



**FOR IMMEDIATE RELEASE  
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**SIGNATURE BANK REPORTS 2004 FIRST QUARTER NET INCOME OF \$2.6 MILLION;  
QUARTERLY EARNINGS SURPASS THOSE FOR ALL OF 2003**

- *Total Assets Reach \$2 Billion*
- *Deposits Increase 50.2 Percent to \$1.74 Billion*
- *Bank Raises Nearly \$90 Million in IPO*

NEW YORK ... April 28, 2004 ... Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today reported results for its 2004 first quarter ended March 31, 2004.

Net income reached \$2.6 million or \$0.13 diluted earnings per share, compared with \$16,000 or \$0.0 diluted earnings per share, for the first quarter last year. In comparison, net income for all of 2003 was \$2.5 million and \$1.2 million for the fourth quarter of 2003.

Deposits in the first quarter grew \$167.5 million, or 10.7 percent, to \$1.74 billion. This represents an increase of \$581.4 million or 50.2 percent when compared with deposits as of March 31, 2003. Core deposits of \$1.66 billion represent 95 percent of the total deposits. Non-interest bearing demand deposits increased \$164.6 million, or 41.6 percent, to \$560.6 million, compared with \$396.0 million for the comparable quarter last year.

In late March 2004, Signature Bank completed its initial public offering, raising \$88.3 million, net of offering discounts, commissions and expenses. The underwriters exercised the full over-allotment option of 810,000 shares, bringing the total number of shares sold in the offering to 6,210,000. Following the IPO, the Bank's total number of shares outstanding is 26,210,000.

"Our successful IPO, coupled with further consolidation within the financial services arena, continues to provide us significant opportunity to aggressively pursue our core strategy of recruiting high-quality, established private client groups and opening new offices throughout the New York metropolitan area," stated Scott A. Shay, Chairman of the Board.

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Joseph J. DePaolo, Signature Bank President and Chief Executive Officer commented on the Bank's first quarter performance: "This has truly been an incredible quarter for Signature Bank. We posted record earnings, successfully completed our IPO and reached \$2 billion in total assets. These milestones are remarkable for a *de novo* institution approaching its three-year anniversary next month."

Several other highlights for Signature Bank during the first quarter of 2004 include:

- An increase in the first quarter of 2004 in net interest income of \$1.7 million, or 14.7 percent to \$12.9 million from \$11.3 million in the fourth quarter of 2003 and an increase of \$5.1 million, or 66.3 percent from the first quarter of 2003;
- Cost of funds averaging .78 percent, with non-interest bearing demand deposits representing 32.2 percent of all deposits;
- Non-interest income increased 50.7 percent, or \$1.4 million, from the fourth quarter of 2003; and,
- The opening of the Bank's tenth location in Rockville Centre, Long Island.

### **Steady Loan Growth -- Continued Strong Asset Quality**

Signature Bank saw continued loan growth in the first quarter of 2004. Loans, excluding loans held for sale, increased 60.2 percent to \$397.9 million at March 31, 2004, compared with \$248.3 million at March 31, 2003. In addition, loans held for sale were \$64.5 million as of March 31, 2004. The total loan pipeline as of March 31, 2004 is in excess of \$110 million.

At March 31, 2004, non-performing loans were \$5.0 million (primarily one loan) representing 1.24 percent of total loans. Quarterly net charge-offs to average loans were a modest .02 percent, another reflection of solid asset quality.

### **Capital**

During the first quarter of 2004, the Bank's capital increased to \$259.0 million from \$153.8 million at December 31, 2003. The increase was primarily due to the net proceeds resulting from the IPO of \$88.3 million, net income of \$2.6 million, and a net increase in unrealized gains on available-for-sale securities of \$14.3 million during the quarter.

The Bank's tier 1 risk based, total risk based and leverage capital ratios are approximately 31.8 percent, 32.4 percent and 12.9 percent respectively, well in excess of regulatory requirements. The ratios reflect the relatively low risk profile of the balance sheet and the infusion of the IPO proceeds in late March.

### **Non-Interest Income and Non-Interest Expense**

For the first quarter of 2004, non-interest income rose approximately 50.7 percent to \$4.0 million versus \$2.7 million in the fourth quarter of 2003. This rise was primarily the result of gains on sale of SBA loan pools and increased commission income from the Bank's broker-dealer subsidiary, Signature Securities Group Corporation.

Total operating expenses were consistent with management's expectations as reflected in the efficiency ratio of 77.56 percent for the quarter, which improved when compared to 85.22 percent for the fourth quarter of 2003.

Non-interest expenses for the quarter ended March 31, 2004 were \$13.2 million, compared with \$11.9 million in the fourth quarter of 2003.

The increase in non-interest expense was primarily due to the Bank's continuing investment in new private client groups and operational support staff, which are expected to fuel continued expansion in the coming quarters.

DePaolo summarized the Bank's strong financial position and first quarter achievements: "We continue to conservatively manage our credit and interest rate risk. We are well positioned in the event of an interest rate increase as our portfolio is structured to minimize extension risk. Furthermore, our loan pipeline is strong. We remain selective as we emphasize variable rate loans to mitigate interest rate exposure and employ conservative lending practices.

"The significant growth in deposits for the quarter is further validation of the success of our business model. We believe our niche market – providing personalized service to privately owned businesses and their owners – is currently underserved by competitors. Toward that end, we plan to expand our 10-office network with the opening of two locations in the second quarter, and the addition of several seasoned private client groups. This coincides with our aggressive strategy to open five locations in 2004 and another four during 2005. We plan to utilize our capital prudently in the coming year, as interest rates and market conditions allow, to pre-fund these additional private client groups and offices and drive the Bank's continued growth," DePaolo concluded.

### **Conference Call**

Signature Bank's management will host a conference call to review results of its 2004 first quarter ended March 31, 2004 on Wednesday, April 28, 2004 at 10:00 AM EST. Participants should dial 800-257-2101 at least ten minutes prior to the start of the call.

To hear a live web simulcast or to listen to the archived web cast of the conference call, please visit the Bank's web site at [www.signatureny.com](http://www.signatureny.com), click on the investor relations tab, then select 2004 first quarter results conference call to access the link to the call. Refer to conference identification number 22205.

### **About Signature Bank**

Signature Bank, member FDIC, is a New York-based full-service commercial bank with ten private client offices located in the New York metropolitan area serving the needs of privately owned business clients, their owners and senior managers. The Bank offers a wide variety of business and personal banking products and services as well as investment, brokerage, asset management and insurance products and services through its subsidiary, Signature Securities Group Corporation, a licensed broker-dealer, investment adviser, and member NASD/SIPC. For more information, please visit [www.signatureny.com](http://www.signatureny.com).

*This press release may contain statements, including but not limited to, statements concerning future results of operations or financial position, borrowing capacity and future liquidity, future investment results, future credit exposure, future loan losses and plans and objectives for future operations, and other statements regarding matters that are not historical facts, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts but instead are subject to numerous assumptions, risks and uncertainties, and represent only the Bank's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of its control. Any forward-looking statements the Bank may make speak only as of the date on which such statements are made. It is possible that the Bank's actual results and financial position may differ, possibly materially, from the anticipated results and financial condition indicated in or implied by these forward-looking statements.*

**- FINANCIAL TABLES ATTACHED -**

Signature Bank  
Consolidated Statements of Operations  
(Unaudited)

(dollars in thousands, except per share amounts)	Three Months Ended		
	March 31, 2004	December 31, 2003	March 31, 2003
Interest and dividend income:			
Loans held for sale	\$ 478	\$ 697	\$ 515
Loans, net	4,241	4,104	2,849
Securities available for sale	10,009	8,326	5,548
Securities held to maturity	1,609	1,143	1,096
Other investments	--	--	14
Federal Home Loan Bank stock	17	--	17
Short-term investments	44	81	80
	-----	-----	-----
Total interest income	16,398	14,351	10,119
	-----	-----	-----
Interest expense:			
Deposits	2,910	2,734	2,018
Securities sold under agreements to repurchase	146	97	312
Federal Home Loan Bank advances	426	258	21
	-----	-----	-----
Total interest expense	3,482	3,089	2,351
	-----	-----	-----
Net interest income before provision for loan losses	12,916	11,262	7,768
Provision for loan losses	807	623	357
	-----	-----	-----
Net interest income after provision for loan losses	12,109	10,639	7,411
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Non-interest income:			
Commissions	1,375	1,095	468
Fees and service charges	1,381	1,244	1,079
Net gains on sales of securities and loans	1,120	264	1,046
Other income	168	81	216
	-----	-----	-----
Total non-interest income	4,044	2,684	2,809
	-----	-----	-----
Non-interest expenses:			
Salaries and benefits	7,551	6,644	6,161
Occupancy and equipment	1,242	1,225	1,170
Professional fees	387	542	214
Marketing	177	251	159
Data processing	625	432	244
Charges for services provided by affiliate	1,275	1,260	990
Depreciation and amortization	322	312	308
Other general and administrative	1,576	1,219	921
	-----	-----	-----
Total non-interest expenses	13,155	11,885	10,167
	-----	-----	-----
Income before income taxes	2,998	1,438	53
Income taxes	356	205	37
	-----	-----	-----
Net income	\$ 2,642	\$ 1,233	\$ 16
	=====	=====	=====
Earnings per share - basic	\$0.13	\$0.06	\$0.00
Earnings per share - diluted	\$0.13	\$0.06	\$0.00

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Signature Bank  
Consolidated Statements of Financial Condition  
(Unaudited)

(dollars in thousands, except per share amounts)	March 31, 2004	December 31, 2003	March 31, 2003
<b>Assets</b>			
Cash and due from banks	\$ 69,346	\$ 52,337	\$ 74,432
Short-term investments	30,165	3,543	23,693
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Total cash and cash equivalents	99,511	55,880	98,125
Securities available for sale	1,379,273	1,201,100	769,751
Securities held to maturity	158,340	125,830	103,431
Federal Home Loan Bank stock	4,000	6,500	750
Loans held for sale	64,519	129,204	75,718
Loans, net	397,852	373,050	248,292
Premises and equipment, net	11,675	10,829	11,368
Accrued interest and dividends receivable	8,410	7,838	5,703
Other assets	44,197	25,620	11,943
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Total assets	\$ 2,167,777	\$ 1,935,851	\$1,325,081
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<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities:</b>			
Deposits			
Non-interest bearing	\$ 560,629	\$ 528,389	\$ 396,043
Interest bearing	1,179,768	1,044,478	762,911
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Total deposits	1,740,397	1,572,867	1,158,954
Accrued expenses and other liabilities	48,393	19,211	16,678
Securities sold under agreements to repurchase	40,000	60,000	25,000
Federal Home Loan Bank advances	80,000	130,000	--
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Total liabilities	\$1,908,790	\$1,782,078	\$1,200,632
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<b>Shareholders' equity:</b>			
Common stock, par value \$.01; 39,000,000 shares authorized, 26,210,000 shares issued and outstanding at March 31, 2004 and 20,000,000 shares authorized, issued and outstanding at December 31 and March 31, 2003	262	200	200
Preferred stock, par value \$.01; 61,000,000 shares authorized and unissued at March 31, 2004	--	--	--
Additional paid-in capital	279,743	190,304	155,304
Accumulated deficit	(30,222)	(32,864)	(35,385)
Accumulated other comprehensive income (loss):			
Net unrealized appreciation (depreciation) on securities available for sale, net of tax effect	10,436	(3,867)	4,330
Unearned compensation	(1,232)	--	--
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Total shareholders' equity	258,987	153,773	124,449
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Total liabilities and shareholders' equity	\$2,167,777	\$1,935,851	\$1,325,081
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Signature Bank  
Selected Financial Data  
(Unaudited)

(dollars in thousands, except ratios and per share amounts)	March 31, 2004	December 31, 2003	March 31, 2003
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Per share:			
Net income - basic	\$0.13	\$0.06	\$0.00
Net income - diluted	\$0.13	\$0.06	\$0.00
Average shares outstanding - basic	20,587	20,000	20,000
Average shares outstanding - diluted	20,603	20,000	20,000
Book value	\$9.88	\$7.69	\$6.22
Selected financial data:			
Return on average total assets	0.54%	0.28%	0.01%
Return on average shareholders' equity	6.40%	3.54%	.07%
Efficiency ratio	77.56%	85.22%	96.12%
Yield on interest earning assets	3.56%	3.49%	3.84%
Cost of funds	0.78%	0.77%	0.89%
Net interest margin	2.80%	2.74%	2.94%
Capital Ratios:			
Tier one leverage	12.93%	9.08%	10.44%
Tier one risk-based	31.76%	21.67%	24.02%
Total risk based	32.40%	22.26%	24.56%

<u>Asset Quality</u>	<u>March 31,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>	<u>March 31,</u> <u>2003</u>
Non-performing loans	\$ 4,988	\$ 5,130	\$ 0
Allowance for loan losses	5,111	4,323	2,725
Allowance for loan losses to non- performing loans	102.47%	84.27%	0%
Allowance for loan losses to total loans	1.27%	1.15%	1.09%
Non-performing loans to total loans	1.24%	1.36%	0%
Quarterly net charge-offs to average loans (annualized)	0.02%	0.02%	0.07%

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Signature Bank  
Net Interest Margin Analysis  
(Unaudited)

The following table presents an analysis of net interest income by each major category of interest-earning assets and interest-bearing liabilities:

For the three months ended:	March 31, 2004			December 31, 2003		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
(dollars in thousands)						
<b>Interest-Earning Assets</b>						
Short-term investments	\$ 22,507	\$ 44	0.79%	\$ 36,970	\$ 81	0.87%
Investment securities	1,386,556	11,635	3.37	1,157,115	9,469	3.25
Commercial loans and commercial mortgages	295,107	3,395	4.63	271,730	3,178	4.64
Residential mortgages and consumer loans	92,564	846	3.68	83,096	926	4.42
Loans held for sale	<u>55,677</u>	<u>478</u>	<u>3.45</u>	<u>80,314</u>	<u>697</u>	<u>3.44</u>
Total interest-earning assets	1,852,411	16,398	3.56	1,629,225	14,351	3.49
Non-interest-earning assets	<u>126,362</u>			<u>125,870</u>		
Total assets	<u>\$1,978,773</u>			<u>\$1,755,095</u>		
<b>Interest-Bearing Liabilities</b>						
Interest-bearing deposits:						
NOW and interest-bearing						
checking	\$ 155,735	\$ 275	0.71%	\$146,286	\$ 264	0.72%
Money market accounts	876,141	2,377	1.09	783,267	2,223	1.13
Certificates of deposits	61,648	258	1.68	52,294	\$247	1.87
Non-interest-bearing deposits	<u>525,588</u>	<u>---</u>	<u>--</u>	<u>494,864</u>	<u>--</u>	<u>--</u>
Total deposits	1,619,112	2,910	0.72	1,476,711	2,734	0.73
Borrowings	<u>178,769</u>	<u>572</u>	<u>1.29</u>	<u>114,956</u>	<u>355</u>	<u>1.23</u>
Total deposits and borrowings	1,797,881	3,482	0.78	1,591,667	3,089	0.77
Other non-interest-bearing liabilities and shareholders' equity	<u>180,892</u>			<u>163,428</u>		
Total liabilities and shareholders' equity	<u>\$1,978,773</u>			<u>\$1,755,095</u>		
Net interest income / interest rate spread		<u>\$12,916</u>	2.78%		<u>\$11,262</u>	2.72%
Net interest margin			2.80%			2.74%
Ratio of average interest-earning assets to average interest-bearing liabilities			103.03%			102.36%

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