

DIME COMMUNITY BANCSHARES INC

Form 8-K

July 29, 2015

INVESTOR PRESENTATION JULY 2015 “Lending for the Way New Yorkers Live”

---

Page intentionally left blank

---

3 about... DIMENEW YORK CITY'S PREMIER COMMUNITY BANK MULTIFAMILY LENDER SINCE 1965 Dime Community Bancshares, Inc., is the holding company for The Dime Savings Bank of Williamsburgh, a \$4.64 billion dollar institution. Community retail bank model with an emphasis on New York City Multifamily Lending. Low credit risk model with consistently strong returns. Twenty-five branches serving Brooklyn, Queens, The Bronx and Nassau Counties. Split-adjusted IPO price of a DCOM share is \$2.96. The annualized total return since the IPO has been 12%; cumulative total return has been 800%. Current dividend of \$0.14/QTR (Yield of 3.24% based on 7/17/2015 closing price of \$17.31). Significant management tenure and equity ownership. Variety of initiatives underway to drive future shareholder value.

---

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

Branch Network 4 25 Branches in New York City metropolitan area. Average branch size = \$117.4 million as of June 30, 2015 (1) Data as of December 31, 2014 Source: FDIC(2) As of June 30, 2015 County 2014 Market Share Rank (1) Number of Dime Branches (2) Deposits in Market (\$mm) Total Market Share (%) Brooklyn 11 10 \$ 1,279 2.68% Queens 13 7 802 1.64% Nassau 14 7 784 1.25% Bronx 18 1 69 0.62%

---

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

Key Officers & Directors 5 \* Amounts per page 4 of the Company's proxy statement dated April 13, 2015.

Name	Title	Tenure	Inside Ownership*	DIRECTORS AND EXECUTIVE OFFICERS:	
Palagianio	Chairman & CEO	45 years	2.9% (966,592 shares)	Michael P. Devine	Vice Chairman & President 44 years
			1.8% (595,978 shares)	Kenneth J. Mahon	Senior Executive Vice President & COO 35 years
					1.1% (368,202 shares)
				Total Directors and Executive Officers Ownership 14.0% (4,901,720 shares)	
				OTHER	
				OPERATING OFFICERS:	
				Daniel Harris	Chief Lending Officer 7 years with 30 years prior bank experience
				Timothy King	Chief Risk Officer 32 years
				Terence Mitchell	Chief Retail Officer 4 years with 30 years prior bank experience
				Michael Pucella	Chief Accounting Officer 34 years
				Timothy Lenhoff	Chief Information Officer Recent hire. 30 years prior relevant experience
				Robert Volino	Chief Investment Officer 16 years

---

Initiatives: Investing in the Business 6 Plans for three new Brooklyn branches to open by summer 2016. Including new branches in Williamsburg and Park Slope. Business banking outreach to commercial borrowers to grow business deposits. Recently added a seasoned 3-member team to Business Banking division. Development of Outreach Programs to Small- and Micro- Business customers in the Bank's trade areas. Growth of sales and training staff; introduction of customer relationship management process. Tighter focus on pay-for-performance. Adoption of "CONNECTIONS" customer management software.

---

Initiatives: Investing in the Business 7 Investments in technology and staffing; major focus on e-banking, internet and cybersecurity. Mobile banking for consumers and small business. Development of the internet banking channel to grow deposits more efficiently and rapidly than brick-and-mortar. Cost-cutting initiatives to pay for new project implementations. Internal restructuring to create a leaner, more customer-responsive operations department. Monetization of owned real estate in Williamsburg, Brooklyn, creates significant book value and free capital.

---

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

8 Another Year of Top Performance BankDirector: DIME RANKS # 7 in \$1 to \$5 billion asset group“The 200 largest U.S. banks are stronger and more profitable than at any time since the Great Recession.” SNLThrift Investor:DIME RANKS # 4 of 100For the sixth straight year, Dime ranks fifth or higher in SNL survey. Resurgent Performance, Inc:DIME RANKS # 2 in Lending Performance

---





Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

10 Source: SNL Financial(1) Excludes 5 peers with recent conversions; reflects average of extended peer group Tangible Common Equity / Tangible Assets (%) Grow assets 15% on average over the next 3 years (goal of 12% growth for 2015)Remain focused on NYC multifamily loansTCE sufficient to support growthAdditional capital from monetization of real estateDecrease the loan to deposit ratioIncrease lower cost commercial and business deposits. 3 to 5 Year Goals Peer TCE / TA: 8.41%(1)(as of 3/31/2015) DIME 3 to 5 Year GoalsFocus on Asset Growth

---

11 Source: SNL Financial Loan CAGR: 4.96% Deposit CAGR: 5.12% Loan and Deposit Growth

---

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

12	Category (000's)	Jun-14	Avg. Cost	Jun-15	Avg. Cost	% Growth	CRE Deposits	\$ 105,174	0.11%	\$ 156,036	
	0.12%	48%	Business Deposits	85,394	0.14%	82,575	0.13%	-3%	Branch Consumer Deposits		
	2,462,511	0.81%	2,695,196	0.83%	9%	TOTAL	2,653,079	0.76%	2,933,807	0.78%	11%

Deposit Growth Initiatives Increase Percentage of Commercial and Small Business Deposits 2015 - 2017 Deposit Change from 2014 - 2015

---



Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

New York City Housing Stock\* 14 Source: 2011 New York City Housing and Vacancy Survey and census data. \* Total housing stock equals 3,187,575 units. As shown in the adjacent chart, New York City is a city of apartment dwellers. Only 18% of the City's housing stock is classified 1 – 4 family. Dime has historically been one of the primary lenders in the small (10 – 75 unit, rent-regulated) apartment house market in New York City, which is summed up in our mission statement: Lending for the Way New Yorkers Live.

---

15 Certain statements contained in this quarterly report on Form 10-Q that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in future filings with the U.S. Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by management or with their approval that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of Dime Community Bancshares, Inc. and its subsidiaries (the "Company") or those of its management or board of directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements include information concerning possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "feels," "anticipates," "intends," "plans," "estimates," "predicts," "projects," "potential," "outlook," "could," "will," "may" or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions. Actual results may differ materially from those expressed in or implied by these forward-looking statements. Factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, the following, as well as those discussed elsewhere in this report and the documents incorporated by reference herein: Undue reliance should not be placed on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events except to the extent required by Federal securities laws.

Real Estate Loan Portfolio	Portfolio Risk Segmentation	\$ Amount (In Thousands)	% of Portfolio
Current LTV	Loans Underlying Coops	\$ 226,962	5.3%
1.6%	18%	1-4 Family and Small Mixed Use	70,875
49%	100%	Multifamily	1,971,535
28.7%	45.8%	53%	Multifamily w/ commercial
54%	8.3%	50%	Pure Commercial
			441,894
			10.3%
			51%

The perceived risk profile of the loan portfolio by major segment, from "least" to "highest" risk. \* As of June 30, 2015. Excludes allowance for loan losses.

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

Real Estate Loan Originations 16    Originations in \$ millions    Year Ended December 31    \*\* 2014 Total origination amount includes \$200.0 million of loans re-purchased from Fannie Mae at an average yield approximating 3.5%    NPAs / Assets (%)

---





18 Source: SNL Financial Efficiency Ratio (%) Net Operating Expense / Avg. Assets (%) Low Cost Operator  
Relative to Peers

---



20 CAGR: 11.7% Source: SNL Financial; Data pro forma for recently announced and pending acquisitions and capital raises Peer TBV + Cumulative Dividends CAGR: 5.1% Creating Shareholder Value

---

21 Source: SNL Financial; Data as of 7/15/2015 DCOM – Ten Year Price Performance

---



23 Risk Management In 2008, Dime created the position of CHIEF RISK OFFICER, encompassing the fields of : Enterprise Risk, Credit Administration, Compliance, Audit, and Cybersecurity Risk.Credit: Concentration in low-risk NYC multifamily market.Interest Rate: Nature of loans is short-term (5- and 7-year).Liquidity: Stable sources of available liquidity.

---

24 Credit Risk Management Dime has a long, successful history of managing its highly concentrated “CRE” portfolio, mainly because multifamily loans are residential housing loans. At Dime, “commercial real estate” is a euphemism for multifamily residential housing. Dime has historically been one of the primary lenders in the small (10 – 75 unit, rent-regulated) multifamily housing market in New York. The New York City multifamily housing market is unique in the nation due mainly to rent regulation. NYC rent regulations provide a level of stability in the marketplace, especially to conservative lenders such as Dime (with loans reliant almost solely upon occupancy for debt service). From 2009 to the most recent quarter-end, the average debt service ratio on newly originated “commercial real estate” loans was 2.06x, and the average loan-to-value ratio was 58%. Dime’s “Texas ratio” (a popular measure of a bank’s ability to absorb credit losses) was 0.8% as of the most recent quarter-end, one of the lowest nationally.

---



Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form 8-K

Credit Metrics since the onset of the financial crisis 25 Undue reliance should not be placed on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events except to the extent required by Federal securities laws.

	2009	2010	2011	2012	2013	2014	2015 (1)	(\$ in thousands)	Total
Loans	\$3,391,658	\$3,468,479	\$3,458,416	\$3,506,368	\$3,699,519				
	\$4,119,240	\$4,306,596						Non-Performing Loans	\$11,294 \$20,168 \$28,973 \$8,888
	\$12,549	\$6,198	\$1,292					NPLs to Total Loans	
	0.33%	0.58%	0.84%	0.25%	0.34%	0.15%	0.03%		Net Charge Offs (Recoveries)
	\$5,925	\$3,707	\$766	\$(212)	\$(1,451)				\$8,993 \$13,821
									NCOs to Total
Loans	0.27%	0.40%	0.17%	0.11%	0.02%	-0.01%	-0.034%		Allowance as a % of
Loans	0.53%	0.54%	0.58%	0.59%	0.54%	0.45%	0.43%		"Texas" ratio (2) end of period
end	4.0%	8.4%	8.9%	2.6%	3.7%	2.5%	0.8%		(1) At June 30, 2015 or for the period then ended.(2) "Texas" ratio =
									sum of non-performing assets + accruing loans past due 90 days or more as a % of Tangible Capital +
									ALLL.

Credit Metrics vs Peer Group 26 Undue reliance should not be placed on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events except to the extent required by Federal securities laws. For purposes of this chart, Dime Community Bancshares, Inc.'s peer group consists of the following: Astoria Financial Corporation (AF), Flushing Savings Bank (FFIC), Investors Bank (ISBC), Kearny Federal Savings Bank (KARNY), OceanFirst Bank (OCFC), Oritani Bank (ORIT), Signature Bank (SBNY), Sterling National Bank (STL), Sun National Bank (SNBC), The Provident Bank (PFS), TrustCo Bank (TRST), Valley National Bank (VLY). (% of Average Total Loans) Dime's conservative underwriting has resulted in consistent out-performance of its peers in credit loss experience.

---

27 Certain statements contained in this quarterly report on Form 10-Q that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in future filings with the U.S. Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by management or with their approval that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of Dime Community Bancshares, Inc. and its subsidiaries (the "Company") or those of its management or board of directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements include information concerning possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "feels," "anticipates," "intends," "plans," "estimates," "predicts," "projects," "potential," "outlook," "could," "will," "may" or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions. Actual results may differ materially from those expressed in or implied by these forward-looking statements. Factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, the following, as well as those discussed elsewhere in this report and the documents incorporated by reference herein: Undue reliance should not be placed on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events except to the extent required by Federal securities laws. Interest Rate Risk Management 12.2% CAGR in non-interest bearing deposits from 2011 through 2015. Non-interest bearing accounts to provide significant protection from rising interest rates. 5.0% CAGR in deposits (as discussed previously), and greater emphasis upon deposit growth in 3 to 5 year business plan. Emphasis on deposits for shorter-term funding should permit more longer-term borrowing activity for interest rate risk management. CAGR: 12.2%

---

28 Certain statements contained in this quarterly report on Form 10-Q that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in future filings with the U.S. Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by management or with their approval that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of Dime Community Bancshares, Inc. and its subsidiaries (the "Company") or those of its management or board of directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements include information concerning possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "feels," "anticipates," "intends," "plans," "estimates," "predicts," "projects," "potential," "outlook," "could," "will," "may" or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions. Actual results may differ materially from those expressed in or implied by these forward-looking statements. Factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, the following, as well as those discussed elsewhere in this report and the documents incorporated by reference herein: \$404.4 million of CD's with maturities beyond 2016 Maturity in Year Ending Dec. 31st \* As of June 30, 2015. Dollars in thousands. Excludes trust preferred corporate debt. Interest Rate Risk Management \$453.2 million of borrowings with maturities beyond 2016 \$ in Thousands

---

29 Certain statements contained in this quarterly report on Form 10-Q that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in future filings with the U.S. Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by management or with their approval that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of Dime Community Bancshares, Inc. and its subsidiaries (the "Company") or those of its management or board of directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements include information concerning possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "feels," "anticipates," "intends," "plans," "estimates," "predicts," "projects," "potential," "outlook," "could," "will," "may" or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions. Actual results may differ materially from those expressed in or implied by these forward-looking statements. Factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, the following, as well as those discussed elsewhere in this report and the documents incorporated by reference herein: Liquidity Risk Management \*\* Excludes holding company trust preferred debt. Dollars in thousands. As of June 30, More than sufficient borrowing capacity to meet liquidity demands. Ample access to deposit funding in either the local retail marketplace or via internet. Sufficient capital to support accelerated deposit growth/ borrowings should funding needs warrant.

---