SIGNATURE BANK®

Signature Bank Reports 2019 Second Quarter Results

July 18, 2019

- ***Net Income for the 2019 Second Quarter Was $147.9 Million, or $2.72 Diluted Earnings Per Share, Versus $154.6 Million, or $2.83 Diluted Earnings Per Share, Reported in the 2018 Second Quarter***
- ***The Bank Declared a Cash Dividend of $0.56 Per Share, Payable on or After August 15, 2019 to Common Stockholders of Record at the Close of Business on August 1, 2019***
- ***During the 2019 Second Quarter, the Bank Repurchased 412,977 Shares of Common Stock For a Total of $50.0 Million. Thus Far, the Bank Has Repurchased $114.7 Million of Common Stock From Its $500 Million Authorization***
- ***Total Deposits in the Second Quarter Grew $917.9 Million to $37.54 Billion; Total Deposits Have Grown $2.55 Billion, or 7.3 Percent, Since the End of the 2018 Second Quarter. Average Deposits Increased $456.0 Million in the 2019 Second Quarter***
- ***For the 2019 Second Quarter, Loans Increased $466.5 Million, or 1.2 Percent, to $37.93 Billion. Since the End of the 2018 Second Quarter, Loans Have Increased 11.1 Percent, or $3.78 Billion. During the 2019 Second Quarter, the Bank Sold $46.4 Million of Taxi Medallion Loans and Sold a $91.8 Million Portfolio of Signature Financial Equipment Loans. Excluding These Sales, Loans Would Have Increased $604.7 Million***
- ***Non-Accrual Loans Were $41.3 Million, or 0.11 Percent of Total Loans, at June 30, 2019, Versus $94.7 Million, or 0.25 Percent, at the End of the 2019 First Quarter and $158.1 Million, or 0.46 Percent, at the End of the 2018 Second Quarter. Excluding Taxi Medallion Loans, Non-Accrual Loans Were $22.5 Million, or Six Basis Points of Total Loans***
- ***Net Interest Margin on a Tax-Equivalent Basis was 2.74 Percent, Compared with 2.75 Percent for the 2019 First Quarter and 2.94 Percent for the 2018 Second Quarter. Core Net Interest Margin on a Tax-Equivalent Basis Excluding Loan Prepayment Penalty Income Decreased Two Basis Points to 2.71 Percent, Compared with 2.73 Percent for the 2019 First Quarter***
- ***Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based, and Total Risk-Based Capital Ratios were 9.70 Percent, 11.59 Percent, 11.59 Percent, and 12.82 Percent, Respectively, at June 30, 2019. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio was 9.46 Percent***
- ***In the 2019 Second Quarter, the Bank Appointed Two Private Client Banking Teams. Thus Far in 2019, Four Teams have Joined the Bank, Including the 28 Person Venture Banking Group and the Eight Person Kanno-Wood Team Which Specializes in Banking to Mortgage Servicing Clients***

NEW YORK--(BUSINESS WIRE)--Jul. 18, 2019-- Signature Bank (Nasdaq: SBNY), a New York-based full service commercial bank, today announced results for its second quarter ended June 30, 2019.

Net income for the 2019 second quarter was $147.9 million, or $2.72 diluted earnings per share, versus $154.6 million, or $2.83 diluted earnings per share, for the 2018 second quarter. The decrease in net income for the 2019 second quarter, versus the comparable quarter last year, is due to an increase of $19.3 million in non-interest expenses mostly due to the significant hiring of private client banking teams, including nearly 50 employees added for the Fund Banking Division, Venture Banking Group and the Kanno-Wood Team.

Net interest income for the 2019 second quarter reached $326.3 million, up $5.3 million, or 1.6 percent, when compared with the 2018 second quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached $48.88 billion at June 30, 2019, an increase of $3.66 billion, or 8.1 percent, from $45.22 billion at June 30, 2018. Average assets for the 2019 second quarter reached $48.78 billion, an increase of $4.20 billion, or 9.4 percent, compared with the 2018 second quarter.

Deposits for the 2019 second quarter rose $917.9 million to $37.54 billion at June 30, 2019. When compared with deposits at June 30, 2018, overall deposit growth for the last twelve months was 7.3 percent, or $2.55 billion. Average deposits for the 2019 second quarter reached $36.93 billion, an increase of $456.0 million.

"During the past several years, and particularly over the last twelve months, Signature Bank has been focused on expanding our franchise and securing a larger presence throughout the national banking landscape. To reflect, we began diversifying our revenue streams with the launch of Signature Financial, our specialty finance subsidiary. We continued the diversification and expansion of the Bank with the addition of the Digital Banking Team and the Fund Banking Division, which have both already made meaningful contributions. Moreover, we recently added the Venture

Banking Group as well as the Kanno-Wood team, which will provide treasury management products and services to residential and commercial mortgage servicers. We also launched Signet, our 24/7 payments platform, which today continues to be the only such platform offered by an FDIC-insured institution. All these banking teams, which are national in scope, have raised Signature Bank's profile and offerings and are contributing to a more diversified credit and asset liability position over the short and long term," explained Joseph J. DePaolo, President and Chief Executive Officer.

"Signature Bank is establishing a banking presence across the country. We have always grown this institution prudently and methodically, utilizing our strong reputation and solid capital position to attract the best bankers available in their industry and keeping the needs of our clients and their depositor safety at the forefront of all we do," DePaolo concluded.

"In spite of a challenging deposit environment, we once again delivered solid deposit and loan growth leading to strong earnings. Also, we further reduced our risk in the Taxi Medallion portfolio with the sale of $46.4 million in NYC taxi loans on 375 medallions. Additionally, we have put in place several major new initiatives, which will provide significant benefit to our institution over the coming years. Personally, I have never been more positive on our future growth prospects. Our model of doing business remains robust, and we will continue to build value for our long-term investors," explained Scott A. Shay, Chairman of the Board.

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 9.70 percent, 11.59 percent, 11.59 percent, and 12.82 percent, respectively, as of June 30, 2019. 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 9.46 percent. The Bank defines tangible common equity ratio as the ratio of tangible common equity to adjusted tangible assets and calculates this ratio by dividing total consolidated common shareholders' equity by consolidated total assets.

The Bank declared a cash dividend for the second quarter of $0.56 per share, payable on or after August 15, 2019 to common stockholders of record at the close of business on August 1, 2019. In the second quarter of 2019, the Bank paid the first quarter's cash dividend of $0.56 per share to common stockholders of record at the close of business on May 1, 2019. Additionally, during the 2019 second quarter, the Bank repurchased 412,977 shares of common stock for a total of $50.0 million. Since the 2018 fourth quarter, the Bank has repurchased $114.7 million of common stock from its $500 million authorization.

Net Interest Income

Net interest income for the 2019 second quarter was $326.3 million, an increase of $5.3 million, or 1.6 percent, versus the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $47.94 billion for the 2019 second quarter represent an increase of $4.05 billion, or 9.2 percent, from the 2018 second quarter. Yield on interest-earning assets for the 2019 second quarter increased 21 basis points to 4.03 percent, compared to the second quarter of last year.

Average cost of deposits and average cost of funds for the second quarter of 2019 increased by 43 and 46 basis points, to 1.19 percent and 1.42 percent, respectively, versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2019 second quarter was 2.74 percent versus 2.94 percent reported in the 2018 second quarter and 2.75 percent in the 2019 first quarter. Excluding loan prepayment penalties in both quarters, linked quarter core net interest margin on a tax-equivalent basis decreased two basis points to 2.71 percent.

Provision for Loan Losses

The Bank's provision for loan losses for the second quarter of 2019 was $5.4 million, compared with $6.3 million for the 2019 first quarter and $8.0 million for the 2018 second quarter.

Net recoveries for the 2019 second quarter were $3.7 million, or 0.04 percent of average loans, on an annualized basis, versus net charge offs of $879,000, or 0.01 percent, for the 2019 first quarter and net charge offs of $3.0 million, or 0.04 percent, for the 2018 second quarter.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2019 second quarter was $8.6 million, up $3.0 million when compared with $5.6 million reported in the 2018 second quarter. The increase was driven by a $3.0 million increase in net gains on sales of loans, mostly due to a portfolio sale of Signature Financial equipment loans.

Non-interest expense for the second quarter of 2019 was $131.9 million, an increase of $19.3 million, or 17.1 percent, versus $112.6 million reported in the 2018 second quarter. The increase was predominantly due to an increase of $8.7 million in salaries and benefits from the significant hiring of private client banking teams, including nearly 50 employees added for the Fund Banking Division, the Venture Banking Group and the Kanno-Wood Team.

The Bank's efficiency ratio was 39.4 percent for the 2019 second quarter versus 34.5 percent for the comparable period last year. The Bank's efficiency ratio was negatively impacted by the decline in net interest margin as well as an increase in salaries and benefits predominantly due to the aforementioned hiring of private client banking teams.

Loans

Loans, excluding loans held for sale, grew $466.5 million, or 1.2 percent, during the second quarter of 2019 to $37.93 billion, compared with $37.47 billion at March 31, 2019. Average loans, excluding loans held for sale, reached $37.82 billion in the 2019 second quarter, growing $950.9 million, or 2.6 percent, from the 2019 first quarter and $4.15 billion, or 12.3 percent, from the 2018 second quarter. For the third consecutive quarter, the increase in loans for the second quarter was primarily driven by growth in commercial and industrial loans.

In the 2019 second quarter, the Bank sold $46.4 million of its non-performing New York City taxi medallion loans. The Bank now has $18.8 million in non-performing taxi medallion loans and $43.8 million in repossessed taxi medallions remaining. Additionally, capitalizing on the interest rate environment and as part of our ongoing management of credit exposures to our clients, Signature Financial's Capital Markets Desk sold a $91.8 million portfolio of performing equipment loans for a gain of $2.4 million.

At June 30, 2019, non-accrual loans were $41.3 million, representing 0.11 percent of total loans and 0.08 percent of total assets, compared with non-accrual loans of $94.7 million, or 0.25 percent of total loans, at March 31, 2019 and $158.1 million, or 0.46 percent of total loans, at June 30, 2018. Excluding non-accruing loans secured by taxi medallions of $18.8 million, non-accrual loans for the remainder of the portfolio are $22.5 million, or six basis points of total loans. The ratio of allowance for loan and lease losses to total loans at June 30, 2019 was 0.64 percent, up one basis point from March 31, 2019 and June 30, 2018. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 593 percent for the 2019 second quarter versus 249 percent for the first quarter of 2019 and 135 percent for the 2018 second quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2019 second quarter on Thursday, July 18, 2019, 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 #6935767. 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 #6935767. The replay will be available from approximately 1:00 PM ET on Thursday, July 18, 2019 through 11:59 PM ET on Monday, July 22, 2019.

About Signature Bank

Signature Bank, member FDIC, is a New York-based full-service commercial bank with 31 private client offices throughout the New York metropolitan area and Connecticut as well as 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 Bank recently introduced its revolutionary, blockchain-based digital payments platform, Signet™, enabling real-time payments for its commercial clients. The Signet Platform allows the Bank's commercial clients to make payments in U.S. dollars, 24/7/365, safely and securely, without transaction fees. Signature Bank is the first FDIC-insured bank to launch a blockchain-based digital payments platform, and Signet is the first such platform to be approved for use by the NYS Department of Financial Services.

Signature Bank is one of the top 40 largest banks in the U.S., based on deposits (*S&P Global Market Intelligence*). The Bank recently earned several third-party recognitions, including: appeared on *Forbes'* Best Banks in America list for the ninth consecutive year in 2019; and 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). The Bank also ranked second nationally in the Best Business Bank, Best Private Bank and Best Attorney Escrow Services categories of the *National Law Journal's* 2019 "Best of" survey.

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)

(dollars in thousands, except per share amounts)	*Three months ended June 30,* 2019	2018	*Six months ended June 30,* 2019	2018
INTEREST AND DIVIDEND INCOME				
Loans held for sale	$ 646	3,499	2,369	5,763
Loans and leases, net	398,746	337,584	780,107	660,021
Securities available-for-sale	57,897	54,428	116,998	106,692
Securities held-to-maturity	15,441	14,510	31,054	29,043
Other investments	7,931	6,783	15,697	12,355
Total interest income	480,661	416,804	946,225	813,874
INTEREST EXPENSE				
Deposits	109,447	65,201	213,494	120,063
Federal funds purchased and securities sold under				
agreements to repurchase	6,063	3,003	11,892	5,390
Federal Home Loan Bank borrowings	35,219	23,945	68,276	41,980
Subordinated debt	3,644	3,643	7,283	7,283
Total interest expense	154,373	95,792	300,945	174,716
Net interest income before provision for loan and lease losses	326,288	321,012	645,280	639,158
Provision for loan and lease losses	5,408	7,970	11,717	148,732
Net interest income after provision for loan and lease losses	320,880	313,042	633,563	490,426
NON-INTEREST INCOME				
Commissions	3,739	3,280	7,379	6,455
Fees and service charges	7,546	7,152	15,574	13,794
Net gains on sales of securities	361	357	914	798
Net gains on sales of loans	4,133	1,183	6,128	3,202
Other-than-temporary impairment losses on securities:				
Total impairment losses on securities	-	-	-	(2)
Portion recognized in other comprehensive income (before taxes)	-	-	-	(14)
Net impairment losses on securities recognized in earnings	-	-	-	(16)
Tax credit investment amortization	(9,439)	(7,423)	(18,592)	(13,285)
Other Income	2,255	1,066	3,279	1,870

Total non-interest income	8,595	5,615	14,682	12,818
NON-INTEREST EXPENSE				
Salaries and benefits	84,446	75,720	164,315	148,883
Occupancy and equipment	10,524	8,335	21,622	16,534
Information technology	8,968	6,291	17,454	12,578
FDIC assessment fees	3,164	7,447	6,347	14,434
Professional fees	3,731	3,503	6,619	6,778
Other general and administrative	21,055	11,297	40,594	50,718
Total non-interest expense	131,888	112,593	256,951	249,925
Income before income taxes	197,587	206,064	391,294	253,319
Income tax expense	49,676	51,479	99,318	64,261
Net income	$ 147,911	154,585	291,976	189,058
PER COMMON SHARE DATA				
Earnings per share – basic	$ 2.72	2.84	5.37	3.48
Earnings per share – diluted	$ 2.72	2.83	5.36	3.47
Dividends per common share	$ 0.56	-	1.12	-

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	June 30, 2019	**December 31, 2018**
(dollars in thousands, except shares and per share amounts)	**(unaudited)**	
ASSETS		
Cash and due from banks	$ 204,863	269,204
Short-term investments	119,511	48,051
Total cash and cash equivalents	324,374	317,255
Securities available-for-sale	7,139,529	7,301,604
Securities held-to-maturity (fair value $2,016,610 at June 30, 2019 and $1,845,198 at December 31, 2018)	2,002,476	1,883,533
Federal Home Loan Bank stock	286,249	264,877
Loans held for sale	308,801	485,305

Loans and leases, net	37,687,653	36,193,122
Premises and equipment, net	56,854	59,051
Operating lease right-of-use assets (1)	222,473	-
Accrued interest and dividends receivable	145,583	141,829
Other assets	702,886	718,240
Total assets	$ 48,876,878	47,364,816
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	$ 12,265,712	12,016,197
Interest-bearing	25,274,744	24,362,576
Total deposits	37,540,456	36,378,773
Federal funds purchased and securities sold under agreements to repurchase	254,000	820,000
Federal Home Loan Bank borrowings	5,362,364	4,970,000
Subordinated debt	258,568	258,174
Operating lease liabilities (1)	244,114	-
Accrued expenses and other liabilities	555,652	530,729
Total liabilities	44,215,154	42,957,676
Shareholders' equity		
Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at June 30, 2019 and December 31, 2018	-	-
Common stock, par value $.01 per share; 64,000,000 shares authorized; 55,443,414 shares issued and 54,869,794 outstanding at June 30, 2019; 55,405,531 shares issued and 55,039,433 outstanding at December 31, 2018	554	554
Additional paid-in capital	1,847,042	1,862,896
Retained earnings	2,960,963	2,730,899
Treasury stock, 573,620 shares at June 30, 2019 and 366,098 shares at December 31, 2018	(71,345)	(42,680)
Accumulated other comprehensive loss	(75,490)	(144,529)
Total shareholders' equity	4,661,724	4,407,140
Total liabilities and shareholders' equity	$ 48,876,878	47,364,816

(1) Effective January 1, 2019, we adopted *ASU 2016-02, Leases (Topic 842)* and elected not to restate comparative prior periods, a transition option provided by *ASU 2018-11, Leases- Targeted Improvements (Topic 842)*.

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FINANCIAL SUMMARY, CAPITAL RATIOS, ASSET QUALITY
(unaudited)

(in thousands, except ratios and per share amounts)	*Three months ended June 30,* **2019**	**2018**	*Six months ended June 30,* **2019**	**2018**
PER COMMON SHARE				
Net income - basic	$ 2.72	$ 2.84	$ 5.37	$ 3.48
Net income - diluted	$ 2.72	$ 2.83	$ 5.36	$ 3.47
Average shares outstanding - basic	54,213	54,527	54,189	54,336
Average shares outstanding - diluted	54,250	54,599	54,334	54,558
Book value	$ 84.96	$ 74.93	$ 84.96	$ 74.93
SELECTED FINANCIAL DATA				
Return on average total assets	1.22 %	1.39 %	1.22 %	0.86 %
Return on average shareholders' equity	12.88 %	15.22 %	12.98 %	9.32 %
Efficiency ratio (1)	39.38 %	34.47 %	38.93 %	38.33 %
Yield on interest-earning assets	4.02 %	3.81 %	4.01 %	3.78 %
Yield on interest-earning assets, tax-equivalent basis (1)(2)	4.03 %	3.82 %	4.02 %	3.78 %
Cost of deposits and borrowings	1.42 %	0.96 %	1.41 %	0.89 %
Net interest margin	2.73 %	2.93 %	2.74 %	2.97 %
Net interest margin, tax-equivalent basis (2)(3)	2.74 %	2.94 %	2.75 %	2.97 %

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

(2) Based on the 21 percent U.S. federal statutory tax rate for the 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.

CAPITAL RATIOS	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**	**June 30, 2018**
Tangible common equity (4)	9.46 %	9.29 %	9.21 %	9.10 %
Tier 1 leverage (5)	9.70 %	9.68 %	9.70 %	9.64 %
Common equity Tier 1 risk-based (5)	11.59 %	11.97 %	12.11 %	12.11 %

Tier 1 risk-based (5)	11.59	%	11.97	%	12.11	%	12.11	%
Total risk-based (5)	12.82	%	13.24	%	13.41	%	13.43	%
ASSET QUALITY								
Non-accrual loans	$ 41,255		$ 94,670		$ 108,654		$ 158,077	
Allowance for loan and lease losses	$ 244,517		$ 235,435		$ 230,005		$ 213,367	
Allowance for loan and lease losses to non-accrual loans	592.70	%	248.69	%	211.69	%	134.98	%
Allowance for loan and lease losses to total loans	0.64	%	0.63	%	0.63	%	0.62	%
Non-accrual loans to total loans	0.11	%	0.25	%	0.30	%	0.46	%
Quarterly net charge-offs (recoveries) to average loans, annualized	(0.04	)%	0.01	%	(0.03	)%	0.04	%

(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) June 30, 2019 ratios are preliminary.

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

	Three months ended June 30, 2019				*Three months ended June 30, 2018*			
(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	$ 518,445	3,284	2.54	%	443,433	1,979	1.79	%
Investment securities	9,530,829	77,985	3.27	%	9,301,617	73,742	3.17	%
Commercial loans, mortgages and leases (1)(2)	37,605,138	397,570	4.24	%	33,437,782	336,005	4.03	%
Residential mortgages and consumer loans	214,799	2,470	4.61	%	233,213	2,464	4.24	%
Loans held for sale	75,684	646	3.42	%	477,407	3,499	2.94	%
Total interest-earning assets	47,944,895	481,955	4.03	%	43,893,452	417,689	3.82	%
Non-interest-earning assets	837,082				688,126			
Total assets	$ 48,781,977				44,581,578			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 3,953,047	20,086	2.04	%	3,539,748	11,892	1.35	%

Money market		18,215,523	73,287	1.61	%	17,691,714	47,565	1.08	%
Time deposits		2,688,912	16,074	2.40	%	1,392,458	5,744	1.65	%
Non-interest-bearing demand deposits		12,073,427	-	-		11,831,308	-	-	
Total deposits		36,930,909	109,447	1.19	%	34,455,228	65,201	0.76	%
Subordinated debt		258,438	3,643	5.64	%	257,645	3,643	5.66	%
Other borrowings		6,307,221	41,283	2.63	%	5,394,121	26,948	2.00	%
Total deposits and borrowings		43,496,568	154,373	1.42	%	40,106,994	95,792	0.96	%
Other non-interest-bearing liabilities									
and shareholders' equity		5,285,409				4,474,584			
Total liabilities and shareholders' equity	$	48,781,977				44,581,578			
OTHER DATA									
Net interest income / interest rate spread (1)			327,582	2.61	%		321,897	2.86	%
Tax-equivalent adjustment			(1,294)				(885)		
Net interest income, as reported			326,288				321,012		
Net interest margin				2.73	%			2.93	%
Tax-equivalent effect				0.01	%			0.01	%
Net interest margin on a tax-equivalent basis (1)(2)				2.74	%			2.94	%
Ratio of average interest-earning assets									
to average interest-bearing liabilities				110.23	%			109.44	%

(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 or the periods presented.
(2) See "Non-GAAP Financial Measures" for related calculation.

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

		Six months ended June 30, 2019				*Six months ended June 30, 2018*			
(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	$	491,909	6,199	2.54	%	454,902	3,721	1.65	%
Investment securities		9,568,049	157,550	3.29	%	9,275,523	144,369	3.11	%
Commercial loans, mortgages and leases (1)(2)		37,130,680	777,615	4.22	%	33,067,533	656,893	4.01	%

Residential mortgages and consumer loans	216,418	4,946	4.61	%	239,130	4,862	4.10	%
Loans held for sale	150,698	2,369	3.17	%	417,029	5,763	2.79	%
Total interest-earning assets	47,557,754	948,679	4.02	%	43,454,117	815,608	3.78	%
Non-interest-earning assets	765,458				675,674			
Total assets	$ 48,323,212				44,129,791			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 4,083,775	41,375	2.04	%	3,691,222	22,721	1.24	%
Money market	18,344,116	143,648	1.58	%	17,465,933	86,283	1.00	%
Time deposits	2,441,635	28,471	2.35	%	1,461,716	11,059	1.53	%
Non-interest-bearing demand deposits	11,834,648	-	-		11,718,727	-	-	
Total deposits	36,704,174	213,494	1.17	%	34,337,598	120,063	0.71	%
Subordinated debt	258,340	7,283	5.64	%	257,547	7,283	5.66	%
Other borrowings	6,207,286	80,168	2.60	%	5,078,834	47,370	1.88	%
Total deposits and borrowings	43,169,800	300,945	1.41	%	39,673,979	174,716	0.89	%
Other non-interest-bearing liabilities								
and shareholders' equity	5,153,412				4,455,812			
Total liabilities and shareholders' equity	$ 48,323,212				44,129,791			
OTHER DATA								
Net interest income / interest rate spread (1)		647,734	2.61	%		640,892	2.89	%
Tax-equivalent adjustment		(2,454)				(1,734)		
Net interest income, as reported		645,280				639,158		
Net interest margin			2.74	%			2.97	%
Tax-equivalent effect			0.01				-	
Net interest margin on a tax-equivalent basis (1)(2)			2.75	%			2.97	%
Ratio of average interest-earning assets								
to average interest-bearing liabilities			110.16	%			109.53	%

(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 periods presented.
(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)	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**	**June 30, 2018**
Consolidated common shareholders' equity	$ 4,661,724	4,552,043	4,407,140	4,147,623
Intangible assets	44,148	46,716	50,020	34,261
Consolidated tangible common shareholders' equity (TCE)	$ 4,617,576	4,505,327	4,357,120	4,113,362
Consolidated total assets	$ 48,876,878	48,546,454	47,364,816	45,215,484
Intangible assets	44,148	46,716	50,020	34,261
Consolidated tangible total assets (TTA)	$ 48,832,730	48,499,738	47,314,796	45,181,223
Tangible common equity ratio (TCE/TTA)	9.46 %	9.29 %	9.21 %	9.10 %

The following table presents the efficiency ratio calculation:

	Three months ended June 30,		*Six months ended June 30,*	
(dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Non-interest expense (NIE)	$ 131,888	112,593	256,951	249,925
Net interest income before provision for loan and lease losses	326,288	321,012	645,280	639,158
Other non-interest income	8,595	5,615	14,682	12,818
Total income (TI)	$ 334,883	326,627	659,962	651,976
Efficiency ratio (NIE/TI)	39.38 %	34.47 %	38.93 %	38.33 %

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

	Three months ended June 30,		*Six months ended June 30,*	
(dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Interest income (as reported)	$ 480,661	416,804	946,225	813,874
Tax-equivalent adjustment	1,294	885	2,454	1,734

Interest income, tax-equivalent basis	$ 481,955	417,689	948,679	815,608
Interest-earnings assets	$ 47,944,895	43,893,452	47,557,754	43,454,117
Yield on interest-earning assets	4.02 %	3.81 %	4.01 %	3.78 %
Tax-equivalent effect	0.01 %	0.01 %	0.01 %	0.00 %
Yield on interest-earning assets, tax-equivalent basis	4.03 %	3.82 %	4.02 %	3.78 %

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 June 30,		*Six months ended June 30,*	
	2019	**2018**	**2019**	**2018**
Net interest margin (as reported)	2.73 %	2.93 %	2.74 %	2.97 %
Tax-equivalent adjustment	0.01 %	0.01 %	0.01 %	-
Margin contribution from loan prepayment penalty income	(0.03)%	(0.05)%	(0.03)%	(0.06)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	2.71 %	2.89 %	2.72 %	2.91 %

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Source: Signature Bank

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