SIGNATURE BANK®

Signature Bank Reports 2019 Third Quarter Results

October 17, 2019

- ***Net Income for the 2019 Third Quarter Was $148.7 Million, or $2.75 Diluted Earnings Per Share, Versus $155.4 Million, or $2.84 Diluted Earnings Per Share, Reported in the 2018 Third Quarter***
- ***The Bank Declared a Cash Dividend of $0.56 Per Share, Payable on or After November 15, 2019 to Common Stockholders of Record at the Close of Business on November 1, 2019***
- ***During the 2019 Third Quarter, the Bank Repurchased 629,503 Shares of Common Stock For a Total of $75.0 Million. Thus Far, the Bank Has Repurchased $189.7 Million of Common Stock From Its $500 Million Authorization***
- ***Total Deposits in the Third Quarter Grew $1.52 Billion to $39.06 Billion; Total Deposits Have Grown $2.97 Billion, or 8.2 Percent, Since the End of the 2018 Third Quarter. Average Deposits Increased a Record $1.75 Billion in the 2019 Third Quarter***
- ***In Line with the Bank's Strategy to Increase Floating Rate Assets and Reduce Its Commercial Real Estate Concentration, the Bank Decreased Commercial Real Estate Loans by $873.1 Million. Conversely, Commercial & Industrial Loans Grew by $885.4 Million During the Quarter. Therefore, For the 2019 Third Quarter, Loans Increased $4.9 Million to $37.94 Billion. Since the End of the 2018 Third Quarter, Loans Have Increased 8.0 Percent, or $2.81 Billion.***
- ***Non-Accrual Loans Were $32.5 Million, or 0.09 Percent of Total Loans, at September 30, 2019, Versus $41.3 Million, or 0.11 Percent, at the End of the 2019 Second Quarter and $134.2 Million, or 0.38 Percent, at the End of the 2018 Third Quarter. Excluding Taxi Medallion Loans, Non-Accrual Loans Were $22.9 Million, or Six Basis Points of Total Loans***
- ***Net Interest Margin on a Tax-Equivalent Basis was 2.68 Percent, Compared with 2.74 Percent for the 2019 Second Quarter and 2.88 Percent for the 2018 Third Quarter. Core Net Interest Margin on a Tax-Equivalent Basis Excluding Loan Prepayment Penalty Income Decreased Five Basis Points to 2.66 Percent, Compared with 2.71 Percent for the 2019 Second Quarter. Excess Cash Balances From Significant Deposit Flows Lead to Four Basis Points of the Core Net Interest Margin Decline***
- ***Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based, and Total Risk-Based Capital Ratios were 9.66 Percent, 11.91 Percent, 11.91 Percent, and 13.16 Percent, Respectively, at September 30, 2019. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio was 9.51 Percent***

NEW YORK--(BUSINESS WIRE)--Oct. 17, 2019-- Signature Bank (Nasdaq: SBNY), a New York-based full service commercial bank, today announced results for its third quarter ended September 30, 2019.

Net income for the 2019 third quarter was $148.7 million, or $2.75 diluted earnings per share, versus $155.4 million, or $2.84 diluted earnings per share, for the 2018 third quarter. The decrease in net income for the 2019 third quarter, versus the comparable quarter last year, is due to an increase of $17.1 million, or 14.6 percent, in non-interest expenses mostly due to the significant hiring of private client banking teams, including 55 professionals added for the Fund Banking Division, Venture Banking Group and the Specialized Mortgage Servicing Banking Team.

Net interest income for the 2019 third quarter reached $328.0 million, up $3.2 million, or 1.0 percent, when compared with the 2018 third quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached $49.41 billion at September 30, 2019, an increase of $3.54 billion, or 7.7 percent, from $45.87 billion at September 30, 2018. Average assets for the 2019 third quarter reached $49.62 billion, an increase of $4.14 billion, or 9.1 percent, compared with the 2018 third quarter.

Deposits for the 2019 third quarter rose $1.52 billion to $39.06 billion at September 30, 2019. When compared with deposits at September 30, 2018, overall deposit growth for the last twelve months was 8.2 percent, or $2.97 billion. Average deposits for the 2019 third quarter reached $38.68 billion, a record increase of $1.75 billion.

"In order to thrive, one must consistently think about transforming. The key element to success is when to act upon said transformation. Well, we've begun the process and energized our colleagues and we're pleased with the initial outcome. The results we are seeing include reduced borrowings, an increase in floating rate commercial and industrial loans led by the Fund Banking Division, a decrease in fixed rate commercial real estate loan concentration and funding with record average deposit growth," explained Joseph J. DePaolo, President and Chief Executive Officer.

"We've added three transformational groups to our institution in the past year and also introduced an innovative new commercial payments platform

(Signet). The Fund Banking Division made significant contributions to our results this quarter, as did our Venture Banking Group, which just officially opened for business. We look forward to the continued efforts of these teams as well as those of our new Specialized Mortgage Servicing Banking Team, which has now built out the necessary infrastructure to support their clients' needs. As always, our traditional banking teams also fueled our ongoing growth. We continue to adapt and transform to benefit the success of our clients," DePaolo concluded.

"Signature Bank's clients continue to reference the unusually confusing economic times we are currently experiencing. With uncertainty surrounding international trade issues, profound political differences across the major parties, threats to our country's technological leadership, the need for massive daily liquidity intervention by the Fed, and a yield curve that is sending a signal of economic caution, it can be difficult to know what to expect. Signature Bank always set a goal to be the sleep-at-night bank for our clients, especially during tumultuous times. During the 2008-2010 financial crisis, the bank was a safe haven for our depositor clients and flourished throughout the upheaval," explained Scott A. Shay, Chairman of the Board.

"However, we take nothing for granted and remain ever vigilant. We continue to emphasize future growth and diversification, as evidenced by the addition of major new teams in the Private Equity, Venture Capital and Mortgage Banking arenas, the opening of our first West Coast office and the recent introduction of Signet, our blockchain-based real-time payments platform. These are among the reasons we continue to believe the best of times are yet to come for Signature Bank," Shay said.

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 9.66 percent, 11.91 percent, 11.91 percent, and 13.16 percent, respectively, as of September 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 9.51 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 third quarter of $0.56 per share, payable on or after November 15, 2019 to common stockholders of record at the close of business on November 1, 2019. In the third quarter of 2019, the Bank paid the second quarter's cash dividend of $0.56 per share to common stockholders of record at the close of business on August 1, 2019. Additionally, during the 2019 third quarter, the Bank repurchased 629,503 shares of common stock for a total of $75.0 million. Since the 2018 fourth quarter, the Bank has repurchased $189.7 million of common stock from its $500 million authorization.

Net Interest Income

Net interest income for the 2019 third quarter was $328.0 million, an increase of $3.2 million, or 1.0 percent, versus the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $48.83 billion for the 2019 third quarter represent an increase of $3.97 billion, or 8.9 percent, from the 2018 third quarter. Yield on interest-earning assets for the 2019 third quarter increased nine basis points to 3.94 percent, compared to the third quarter of last year.

Average cost of deposits and average cost of funds for the third quarter of 2019 increased by 33 and 34 basis points, to 1.21 percent and 1.40 percent, respectively, versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2019 third quarter was 2.68 percent versus 2.88 percent reported in the 2018 third quarter and 2.74 percent in the 2019 second quarter. Excluding loan prepayment penalties in both quarters, linked quarter core net interest margin on a tax-equivalent basis decreased five basis points to 2.66 percent. Four basis points of the decline in core margin in the quarter was driven by excess cash balances from strong deposit growth.

Provision for Loan Losses

The Bank's provision for loan losses for the third quarter of 2019 was $1.2 million, compared with $5.4 million for the 2019 second quarter and $7.4 million for the 2018 third quarter.

Net charge offs for the 2019 third quarter were $2.9 million, or 0.03 percent of average loans, on an annualized basis, versus net recoveries of $3.7 million, or 0.04 percent, for the 2019 second quarter and net charge offs of $11,000, or less than one basis point, for the 2018 third quarter.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2019 third quarter was $6.0 million, up $1.5 million when compared with $4.5 million reported in the 2018 third quarter. The increase was driven by a $1.3 million increase in fees and services charges.

Non-interest expense for the third quarter of 2019 was $134.3 million, an increase of $17.1 million, or 14.6 percent, versus $117.2 million reported in the 2018 third quarter. The increase was predominantly due to an increase of $10.3 million in salaries and benefits from the significant hiring of private client banking teams, including 55 professionals added for the Fund Banking Division, the Venture Banking Group and the Specialized Mortgage Servicing Banking Team.

The Bank's efficiency ratio was 40.2 percent for the 2019 third quarter versus 35.6 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 a meaningful increase in salaries and benefits predominantly due to the aforementioned hiring of private client banking teams.

Loans

Loans, excluding loans held for sale, grew $4.9 million during the third quarter of 2019 to $37.94 billion, compared with $37.93 billion at June 30, 2019. Average loans, excluding loans held for sale, reached $37.84 billion in the 2019 third quarter, growing $15.1 million from the 2019 second quarter and $3.31 billion, or 9.6 percent, from the 2018 third quarter. For the fourth consecutive quarter, the increase in loans for the third quarter was primarily driven by growth in commercial and industrial loans.

At September 30, 2019, non-accrual loans were $32.5 million, representing 0.09 percent of total loans and 0.07 percent of total assets, compared with non-accrual loans of $41.3 million, or 0.11 percent of total loans, at June 30, 2019 and $134.2 million, or 0.38 percent of total loans, at September 30,

2018. The ratio of allowance for loan and lease losses to total loans at September 30, 2019 was 0.64 percent, stable from June 30, 2019 and up one basis point from September 30, 2018. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 746 percent for the 2019 third quarter versus 593 percent for the second quarter of 2019 and 164 percent for the 2018 third quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2019 third quarter on Thursday, October 17, 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 #8188917. 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 #8188917. The replay will be available from approximately 1:00 PM ET on Thursday, October 17, 2019 through 11:59 PM ET on Monday, October 21, 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 number one in the Business Bank, Private Bank and Attorney Escrow Services categories by the *New York Law Journal* in the publication's annual *"Best of"* survey for 2019, 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 Business Bank, Private Banking Services and Attorney Escrow Service 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.

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CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months ended September 30,		*Nine months ended September 30,*	
(dollars in thousands, except per share amounts)	**2019**	**2018**	**2019**	**2018**

INTEREST AND DIVIDEND INCOME				
Loans held for sale	$ 1,284	2,442	3,653	8,205
Loans and leases, net	399,552	351,743	1,179,659	1,011,765
Securities available-for-sale	56,534	58,381	173,532	165,073
Securities held-to-maturity	15,238	14,394	46,292	43,437
Other investments	11,447	7,268	27,144	19,623
Total interest income	484,055	434,228	1,430,280	1,248,103
INTEREST EXPENSE				
Deposits	118,308	79,200	331,802	199,264
Federal funds purchased and securities sold under agreements to repurchase	1,154	2,519	13,437	7,909
Federal Home Loan Bank borrowings	32,929	24,068	100,814	66,048
Subordinated debt	3,645	3,645	10,928	10,928
Total interest expense	156,036	109,432	456,981	284,149
Net interest income before provision for loan and lease losses	328,019	324,796	973,299	963,954
Provision for loan and lease losses	1,164	7,351	12,881	156,083
Net interest income after provision for loan and lease losses	326,855	317,445	960,418	807,871
NON-INTEREST INCOME				
Commissions	3,452	3,249	10,831	9,704
Fees and service charges	8,178	6,914	23,752	20,708
Net gains on sales of securities	120	12	1,034	810
Net gains on sales of loans	2,752	1,931	8,880	5,133
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	(9,747)	(8,369)	(28,339)	(21,654)
Other Income	1,222	806	4,502	2,675
Total non-interest income	5,977	4,543	20,660	17,360
NON-INTEREST EXPENSE				
Salaries and benefits	86,438	76,140	250,753	225,023

Occupancy and equipment	10,854	8,638	32,476	25,172
Information technology	10,098	6,083	27,552	18,661
FDIC assessment fees	3,191	7,070	9,538	21,504
Professional fees	4,075	3,307	10,693	10,086
Other general and administrative	19,639	15,970	60,235	66,689
Total non-interest expense	134,295	117,208	391,247	367,135
Income before income taxes	198,537	204,780	589,831	458,096
Income tax expense	49,809	49,334	149,127	113,594
Net income	$ 148,728	155,446	440,704	344,502
PER COMMON SHARE DATA				
Earnings per share – basic	$ 2.76	2.84	8.13	6.32
Earnings per share – diluted	$ 2.75	2.84	8.10	6.30
Dividends per common share	$ 0.56	0.56	1.68	0.56

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	September 30,	**December 31,**
	2019	**2018**
(dollars in thousands, except shares and per share amounts)	**(unaudited)**	
ASSETS		
Cash and due from banks	$ 798,524	269,204
Short-term investments	71,400	48,051
Total cash and cash equivalents	869,924	317,255
Securities available-for-sale	7,124,746	7,301,604
Securities held-to-maturity (fair value $2,100,094 at September 30, 2019 and $1,845,198 at December 31, 2018)	2,069,940	1,883,533
Federal Home Loan Bank stock	245,964	264,877
Loans held for sale	282,700	485,305
Loans and leases, net	37,694,277	36,193,122
Premises and equipment, net	57,723	59,051

Operating lease right-of-use assets (1)	223,781	-
Accrued interest and dividends receivable	142,533	141,829
Other assets	700,168	718,240
Total assets	$ 49,411,756	47,364,816
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	$ 12,016,920	12,016,197
Interest-bearing	27,039,967	24,362,576
Total deposits	39,056,887	36,378,773
Federal funds purchased and securities sold under agreements to repurchase	150,000	820,000
Federal Home Loan Bank borrowings	4,467,144	4,970,000
Subordinated debt	258,768	258,174
Operating lease liabilities (1)	247,146	-
Accrued expenses and other liabilities	489,955	530,729
Total liabilities	44,669,900	42,957,676
Shareholders' equity		
Preferred stock, par value $.01 per share; 61,000,000 shares authorized;		
none issued at September 30, 2019 and December 31, 2018	-	-
Common stock, par value $.01 per share; 64,000,000 shares authorized;		
55,445,643 shares issued and 54,242,614 outstanding at September 30, 2019;		
55,405,531 shares issued and 55,039,433 outstanding at December 31, 2018	554	554
Additional paid-in capital	1,861,197	1,862,896
Retained earnings	3,079,002	2,730,899
Treasury stock, 1,203,029 shares at September 30, 2019 and 366,098 shares at December 31, 2018	(146,346)	(42,680)
Accumulated other comprehensive loss	(52,551)	(144,529)
Total shareholders' equity	4,741,856	4,407,140
Total liabilities and shareholders' equity	$ 49,411,756	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 September 30,* 2019	2018	*Nine months ended September 30,* 2019	2018
PER COMMON SHARE				
Net income - basic	$ 2.76	$ 2.84	$ 8.13	$ 6.32
Net income - diluted	$ 2.75	$ 2.84	$ 8.10	$ 6.30
Average shares outstanding - basic	53,722	54,544	54,032	54,406
Average shares outstanding - diluted	53,830	54,610	54,224	54,646
Book value	$ 87.42	$ 76.52	$ 87.42	$ 76.52
SELECTED FINANCIAL DATA				
Return on average total assets	1.19 %	1.36 %	1.21 %	1.03 %
Return on average shareholders' equity	12.55 %	14.71 %	12.88 %	11.14 %
Efficiency ratio (1)	40.21 %	35.59 %	39.36 %	37.41 %
Yield on interest-earning assets	3.93 %	3.84 %	3.99 %	3.80 %
Yield on interest-earning assets, tax-equivalent basis (1)(2)	3.94 %	3.85 %	4.00 %	3.81 %
Cost of deposits and borrowings	1.40 %	1.06 %	1.40 %	0.95 %
Net interest margin	2.67 %	2.87 %	2.71 %	2.93 %
Net interest margin, tax-equivalent basis (2)(3)	2.68 %	2.88 %	2.72 %	2.94 %

(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.

	September 30, 2019	**June 30, 2019**	**December 31, 2018**	**September 30, 2018**
CAPITAL RATIOS				
Tangible common equity (4)	9.51 %	9.46 %	9.21 %	9.15 %
Tier 1 leverage (5)	9.66 %	9.70 %	9.70 %	9.67 %
Common equity Tier 1 risk-based (5)	11.91 %	11.61 %	12.11 %	12.16 %
Tier 1 risk-based (5)	11.91 %	11.61 %	12.11 %	12.16 %
Total risk-based (5)	13.16 %	12.84 %	13.41 %	13.47 %

ASSET QUALITY

Non-accrual loans	$ 32,539	$ 41,255	$ 108,654	$ 134,197
Allowance for loan and lease losses	$ 242,754	$ 244,517	$ 230,005	$ 220,706
Allowance for loan and lease losses to non-accrual loans	746.04 %	592.70 %	211.69 %	164.46 %
Allowance for loan and lease losses to total loans	0.64 %	0.64 %	0.63 %	0.63 %
Non-accrual loans to total loans	0.09 %	0.11 %	0.30 %	0.38 %
Quarterly net charge-offs (recoveries) to average loans, annualized	0.03 %	(0.04)%	(0.03)%	0.00 %

(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, 2019 ratios are preliminary.

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

	Three months ended September 30, 2019			*Three months ended September 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	$ 1,285,289	7,173	2.21 %	485,749	2,488	2.03 %
Investment securities	9,569,671	76,046	3.18 %	9,526,123	77,555	3.26 %
Commercial loans, mortgages and leases (1)(2)	37,621,834	398,523	4.20 %	34,301,452	350,358	4.05 %
Residential mortgages and consumer loans	213,251	2,385	4.44 %	223,929	2,393	4.24 %
Loans held for sale	139,332	1,284	3.66 %	320,712	2,442	3.02 %
Total interest-earning assets	48,829,377	485,411	3.94 %	44,857,965	435,236	3.85 %
Non-interest-earning assets	790,888			624,664		
Total assets	$ 49,620,265			45,482,629		
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
NOW and interest-bearing demand	$ 4,304,971	21,078	1.94 %	3,654,079	14,122	1.53 %
Money market	19,431,159	81,088	1.66 %	18,090,481	56,798	1.25 %

Time deposits	2,677,536	16,142	2.39 %	1,765,996	8,280	1.86 %
Non-interest-bearing demand deposits	12,266,945	-	-	12,213,759	-	-
Total deposits	38,680,611	118,308	1.21 %	35,724,315	79,200	0.88 %
Subordinated debt	258,636	3,645	5.64 %	257,843	3,645	5.65 %
Other borrowings	5,212,259	34,083	2.59 %	4,850,924	26,587	2.17 %
Total deposits and borrowings	44,151,506	156,036	1.40 %	40,833,082	109,432	1.06 %
Other non-interest-bearing liabilities and shareholders' equity	5,468,759			4,649,547		
Total liabilities and shareholders' equity	$ 49,620,265			45,482,629		
OTHER DATA						
Net interest income / interest rate spread (1)		329,375	2.54 %		325,804	2.79 %
Tax-equivalent adjustment		(1,356)			(1,008)	
Net interest income, as reported		328,019			324,796	
Net interest margin			2.67 %			2.87 %
Tax-equivalent effect			0.01 %			0.01 %
Net interest margin on a tax-equivalent basis (1)(2)			2.68 %			2.88 %
Ratio of average interest-earning assets to average interest-bearing liabilities			110.60 %			109.86 %

(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.

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NET INTEREST MARGIN ANALYSIS
(unaudited)

	Nine months ended September 30, 2019			*Nine months ended September 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	$ 759,275	13,372	2.35 %	465,298	6,209	1.78 %
Investment securities	9,568,596	233,596	3.26 %	9,359,974	221,924	3.16 %
Commercial loans, mortgages and leases (1)(2)	37,296,197	1,176,139	4.22 %	33,483,359	1,007,252	4.02 %

Residential mortgages and consumer loans	215,350	7,331	4.55	%	234,007	7,255	4.15	%
Loans held for sale	146,868	3,653	3.33	%	384,571	8,205	2.85	%
Total interest-earning assets	47,986,286	1,434,091	4.00	%	43,927,209	1,250,845	3.81	%
Non-interest-earning assets	774,028				593,551			
Total assets	$ 48,760,314				44,520,760			
INTEREST-BEARING LIABILITIES								
Interest-bearing deposits								
NOW and interest-bearing demand	$ 4,158,317	62,453	2.01	%	3,678,705	36,843	1.34	%
Money market	18,710,445	224,736	1.61	%	17,676,403	143,082	1.08	%
Time deposits	2,521,132	44,613	2.37	%	1,564,257	19,339	1.65	%
Non-interest-bearing demand deposits	11,980,330	-	-		11,845,801	-	-	
Total deposits	37,370,224	331,802	1.19	%	34,765,166	199,264	0.77	%
Subordinated debt	258,440	10,928	5.64	%	257,647	10,928	5.66	%
Other borrowings	5,871,966	114,251	2.60	%	5,002,029	73,957	1.98	%
Total deposits and borrowings	43,500,630	456,981	1.40	%	40,024,842	284,149	0.95	%
Other non-interest-bearing liabilities and shareholders' equity	5,259,684				4,495,918			
Total liabilities and shareholders' equity	$ 48,760,314				44,520,760			
OTHER DATA								
Net interest income / interest rate spread (1)		977,110	2.60	%		966,696	2.86	%
Tax-equivalent adjustment		(3,811)				(2,742)		
Net interest income, as reported		973,299				963,954		
Net interest margin			2.71	%			2.93	%
Tax-equivalent effect			0.01				0.01	
Net interest margin on a tax-equivalent basis (1)(2)			2.72	%			2.94	%
Ratio of average interest-earning assets to average interest-bearing liabilities			110.31	%			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 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 assists investors when comparing results period-to-period in a more consistent manner and provides a better measure of Signature Bank's results. These non-GAAP measures include the Bank's (i) tangible common equity ratio, (ii) efficiency ratio, (iii) yield on interest-earning assets, tax-equivalent basis, and (iv) core net interest margin, tax-equivalent basis excluding loan prepayment penalty income. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. We strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

The following table presents the tangible common equity ratio calculation:

(dollars in thousands)	**September 30, 2019**	**June 30, 2019**	**December 31, 2018**	**September 30, 2018**
Consolidated common shareholders' equity	$ 4,741,856	4,661,724	4,407,140	4,237,997
Intangible assets	49,213	44,148	50,020	43,372
Consolidated tangible common shareholders' equity (TCE)	$ 4,692,643	4,617,576	4,357,120	4,194,625
Consolidated total assets	$ 49,411,756	48,876,878	47,364,816	45,870,710
Intangible assets	49,213	44,148	50,020	43,372
Consolidated tangible total assets (TTA)	$ 49,362,543	48,832,730	47,314,796	45,827,338
Tangible common equity ratio (TCE/TTA)	9.51 %	9.46 %	9.21 %	9.15 %

The following table presents the efficiency ratio calculation:

	Three months ended September 30,		*Nine months ended September 30,*	
(dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Non-interest expense (NIE)	$ 134,295	117,208	391,247	367,135
Net interest income before provision for loan and lease losses	328,019	324,796	973,299	963,954
Other non-interest income	5,977	4,543	20,660	17,360
Total income (TI)	$ 333,996	329,339	993,959	981,314
Efficiency ratio (NIE/TI)	40.21 %	35.59 %	39.36 %	37.41 %

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

	Three months ended September 30,		*Nine months ended September 30,*	
(dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Interest income (as reported)	$ 484,055	434,228	1,430,280	1,248,103
Tax-equivalent adjustment	1,356	1,008	3,811	2,742

Interest income, tax-equivalent basis	$ 485,411	435,236	1,434,091	1,250,845
Interest-earnings assets	$ 48,829,377	44,857,965	47,986,286	43,927,209
Yield on interest-earning assets	3.93 %	3.84 %	3.99 %	3.80 %
Tax-equivalent effect	0.01 %	0.01 %	0.01 %	0.01 %
Yield on interest-earning assets, tax-equivalent basis	3.94 %	3.85 %	4.00 %	3.81 %

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,*	
	2019	**2018**	**2019**	**2018**
Net interest margin (as reported)	2.67 %	2.87 %	2.71 %	2.93 %
Tax-equivalent adjustment	0.01 %	0.01 %	0.01 %	0.01 %
Margin contribution from loan prepayment penalty income	(0.02)%	(0.03)%	(0.02)%	(0.05)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	2.66 %	2.85 %	2.70 %	2.89 %

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