

July 19, 2017

Signature Bank Reports 2017 Second Quarter Results

- | **Net Income for the 2017 Second Quarter Was \$14.0 Million, or \$0.26 Diluted Earnings Per Share Versus \$102.2 Million, or \$1.90 Diluted Earnings Per Share, Reported in the 2016 Second Quarter. Excluding Provision Expense and Write-Downs for the Taxi Medallion Portfolio, Net Income Would Have Been \$120.2 Million, or \$2.21 Diluted Earnings Per Share**
- | **The Bank Took Significant Measures to Address the New York City Taxi Medallion Portfolio By Reserving For or Writing Down Each New York City Medallion Loan To a Value of Approximately \$358,000 Leaving the Bank With a Total Net Exposure of \$324.5 Million, or 80 Basis Points of Assets**
- | **Total Deposits in the Second Quarter Grew \$233.8 Million to \$33.17 Billion, Affected By a Decrease of \$587.9 Million in Escrow Deposits; Total Deposits Have Grown \$3.59 Billion, or 12.1 Percent, Since the End of the 2016 Second Quarter. Average Deposits Increased \$698.3 Million, or 2.2 Percent, in the 2017 Second Quarter**
- | **For the 2017 Second Quarter, Loans Increased \$362.1 Million, or 1.2 Percent, to \$30.39 Billion. Excluding Payoffs and Charge-Offs on Taxi Medallion Loans, Total Loans Would Have Grown \$598.1 Million. Since the End of the 2016 Second Quarter, Loans Have Increased 13.7 Percent, or \$3.67 Billion**
- | **Non-Accrual Loans were \$392.9 Million, or 1.29 Percent of Total Loans, at June 30, 2017, Versus \$225.9 Million, or 0.75 Percent, at the End of the 2017 First Quarter and \$129.5 Million, or 0.48 Percent, at the End of the 2016 Second Quarter. The Increase in Non-Accrual Loans for the Quarter Was Due to All Taxi Medallion Loans Being Placed on Non-Accrual. Excluding Taxi Medallion Loans, Non-Accrual Loans are \$25.9 Million, or Nine Basis Points of Total Loans**
- | **Net Interest Margin on a Tax-Equivalent Basis Was 3.11 Percent, Compared with 3.14 Percent for the 2017 First Quarter and 3.19 Percent for the 2016 Second Quarter. Core Net Interest Margin on a Tax-Equivalent Basis Excluding Loan Prepayment Penalty Income Declined Five Basis Points to 3.04 Percent for the 2017 Second Quarter when Compared with the 2017 First Quarter**
- | **Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based and Total Risk-Based Capital Ratios were 9.52 Percent, 11.61 Percent, 11.61 Percent and 12.95 Percent, Respectively, at June 30, 2017. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio Was 9.26 Percent**
- | **Two Private Client Banking Teams Joined During the 2017 Second Quarter and Signature Financial Announced the Appointment of Four Origination Officers**

NEW YORK--(BUSINESS WIRE)-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its second quarter ended June 30, 2017. Net income for the 2017 second quarter was \$14.0 million, or \$0.26 diluted earnings per share, versus \$102.2 million, or \$1.90 diluted earnings per share, for the 2016 second quarter. Excluding provision expense and write-downs for the taxi medallion portfolio, net income would have been \$120.2 million, or \$2.21 diluted earnings per share. The decrease in net income for the 2017 second quarter, versus the comparable quarter last year, is due to an increase of \$154.3 million in the provision for loan losses nearly all attributable to the New York City taxi medallion portfolio.

Net interest income for the 2017 second quarter reached \$307.2 million, up \$25.6 million, or 9.1 percent, when compared with the 2016 second quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached \$40.72 billion at June 30, 2017, an increase of \$4.17 billion, or 11.4 percent, from \$36.55 billion at June 30, 2016. Average assets for the 2017 second quarter reached \$40.32 billion, an increase of \$4.30 billion, or 11.9 percent, compared with the 2016 second quarter.

Deposits for the 2017 second quarter rose \$233.8 million, or 0.7 percent, to \$33.17 billion at June 30, 2017, affected by a decrease of \$587.9 million in escrow deposits. When compared with deposits at June 30, 2016, overall deposit growth for the last twelve months was 12.1 percent, or \$3.59 billion. Average deposits for the 2017 second quarter reached \$32.96 billion, an increase of \$698.3 million, or 2.2 percent.

"Signature Bank has executed its business strategy almost flawlessly for 16+ years. Sometimes, the trials and tribulations of business - and how we address them - define us. Recently, we encountered adversity within the taxi medallion landscape. Signature Bank has continually persevered, despite this adversity, which will ultimately strengthen our business. We are now

coming out on the other side of it, and are looking forward. We have repositioned our taxi medallion business to better resolve these types of loans and enable management of Signature Financial to once again fully direct their efforts toward growth initiatives. This quarter, Signature Financial loans grew \$252.4 million, excluding taxi medallion loans. Our diversification strategy has always proved beneficial to our model," explained Joseph J. DePaolo, Signature Bank President and Chief Executive Officer.

"In times of disruption, we rely on the strength and success of Signature Bank's depositor-first model to sustain our focus. This deposit first-and-foremost strategy, coupled with our strong, well-capitalized balance sheet, positions us to not only weather storms, but also to grasp opportunities in the marketplace, as evidenced by the two private client banking teams that joined this quarter to further our deposit and loan growth efforts. Additionally, our solid reputation and proven results recently earned the Bank 'Company of the Year' (in both Banking and Financial Services-Large categories) in the 2017 American Business Awards competition, demonstrating our ongoing strength, growth and commitment to client care," DePaolo added.

"We did not, nor did any others, foresee the dramatic decline in taxi medallion values caused by a combination of rapid radical disruption by app-based hailing systems and inaction by governmental authorities. We did, however, see the disruption coming in time to set an upper limit on loan amounts and to stop our lending earlier than most," said Scott A. Shay, Chairman of the Board.

"That said, the overwhelming majority of our taxi medallion clients are hardworking, many of whom immigrated to this country and built their lives, maintained their families and sent their children to college by driving a taxi. We will continue to work with these clients to create resolutions that make sense for them as well as the Bank. In the meantime, we have always maintained that our balance sheet needs to be a fortress of strength, and are adamant about appropriately valuing every asset. Also, we will remain focused on executing our successful business plan, which differentiates us from our competition. We intend to keep up our pace of attracting veteran bankers whose experience and relationships significantly builds on our ongoing growth," Shay concluded.

Capital

The Bank's Tier 1 leverage, common equity Tier 1 risk-based, Tier 1 risk-based, and total risk-based capital ratios were approximately 9.52 percent, 11.61 percent, 11.61 percent, and 12.95 percent, respectively, as of June 30, 2017. Each of these ratios is well in excess of regulatory requirements. The Bank's strong risk-based capital ratios reflect the relatively low risk profile of the Bank's balance sheet. The Bank's tangible common equity ratio remains strong at 9.26 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.

Net Interest Income

Net interest income for the 2017 second quarter was \$307.2 million, an increase of \$25.6 million, or 9.1 percent, versus the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of \$39.75 billion for the 2017 second quarter represent an increase of \$4.13 billion, or 11.6 percent, from the 2016 second quarter. Yield on interest-earning assets for the 2017 second quarter remained stable at 3.66 percent, compared with the 2016 second quarter.

Average cost of deposits and average cost of funds for the second quarter of 2017 both increased by 8 basis points, versus the 2016 second quarter to 0.41 percent and 0.53 percent, respectively.

Net interest margin on a tax-equivalent basis for the 2017 second quarter was 3.11 percent versus 3.19 percent reported in the same period a year ago. On a linked quarter basis, net interest margin on a tax-equivalent basis decreased three basis points. Excluding loan prepayment penalties in both quarters, linked quarter core net interest margin on a tax-equivalent basis decreased five basis points to 3.04 percent. One basis point of the linked quarter decline in core net interest margin was due to both one less day in the quarter and the reversal of interest income for taxi medallion loans placed on non-accrual in the quarter.

Provision for Loan Losses

The Bank's provision for loan losses for the second quarter of 2017 was \$187.6 million, compared with \$19.6 million for the 2017 first quarter and \$33.3 million for the 2016 second quarter. The elevated provision for the 2017 second quarter was due to the New York City taxi medallion loan portfolio.

Net charge-offs for the 2017 second quarter were \$229.0 million, or 3.04 percent of average loans on an annualized basis, versus \$9.2 million, or 0.13 percent, for the 2017 first quarter and \$15.4 million, or 0.24 percent, for the 2016 second quarter. \$229.7 million of the 2017 second quarter charge-offs were for taxi medallion loans, which were partially offset by a

net recovery for all other portfolios.

Non-Interest Income and Non-Interest Expense

Non-interest income for the 2017 second quarter was \$9.6 million, down \$3.5 million when compared with \$13.1 million reported in the 2016 second quarter. The decrease was due to a \$2.9 million decrease in net gains on sales of securities and an increase in other losses of \$2.3 million from additional amortization of low income housing tax credit investments.

Non-interest expense for the second quarter of 2017 was \$116.3 million, an increase of \$24.0 million, or 26.0 percent, versus \$92.3 million reported in the 2016 second quarter. The increase was primarily a result of write-downs of \$11.5 million on repossessed New York City taxi medallion loans, the addition of new private client banking teams and an increase in costs in our risk management and compliance related activities. The Bank also incurred additional FDIC assessment fees.

The Bank's efficiency ratio increased to 36.7 percent for the 2017 second quarter versus 31.3 percent for the comparable period last year. The increase was primarily due to an increase in other general and administrative expenses of \$12.6 million primarily due to the write-down on repossessed New York City taxi medallion loans.

Loans

Loans, excluding loans held for sale, grew \$362.1 million, or 1.2 percent, during the second quarter of 2017 to \$30.39 billion, compared with \$30.02 billion at March 31, 2017. Excluding payoffs and charge-offs of \$236.0 million on taxi medallion loans, total loans would have grown \$598.1 million. At June 30, 2017, loans accounted for 74.6 percent of total assets, versus 74.6 percent at the end of the 2017 first quarter and 73.1 percent at the end of 2016 second quarter. Average loans, excluding loans held for sale, reached \$30.17 billion in the 2017 second quarter, growing \$564.8 million, or 1.9 percent, from the 2017 first quarter and \$4.12 billion, or 15.8 percent, from the 2016 second quarter. The increase in loans for the quarter was primarily driven by growth in specialty finance, multi-family and commercial real estate loans.

At June 30, 2017, non-accrual loans were \$392.9 million, representing 1.29 percent of total loans and 0.96 percent of total assets, compared with non-accrual loans of \$225.9 million, or 0.75 percent of total loans, at March 31, 2017 and \$129.5 million, or 0.48 percent of total loans, at June 30, 2016. Excluding non-accruing loans secured by taxi medallions of \$367.0 million, non-accrual loans for the remainder of the entire portfolio are \$25.9 million, or nine basis points of total loans. At June 30, 2017, the ratio of allowance for loan and lease losses to total loans was 0.60 percent, versus 0.75 percent at March 31, 2017 and 0.84 percent at June 30, 2016. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 46 percent for the 2017 second quarter versus 99 percent for the first quarter of 2017 and 174 percent for the 2016 second quarter.

Conference Call

Signature Bank's management will host a conference call to review results of the 2017 second quarter on Wednesday, July 19, 2017, at 10:00 AM ET. All participants should dial 866-359-8135 at least ten minutes prior to the start of the call and reference conference ID #50275105. 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 #50275105. The replay will be available from approximately 1:00 PM ET on Wednesday, July 19, 2017 through 11:59 PM ET on Sunday, July 23, 2017.

About Signature Bank

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

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

Signature Bank ranked on [Forbes' Best Banks in America](#) list for the seventh consecutive year in 2017 and was recently named Best Business Bank for the third consecutive year by the [New York Law Journal](#) in the publication's [seventh annual](#)

[reader survey](#). The Bank also ranked second in the Best Private Bank and Best Attorney Escrow Services categories in the listing. Additionally, Signature Bank was cited among the top three of [the nation's best private banking services providers](#) in the [2017 Best of The National Law Journal](#) reader rankings. The Bank was also named Best Commercial Bank of the Year - U.S. by *International Banker* in their [International Banker 2017 North and South American Awards](#) program. Furthermore, Signature Bank was the recipient of two gold Stevie Awards® in [The 15th Annual American Business Awards](#) for 2017: Company of the Year in both Banking and Financial Services-Large categories.

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

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

SIGNATURE BANK
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30,</i>		<i>June 30,</i>	
<i>(dollars in thousands, except per share amounts)</i>	2017	2016	2017	2016
INTEREST AND DIVIDEND INCOME				
Loans held for sale	\$ 860	742	2,244	1,991
Loans and leases, net	291,892	253,894	573,467	499,833
Securities available-for-sale	50,848	51,055	100,667	101,342
Securities held-to-maturity	14,784	16,044	29,797	32,333
Other investments	3,553	2,226	6,367	4,236
Total interest income	361,937	323,961	712,542	639,735
INTEREST EXPENSE				
Deposits	40,311	29,798	75,113	58,035
Federal funds purchased and securities sold under agreements to repurchase	2,025	3,099	5,416	6,167
Federal Home Loan Bank borrowings	8,756	6,510	15,772	12,669
Subordinated debt	3,605	2,906	7,245	2,906
Total interest expense	54,697	42,313	103,546	79,777
Net interest income before provision for loan and lease losses	307,240	281,648	608,996	559,958
Provision for loan and lease losses	187,590	33,269	207,220	53,081

Net interest income after provision for loan and lease losses	119,650	248,379	401,776	506,877
NON-INTEREST INCOME				
Commissions	3,051	2,619	6,058	5,326
Fees and service charges	6,067	5,451	12,015	10,601
Net gains on sales of securities	1,679	4,617	2,529	4,854
Net gains on sales of loans	1,956	1,354	4,453	2,981
Other-than-temporary impairment losses on securities:				
Total impairment losses on securities	(81)	(369)	(273)	(424)
Portion recognized in other comprehensive income (before taxes)	-	306	32	306
Net impairment losses on securities recognized in earnings	(81)	(63)	(241)	(118)
Other losses	(3,122)	(835)	(5,390)	(2,037)
Total non-interest income	9,550	13,143	19,424	21,607
NON-INTEREST EXPENSE				
Salaries and benefits	68,358	61,927	134,744	124,207
Occupancy and equipment	7,985	7,069	16,070	13,709
Data processing	5,464	4,874	10,773	9,759
FDIC assessment fees	6,839	4,302	12,981	9,285
Professional fees	2,667	2,304	6,040	4,190
Other general and administrative	24,960	11,833	38,863	23,485
Total non-interest expense	116,273	92,309	219,471	184,635
Income before income taxes	12,927	169,213	201,729	343,849
Income tax (benefit) expense	(1,030)	66,971	53,856	137,572
Net income	\$ 13,957	102,242	147,873	206,277
PER COMMON SHARE DATA				
Earnings per share - basic	\$ 0.26	1.91	2.74	3.88
Earnings per share - diluted	\$ 0.26	1.90	2.73	3.86

**SIGNATURE BANK
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	June 30, 2017	December 31, 2016
	(unaudited)	
<i>(dollars in thousands, except shares and per share amounts)</i>		
ASSETS		
Cash and due from banks	\$ 489,888	499,856
Short-term investments	42,160	39,095
Total cash and cash equivalents	532,048	538,951
Securities available-for-sale	6,722,563	6,335,347
Securities held-to-maturity (fair value \$2,051,815 at June 30, 2017 and \$2,027,393 at December 31, 2016)	2,048,049	2,038,125
Federal Home Loan Bank stock	164,014	132,629
Loans held for sale	327,470	559,528
Loans and leases, net	30,203,170	28,829,670
Premises and equipment, net	56,337	50,698
Accrued interest and dividends receivable	103,317	102,963
Other assets	561,642	459,700
Total assets	\$40,718,610	39,047,611
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	\$10,570,920	10,520,529
Interest-bearing	22,598,073	21,340,731
Total deposits	33,168,993	31,861,260
Federal funds purchased and securities sold under agreements to repurchase	710,000	893,000
Federal Home Loan Bank borrowings	2,600,900	2,050,900
Subordinated debt	256,981	256,588

Accrued expenses and other liabilities	184,490	373,599
Total liabilities	36,921,364	35,435,347
Shareholders' equity		
Preferred stock, par value \$.01 per share; 61,000,000 shares authorized; none issued at June 30, 2017 and December 31, 2016	-	-
Common stock, par value \$.01 per share; 64,000,000 shares authorized; 54,974,399 shares issued and outstanding at June 30, 2017; 54,610,593 shares issued and outstanding at December 31, 2016	550	546
Additional paid-in capital	1,786,162	1,763,100
Retained earnings	2,051,205	1,903,332
Accumulated other comprehensive loss	(40,671)	(54,714)
Total shareholders' equity	3,797,246	3,612,264
Total liabilities and shareholders' equity	\$40,718,610	39,047,611

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FINANCIAL SUMMARY, CAPITAL RATIOS, ASSET QUALITY
(unaudited)

<i>(in thousands, except ratios and per share amounts)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30,</i>	<i>June 30,</i>	<i>June 30,</i>	<i>June 30,</i>
	2017	2016	2017	2016
PER COMMON SHARE				
Net income - basic	\$ 0.26	\$ 1.91	\$ 2.74	\$ 3.88
Net income - diluted	\$ 0.26	\$ 1.90	\$ 2.73	\$ 3.86
Average shares outstanding - basic	54,083	53,668	53,902	53,126
Average shares outstanding - diluted	54,290	53,886	54,262	53,461
Book value	\$ 69.07	\$ 65.09	\$ 69.07	\$ 65.09

SELECTED FINANCIAL DATA

Return on average total assets	0.14%	1.14%	0.75%	1.18%
Return on average shareholders' equity	1.48%	11.98%	8.05%	12.99%
Efficiency ratio (1)	36.70%	31.31%	34.92%	31.75%
Yield on interest-earning assets	3.65%	3.66%	3.64%	3.71%
Yield on interest-earning assets, tax-equivalent basis (1)(2)	3.66%	3.66%	3.65%	3.71%
Cost of deposits and borrowings	0.61%	0.53%	0.58%	0.51%
Net interest margin	3.10%	3.18%	3.12%	3.25%
Net interest margin, tax-equivalent basis (2)(3)	3.11%	3.19%	3.12%	3.25%

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

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

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

	June 30,	March 31,	December 31,	June 30,
	2017	2017	2016	2016
CAPITAL RATIOS				
Tangible common equity (4)	9.26%	9.27%	9.21%	9.52%
Tier 1 leverage (5)	9.52%	9.61%	9.61%	9.60%
Common equity Tier 1 risk-based (5)	11.61%	12.05%	11.92%	12.01%
Tier 1 risk-based (5)	11.61%	12.05%	11.92%	12.01%
Total risk-based (5)	12.95%	13.57%	13.46%	13.69%

ASSET QUALITY

Non-accrual loans	\$392,880	\$225,938	\$ 157,578	\$129,460
Allowance for loan and lease losses	\$182,541	\$223,951	\$ 213,495	\$224,878
Allowance for loan and lease losses to non-accrual loans	46.46%	99.12%	135.49%	173.70%
Allowance for loan and lease losses to total loans	0.60%	0.75%	0.74%	0.84%
Non-accrual loans to total loans	1.29%	0.75%	0.54%	0.48%
Quarterly net charge-offs to average loans, annualized	3.04%	0.13%	0.19%	0.24%

(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, 2017 ratios are preliminary.

SIGNATURE BANK**NET INTEREST MARGIN ANALYSIS****(unaudited)**

	Three months ended June 30, 2017			Three months ended June 30, 2016		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
<i>(dollars in thousands)</i>						
INTEREST-EARNING ASSETS						
Short-term investments	\$ 528,169	1,358	1.03%	446,254	546	0.49%
Investment securities	8,889,069	67,827	3.05%	8,838,625	68,779	3.11%
Commercial loans, mortgages and leases (1)(2)	29,899,100	290,189	3.89%	25,749,690	251,240	3.92%
Residential mortgages and consumer loans	271,284	2,561	3.79%	301,430	2,894	3.86%
Loans held for sale	159,497	860	2.16%	276,256	742	1.08%
Total interest-earning assets	39,747,119	362,795	3.66%	35,612,255	324,201	3.66%
Non-interest-earning assets	568,253			401,871		
Total assets	\$40,315,372			36,014,126		
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
NOW and interest-bearing demand	\$ 3,832,360	6,654	0.70%	3,510,696	3,939	0.45%
Money market	17,062,993	29,735	0.70%	14,850,446	22,717	0.62%
Time deposits	1,469,043	3,922	1.07%	1,256,480	3,142	1.01%
Non-interest-bearing demand deposits	10,592,678	-	-	9,461,144	-	-
Total deposits	32,957,074	40,311	0.49%	29,078,766	29,798	0.41%
Subordinated debt	256,851	3,605	5.61%	205,882	2,906	5.65%
Other borrowings	2,927,435	10,781	1.48%	3,082,813	9,609	1.25%
Total deposits and borrowings	36,141,360	54,697	0.61%	32,367,461	42,313	0.53%
Other non-interest-bearing liabilities and shareholders' equity	4,174,012			3,646,665		
Total liabilities and shareholders' equity	\$40,315,372			36,014,126		
OTHER DATA						
Net interest income / interest rate spread (1)		308,098	3.05%		281,888	3.13%
Tax-equivalent adjustment		(858)			(240)	
Net interest income, as reported		<u>307,240</u>			<u>281,648</u>	
Net interest margin			3.10%			3.18%
Tax-equivalent effect			0.01%			0.01%
Net interest margin on a fully tax-equivalent basis (1)(2)			3.11%			3.19%
Ratio of average interest-earning assets to						

average interest-bearing liabilities 109.98% 110.02%

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

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

SIGNATURE BANK
NET INTEREST MARGIN ANALYSIS
(unaudited)

	<i>Six months ended June 30, 2017</i>			<i>Six months ended June 30, 2016</i>		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
<i>(dollars in thousands)</i>						
INTEREST-EARNING ASSETS						
Short-term investments	\$ 471,649	2,142	0.92%	419,500	1,019	0.49%
Investment securities	8,842,191	134,689	1.52%	8,743,452	136,892	3.13%
Commercial loans, mortgages and leases (1)(2)	29,615,113	569,780	3.88%	24,918,212	494,397	3.99%
Residential mortgages and consumer loans	274,420	5,201	3.82%	304,524	5,841	3.86%
Loans held for sale	219,105	2,244	2.07%	295,719	1,991	1.35%
Total interest-earning assets	39,422,478	714,056	3.65%	34,681,407	640,140	3.71%
Non-interest-earning assets	553,844			396,750		
Total assets	\$39,976,322			35,078,157		
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
NOW and interest-bearing demand	\$ 3,793,164	11,875	0.63%	3,216,304	7,229	0.45%
Money market	16,872,945	55,904	0.67%	14,891,820	44,966	0.61%
Time deposits	1,451,516	7,334	1.02%	1,175,688	5,840	1.00%
Non-interest-bearing demand deposits	10,492,211	-	-	9,100,203	-	-
Total deposits	32,609,836	75,113	0.46%	28,384,015	58,035	0.41%
Subordinated debt	256,754	7,245	2.82%	102,942.00	2,906.00	0.06
Other borrowings	3,001,291	21,188	1.42%	3,042,137	18,836	1.25%
Total deposits and borrowings	35,867,881	103,546	0.58%	31,529,094	79,777	0.51%
Other non-interest-bearing liabilities and shareholders' equity	4,108,441			3,549,063		
Total liabilities and shareholders' equity	\$39,976,322			35,078,157		
OTHER DATA						
Net interest income / interest rate spread (1)		610,510	3.07%		560,363	3.20%
Tax-equivalent adjustment		<u>(1,514)</u>			<u>(405)</u>	
Net interest income, as reported		<u>608,996</u>			<u>559,958</u>	
Net interest margin			3.12%			3.25%
Tax-equivalent effect			-			-
Net interest margin on a fully tax-equivalent basis (1)(2)			3.12%			3.25%
Ratio of average interest-earning assets to average interest-bearing liabilities			109.91%			110.00%

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

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

SIGNATURE BANK
NON-GAAP FINANCIAL MEASURES
(unaudited)

Management believes that the presentation of certain non-GAAP financial measures assists investors when comparing results period-to-period in a more consistent manner and provides a better measure of Signature Bank's results. These non-GAAP measures include the Bank's (i) Net income and diluted earnings per share (as reported) to net income and diluted earnings per share excluding the NYC affordable housing tax benefit and, provision for loan and lease losses and write-downs for the taxi medallion portfolio, (ii) change in loans and leases excluding payoffs and charge-offs on taxi medallion loans, (iii) tangible common equity ratio, (iv) efficiency ratio, (v) yield on interest-earning assets, tax-equivalent basis, and (vi) core net interest margin, tax-equivalent basis excluding loan prepayment penalty income. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. We strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

The following table presents a reconciliation of net income and diluted earnings per share (as reported) to net income and diluted earnings per share excluding the 2015 and 2016 New York City (NYC) affordable housing tax benefit and, provision for loan and lease losses and write-downs for the taxi medallion portfolio:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30,</i>		<i>June 30,</i>	
<i>(dollars in thousands, except per share amounts)</i>	2017	2016	2017	2016
Net income (as reported)	\$ 13,957	102,242	147,873	206,277
2015 & 2016 NYC affordable housing tax benefit	-	-	(14,413)	-
Provision for loan and lease losses and write-downs for the taxi medallion portfolio	179,309	60,055	193,251	78,732
Tax effect, including taxi loss related benefit	(73,034)	(24,457)	(94,088)	(30,946)
Net income - excluding NYC affordable housing and, provision for loan and lease losses and write-downs for the taxi medallion portfolio	\$120,232	137,840	232,623	254,063
Diluted earnings per share (as reported)	\$ 0.26	1.90	2.73	3.86
2015 & 2016 NYC affordable housing tax benefit	-	-	(0.27)	-
Provision for loan and lease losses and write-downs for the taxi medallion portfolio	3.30	1.11	3.56	1.47
Tax effect, including taxi loss related benefit	(1.36)	(0.45)	(1.74)	(0.58)
Diluted earnings per share - excluding the NYC affordable housing tax benefit and, provision for loan and lease losses and write-downs for the taxi medallion portfolio	\$ 2.21	2.56	4.28	4.75

The following table presents the change in loans and leases for the quarter excluding payoffs and charge-offs on taxi medallion loans:

<i>(dollars in thousands)</i>	June 30, 2017
Loans and leases, gross (as reported)	\$ 30,385,711
Payoffs and charge-offs on taxi medallions - second quarter 2017	235,987
Total loans and leases, gross - excluding payoffs and charge-offs on taxi medallions	\$ 30,621,698
Loans and leases, gross (as reported) - March 31, 2017	30,023,610
Change in loans and leases, gross (adjusted)	\$ 598,088

The following table presents the tangible common equity ratio calculation:

<i>(dollars in thousands except, per ratio)</i>	June 30, 2017	March 31, 2017	December 31, 2016	June 30, 2016
Consolidated common shareholders' equity	\$ 3,797,246	3,764,863	3,612,264	3,494,486
Intangible assets	27,374	37,436	19,640	15,016
Consolidated tangible common shareholders' equity (TCE)	\$ 3,769,872	3,727,427	3,592,624	3,479,470

Consolidated total assets	\$40,718,610	40,265,334	39,047,611	36,546,835
Intangible assets	27,374	37,436	19,640	15,016
Consolidated tangible total assets (TTA)	\$40,691,236	40,227,898	39,027,971	36,531,819
Tangible common equity ratio (TCE/TTA)	9.26%	9.27%	9.21%	9.52%

SIGNATURE BANK
NON-GAAP FINANCIAL MEASURES
(unaudited)

The following table presents the efficiency ratio calculation:

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2017	2016	2017	2016
Non-interest expense (NIE)	\$116,273	92,309	219,471	184,635
Net interest income before provision for loan and lease losses	307,240	281,648	608,996	559,958
Other non-interest income	9,550	13,143	19,424	21,607
Total income (TI)	\$316,790	294,791	628,420	581,565
Efficiency ratio (NIE/TI)	36.70%	31.31%	34.92%	31.75%

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

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2017	2016	2017	2016
Interest income (as reported)	\$ 361,937	323,961	712,542	639,735
Tax-equivalent adjustment	858	240	1,514	405
Interest income, tax-equivalent basis	\$ 362,795	324,201	714,056	640,140
Interest-earnings assets	\$39,747,119	35,612,255	39,422,478	34,681,407
Yield on interest-earning assets	3.65%	3.66%	3.64%	3.71%
Tax-equivalent effect	0.01%	-	0.01%	-
Yield on interest-earning assets, tax-equivalent basis	3.66%	3.66%	3.65%	3.71%

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

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2017	2016	2017	2016
Net interest margin (as reported)	3.10%	3.18%	3.12%	3.25%
Tax-equivalent adjustment	0.01%	0.01%	-	-
Margin contribution from loan prepayment penalty income	(0.07)%	(0.07)%	(0.06)%	(0.11)%
Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income	3.04%	3.12%	3.06%	3.14%

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