SIGNATURE BANK®

Signature Bank Reports 2017 Fourth Quarter and Year-End Results

January 18, 2018

- ***Net Income for the 2017 Fourth Quarter Was $114.9 Million, or $2.11 Diluted Earnings Per Share, Versus $113.9 Million, or $2.11 Diluted Earnings Per Share Reported in the 2016 Fourth Quarter***
- ***2017 Fourth Quarter Net Income Included Net Write-Downs for the Taxi Medallion Portfolio of $36.8 Million and a Net Tax Benefit of $2.0 Million for Recently Enacted Federal Corporate Tax Reform. Excluding These Items, Net Income Would Have Been $132.3 Million, or $2.43 Diluted Earnings Per Share***
- ***Net Income for 2017 Was $387.2 Million, or $7.12 Diluted Earnings Per Share, Compared with $396.3 Million or $7.37 Diluted Earnings Per Share in 2016, Down $9.1 Million, or 2.3 Percent. Excluding Provision Expense and Write-Downs for the Taxi Medallion Portfolio and Several Tax Adjustments During the Year, 2017 Net Income Would Have Been $484.9 Million, or $8.91 Diluted Earnings Per Share***
- ***Total Deposits Declined $238.0 Million to $33.44 Billion, While Non-Interest Bearing Deposits Increased $688.5 Million in the 2017 Fourth Quarter. Average Deposits Increased $646.7 Million, or 1.9 Percent, in the 2017 Fourth Quarter***
- ***Total Deposits Grew $1.58 Billion, or 5.0 Percent, in 2017. Average Deposits for 2017 at $33.16 Billion, Representing an Increase of $3.41 Billion, or 11.5 Percent, Versus $29.75 Billion in 2016***
- ***Loans Increased $1.43 Billion, or 4.6 Percent, to $32.61 Billion in the 2017 Fourth Quarter. Since Year-end 2016, Loans Increased $3.57 Billion, or 12.3 Percent***
- ***Non-Accrual Loans Were $326.9 Million, or 1.0 Percent of Total Loans, at December 31, 2017, Versus $376.9 Million, or 1.21 Percent of Total Loans, at the End of the 2017 Third Quarter. Non-Accrual Loans at Year-end 2016 were $157.6 Million, or 0.54 Percent of Total Loans. Excluding Taxi Medallion Loans, Which Were All Placed on Non-Accrual in the 2017 Second Quarter, Non-Accrual Loans Were $17.0 Million, or Five Basis Points of Total Loans***
- ***Net Interest Margin on a Tax-Equivalent Basis Was 3.07 Percent for the 2017 Fourth Quarter, Compared with 3.05 Percent for the 2017 Third Quarter and 3.14 Percent for the 2016 Fourth Quarter***
- ***Core Net Interest Margin on a Tax-Equivalent Basis, Which Excludes Loan Prepayment Penalty Income, Decreased One Basis Point to 2.98 Percent for the 2017 Fourth Quarter, Compared with 2.99 Percent for the 2017 Third Quarter***
- ***Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based and Total Risk-Based Capital Ratios were 9.72 Percent, 11.97 Percent, 11.97 Percent and 13.30 Percent, Respectively, at December 31, 2017. Signature Bank Remains Significantly Above FDIC "Well-Capitalized" Standards. Tangible Common Equity Ratio was 9.29 Percent***
- ***For 2017, Four Private Client Banking Teams Joined. Additionally, the Bank Appointed Several New Private Client Banking Professionals to Existing Teams***

NEW YORK--(BUSINESS WIRE)--Jan. 18, 2018-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its fourth quarter and year ended December 31, 2017.

Net income for the 2017 fourth quarter was $114.9 million, or $2.11 diluted earnings per share, compared with $113.9 million, or $2.11 diluted earnings per share, for the 2016 fourth quarter. The increase in net income for the 2017 fourth quarter, when compared with the same period last year, is primarily the result of an increase in net interest income, fueled by strong average deposit and loan growth as well as an increase in prepayment penalty income. These factors were partially offset by an increase in the provision for loan losses attributable to taxi medallion loan write-downs and increased non-interest expenses.

Net interest income for the 2017 fourth quarter rose $23.0 million, or 7.7 percent, to $319.8 million, compared with the fourth quarter of 2016. This increase is primarily due to growth in average interest-earning assets. Total assets reached $43.12 billion at December 31, 2017, expanding $4.07 billion, or 10.4 percent, from $39.05 billion at December 31, 2016. Average assets for the 2017 fourth quarter reached $42.15 billion, an increase of $3.97 billion, or 10.4 percent, versus the comparable period a year ago.

Deposits for the 2017 fourth quarter declined $238.0 million, or 0.7 percent, to $33.44 billion at December 31, 2017, while non-interest bearing deposits increased $688.5 million and represent 34.0 percent of total deposits. Overall deposit growth in 2017 was 5.0 percent, or $1.58 billion, when compared with deposits at the end of 2016. Average total deposits for 2017 were $33.16 billion, growing $3.41 billion, or 11.5 percent, versus average total deposits of $29.75 billion for 2016.

"2017 was a year during which our highly successful, single point of contact business model further distinguished Signature Bank in an exceedingly competitive marketplace. We continued to attract quality business relationships as evidenced by the growth in both our core deposits and loans. Notwithstanding our challenges in the taxi medallion business, we were able to achieve a double-digit return on equity," explained Joseph J. DePaolo, President and Chief Executive Officer.

“Now with tax legislation becoming law and the positive effect we believe it will have on future earnings and capital, we look forward to the $50 billion SIFI threshold potentially moving higher, to at least $100 billion. This will allow the Bank to slow down the pace of expense growth. Realistically, Signature Bank, with its uncomplicated and straight-forward balance sheet, should not be subject to the same standards as a truly complex, systemically important trillion-dollar financial institution. We welcome 2018 as we plan to strengthen our foundation by making major investments in our loan operation and origination systems, payments architecture platform and new foreign exchange system. We also will look to expand our geographic presence in areas where we have significant client synergies, such as the West Coast, after we successfully tested the waters in 2017 with the appointment of a team and the opening of our new accommodation office in San Francisco,” he concluded.

Signature Bank Chairman of the Board Scott A. Shay, noted: “We are proud of the Bank’s performance for 2017. We are pleased with the progress we’ve made in building our businesses for the future. We believe in dealing with issues head on, as we did in 2017 with respect to our taxi medallion portfolio. We also are enhancing our franchise for the future by making technology investments that prepare and position the Bank for the rapidly evolving financial services arena. While adapting to changes of the world, we keep our dual missions front and center, namely ensuring the best client service and sleep at night depositor safety. Many in our industry prioritize by following the latest social media fads, but we are convinced our two pillars of service and depositor safety will continue to grow the value of our franchise over time.”

“We are also increasingly hopeful that Congress will pass legislation recognizing banks such as ours should not be put at a disadvantage to the mega banks by being saddled with regulatory burdens disproportionate to our size and complexity,” Shay concluded.

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, 11.97 percent, 11.97 percent and 13.30 percent, respectively, as of December 31, 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 9.29 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 fourth quarter was $319.8 million, up $23.0 million, or 7.7 percent, when compared with the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $41.53 billion for the 2017 fourth quarter represent an increase of $3.80 billion, or 10.1 percent, from the 2016 fourth quarter. The yield on interest-earning assets for the 2017 fourth quarter rose 10 basis points to 3.71 percent, compared to the fourth quarter of last year.

Average cost of deposits and average cost of funds for the 2017 fourth quarter increased by 16 and 18 basis points, to 0.58 percent and 0.71 percent, respectively, versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2017 fourth quarter was 3.07 percent versus 3.14 percent reported in the 2016 fourth quarter and 3.05 percent in the 2017 third quarter. Excluding loan prepayment penalty income in both quarters, linked quarter core margin on a tax-equivalent basis decreased one basis point to 2.98 percent.

Provision for Loan Losses

The Bank’s provision for loan losses for the fourth quarter of 2017 was $41.7 million, an increase of $19.5 million, or 87.7 percent, versus the 2016 fourth quarter. The increase was primarily due to additional charge-offs for taxi medallion loans.

Net charge-offs for the 2017 fourth quarter were $38.8 million, or 0.48 percent of average loans on an annualized basis, versus $3.8 million, or 0.05 percent, for the 2017 third quarter and $13.5 million, or 0.19 percent, for the 2016 fourth quarter. The 2017 fourth quarter net charge-offs included $36.8 million for taxi medallion loans.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2017 fourth quarter was $8.5 million, down $1.6 million from $10.1 million reported in the fourth quarter of last year. The decrease was driven by a rise of $1.9 million in other losses from additional amortization of low income housing tax credit investments.

Non-interest expense for the 2017 fourth quarter was $110.0 million, an increase of $14.1 million, or 14.6 percent, versus $95.9 million reported in the 2016 fourth quarter. The increase was primarily a result of new private client banking teams joining, 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 33.50 percent for the fourth quarter of 2017 compared with 31.25 percent for the same period a year ago.

Income Taxes

Income tax expense includes a net tax benefit of $2.0 million related to the impact of recently enacted Federal corporate tax reform. The Bank anticipates its 2018 estimated effective tax rate to be approximately 27 percent.

Loans

Loans, excluding loans held for sale, expanded $1.43 billion, or 4.6 percent, during the 2017 fourth quarter to $32.61 billion, versus $31.19 billion at September 30, 2017. At December 31, 2017, loans accounted for 75.6 percent of total assets, compared with 75.5 percent at the end of the 2017 third quarter and 74.4 percent at the end of 2016. Average loans, excluding loans held for sale, reached $31.78 billion in the 2017 fourth quarter, growing $1.10 billion, or 3.6 percent, from the 2017 third quarter and $3.54 billion, or 12.5 percent, from the fourth quarter of 2016. The increase in loans for the quarter and the year was primarily driven by growth in commercial real estate and multi-family loans, as well as a strong showing in commercial and industrial loans.

At December 31, 2017, non-accrual loans were $326.9 million, representing 1.00 percent of total loans and 0.76 percent of total assets, versus non-accrual loans of $376.9 million, or 1.21 percent of total loans, at September 30, 2017 and $157.6 million, or 0.54 percent of total loans, at December 31, 2016. Excluding non-accruing loans secured by taxi medallions of $309.9 million, non-accrual loans for the remainder of the portfolio are $17.0 million, or five basis points of total loans. At December 31, 2017, the ratio of allowance for loan and lease losses to total loans was 0.60 percent, versus 0.62 percent at September 30, 2017 and 0.74 percent at December 31, 2016. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 60 percent for the 2017 fourth quarter versus 51 percent for the 2017 third quarter and 135 percent for the 2016 fourth quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2017 fourth quarter and year-end on Thursday, January 18, 2018, 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 #2874578. International callers should dial 901-300-3484.

To hear a live web simulcast or to listen to the archived webcast following completion of the call, please visit the Bank's website 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 #2874578. The replay will be available from approximately 1:00 PM ET on Thursday, January 18, 2018 through 11:59 PM ET on Monday, January 22, 2018.

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 recently earned several third-party recognitions, including: appeared on *Forbes'* Best Banks in America list for the eighth consecutive year in 2018; named Best Private Bank and Best Attorney Escrow Services provider and among the top three Best Business Banks for the eighth consecutive year by the *New York Law Journal* in the publication's annual Best of reader survey; cited in the top three of the nation's best private banking services providers in the 2017 Best of *The National Law Journal* reader rankings; earned Best Commercial Bank of the Year - U.S. award from *International Banker* in their International Banker 2017 North and South American Awards program; received 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.

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CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months ended		*Twelve months ended*	
	December 31,		*December 31,*	
(dollars in thousands, except per share amounts)	**2017**	**2016**	**2017**	**2016**
INTEREST AND DIVIDEND INCOME				

Loans held for sale	$ 1,179	963	4,334	4,572
Loans and leases, net	316,166	276,128	1,191,194	1,042,717
Securities available-for-sale	51,004	47,695	201,657	198,001
Securities held-to-maturity	14,509	15,054	58,855	62,834
Other investments	4,100	2,450	14,129	9,027
Total interest income	386,958	342,290	1,470,169	1,317,151
INTEREST EXPENSE				
Deposits	50,057	33,379	171,829	123,285
Federal funds purchased and securities sold under agreements to repurchase	2,367	2,724	9,695	11,857
Federal Home Loan Bank borrowings	11,118	5,711	36,524	24,565
Subordinated debt	3,645	3,660	14,535	10,202
Total interest expense	67,187	45,474	232,583	169,909
Net interest income before provision for loan and lease losses	319,771	296,816	1,237,586	1,147,242
Provision for loan and lease losses	41,737	22,234	263,297	155,774
Net interest income after provision for loan and lease losses	278,034	274,582	974,289	991,468
NON-INTEREST INCOME				
Commissions	3,204	3,442	12,299	11,474
Fees and service charges	5,431	5,802	23,557	21,846
Net gains on sales of securities	700	569	3,963	7,711
Net gains on sales of loans	2,561	1,701	9,218	6,750
Other-than-temporary impairment losses on securities:				
Total impairment losses on securities	(21)	(283)	(654)	(986)
Portion recognized in other comprehensive income (before taxes)	(11)	145	21	559
Net impairment losses on securities recognized in earnings	(32)	(138)	(633)	(427)
Other losses	(3,367)	(1,300)	(12,363)	(4,604)
Total non-interest income	8,497	10,076	36,041	42,750
NON-INTEREST EXPENSE				
Salaries and benefits	68,384	58,940	273,240	246,406
Occupancy and equipment	7,860	7,758	32,141	29,140
Information technology	5,879	5,450	22,623	20,343
FDIC assessment fees	6,754	6,299	26,996	21,265
Professional fees	2,799	3,249	12,021	9,671
Other general and administrative	18,288	14,223	68,045	49,946
Total non-interest expense	109,964	95,919	435,066	376,771
Income before income taxes	176,567	188,739	575,264	657,447
Income tax expense	61,701	74,802	188,055	261,123
Net income	$ 114,866	113,937	387,209	396,324
PER COMMON SHARE DATA				
Earnings per share – basic	$ 2.12	2.12	7.17	7.42
Earnings per share – diluted	$ 2.11	2.11	7.12	7.37

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands, except shares and per share amounts)	**December 31, 2017 (unaudited)**	**December 31, 2016**
ASSETS		
Cash and due from banks	$ 450,874	499,856
Short-term investments	45,388	39,095
Total cash and cash equivalents	496,262	538,951
Securities available-for-sale	6,953,719	6,335,347
Securities held-to-maturity (fair value $1,983,087 at December 31, 2017 and $2,027,393 at December 31, 2016)	1,996,376	2,038,125
Federal Home Loan Bank stock	227,920	132,629
Loans held for sale	432,277	559,528
Loans and leases, net	32,416,580	28,829,670
Premises and equipment, net	61,571	50,698
Accrued interest and dividends receivable	117,070	102,963

Other assets	415,945	459,700
Total assets	$ 43,117,720	39,047,611
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	$ 11,353,038	10,520,529
Interest-bearing	22,086,789	21,340,731
Total deposits	33,439,827	31,861,260
Federal funds purchased and securities sold under agreements to repurchase	790,000	893,000
Federal Home Loan Bank borrowings	4,195,000	2,050,900
Subordinated debt	257,381	256,588
Accrued expenses and other liabilities	403,821	373,599
Total liabilities	39,086,029	35,435,347
Shareholders' equity		
Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at December 31, 2017 and December 31, 2016	-	-
Common stock, par value $.01 per share; 64,000,000 shares authorized; 54,979,213 shares issued and outstanding at December 31, 2017; 54,610,593 shares issued and outstanding at December 31, 2016	550	546
Additional paid-in capital	1,809,642	1,763,100
Retained earnings (1)	2,290,537	1,903,332
Treasury stock, 1,242 shares at December 31, 2017 and none at December 31, 2016	(171)	-
Accumulated other comprehensive loss (1)	(68,867)	(54,714)
Total shareholders' equity	4,031,691	3,612,264
Total liabilities and shareholders' equity	$ 43,117,720	39,047,611

(1) Preliminary. Pending FASB guidance regarding the Financial Reporting Effects of the Tax Cuts and Jobs Act.

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FINANCIAL SUMMARY, CAPITAL RATIOS, ASSET QUALITY
(unaudited)

	Three months ended December 31,		*Twelve months ended December 31,*	
(in thousands, except ratios and per share amounts)	**2017**	**2016**	**2017**	**2016**
PER COMMON SHARE				
Net income - basic	$ 2.12	$ 2.12	$ 7.17	$ 7.42
Net income - diluted	$ 2.11	$ 2.11	$ 7.12	$ 7.37
Average shares outstanding - basic	54,098	53,684	54,001	53,406
Average shares outstanding - diluted	54,377	54,060	54,418	53,811
Book value	$ 73.33	$ 66.15	$ 73.33	$ 66.15
SELECTED FINANCIAL DATA				
Return on average total assets	1.08 %	1.19 %	0.95 %	1.09 %
Return on average shareholders' equity	11.44 %	12.64 %	10.13 %	12.19 %
Efficiency ratio (1)	33.50 %	31.25 %	34.16 %	31.66 %
Yield on interest-earning assets	3.70 %	3.61 %	3.66 %	3.66 %
Yield on interest-earning assets, tax-equivalent basis (1)(2)	3.71 %	3.61 %	3.67 %	3.66 %
Cost of deposits and borrowings	0.71 %	0.53 %	0.64 %	0.52 %
Net interest margin	3.05 %	3.13 %	3.08 %	3.19 %
Net interest margin, tax-equivalent basis (2)(3)	3.07 %	3.14 %	3.09 %	3.19 %

(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.

(in thousands, except ratios and per share amounts)	**December 31, 2017**		**September 30, 2017**		**December 31, 2016**	
CAPITAL RATIOS						
Tangible common equity (4)	9.29	%	9.44	%	9.21	%
Tier 1 leverage (5)	9.72	%	9.72	%	9.61	%
Common equity Tier 1 risk-based (5)	11.97	%	11.96	%	11.92	%
Tier 1 risk-based (5)	11.97	%	11.96	%	11.92	%
Total risk-based (5)	13.30	%	13.32	%	13.46	%
ASSET QUALITY						
Non-accrual loans	$ 326,918		$ 376,867		$ 157,578	
Allowance for loan and lease losses	$ 195,959		$ 193,040		$ 213,495	
Allowance for loan and lease losses to non-accrual loans	59.94	%	51.22	%	135.49	%
Allowance for loan and lease losses to total loans	0.60	%	0.62	%	0.74	%
Non-accrual loans to total loans	1.00	%	1.21	%	0.54	%
Quarterly net charge-offs to average loans, annualized	0.48	%	0.05	%	0.19	%

(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) December 31, 2017 ratios are preliminary.

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

	Three months ended December 31, 2017				*Three months ended December 31, 2016*			
(dollars in thousands)	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**		**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**	
INTEREST-EARNING ASSETS								
Short-term investments	$ 436,240	1,420	1.29	%	604,788	781	0.51	%
Investment securities	9,120,767	68,193	2.99	%	8,612,077	64,418	2.99	%
Commercial loans, mortgages and leases (1)(2)	31,524,498	315,158	3.97	%	27,954,484	274,048	3.90	%
Residential mortgages and consumer loans	257,324	2,296	3.54	%	287,757	2,640	3.65	%
Loans held for sale	195,823	1,179	2.39	%	275,110	963	1.39	%
Total interest-earning assets	41,534,652	388,246	3.71	%	37,734,216	342,850	3.61	%
Non-interest-earning assets	617,240				447,739			
Total assets	$ 42,151,892				38,181,955			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 3,952,056	9,412	0.94	%	4,078,045	4,879	0.48	%
Money market	17,331,981	35,587	0.81	%	16,199,212	25,234	0.62	%

Time deposits	1,598,735	5,058	1.26 %	1,397,421	3,266	0.93 %
Non-interest-bearing demand deposits	11,138,285	-	-	10,002,625	-	-
Total deposits	34,021,057	50,057	0.58 %	31,677,303	33,379	0.42 %
Subordinated debt	257,251	3,645	5.67 %	256,502	3,659	5.71 %
Other borrowings	3,480,120	13,485	1.54 %	2,337,563	8,436	1.44 %
Total deposits and borrowings	37,758,428	67,187	0.71 %	34,271,368	45,474	0.53 %
Other non-interest-bearing liabilities						
and shareholders' equity	4,393,464			3,910,587		
Total liabilities and shareholders' equity	$ 42,151,892			38,181,955		
OTHER DATA						
Net interest income / interest rate spread (1)		321,059	3.00 %		297,376	3.08 %
Tax-equivalent adjustment		(1,288)			(560)	
Net interest income, as reported		319,771			296,816	
Net interest margin			3.05 %			3.13 %
Tax-equivalent effect			0.02 %			0.01 %
Net interest margin on a fully tax-equivalent basis (1)(2)			3.07 %			3.14 %
Ratio of average interest-earning assets						
to average interest-bearing liabilities			110.00 %			110.10 %

(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)

	Twelve months ended December 31, 2017			*Twelve months ended December 31, 2016*		
(dollars in thousands)	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**
INTEREST-EARNING ASSETS						
Short-term investments	$ 462,351	5,017	1.09 %	493,646	2,456	0.50 %
Investment securities	8,948,973	269,624	3.01 %	8,695,632	267,406	3.08 %
Commercial loans, mortgages and leases (1)(2)	30,299,144	1,184,911	3.91 %	26,212,811	1,032,829	3.94 %
Residential mortgages and consumer loans	267,757	10,147	3.79 %	297,478	11,235	3.78 %
Loans held for sale	196,585	4,334	2.20 %	305,391	4,572	1.50 %
Total interest-earning assets	40,174,810	1,474,033	3.67 %	36,004,958	1,318,498	3.66 %
Non-interest-earning assets	578,233			410,764		
Total assets	$ 40,753,043			36,415,722		
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
NOW and interest-bearing demand	$ 3,864,932	29,915	0.77 %	3,591,984	16,573	0.46 %
Money market	17,086,353	125,014	0.73 %	15,399,825	94,294	0.61 %
Time deposits	1,504,887	16,900	1.12 %	1,286,775	12,418	0.97 %
Non-interest-bearing demand deposits	10,702,062	-	-	9,469,240	-	-
Total deposits	33,158,234	171,829	0.52 %	29,747,824	123,285	0.41 %
Subordinated debt	256,953	14,535	5.66 %	180,120	10,202	5.66 %
Other borrowings	3,143,218	46,219	1.47 %	2,781,305	36,422	1.31 %
Total deposits and borrowings	36,558,405	232,583	0.64 %	32,709,249	169,909	0.52 %
Other non-interest-bearing liabilities						
and shareholders' equity	4,194,638			3,706,473		
Total liabilities and shareholders' equity	$ 40,753,043			36,415,722		
OTHER DATA						
Net interest income / interest rate spread (1)		1,241,450	3.03 %		1,148,589	3.14 %
Tax-equivalent adjustment		(3,864)			(1,347)	

Net interest income, as reported	1,237,586	1,147,242
Net interest margin	3.08 %	3.19 %
Tax-equivalent effect	0.01 %	-
Net interest margin on a fully tax-equivalent basis (1)(2)	3.09 %	3.19 %
Ratio of average interest-earning assets to average interest-bearing liabilities	109.89 %	110.08 %

(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) Net income and diluted earnings per share (as reported) to net income and diluted earnings per share excluding net write-downs for the taxi medallion portfolio and the net tax benefit from the recently enacted Federal corporate tax reform, (ii) Net income and diluted earnings per share (as reported) to net income and diluted earnings per share excluding provision expense and write-downs for taxi medallion loans, and several tax adjustments, (iii) tangible common equity ratio, (iv) efficiency ratio, (v) yield on interest-earning assets, tax-equivalent basis, and (vi) 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 change in net income excluding net write-downs for the taxi medallion portfolio and net tax benefit for the recently enacted Federal corporate tax reform:

	Three months ended December 31,	
(dollars in thousands, except per share amounts)	**2017**	**2016**
Net income (as reported)	$ 114,866	113,937
Net write-downs for the taxi medallion portfolio	36,819	11,589
Tax effect, taxi medallion portfolio net write-downs, including loss related benefit	(17,423)	(4,588)
Net tax benefit for the Federal corporate tax reform	(1,958)	-
Total net income (adjusted)	$ 132,304	120,938
Diluted earnings per share (as reported)	$ 2.11	2.11
Write-downs for the taxi medallion portfolio	0.68	0.21
Tax effect, taxi medallion portfolio net write-downs including loss related benefit	(0.32)	(0.08)
Net tax benefit for the Federal corporate tax reform	(0.04)	-
Diluted earnings per share - excluding net write-downs for the taxi medallion portfolio and net tax benefit for the Federal corporate tax reform	$ 2.43	2.24

The following table presents the change in net income excluding provision expense and write-downs for the taxi medallion portfolio, and several tax adjustments:

	Twelve months ended December 31,	
(dollars in thousands, except per share amounts)	**2017**	**2016**
Net income (as reported)	$ 387,209	396,324
Provision expense & write-downs for the taxi medallion portfolio	232,878	167,093

Tax effect, taxi medallion portfolio provision expense and write-downs, including loss related benefit	(111,604)	(65,642)
2015 & 2016 NYC affordable housing tax benefit	(15,070)	-
ASU 2016-09 tax benefit	(6,535)	-
Net tax benefit for the Federal corporate tax reform	(1,958)	-
Total net income (adjusted)	$ 484,920	497,775
Diluted earnings per share (as reported)	$ 7.12	7.37
Provision expense & write-downs for the taxi medallion portfolio	4.28	3.11
Tax effect, taxi medallion portfolio provision expense and write-downs, including loss related benefit	(2.05)	(1.22)
2015 & 2016 NYC affordable housing tax benefit	(0.28)	-
ASU 2016-09 tax benefit	(0.12)	-
Net tax benefit for the Federal corporate tax reform	(0.04)	-
Diluted earnings per share - excluding provision expense and write-downs for the taxi medallion portfolio and several tax adjustments	$ 8.91	9.26

SIGNATURE BANK
NON-GAAP FINANCIAL MEASURES
(unaudited)

The following table presents the tangible common equity ratio calculation:

(dollars in thousands)	**December 31, 2017**	**September 30, 2017**	**December 31, 2016**
Consolidated common shareholders' equity	$ 4,031,691	3,931,953	3,612,264
Intangible assets	28,643	32,741	19,640
Consolidated tangible common shareholders' equity (TCE)	$ 4,003,048	3,899,212	3,592,624
Consolidated total assets	$ 43,117,720	41,326,924	39,047,611
Intangible assets	28,643	32,741	19,640
Consolidated tangible total assets (TTA)	$ 43,089,077	41,294,183	39,027,971
Tangible common equity ratio (TCE/TTA)	9.29 %	9.44 %	9.21 %

The following table presents the efficiency ratio calculation:

	Three months ended December 31,		*Twelve months ended December 31,*	
(dollars in thousands)	**2017**	**2016**	**2017**	**2016**
Non-interest expense (NIE)	$ 109,964	95,919	435,066	376,771
Net interest income before provision for loan and lease losses	319,771	296,816	1,237,586	1,147,242
Other non-interest income	8,497	10,076	36,041	42,750
Total income (TI)	$ 328,268	306,892	1,273,627	1,189,992
Efficiency ratio (NIE/TI)	33.50 %	31.25 %	34.16 %	31.66 %

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

	Three months ended December 31,		*Twelve months ended December 31,*	
(dollars in thousands)	**2017**	**2016**	**2017**	**2016**

Interest income (as reported)	$ 386,958	342,290	1,470,169	1,317,151
Tax-equivalent adjustment	1,288	560	3,864	1,347
Interest income, tax-equivalent basis	$ 388,246	342,850	1,474,033	1,318,498
Interest-earning assets	$ 41,534,652	37,734,216	40,174,810	36,004,958
Yield on interest-earning assets	3.70 %	3.61 %	3.66 %	3.66 %
Tax-equivalent effect	0.01 %	-	0.01 %	-
Yield on interest-earning assets, tax-equivalent basis	3.71 %	3.61 %	3.67 %	3.66 %

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 December 31,		*Three months ended September 30,*		*Twelve months ended December 31,*	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Net interest margin (as reported)	3.05 %	3.13 %	3.04 %	3.13 %	3.08 %	3.19 %
Tax-equivalent adjustment	0.02 %	0.01 %	0.01 %	0.01 %	0.01 %	-
Margin contribution from loan prepayment penalty income	(0.09)%	(0.08)%	(0.06)%	(0.07)%	(0.07)%	(0.09)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	2.98 %	3.06 %	2.99 %	3.07 %	3.02 %	3.10 %

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