders' equity	\$1,204,276
Less:	
Goodwill	\$155,339
Other intangible assets	\$9,792
Tangible equity (non-GAAP)	<u>\$1,039,145</u>
Less:	
Preferred stock, net	\$116,569
Tangible common equity (non-GAAP)	<u>\$922,576</u>
Add:	
Unamortized deferred fees on PPP loans, net of tax	\$1,979
Adjusted tangible common equity (non-GAAP)	<u>\$924,555</u>
Common shares outstanding	41,160
Tangible common book value per share (non-GAAP)	\$22.41
Adjusted tangible common book value per share (non-GAAP)	\$22.46

Pre-Provision Net Revenue

Reconciliation of Pre-tax Pre-provision Net Revenue for 3 months ended 6/30/21 (\$000)	
	Three Months Ended June 30, 2021
Net interest income	\$93,254
Non-interest loss	\$29,544
Total revenues	\$122,798
Non-interest expense	\$54,882
Pre-tax pre-provision net revenue (non-GAAP) (1)	\$67,916
Adjustments:	
Net gain on sale of securities and other assets	(\$20,697)
Severance	\$1,875
Loss on extinguishment of debt	\$157
Merger expenses and transaction costs	\$1,836
Branch restructuring costs	\$1,659
Adjusted pre-tax pre-provision net revenue (non-GAAP) (2)	\$52,746

- 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 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 SBA PPP loans, severance, loss on extinguishment of debt, merger expenses and transaction costs, and branch restructuring costs.