SIGNATURE BANK®

Signature Bank Reports 2018 Third Quarter Results

October 18, 2018

- ***Net Income for the 2018 Third Quarter Was $155.4 Million, or $2.84 Diluted Earnings Per Share Versus $124.5 Million, or $2.29 Diluted Earnings Per Share, Reported in the 2017 Third Quarter***
- ***The Bank Declared a Cash Dividend of $0.56 Per Share, Payable on or After November 15, 2018 to Common Stockholders of Record at the Close of Business on November 1, 2018***
- ***On October 17th, Bank Stockholders Approved the Bank's Stock Repurchase Program***
- ***Total Deposits in the Third Quarter Grew $1.10 Billion to $36.09 Billion. Total Deposits Have Grown $2.41 Billion, or 7.2 Percent, Since the End of the 2017 Third Quarter. Average Deposits Increased $1.27 Billion, or 3.7 Percent, in the 2018 Third Quarter***
- ***For the 2018 Third Quarter, Loans Increased $979.7 Million, or 2.9 Percent, to $35.13 Billion. Since the End of the 2017 Third Quarter, Loans Have Increased 12.6 Percent, or $3.94 Billion***
- ***Non-Accrual Loans were $134.2 Million, or 0.38 Percent of Total Loans, at September 30, 2018, Versus $158.1 Million, or 0.46 Percent, at the End of the 2018 Second Quarter and $376.9 Million, or 1.21 Percent, at the End of the 2017 Third Quarter. Excluding Taxi Medallion Loans, Which Were All Placed on Non-Accrual in the 2017 Second Quarter, Non-Accrual Loans Were $22.5 Million, or Six Basis Points of Total Loans***
- ***Net Interest Margin on a Tax-Equivalent Basis Was 2.88 Percent, Compared with 2.94 Percent for the 2018 Second Quarter and 3.05 Percent for the 2017 Third Quarter. Core Net Interest Margin on a Tax-Equivalent Basis Excluding Loan Prepayment Penalty Income Decreased Four Basis Points to 2.85 Percent for the 2018 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 9.67 Percent, 12.13 Percent, 12.13 Percent and 13.44 Percent, Respectively, at September 30, 2018. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio Was 9.15 Percent***
- ***Four Private Client Banking Teams Joined During the 2018 Third Quarter Bringing the Total Teams Hired to Eight in 2018.***

NEW YORK--(BUSINESS WIRE)--Oct. 18, 2018-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its third quarter ended September 30, 2018. Net income for the 2018 third quarter was $155.4 million, or $2.84 diluted earnings per share, versus $124.5 million, or $2.29 diluted earnings per share, for the 2017 third quarter. The increase in net income for the 2018 third quarter, versus the comparable quarter last year, is primarily due to an increase in net interest income and a decrease in the provision for loan losses and income tax expense.

Net interest income for the 2018 third quarter reached $324.8 million, up $16.0 million, or 5.2 percent, when compared with the 2017 third quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached $45.87 billion at September 30, 2018, an increase of $4.54 billion, or 11.0 percent, from $41.33 billion at September 30, 2017. Average assets for the 2018 third quarter reached $45.48 billion, an increase of $4.60 billion, or 11.3 percent, compared with the 2017 third quarter.

Deposits for the 2018 third quarter rose $1.10 billion, or 3.1 percent, to $36.09 billion at September 30, 2018. When compared with deposits at September 30, 2017, overall deposit growth for the last twelve months was 7.2 percent, or $2.41 billion. Average deposits for the 2018 third quarter reached $35.78 billion, an increase of $1.27 billion, or 3.7 percent.

"During the past few quarters, Signature Bank has executed several growth initiatives paving the way for the future direction of this institution. These strategies include taking our successful single-point-of-contact model outside of the metro-New York area -- where we spent 17 years building the foundation of our business -- and bringing it to San Francisco after we identified a glaring need. In the 2018 first quarter, we appointed a digital asset banking team because we want to be nimble and ready to change as the market evolves. Just recently, we hired a nine-person team focusing on capital call and subscription finance for private equity firms. And lastly, we have been heavily investing in our infrastructure with the implementation of new systems for loan operations (now in place), credit approvals and foreign exchange as well as an enhanced payments platform," explained Joseph J. DePaolo, President and Chief Executive Officer.

"Our success since our founding in 2001 is predicated on our ability to attract seasoned bankers who serve as client contacts for all banking needs. This client-centric philosophy is at the crux of all we do. The advancements we are making are all accomplished with client satisfaction at their core. At the same time, we are expanding our reach in new business activities, geography and capabilities. We must take measured risks to fuel future growth, but they are far less than the long-range risks of comfortable inaction. We believe the initiatives upon which we are embarking today will set the stage for the Signature Bank of tomorrow," DePaolo concluded.

Scott A. Shay, Chairman of the Board, said: "Signature Bank has grown into the 40th largest bank in the U.S., without performing any mergers or acquisitions. Instead, we built our business methodically and organically -- banker by banker -- partnering with those individuals who attract, build and nurture an expansive portfolio of loyal banking clients. We are proud that even after 17+ years in operation, we are still the bank of choice amongst veteran bankers who are passionate about delivering best-in-class service to clients. Every team we attract brings along an unwavering commitment to catering to clients."

"While we recognize the maxim that 'what got you here, won't get you there,' we are constantly on the lookout for new ideas adjacent to our business strategy, including those we can thoughtfully expand upon and which allow us to continue to execute on our service hallmark. This is evidenced by our recent San Francisco expansion. We also recognize that banking and payment technologies are rapidly advancing, and are focused on incorporating evolving technologies relevant to our clients' needs. While the banking landscape always seems to be increasingly more competitive and challenging, Signature Bank remains stable and at the forefront of both thought- and action-based leadership that positively influences the success of clients," Shay stated.

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 9.67 percent, 12.13 percent, 12.13 percent, and 13.44 percent, respectively, as of September 30, 2018. 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 9.15 percent. The Bank defines tangible common equity ratio as the ratio of total tangible common shareholders' equity to total tangible assets.

The Bank declared a cash dividend of $0.56 per share, payable on or after November 15, 2018 to common stockholders of record at the close of business on November 1, 2018. In the third quarter of 2018, the Bank paid a cash dividend of $0.56 per share to common stockholders of record at the close of business on August 1, 2018.

Net Interest Income

Net interest income for the 2018 third quarter was $324.8 million, an increase of $16.0 million, or 5.2 percent, versus the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $44.86 billion for the 2018 third quarter represent an increase of $4.56 billion, or 11.3 percent, from the 2017 third quarter. Yield on interest-earning assets for the 2018 third quarter increased 19 basis points, to 3.85 percent, compared with the 2017 third quarter.

Average cost of deposits and average cost of funds for the third quarter of 2018 increased by 33 and 39 basis points, to 0.88 percent and 1.06 percent, respectively versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2018 third quarter was 2.88 percent versus 3.05 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 four basis points to 2.85 percent.

Provision for Loan Losses

The Bank's provision for loan losses for the third quarter of 2018 was $7.4 million, compared with $8.0 million for the 2018 second quarter and $14.3 million for the 2017 third quarter.

Net charge-offs for the 2018 third quarter were $11,000, or less than one basis point of average loans on an annualized basis, versus $3.0 million, or 0.04 percent, for the 2018 second quarter and $3.8 million, or 0.05 percent, for the 2017 third quarter.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2018 third quarter was $4.5 million, down $3.6 million when compared with $8.1 million reported in the 2017 third quarter. The decrease was primarily due to a $4.0 million increase in tax credit investment amortization. These investments positively impact our effective tax rate.

Non-interest expense for the third quarter of 2018 was $117.2 million, an increase of $11.6 million, or 11.0 percent, versus $105.6 million reported in the 2017 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's efficiency ratio was 35.6 percent for the 2018 third quarter versus 33.3 percent for the comparable period last year and 34.5 percent for the 2018 second quarter.

Loans

Loans, excluding loans held for sale, grew $979.7 million, or 2.9 percent, during the third quarter of 2018 to $35.13 billion, compared with $34.15 billion at June 30, 2018. At September 30, 2018, loans accounted for 76.6 percent of total assets, versus 75.5 percent at the end of both the 2018 second quarter and the 2017 third quarter. Average loans, excluding loans held for sale, reached $34.53 billion in the 2018 third quarter, growing $854.4 million, or 2.5 percent, from the 2018 second quarter and $3.84 billion, or 12.5 percent, from the 2017 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, 2018, non-accrual loans were $134.2 million, representing 0.38 percent of total loans and 0.29 percent of total assets, compared with non-accrual loans of $158.1 million, or 0.46 percent of total loans, at June 30, 2018 and $376.9 million, or 1.21 percent of total loans, at September 30, 2017. Excluding non-accruing loans secured by taxi medallions of $111.7 million, non-accrual loans for the remainder of the entire portfolio are $22.5 million, or six basis points of total loans. At September 30, 2018, the ratio of allowance for loan and lease losses to total loans was 0.63 percent, versus 0.62 percent for June 30, 2018 and September 30, 2017. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 164 percent for the 2018 third quarter versus 135 percent for the second quarter of 2018 and 51 percent for the 2017 third quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2018 third quarter on Thursday, October 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 #1869699. 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 #1869699. The replay will be available from approximately 1:00 PM ET on Thursday, October 18, 2018 through 11:59 PM ET on Monday, October 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. In 2018, the Bank expanded its footprint on the West Coast with the opening of its first full-service private client banking office in San Francisco. The Bank's growing network of private client banking teams serves the needs of privately owned businesses, their owners and senior managers.

Signature Bank's 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 Bankis ranked the 40th largest bank in the U.S. from nearly 6,000, based on deposits (*SNL Financial*). The 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 Business Bank, Best Private Bank and Best Attorney Escrow Services provider by the *New York Law Journal* in the publication's annual "Best of" survey for 2018, earning it a place in the *New York Law Journal*'s Hall of Fame, awarded to companies that have ranked in the "Best of" Survey for at least three of the past four years.

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)	**2018**	**2017**	**2018**	**2017**
INTEREST AND DIVIDEND INCOME				
Loans held for sale	$ 2,442	911	8,205	3,155
Loans and leases, net	351,743	301,561	1,011,765	875,028
Securities available-for-sale	58,381	49,986	165,073	150,653
Securities held-to-maturity	14,394	14,549	43,437	44,346
Other investments	7,268	3,662	19,623	10,030
Total interest income	434,228	370,669	1,248,103	1,083,212
INTEREST EXPENSE				
Deposits	79,200	46,659	199,264	121,772
Federal funds purchased and securities sold under agreements to repurchase	2,519	1,913	7,909	7,329
Federal Home Loan Bank borrowings	24,068	9,634	66,048	25,407

Subordinated debt	3,645	3,645	10,928	10,890
Total interest expense	109,432	61,851	284,149	165,398
Net interest income before provision for loan and lease losses	324,796	308,818	963,954	917,814
Provision for loan and lease losses	7,351	14,340	156,083	221,560
Net interest income after provision for loan and lease losses	317,445	294,478	807,871	696,254
NON-INTEREST INCOME				
Commissions	3,249	3,036	9,704	9,094
Fees and service charges	6,914	6,112	20,708	18,127
Net gains on sales of securities	12	735	810	3,263
Net gains on sales of loans	1,931	2,204	5,133	6,657
Other-than-temporary impairment losses on securities:				
Total impairment losses on securities	-	(361)	(2)	(634)
Portion recognized in other comprehensive income (before taxes)	-	-	(14)	32
Net impairment losses on securities recognized in earnings	-	(361)	(16)	(602)
Tax credit investment amortization	(8,369)	(4,388)	(21,654)	(11,523)
Other Income	806	781	2,675	2,527
Total non-interest income	4,543	8,119	17,360	27,543
NON-INTEREST EXPENSE				
Salaries and benefits	76,140	70,112	225,023	204,856
Occupancy and equipment	8,638	8,210	25,172	24,280
Information technology	6,083	5,970	18,661	16,743
FDIC assessment fees	7,070	7,260	21,504	20,242
Professional fees	3,307	3,181	10,086	9,222
Other general and administrative	15,970	10,895	66,689	49,756
Total non-interest expense	117,208	105,628	367,135	325,099
Income before income taxes	204,780	196,969	458,096	398,698
Income tax expense	49,334	72,498	113,594	126,354
Net income	$ 155,446	124,471	344,502	272,344
PER COMMON SHARE DATA				
Earnings per share – basic	$ 2.84	2.30	6.32	5.05
Earnings per share – diluted	$ 2.84	2.29	6.30	5.01
Dividends per common share	$ 0.56	-	0.56	-

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands, except shares and per share amounts)	**September 30, 2018 (unaudited)**	**December 31, 2017**
ASSETS		
Cash and due from banks	$ 155,791	290,078
Short-term investments	39,613	45,388
Total cash and cash equivalents	195,404	335,466
Securities available-for-sale	7,220,219	6,953,719
Securities held-to-maturity (fair value $1,829,462 at September 30, 2018 and $1,983,087 at December 31, 2017)	1,903,343	1,996,376
Federal Home Loan Bank stock	230,677	227,920
Loans held for sale	502,915	432,277
Loans and leases, net	34,906,505	32,416,580
Premises and equipment, net	69,062	61,571
Accrued interest and dividends receivable	133,527	117,070
Other assets	709,058	576,741
Total assets	$ 45,870,710	43,117,720
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	$ 12,158,738	11,353,038
Interest-bearing	23,932,487	22,086,789
Total deposits	36,091,225	33,439,827
Federal funds purchased and securities sold under agreements to repurchase	575,000	790,000
Federal Home Loan Bank borrowings	4,210,000	4,195,000

Subordinated debt	257,974	257,381
Accrued expenses and other liabilities	498,514	403,821
Total liabilities	41,632,713	39,086,029
Shareholders’ equity		
Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at September 30, 2018 and December 31, 2017	-	-
Common stock, par value $.01 per share; 64,000,000 shares authorized; 55,384,378 shares issued and 55,383,361 outstanding at September 30, 2018; 54,979,213 shares issued and 54,977,971 outstanding at December 31, 2017	554	550
Additional paid-in capital	1,848,624	1,809,642
Retained earnings	2,601,073	2,290,537
Treasury stock, 1,017 shares at September 30, 2018 and 1,242 shares at December 31, 2017	(113)	(171)
Accumulated other comprehensive loss	(212,141)	(68,867)
Total shareholders' equity	4,237,997	4,031,691
Total liabilities and shareholders' equity	$ 45,870,710	43,117,720

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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)	**2018**	**2017**	**2018**	**2017**
PER COMMON SHARE				
Net income - basic	$ 2.84	$ 2.30	$ 6.32	$ 5.05
Net income - diluted	$ 2.84	$ 2.29	$ 6.30	$ 5.01
Average shares outstanding - basic	54,544	54,098	54,406	53,968
Average shares outstanding - diluted	54,610	54,300	54,646	54,349
Book value	$ 76.52	$ 71.52	$ 76.52	$ 71.52
SELECTED FINANCIAL DATA				
Return on average total assets	1.36 %	1.21 %	1.03 %	0.90 %
Return on average shareholders' equity	14.71 %	12.78 %	11.14 %	9.65 %
Efficiency ratio (1)	35.59 %	33.33 %	37.41 %	34.39 %
Yield on interest-earning assets	3.84 %	3.65 %	3.80 %	3.65 %
Yield on interest-earning assets, tax-equivalent basis (1)(2)	3.85 %	3.66 %	3.81 %	3.66 %
Cost of deposits and borrowings	1.06 %	0.67 %	0.95 %	0.61 %
Net interest margin	2.87 %	3.04 %	2.93 %	3.09 %
Net interest margin, tax-equivalent basis (2)(3)	2.88 %	3.05 %	2.94 %	3.10 %

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

(2) Based on the 21 percent U.S. federal statutory tax rate for the 2018 periods presented, and the 35 percent rate for the 2017 periods presented. 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, 2018	**June 30, 2018**	**December 31, 2017**	**September 30, 2017**
CAPITAL RATIOS				
Tangible common equity (4)	9.15 %	9.10 %	9.29 %	9.44 %
Tier 1 leverage (5)	9.67 %	9.64 %	9.72 %	9.72 %
Common equity Tier 1 risk-based (5)	12.13 %	12.10 %	11.99 %	11.96 %
Tier 1 risk-based (5)	12.13 %	12.10 %	11.99 %	11.96 %
Total risk-based (5)	13.44 %	13.42 %	13.32 %	13.32 %
ASSET QUALITY				
Non-accrual loans	$ 134,197	$ 158,077	$ 326,918	$ 376,867

Allowance for loan and lease losses	$ 220,706	$ 213,367	$ 195,959	$ 193,040
Allowance for loan and lease losses to non-accrual loans	164.46 %	134.98 %	59.94 %	51.22 %
Allowance for loan and lease losses to total loans	0.63 %	0.62 %	0.60 %	0.62 %
Non-accrual loans to total loans	0.38 %	0.46 %	1.00 %	1.21 %
Quarterly net charge-offs to average loans, annualized	0.00 %	0.04 %	0.48 %	0.05 %

(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, 2018 ratios are preliminary.

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

	Three months ended September 30, 2018			*Three months ended September 30, 2017*		
(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	$ 485,749	2,488	2.03 %	470,171	1,455	1.23 %
Investment securities	9,526,123	77,555	3.26 %	8,987,262	66,742	2.97 %
Commercial loans, mortgages and leases (1)(2)	34,301,452	350,358	4.05 %	30,419,546	299,974	3.91 %
Residential mortgages and consumer loans	223,929	2,393	4.24 %	265,083	2,649	3.96 %
Loans held for sale	320,712	2,442	3.02 %	153,042	911	2.36 %
Total interest-earning assets	44,857,965	435,236	3.85 %	40,295,104	371,731	3.66 %
Non-interest-earning assets	624,664			587,209		
Total assets	$ 45,482,629			40,882,313		
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
NOW and interest-bearing demand	$ 3,654,079	14,122	1.53 %	3,919,003	8,627	0.87 %
Money market	18,090,481	56,798	1.25 %	17,260,584	33,523	0.77 %
Time deposits	1,765,996	8,280	1.86 %	1,516,042	4,509	1.18 %
Non-interest-bearing demand deposits	12,213,759	-	-	10,678,696	-	-
Total deposits	35,724,315	79,200	0.88 %	33,374,325	46,659	0.55 %
Subordinated debt	257,843	3,645	5.65 %	257,050	3,645	5.67 %
Other borrowings	4,850,924	26,587	2.17 %	3,085,542	11,547	1.48 %
Total deposits and borrowings	40,833,082	109,432	1.06 %	36,716,917	61,851	0.67 %
Other non-interest-bearing liabilities and shareholders' equity	4,649,547			4,165,396		
Total liabilities and shareholders' equity	$ 45,482,629			40,882,313		
OTHER DATA						
Net interest income / interest rate spread (1)		325,804	2.79 %		309,880	2.99 %
Tax-equivalent adjustment		(1,008)			(1,062)	
Net interest income, as reported		324,796			308,818	
Net interest margin			2.87 %			3.04 %
Tax-equivalent effect			0.01 %			0.01 %
Net interest margin on a tax-equivalent basis (1)(2)			2.88 %			3.05 %
Ratio of average interest-earning assets to average interest-bearing liabilities			109.86 %			109.75 %

(1) Presented on a tax-equivalent, non-GAAP basis for municipal leasing and financing transactions using the U.S. federal statutory tax rate of 21 percent for the period ended September 30, 2018 and 35 percent for the period ended September 30, 2017.

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

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

(dollars in thousands)	*Nine months ended September 30, 2018* Average Balance	Interest Income/ Expense	Average Yield/ Rate		*Nine months ended September 30, 2017* Average Balance	Interest Income/ Expense	Average Yield/ Rate	
INTEREST-EARNING ASSETS								
Short-term investments	$ 465,298	6,209	1.78	%	471,151	3,598	1.02	%
Investment securities	9,359,974	221,924	3.16	%	8,891,079	201,431	3.02	%
Commercial loans, mortgages and leases (1)(2)	33,483,359	1,007,006	4.02	%	29,886,204	869,752	3.89	%
Residential mortgages and consumer loans	234,007	7,255	4.15	%	271,273	7,850	3.87	%
Loans held for sale	384,571	8,205	2.85	%	196,842	3,155	2.14	%
Total interest-earning assets	43,927,209	1,250,599	3.81	%	39,716,549	1,085,786	3.66	%
Non-interest-earning assets	593,551				565,087			
Total assets	$ 44,520,760				40,281,636			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 3,678,705	36,843	1.34	%	3,835,571	20,502	0.71	%
Money market	17,676,403	143,082	1.08	%	17,003,578	89,427	0.70	%
Time deposits	1,564,257	19,339	1.65	%	1,473,261	11,843	1.07	%
Non-interest-bearing demand deposits	11,845,801	-	-		10,555,056	-	-	
Total deposits	34,765,166	199,264	0.77	%	32,867,466	121,772	0.50	%
Subordinated debt	257,647	10,928	5.66	%	256,853	10,890	5.65	%
Other borrowings	5,002,029	73,957	1.98	%	3,029,683	32,736	1.44	%
Total deposits and borrowings	40,024,842	284,149	0.95	%	36,154,002	165,398	0.61	%
Other non-interest-bearing liabilities and shareholders' equity	4,495,918				4,127,634			
Total liabilities and shareholders' equity	$ 44,520,760				40,281,636			
OTHER DATA								
Net interest income / interest rate spread (1)		966,450	2.86	%		920,388	3.05	%
Tax-equivalent adjustment		(2,742)				(2,574)		
Net interest income, as reported		963,708				917,814		
Net interest margin			2.93	%			3.09	%
Tax-equivalent effect			0.01				0.01	
Net interest margin on a tax-equivalent basis (1)(2)			2.94	%			3.10	%
Ratio of average interest-earning assets to average interest-bearing liabilities			109.75	%			109.85	%

(1) Presented on a tax-equivalent, non-GAAP basis for municipal leasing and financing transactions using the U.S. federal statutory tax rate of 21 percent for the period ended September 30, 2018 and 35 percent for the period ended September 30, 2017.

(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 assist 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, 2018**	**June 30, 2018**	**December 31, 2017**	**September 30, 2017**
Consolidated common shareholders' equity	$ 4,237,997	4,147,623	4,031,691	3,931,953
Intangible assets	43,372	34,261	28,643	32,741
Consolidated tangible common shareholders' equity (TCE)	$ 4,194,625	4,113,362	4,003,048	3,899,212
Consolidated total assets	$ 45,870,710	45,215,484	43,117,720	41,326,924
Intangible assets	43,372	34,261	28,643	32,741
Consolidated tangible total assets (TTA)	$ 45,827,338	45,181,223	43,089,077	41,294,183
Tangible common equity ratio (TCE/TTA)	9.15 %	9.10 %	9.29 %	9.44 %

The following table presents the efficiency ratio calculation:

	Three months ended September 30,		*Nine months ended September 30,*	
(dollars in thousands)	**2018**	**2017**	**2018**	**2017**
Non-interest expense (NIE)	$ 117,208	105,628	367,135	325,099
Net interest income before provision for loan and lease losses	324,796	308,818	963,954	917,814
Other non-interest income	4,543	8,119	17,360	27,543
Total income (TI)	$ 329,339	316,937	981,314	945,357
Efficiency ratio (NIE/TI)	35.59 %	33.33 %	37.41 %	34.39 %

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,*	
	2018	**2017**	**2018**	**2017**
Interest income (as reported)	$ 434,228	370,669	1,248,103	1,083,212
Tax-equivalent adjustment	1,008	1,062	2,742	2,574
Interest income, tax-equivalent basis	$ 435,236	371,731	1,250,845	1,085,786
Interest-earnings assets	$ 44,857,965	40,295,104	43,927,209	39,716,549
Yield on interest-earning assets	3.84 %	3.65 %	3.80 %	3.65 %
Tax-equivalent effect	0.01 %	0.01 %	0.01 %	0.01 %
Yield on interest-earning assets, tax-equivalent basis	3.85 %	3.66 %	3.81 %	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 September 30,		*Nine months ended September 30,*	
	2018	**2017**	**2018**	**2017**
Net interest margin (as reported)	2.87 %	3.04 %	2.93 %	3.09 %
Tax-equivalent adjustment	0.01 %	0.01 %	0.01 %	0.01 %
Margin contribution from loan prepayment penalty income	(0.03)%	(0.06)%	(0.05)%	(0.06)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	2.85 %	2.99 %	2.89 %	3.04 %

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