Signature Bank Reports 2017 Third Quarter Results

October 19, 2017

- ***Net Income for the 2017 Third Quarter Was $124.5 Million, or $2.29 Diluted Earnings Per Share Versus $76.1 Million, or $1.41 Diluted Earnings Per Share, Reported in the 2016 Third Quarter. The 2016 Third Quarter Included $61.7 Million of Provision Expense for the Chicago Taxi Medallion Portfolio. Excluding This Provision Expense, Net Income Would Have been $113.7 Million, or $2.11Diluted Earnings Per Share***
- ***Total Deposits in the Third Quarter Grew $508.9 Million to $33.68 Billion. Total Deposits Have Grown $2.28 Billion, or 7.3 Percent, Since the End of the 2016 Third Quarter. Average Deposits Increased $417.3 Million, or 1.3 Percent, in the 2017 Third Quarter***
- ***For the 2017 Third Quarter, Loans Increased $799.4 Million, or 2.6 Percent, to $31.19 Billion. Since the End of the 2016 Third Quarter, Loans Have Increased 12.3 Percent, or $3.41 Billion***
- ***Non-Accrual Loans were $376.9 Million, or 1.21 Percent of Total Loans, at September 30, 2017, Versus $392.9 Million, or 1.29 Percent, at the End of the 2017 Second Quarter and $162.8 Million, or 0.59 Percent, at the End of the 2016 Third Quarter. Excluding Taxi Medallion Loans, Which Were All Placed on Non-Accrual in the 2017 Second Quarter, Non-Accrual Loans Were $24.0 Million, or Eight Basis Points of Total Loans***
- ***Net Interest Margin on a Tax-Equivalent Basis Was 3.05 Percent, Compared with 3.11 Percent for the 2017 Second Quarter and 3.14 Percent for the 2016 Third Quarter***
- ***Core Net Interest Margin Excluding Loan Prepayment Penalty Income Decreased Five Basis Points to 2.99 Percent for the 2017 Third Quarter when Compared with the Previous Quarter***
- ***Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based and Total Risk-Based Capital Ratios were 9.72 Percent, 11.92 Percent, 11.92 Percent and 13.28 Percent, Respectively, at September 30, 2017. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio Was 9.44 Percent***
- ***Two Private Client Banking Teams Joined During the 2017 Third Quarter Bringing the Total Teams Hired to Four in 2017***

NEW YORK--(BUSINESS WIRE)--Oct. 19, 2017-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its third quarter ended September 30, 2017. Net income for the 2017 third quarter was $124.5 million, or $2.29 diluted earnings per share, versus $76.1 million, or $1.41 diluted earnings per share, for the 2016 third quarter. The increase in net income for the 2017 third quarter, versus the comparable quarter last year, is primarily due to a decrease in the provision for loan losses of $66.1 million and an increase in net interest income. $60.2 million of the decrease in provision for loan losses was due to the Chicago taxi medallion portfolio.

Net interest income for the 2017 third quarter reached $308.8 million, up $18.4 million, or 6.3 percent, when compared with the 2016 third quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached $41.33 billion at September 30, 2017, an increase of $3.53 billion, or 9.4 percent, from $37.79 billion at September 30, 2016. Average assets for the 2017 third quarter reached $40.88 billion, an increase of $3.59 billion, or 9.6 percent, compared with the 2016 third quarter.

Deposits for the 2017 third quarter rose $508.9 million, or 1.5 percent, to $33.68 billion at September 30, 2017. When compared with deposits at September 30, 2016, overall deposit growth for the last twelve months was 7.3 percent, or $2.28 billion. Average deposits for the 2017 third quarter reached $33.37 billion, an increase of $417.3 million, or 1.3 percent.

"While we recognize there have been some near-term challenges for Signature Bank, including the recent impact on our taxi medallion loan portfolio and commercial real estate headwinds, our ability to attract veteran bankers and on-board core clients has continued unabated. We have never veered from the differentiated, relationship-based banking model upon which this institution was founded. Our single-point-of-contact, client-centric approach remains fully intact, allowing us to deliver solid growth -- quarter after quarter -- albeit not quite at the extraordinary pace of the past few years. However, a slower growth rate for Signature Bank still far outpaces that of our average peer group," explained Joseph J. DePaolo, President and Chief Executive Officer.

"Evidence of our commitment to client care and service are still among the reasons Signature Bank continues to distinguish itself in the commercial banking arena. For example, for eight consecutive years, the *New York Law Journal* cited the Bank as a top-ranking institution in the three banking categories of its Best of Survey of its readers. This year, the Bank was named Best Private Bank, Best Attorney Escrow Services provider and ranked second in the Best Business Bank category. Additionally, back in the spring, the Bank placed in the top three in the country in the Nation's Best Private Banking Services category of *The National Law Journal*, a sister publication of the *New York Law Journal*. Whether it is our attorney clients or others in commercial sectors, the fact of the matter is that Signature Bank's unrelenting dedication to our clients has and always will be our priority and sets us apart in the marketplace," DePaolo said.

Scott A. Shay, Chairman of the Board, commented: "Recently, we conducted market research in an attempt to determine if any commercial bank in American history had ever grown organically in its first 15 years of operations at a pace greater than that of Signature Bank. We could find none. Perhaps the results that contributed to our extraordinary 15-year track record became expected. But, our growth did not occur by accident. At Signature Bank, we endeavor to think and plan for the long term to benefit our shareholders. We continually seek profitable, sustainable growth that adds to shareholder value and depositor safety. While our growth might ebb and flow in the short term, it is our pledge to long-term value creation as well as safety and soundness that will always remain our sharpest focus."

Capital

The Bank's Tier 1 leverage, common equity Tier 1 risk-based, Tier 1 risk-based, and total risk-based capital ratios were approximately 9.72 percent, 11.92 percent, 11.92 percent, and 13.28 percent, respectively, as of September 30, 2017. Each of these ratios is well in excess of regulatory requirements. The Bank's strong risk-based capital ratios reflect the relatively low risk profile of the Bank's balance sheet. The Bank's tangible common equity ratio remains strong at 9.44 percent. The Bank defines tangible common equity ratio as the ratio of total tangible common shareholders' equity to total tangible assets.

Net Interest Income

Net interest income for the 2017 third quarter was $308.8 million, an increase of $18.4 million, or 6.3 percent, versus the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $40.30 billion for the 2017 third quarter represent an increase of $3.40 billion, or 9.2 percent, from the 2016 third quarter. Yield on interest-earning assets for the 2017 third quarter increased four basis points, to 3.66 percent, compared with the 2016 third quarter.

Average cost of deposits and average cost of funds for the third quarter of 2017 increased by 13 and 14 basis points, to 0.55 percent and 0.67 percent, respectively versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2017 third quarter was 3.05 percent versus 3.14 percent reported in the same period a year ago. On a linked quarter basis, net interest margin on a tax-equivalent basis decreased six basis points. Excluding loan prepayment penalties in both quarters, linked quarter core net interest margin on a tax-equivalent basis decreased five basis points to 2.99 percent.

Provision for Loan Losses

The Bank's provision for loan losses for the third quarter of 2017 was $14.3 million, compared with $187.6 million for the 2017 second quarter and $80.5 million for the 2016 third quarter. The elevated provisions in the 2017 second quarter and the 2016 third quarter were predominantly due to the taxi medallion portfolio.

Net charge-offs for the 2017 third quarter were $3.8 million, or 0.05 percent of average loans on an annualized basis, versus $229.0 million, or 3.04 percent, for the 2017 second quarter and $100.5 million, or 1.46 percent, for the 2016 third quarter. $229.7 million of the 2017 second quarter charge-offs and $98.7 million of the charge-offs in the 2016 third quarter were for taxi medallion loans.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2017 third quarter was $8.1 million, down $3.0 million when compared with $11.1 million reported in the 2016 third quarter. The decrease was due to a $1.6 million decrease in net gains on sales of securities and loans and an increase in other losses of $2.3 million from additional amortization of low income housing tax credit investments.

Non-interest expense for the third quarter of 2017 was $105.6 million, an increase of $9.4 million, or 9.8 percent, versus $96.2 million reported in the 2016 third quarter. The increase was primarily a result of the addition of new private client banking teams, as well as an increase in costs in our risk management and compliance related activities. The Bank also incurred additional FDIC assessment fees.

The Bank's efficiency ratio was 33.3 percent for the 2017 third quarter versus 31.9 percent for the comparable period last year and 36.7 percent for the 2017 second quarter. The decrease from the 2017 second quarter was primarily due to a decrease in other general and administrative expenses of $14.3 million primarily due to write-downs on repossessed New York City taxi medallion loans in the 2017 second quarter.

Loans

Loans, excluding loans held for sale, grew $799.4 million, or 2.6 percent, during the third quarter of 2017 to $31.19 billion, compared with $30.39 billion at June 30, 2017. At September 30, 2017, loans accounted for 75.5 percent of total assets, versus 74.6 percent at the end of the 2017 second quarter and 73.5 percent at the end of 2016 third quarter. Average loans, excluding loans held for sale, reached $30.68 billion in the 2017 third quarter, growing $514.2 million, or 1.7 percent, from the 2017 second quarter and $3.36 billion, or 12.3 percent, from the 2016 third quarter. The increase in loans for the quarter was primarily driven by growth in specialty finance, commercial real estate and multi-family loans.

At September 30, 2017, non-accrual loans were $376.9 million, representing 1.21 percent of total loans and 0.91 percent of total assets, compared with non-accrual loans of $392.9 million, or 1.29 percent of total loans, at June 30, 2017 and $162.8 million, or 0.59 percent of total loans, at September 30, 2016. Excluding non-accruing loans secured by taxi medallions of $352.9 million, non-accrual loans for the remainder of the entire portfolio are $24.0 million, or eight basis points of total loans. At September 30, 2017, the ratio of allowance for loan and lease losses to total loans was 0.62 percent, versus 0.60 percent at June 30, 2017 and 0.74 percent at September 30, 2016. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 51 percent for the 2017 third quarter versus 46 percent for the second quarter of 2017 and 126 percent for the 2016 third quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2017 third quarter on Thursday, October 19, 2017, at 10:00 AM ET. All participants should dial 866-359-8135 at least ten minutes prior to the start of the call and reference conference ID #96636294. International callers should dial 901-300-3484.

To hear a live web simulcast or to listen to the archived web cast following completion of the call, please visit the Bank's web site at www.signatureny.com, click on "Investor Information," then, under "Company News," select "Conference Calls" to access the link to the call. To listen to a telephone replay of the conference call, please dial 800-585-8367 or 404-537-3406 and enter conference ID #96636294. The replay will be available from approximately 1:00 PM ET on Thursday, October 19, 2017 through 11:59 PM ET on Monday, October 23, 2017.

About Signature Bank

Signature Bank, member FDIC, is a New York-based full-service commercial bank with 30 private client offices throughout the New York metropolitan area, including those in Manhattan, Brooklyn, Westchester, Long Island, Queens, the Bronx, Staten Island and Connecticut. The Bank's growing network of private client banking teams serves the needs of privately owned businesses, their owners and senior managers.

Signature Bank offers a wide variety of business and personal banking products and services. Its specialty finance subsidiary, Signature Financial, LLC, provides equipment finance and leasing. Signature Securities Group Corporation, a wholly owned Bank subsidiary, is a licensed broker-dealer, investment adviser and member FINRA/SIPC, offering investment, brokerage, asset management and insurance products and services.

Signature Bank ranked on *Forbes'* Best Banks in America list for the seventh consecutive year in 2017 and also ranked among the Best Business Banks for the eighth consecutive year by the *New York Law Journal* in the publication's eighth annual reader survey. Additionally, Signature Bank was cited among the top three of the nation's best private banking services providers in the 2017 Best of *The National Law Journal* reader rankings. The Bank was also named Best Commercial Bank of the Year - U.S. by *International Banker* in their International Banker 2017 North and South American Awards program. Furthermore, Signature Bank was the recipient of two gold Stevie Awards® in The 15th Annual American Business Awards for 2017: Company of the Year in both Banking and Financial Services-Large categories.

For more information, please visit www.signatureny.com.

This press release and oral statements made from time to time by our representatives contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. You should not place undue reliance on those statements because they are subject to numerous risks and uncertainties relating to our operations and business environment, all of which are difficult to predict and may be beyond our control. Forward-looking statements include information concerning our future results, interest rates and the interest rate environment, loan and deposit growth, loan performance, operations, new private client teams and other hires, new office openings and business strategy. These statements often include words such as "may," "believe," "expect," "anticipate," "intend," "potential," "opportunity," "could," "project," "seek," "should," "will," "would," "plan," "estimate" or other similar expressions. As you consider forward-looking statements, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions that could cause actual results to differ materially from those in the forward-looking statements and can change as a result of many possible events or factors, not all of which are known to us or in our control. These factors include but are not limited to: (i) prevailing economic conditions; (ii) changes in interest rates, loan demand, real estate values and competition, any of which can materially affect origination levels and gain on sale results in our business, as well as other aspects of our financial performance, including earnings on interest-bearing assets; (iii) the level of defaults, losses and prepayments on loans made by us, whether held in portfolio or sold in the whole loan secondary markets, which can materially affect charge-off levels and required credit loss reserve levels; (iv) changes in monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System; (v) changes in the banking and other financial services regulatory environment and (vi) competition for qualified personnel and desirable office locations. Although we believe that these forward-looking statements are based on reasonable assumptions, beliefs and expectations, if a change occurs or our beliefs, assumptions and expectations were incorrect, our business, financial condition, liquidity or results of operations may vary materially from those expressed in our forward-looking statements. Additional risks are described in our quarterly and annual reports filed with the FDIC.You should keep in mind that any forward-looking statements made by Signature Bank speak only as of the date on which they were made. New risks and uncertainties come up from time to time, and we cannot predict these events or how they may affect the Bank.Signature Bank has no duty to, and does not intend to, update or revise the forward-looking statements after the date on which they are made. In light of these risks and uncertainties, you should keep in mind that any forward-looking statement made in this release or elsewhere might not reflect actual results.

SIGNATURE BANK
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months ended September 30,		*Nine months ended September 30,*	
(dollars in thousands, except per share amounts)	**2017**	**2016**	**2017**	**2016**
INTEREST AND DIVIDEND INCOME				
Loans held for sale	$ 911	1,619	3,155	3,609
Loans and leases, net	301,561	266,756	875,028	766,589
Securities available-for-sale	49,986	48,963	150,653	150,305
Securities held-to-maturity	14,549	15,448	44,346	47,781
Other investments	3,662	2,341	10,030	6,577
Total interest income	370,669	335,127	1,083,212	974,861
INTEREST EXPENSE				
Deposits	46,659	31,871	121,772	89,907
Federal funds purchased and securities sold under agreements to repurchase	1,913	2,966	7,329	9,133
Federal Home Loan Bank borrowings	9,634	6,186	25,407	18,854
Subordinated debt	3,645	3,636	10,890	6,541
Total interest expense	61,851	44,659	165,398	124,435
Net interest income before provision for loan and lease losses	308,818	290,468	917,814	850,426
Provision for loan and lease losses	14,340	80,460	221,560	133,541
Net interest income after provision for loan and lease losses	294,478	210,008	696,254	716,885
NON-INTEREST INCOME				

Commissions	3,036	2,705	9,094	8,032
Fees and service charges	6,112	5,443	18,127	16,044
Net gains on sales of securities	735	2,287	3,263	7,142
Net gains on sales of loans	2,204	2,069	6,657	5,049
Other-than-temporary impairment losses on securities:				
Total impairment losses on securities	(361)	(278)	(634)	(702)
Portion recognized in other comprehensive income (before taxes)	-	108	32	413
Net impairment losses on securities recognized in earnings	(361)	(170)	(602)	(289)
Other losses	(3,607)	(1,267)	(8,996)	(3,303)
Total non-interest income	8,119	11,067	27,543	32,675
NON-INTEREST EXPENSE				
Salaries and benefits	70,112	63,258	204,856	187,466
Occupancy and equipment	8,210	7,673	24,280	21,381
Information technology	5,970	5,134	16,743	14,893
FDIC assessment fees	7,260	5,682	20,242	14,967
Professional fees	3,181	2,231	9,222	6,422
Other general and administrative	10,895	12,239	49,756	35,723
Total non-interest expense	105,628	96,217	325,099	280,852
Income before income taxes	196,969	124,858	398,698	468,708
Income tax expense	72,498	48,748	126,354	186,321
Net income	$ 124,471	76,110	272,344	282,387
PER COMMON SHARE DATA				
Earnings per share – basic	$ 2.30	1.42	5.05	5.30
Earnings per share – diluted	$ 2.29	1.41	5.01	5.26

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands, except shares and per share amounts)	**September 30, 2017 (unaudited)**	**December 31, 2016**
ASSETS		
Cash and due from banks	$ 250,064	499,856
Short-term investments	43,694	39,095
Total cash and cash equivalents	293,758	538,951
Securities available-for-sale	6,793,636	6,335,347
Securities held-to-maturity (fair value $2,004,018 at September 30, 2017 and $2,027,393 at December 31, 2016)	2,003,332	2,038,125
Federal Home Loan Bank stock	153,670	132,629
Loans held for sale	370,793	559,528
Loans and leases, net	30,992,075	28,829,670
Premises and equipment, net	60,025	50,698
Accrued interest and dividends receivable	103,752	102,963
Other assets	555,883	459,700
Total assets	$ 41,326,924	39,047,611
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	$ 10,664,551	10,520,529
Interest-bearing	23,013,316	21,340,731
Total deposits	33,677,867	31,861,260
Federal funds purchased and securities sold under agreements to repurchase	517,000	893,000
Federal Home Loan Bank borrowings	2,545,000	2,050,900
Subordinated debt	257,181	256,588
Accrued expenses and other liabilities	397,923	373,599
Total liabilities	37,394,971	35,435,347
Shareholders’ equity		
Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at September 30, 2017 and December 31, 2016	-	-
Common stock, par value $.01 per share; 64,000,000 shares authorized; 54,973,983 shares issued and outstanding at September 30, 2017; 54,610,593 shares issued and outstanding at December 31, 2016	550	546

Additional paid-in capital	1,798,605	1,763,100
Retained earnings	2,175,676	1,903,332
Accumulated other comprehensive loss	(42,878)	(54,714)
Total shareholders' equity	3,931,953	3,612,264
Total liabilities and shareholders' equity	$ 41,326,924	39,047,611

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FINANCIAL SUMMARY, CAPITAL RATIOS, ASSET QUALITY
(unaudited)

	Three months ended September 30,		*Nine months ended September 30,*	
(in thousands, except ratios and per share amounts)	**2017**	**2016**	**2017**	**2016**
PER COMMON SHARE				
Net income - basic	$ 2.30	$ 1.42	$ 5.05	$ 5.30
Net income - diluted	$ 2.29	$ 1.41	$ 5.01	$ 5.26
Average shares outstanding - basic	54,098	53,683	53,968	53,313
Average shares outstanding - diluted	54,300	53,918	54,349	53,677
Book value	$ 71.52	$ 65.22	$ 71.52	$ 65.22
SELECTED FINANCIAL DATA				
Return on average total assets	1.21 %	0.81 %	0.90 %	1.05 %
Return on average shareholders' equity	12.78 %	8.58 %	9.65 %	11.69 %
Efficiency ratio (1)	33.33 %	31.91 %	34.39 %	31.80 %
Yield on interest-earning assets	3.65 %	3.61 %	3.65 %	3.68 %
Yield on interest-earning assets, tax-equivalent basis (1)(2)	3.66 %	3.62 %	3.66 %	3.68 %
Cost of deposits and borrowings	0.67 %	0.53 %	0.61 %	0.52 %
Net interest margin	3.04 %	3.13 %	3.09 %	3.21 %
Net interest margin, tax-equivalent basis (2)(3)	3.05 %	3.14 %	3.10 %	3.21 %

(1) See "Non-GAAP Financial Measures" for related calculation.

(2) Based on the 35 percent U.S. federal statutory tax rate. The tax-equivalent basis is considered a non-GAAP financial measure and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. This ratio is a metric used by management to evaluate the impact of tax-exempt assets on the Bank's yield on interest-earning assets and net interest margin.

(3) See "Net Interest Margin Analysis" for related calculation.

	September 30, 2017	**June 30, 2017**	**December 31, 2016**	**September 30, 2016**
CAPITAL RATIOS				
Tangible common equity (4)	9.44 %	9.26 %	9.21 %	9.41 %
Tier 1 leverage (5)	9.72 %	9.52 %	9.61 %	9.51 %
Common equity Tier 1 risk-based (5)	11.92 %	11.68 %	11.92 %	12.00 %
Tier 1 risk-based (5)	11.92 %	11.68 %	11.92 %	12.00 %
Total risk-based (5)	13.28 %	13.03 %	13.46 %	13.56 %
ASSET QUALITY				
Non-accrual loans	$ 376,867	$ 392,880	$ 157,578	$ 162,772
Allowance for loan and lease losses	$ 193,040	$ 182,541	$ 213,495	$ 204,809
Allowance for loan and lease losses to non-accrual loans	51.22 %	46.46 %	135.49 %	125.83 %
Allowance for loan and lease losses to total loans	0.62 %	0.60 %	0.74 %	0.74 %
Non-accrual loans to total loans	1.21 %	1.29 %	0.54 %	0.59 %
Quarterly net charge-offs to average loans, annualized	0.05 %	3.04 %	0.19 %	1.46 %

(4) We define tangible common equity as the ratio of total tangible common equity to total tangible assets (the "TCE ratio"). Tangible common equity is considered to be a non-GAAP financial measure and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. The TCE ratio is a metric used by management to evaluate the adequacy of our capital levels. In addition to tangible common equity, management uses other metrics, such as Tier 1 capital related ratios, to evaluate capital levels. See "Non-GAAP Financial Measures" for related calculation.

(5) September 30, 2017 ratios are preliminary.

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NET INTEREST MARGIN ANALYSIS
(unaudited)

(dollars in thousands)	Three months ended September 30, 2017 Average Balance	Interest Income/ Expense	Average Yield/ Rate		Three months ended September 30, 2016 Average Balance	Interest Income/ Expense	Average Yield/ Rate	
INTEREST-EARNING ASSETS								
Short-term investments	$ 470,171	1,455	1.23	%	529,184	656	0.49	%
Investment securities	8,987,262	66,742	2.97	%	8,684,586	66,096	3.04	%
Commercial loans, mortgages and leases (1)(2)	30,419,546	299,974	3.91	%	27,032,191	264,383	3.89	%
Residential mortgages and consumer loans	265,083	2,649	3.96	%	293,260	2,754	3.74	%
Loans held for sale	153,042	911	2.36	%	354,805	1,619	1.82	%
Total interest-earning assets	40,295,104	371,731	3.66	%	36,894,026	335,508	3.62	%
Non-interest-earning assets	587,209				401,517			
Total assets	$ 40,882,313				37,295,543			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 3,919,003	8,627	0.87	%	3,849,114	4,465	0.46	%
Money market	17,260,584	33,523	0.77	%	15,605,406	24,094	0.61	%
Time deposits	1,516,042	4,509	1.18	%	1,395,889	3,312	0.94	%
Non-interest-bearing demand deposits	10,678,696	-	-		9,665,906	-	-	
Total deposits	33,374,325	46,659	0.55	%	30,516,315	31,871	0.42	%
Subordinated debt	257,050	3,645	5.67	%	256,419	3,636	5.67	%
Other borrowings	3,085,542	11,547	1.48	%	2,709,055	9,152	1.34	%
Total deposits and borrowings	36,716,917	61,851	0.67	%	33,481,789	44,659	0.53	%
Other non-interest-bearing liabilities and shareholders' equity	4,165,396				3,813,754			
Total liabilities and shareholders' equity	$ 40,882,313				37,295,543			
OTHER DATA								
Net interest income/interest rate spread (1)		309,880	2.99	%		290,849	3.09	%
Tax-equivalent adjustment		(1,062)				(381)		
Net interest income, as reported		308,818				290,468		
Net interest margin			3.04	%			3.13	%
Tax-equivalent effect			0.01	%			0.01	%
Net interest margin on a fully tax-equivalent basis (1)(2)			3.05	%			3.14	%
Ratio of average interest-earning assets to average interest-bearing liabilities			109.75	%			110.19	%

(1) Presented on a tax-equivalent, non-GAAP, basis using the U.S. federal statutory tax rate of 35 percent for municipal leasing and financing transactions.

(2) See "Non-GAAP Financial Measures" for related calculation.

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NET INTEREST MARGIN ANALYSIS
(unaudited)

(dollars in thousands)	Nine months ended September 30, 2017 Average Balance	Interest Income/ Expense	Average Yield/ Rate		Nine months ended September 30, 2016 Average Balance	Interest Income/ Expense	Average Yield/ Rate	
INTEREST-EARNING ASSETS								
Short-term investments	$ 471,151	3,598	1.02	%	456,328	1,674	0.49	%

Investment securities	8,891,079	201,431	3.02	%	8,723,687	202,989	3.10	%
Commercial loans, mortgages and leases (1)(2)	29,886,204	869,752	3.89	%	25,628,015	758,779	3.95	%
Residential mortgages and consumer loans	271,273	7,850	3.87	%	300,742	8,595	3.82	%
Loans held for sale	196,842	3,155	2.14	%	315,558	3,609	1.53	%
Total interest-earning assets	39,716,549	1,085,786	3.66	%	35,424,330	975,646	3.68	%
Non-interest-earning assets	565,087				398,350			
Total assets	$ 40,281,636				35,822,680			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 3,835,571	20,502	0.71	%	3,428,780	11,695	0.46	%
Money market	17,003,578	89,427	0.70	%	15,131,418	69,060	0.61	%
Time deposits	1,473,261	11,843	1.07	%	1,249,624	9,152	0.98	%
Non-interest-bearing demand deposits	10,555,056	-	-		9,290,147	-	-	
Total deposits	32,867,466	121,772	0.50	%	29,099,969	89,907	0.41	%
Subordinated debt	256,853	10,890	5.65	%	154,473	6,541	5.65	%
Other borrowings	3,029,683	32,736	1.44	%	2,930,299	27,987	1.28	%
Total deposits and borrowings	36,154,002	165,398	0.61	%	32,184,741	124,435	0.52	%
Other non-interest-bearing liabilities and shareholders' equity	4,127,634				3,637,939			
Total liabilities and shareholders' equity	$ 40,281,636				35,822,680			
OTHER DATA								
Net interest income / interest rate spread (1)		920,388	3.05	%		851,211	3.16	%
Tax-equivalent adjustment		(2,574)				(785)		
Net interest income, as reported		917,814				850,426		
Net interest margin			3.09	%			3.21	%
Tax-equivalent effect			0.01	%			-	
Net interest margin on a fully tax-equivalent basis (1)(2)			3.10	%			3.21	%
Ratio of average interest-earning assets to average interest-bearing liabilities			109.85	%			110.07	%

(1) Presented on a tax-equivalent, non-GAAP, basis using the U.S. federal statutory tax rate of 35 percent for municipal leasing and financing transactions.

(2) See "Non-GAAP Financial Measures" for related calculation.

SIGNATURE BANK
NON-GAAP FINANCIAL MEASURES
(unaudited)

Management believes that the presentation of certain non-GAAP financial measures assists investors when comparing results period-to-period in a more consistent manner and provides a better measure of Signature Bank's results. These non-GAAP measures include the Bank's (i) tangible common equity ratio, (ii) efficiency ratio, (iii) yield on interest-earning assets, tax-equivalent basis, and (iv) core net interest margin, tax-equivalent basis excluding loan prepayment penalty income. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. We strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

The following table presents the tangible common equity ratio calculation:

(dollars in thousands)	**September 30, 2017**	**June 30, 2017**	**December 31, 2016**	**September 30, 2016**
Consolidated common shareholders' equity	$ 3,931,953	3,797,246	3,612,264	3,561,597
Intangible assets	32,741	27,374	19,640	6,527
Consolidated tangible common shareholders' equity (TCE)	$ 3,899,212	3,769,872	3,592,624	3,555,070
Consolidated total assets	$ 41,326,924	40,718,610	39,047,611	37,792,320
Intangible assets	32,741	27,374	19,640	6,527
Consolidated tangible total assets (TTA)	$ 41,294,183	40,691,236	39,027,971	37,785,793
Tangible common equity ratio (TCE/TTA)	9.44 %	9.26 %	9.21 %	9.41 %

The following table presents the efficiency ratio calculation:

	Three months ended September 30,		Nine months ended September 30,	
(dollars in thousands)	**2017**	**2016**	**2017**	**2016**
Non-interest expense (NIE)	$ 105,628	96,217	325,099	280,852
Net interest income before provision for loan and lease losses	308,818	290,468	917,814	850,426
Other non-interest income	8,119	11,067	27,543	32,675
Total income (TI)	$ 316,937	301,535	945,357	883,101
Efficiency ratio (NIE/TI)	33.33 %	31.91 %	34.39 %	31.80 %

The following table reconciles yield on interest-earning assets to the yield on interest-earning assets on a tax-equivalent basis:

	Three months ended September 30,		Nine months ended September 30,	
(dollars in thousands)	**2017**	**2016**	**2017**	**2016**
Interest income (as reported)	$ 370,669	335,127	1,083,212	974,861
Tax-equivalent adjustment	1,062	381	2,574	785
Interest income, tax-equivalent basis	$ 371,731	335,508	1,085,786	975,646
Interest-earning assets	$ 40,295,104	36,894,026	39,716,549	35,424,330
Yield on interest-earning assets	3.65 %	3.61 %	3.65 %	3.68 %
Tax-equivalent effect	0.01 %	0.01 %	0.01 %	0.00 %
Yield on interest-earning assets, tax-equivalent basis	3.66 %	3.62 %	3.66 %	3.68 %

The following table reconciles net interest margin (as reported) to core net interest margin on a tax-equivalent basis excluding loan prepayment penalty income:

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Net interest margin (as reported)	3.04 %	3.13 %	3.09 %	3.21 %
Tax-equivalent adjustment	0.01 %	0.01 %	0.01 %	-
Margin contribution from loan prepayment penalty income	(0.06)%	(0.07)%	(0.06)%	(0.09)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	2.99 %	3.07 %	3.04 %	3.12 %

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