

SIGNATURE BANK

To the Shareholders of Signature Bank,

Thank you for your ongoing support of and continued interest in Signature Bank. I am pleased to invite you to attend the Annual Meeting of Shareholders of Signature Bank to be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 22, 2009 at 10:00 a.m., local time.

We have elected to take advantage of new Federal Deposit Insurance Corporation and Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe these new rules will allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of producing and distributing materials for our annual meeting. Under these new rules, you can vote in several ways. Follow the instructions provided in our communications with you. If you received a Notice of Internet Availability of Proxy Materials in the mail you can vote over the Internet or, if you request printed copies of the proxy materials by mail, you can also vote by mail or by telephone.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement explain the matters to be voted on at the meeting. Your vote is important, regardless of the number of shares you own. On behalf of the Board of Directors, I urge you to mark, sign and return the enclosed proxy card as soon as possible, even if you plan to attend the Annual Meeting. You may, of course, revoke your proxy by notice in writing to Signature Bank's Secretary at any time before the proxy is voted. You may also access the Notice of Annual Meeting of Shareholders and the Proxy Statement via the Internet at www.signaturenyc.com under "*Investor Relations*." Please read the enclosed Notice of Annual Meeting of Shareholders and Proxy Statement so you will be informed about the business to come before the meeting.

Sincerely,

/s/ Joseph J. DePaolo _____

Joseph J. DePaolo
*President, Chief Executive Officer
and Director*

SIGNATURE BANK

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 22, 2009**

To the Shareholders of Signature Bank,

The Annual Meeting of the holders of common stock of Signature Bank will be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 22, 2009 at 10:00 a.m., local time:

1. To elect three members of the Board of Directors to serve until their successors have been duly elected and qualified;
2. To ratify the appointment of KPMG LLP, independent registered public accounting firm, as the independent auditors for the year ending December 31, 2009;
3. To provide an advisory (non-binding) vote to approve the compensation of our executive officers; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed February 23, 2009 as the record date for the Annual Meeting with respect to this solicitation. Only holders of record of Signature Bank's common stock at the close of business on that date are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof as described in the Proxy Statement.

This year the Bank is taking advantage of new Federal Deposit Insurance Corporation and Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. Accordingly, the Bank is sending a Notice of Internet Availability of Proxy Materials to its stockholders of record and beneficial owners, unless they have directed the Bank to provide the materials in a different manner. The Notice of Internet Availability of Proxy Materials provides instructions on how to access and review all of the important information contained in the Company's Proxy Statement and Annual Report to Stockholders, as well as how to submit a proxy over the Internet. If a stockholder receives the Notice of Internet Availability of Proxy Materials and would still like to receive a printed copy of the Company's proxy materials, instructions for requesting these materials are included in the Notice of Internet Availability of Proxy Materials. The Bank plans to mail the Notice of Internet Availability of Proxy Materials to stockholders by March 12, 2009. The Bank will continue to mail a printed copy of this Proxy Statement and form of proxy to certain stockholders and it expects this mailing to begin on or about March 12, 2009.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE FOLLOW THE INSTRUCTIONS IN THE COMPANY'S NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS TO VOTE YOUR PROXY. A PROXY MAY BE REVOKED BY A SHAREHOLDER ANY TIME PRIOR TO ITS USE AS SPECIFIED IN THE ENCLOSED PROXY STATEMENT.

By Order of the Board of Directors,

/s/ Patricia E. O'Melia

Patricia E. O'Melia

Secretary

This notice of annual meeting, proxy statement and form of proxy are being furnished on or about March 12, 2009 to Signature Bank shareholders of record.

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SIGNATURE BANK
565 Fifth Avenue
New York, NY 10017

PROXY STATEMENT

The Board of Directors of Signature Bank, “we,” “our,” “us,” or the “Company,” is furnishing this Proxy Statement to solicit proxies for use at Signature Bank’s Annual Meeting of Shareholders (the “2009 Annual Meeting”), to be held on April 22, 2009 at 10:00 a.m., local time, at The Roosevelt Hotel, 45 East 45th Street, New York, NY, and at any adjournment of the meeting. Each valid proxy received in time will be voted at the meeting according to the choice specified, if any. A proxy may be revoked at any time before the proxy is voted as outlined below.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At our 2009 Annual Meeting, shareholders will act upon the following matters which are outlined in the enclosed notice of meeting:

1. The election of three members of the Board of Directors to serve until their successors have been duly elected and qualified;
2. The ratification of the Company’s independent auditors;
3. Provide an advisory (non-binding) vote to approve the compensation of our executive officers; and
4. Such other business as may properly come before the meeting or any adjournment thereof.

In addition, management will report on the performance of the Company and respond to questions from shareholders.

Who is entitled to vote at the meeting?

Only shareholders of record at the close of business on February 23, 2009, the record date for the meeting, are entitled to receive notice of and to participate in the 2009 Annual Meeting. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the meeting, or any postponements or adjournments of the meeting.

What are the voting rights of the holders of Signature Bank common stock?

Each outstanding share of Signature Bank common stock will be entitled to one vote on each matter considered at the 2009 Annual Meeting.

Who can attend the meeting?

All shareholders as of the record date, or their duly appointed proxies, may attend the 2009 Annual Meeting. If you attend, please note that you may be asked to present valid picture identification, such as a driver’s license or passport. Cameras, recording devices and other electronic devices will not be permitted at the meeting. Please also note that if you hold your shares in “street name” (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the votes represented by the common stock issued and outstanding on the record date will constitute a quorum, permitting the meeting to conduct its business. Proxies received but marked as withheld or abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

Pursuant to rules adopted by the FDIC and the Securities and Exchange Commission, we have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials on the Internet or to request a printed copy may be found in the Notice of Internet Availability of Proxy Materials. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I get electronic access to the proxy materials?

The Notice of Internet Availability of Proxy Materials will provide you with instructions regarding how to:

- View our proxy materials for the Annual Meeting on the Internet; and
- Instruct us to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

How do I vote?

Your vote is important. Your shares can be voted at the annual meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card or in the Notice of Internet Availability of Proxy Materials. Please have your proxy card or Notice of Internet Availability of Proxy Materials in hand when going online or calling. ***If you authorize your proxy electronically, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares beneficially in a street name, i.e., through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may revoke or change your vote at any time before the proxy is exercised. You may revoke your proxy by:

- voting again on the Internet or telephone (only the latest Internet or telephone proxy will be counted);
- properly executing and delivering a later-dated proxy card;
- voting by ballot at the meeting; or
- sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of the Company at the address listed above.

What are the Board of Directors' recommendations regarding the agenda items?

Unless you give other instructions on your proxy card or through your electronic proxy, the persons named as proxy holders on the proxy card or in your electronic proxy will vote in accordance with the recommendations of the Board of Directors. The Board of Directors' recommendations are set forth together with the description of each item in this proxy statement. In summary, the Board of Directors recommends a vote:

- *for* the election of the nominees for the Board of Directors (see Proposal 1);

- for ratification of the appointment of KPMG LLP as the Company's independent auditors for fiscal year 2009 (see Proposal 2); and
- for the advisory (non-binding) vote on the compensation of our executive officers (see Proposal 3).

With respect to any other matter that properly comes before the meeting, including an adjournment of the meeting to a later time, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

How are votes counted?

In the election of directors, you may vote "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. For the other items of business, you may vote "FOR," "AGAINST" or "ABSTAIN." If you "ABSTAIN," the abstention has the same effect as a vote "AGAINST." If you provide specific instructions with regard to an item, your shares will be voted as you instruct on such item. If you sign your proxy card or voting instruction card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board of Directors.

What vote is required to approve each item?

Election of Directors. The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. In other words, the three persons receiving the highest number of "FOR" votes at the 2009 Annual Meeting will be elected as directors. A properly executed proxy marked "WITHHELD" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum present at the meeting.

A policy adopted by the Board of Directors in January 2006 provides that if a director nominee receives a greater number of votes "WITHHELD" from his or her election than votes "FOR" that director's election, the director nominee shall promptly tender his or her resignation for consideration by a committee formed by the Company's independent directors. This committee will then recommend to the full Board of Directors the action to be taken with respect to such tendered resignation. Please see "Corporate Governance Principals and Board of Director Matters — Voting for Directors" below for more information.

Other Items. For each other item, the affirmative "FOR" vote of a majority of the votes cast on the item will be required for approval. A properly executed proxy marked "ABSTAIN" with respect to any such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum present at the meeting.

If you hold your shares in "street name" through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to certain matters. Thus, if you do not give your broker or nominee specific instructions, your shares may not be voted on those matters and will not be counted in determining the number of shares necessary for approval. Shares represented by such "broker non-votes" will, however, be counted in determining whether there is a quorum present at the meeting.

What happens if additional matters are presented at the annual meeting?

Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the 2009 Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting, including an adjournment of the meeting to a later time. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board of Directors.

Who will bear the cost of soliciting votes for the annual meeting?

Signature Bank is making this solicitation and will pay the entire cost of preparing and distributing these proxy materials and soliciting votes. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities.

Where can I find the voting results of the annual meeting?

We intend to announce preliminary voting results at the 2009 Annual Meeting and publish the final results in our Quarterly Report on Form 10-Q for the fiscal period ending June 30, 2009.

OUTSTANDING VOTING SECURITIES

The Company has fixed the close of business on February 23, 2009 as the record date for determining stockholders entitled to receive copies of this Proxy Statement. As of the record date, there were 35,259,946 shares of Signature Bank common stock outstanding. Each issued and outstanding share of Signature Bank common stock has one (1) vote on any matter submitted to a vote of stockholders.

PRINCIPAL SHAREHOLDERS

Beneficial Ownership Table

The table below sets forth, as of February 23, 2009, information with respect to the beneficial ownership of Signature Bank's common stock by:

- each of our directors, and each of the executive officers named in the Summary Compensation Table under "Executive Compensation";
- each person who is known to be the beneficial owner of more than 5% of any class or series of our capital stock; and
- all of our directors and executive officers as a group.

The amounts and percentages of common stock beneficially owned are reported on the basis of applicable regulations governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities.

<u>Name and Address of Beneficial Owner⁽¹⁾</u>	<u>Shares of Common Stock Beneficially Owned on February 23, 2009</u>	
	<u>Number of Shares</u>	<u>Percent of Class</u>
Wellington Management Company, LLP ⁽²⁾	3,135,180	8.9%
Price (T. Rowe) Associates Inc. ⁽³⁾	3,098,300	8.8%
Scott A. Shay ⁽⁴⁾⁽⁵⁾	531,938	1.5%
Joseph J. DePaolo ⁽⁴⁾⁽⁵⁾	449,215	1.3%
John Tamberlane ⁽⁴⁾⁽⁵⁾	254,347	*
Mark T. Sigona ⁽⁴⁾⁽⁵⁾	123,609	*
Michael Merlo ⁽⁴⁾⁽⁵⁾	75,228	*
Michael Sharkey ⁽⁴⁾⁽⁵⁾	17,590	*
Eric R. Howell ⁽⁴⁾⁽⁵⁾	9,084	*
Peter S. Quinlan ⁽⁴⁾⁽⁵⁾	25,656	*
Alfonse M. D'Amato ⁽⁴⁾⁽⁵⁾	32,743	*
Alfred B. DelBello ⁽⁴⁾⁽⁵⁾	24,334	*
Ann Kaplan ⁽⁴⁾⁽⁵⁾	19,834	*
Yacov Levy ⁽⁴⁾⁽⁵⁾	16,333	*
Jeffrey W. Meshel ⁽⁴⁾⁽⁵⁾	2,698	*
Kathryn A. Byrne ⁽⁴⁾⁽⁵⁾	2,561	*
All current directors and executive officers as a group (14 persons) ⁽⁴⁾⁽⁵⁾	1,585,170	4.5%

* Less than 1%.

- (1) Unless otherwise noted, the business address is c/o Signature Bank, 565 Fifth Avenue, New York, New York 10017.
- (2) Pursuant to a Schedule 13G filed by Wellington Management Company, LLP on February 23, 2009, Wellington Management Company, LLP, in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of Wellington Management Company, LLP is 75 State Street, Boston, MA 02109.
- (3) Pursuant to a Schedule 13G filed by Price (T. Rowe) Associates Inc. for the year ended December 31, 2008, Price (T. Rowe) Associates Inc., in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of Price (T. Rowe) Associates Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

- (4) Includes, for each of the following persons, the respective number of shares of restricted stock and options exercisable currently or within 60 days:

<u>Name</u>	<u>Option Shares</u>	<u>Restricted Stock</u>
Scott A. Shay	312,750	5,599
Joseph J. DePaolo	357,500	9,000
John Tamberlane	171,000	5,867
Mark T. Sigona	79,000	4,166
Michael Merlo	42,500	3,501
Michael Sharkey	13,000	3,834
Eric R. Howell	5,000	3,334
Peter S. Quinlan	13,000	802
Alfonse M. D'Amato	—	845
Alfred B. DelBello	1,000	708
Ann Kaplan	1,000	708
Yacov Levy	1,000	708
Jeffrey W. Meshel	—	830
Kathryn A. Byrne	—	784

- (5) None of the named individuals has pledged any shares as security.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers, directors and persons who own more than 10% of Signature Bank's common stock to file reports of ownership and changes in ownership with the SEC. These persons are required to provide Signature Bank with copies of all Section 16(a) forms that they file. Based solely on Signature Bank's review of these forms and other representations from the executive officers and directors, Signature Bank believes that each of its executive officers and directors failed to timely file one report of a purchase or sale of common stock, except that Messrs. Shay and Merlo failed to timely file two reports of a purchase or sale of common stock.

ELECTION OF DIRECTORS

(PROPOSAL NO. 1)

Signature Bank's restated organization certificate, as amended by the First Amendment to the Restated Organization Certificate (as so amended, the "Restated Organization Certificate") divides the Company's Board of Directors into three classes, with three directors per class and with each class being elected to a staggered three-year term. At the 2009 Annual Meeting, three directors are nominated to serve as Class I Directors and the Board of Directors has endorsed such nominations. All of the nominees are currently directors of Signature Bank. The three directors nominated for election as Class I directors at the 2009 Annual Meeting of Shareholders, each to serve a term ending at the 2012 Annual Meeting of Shareholders or until their respective successors have been elected and qualified, are Kathryn A. Byrne, Alfonse M. D'Amato and Jeffrey W. Meshel.

Directors not currently standing for re-election include Ann Kaplan, Yacov Levy and John Tamberlane who are Class II directors serving terms ending at the 2010 Annual Meeting and Alfred B. DelBello, Scott A. Shay and Joseph J. DePaolo who are Class III directors serving terms ending at the 2011 Annual Meeting.

The persons named as proxies intend (unless authority is withheld) to vote for the election of all of the nominees for directors. Information regarding director nominees is set forth below.

If at the time of the 2009 Annual Meeting any of the nominees is unable or unwilling to serve as a director of Signature Bank, the persons named in the proxy intend to vote for such substitutes as may be nominated by our Board of Directors. Our Board of Directors knows of no reason why any nominee for director would be unable to serve as director.

The Board of Directors recommends a vote "FOR" the election of all of the nominees.

DIRECTORS AND NOMINEES

Directors and Nominees

The following table sets forth information regarding our directors and nominees:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Nominees for Election		
Kathryn A. Byrne	43	Director and Nominee
Alfonse M. D'Amato	71	Director and Nominee
Jeffrey W. Meshel	51	Director and Nominee
Directors Continuing in Office		
Scott A. Shay	51	Chairman of the Board of Directors
Joseph J. DePaolo	49	President and Chief Executive Officer and Director
John Tamberlane	67	Vice-Chairman and Director
Alfred B. DelBello	74	Director
Ann Kaplan	62	Director
Yacov Levy	64	Director

Director Nominees

Kathryn A. Byrne, CPA, has been a member of the Board of Directors since December 2005. Currently, she serves as the partner in charge of the international services group at a New York City-based accounting and consulting firm, Weiser LLP. Ms. Byrne has provided accounting, auditing, tax and consulting services to domestic and foreign corporations across various industries for more than 18 years.

Alfonse M. D'Amato has been a member of the Board of Directors since July 2005. Senator D'Amato is the Managing Director of Park Strategies LLC, the Manhattan and Washington, D.C.-based business consulting firm he started in 1999. He also serves on the Board of Directors of CA™ (formerly Computer Associates). Senator D'Amato served as a United States Senator for New York for 18 years, from 1981 to 1999, during which time he served as Chairman of the Senate Committee on Banking, Housing and Urban Affairs and as a member of the Senate Finance Committee.

Jeffrey W. Meshel has been a member of the Board of Directors since September 2005. Mr. Meshel has over 25 years' experience in the acquisition, management, and lending on residential and commercial real estate. Mr. Meshel is also co-founder of Paradigm Capital Group, Mercury Properties, and Mercury Equity Group. Paradigm Capital Group is a fully integrated real estate mortgage investment company. Mercury Properties is a fully integrated real estate holding company that owns, operates, and manages its own portfolio. Mercury Equity Group is a boutique NASD Broker/Dealer that specializes in private placements. Mercury Equity Group funds private investments in public entities (PIPEs) and has several joint ventures with a collection of hedge funds and wealth management firms. Mr. Meshel is also Founder and Chairman of The Strategic Forum and Paradigm5. Paradigm5 is the first web-based people resource engine where its members define themselves to become a magnet for opportunity. Paradigm5.com is the first website to combine advanced semantic search technology with social networking tools within a business environment to create an online business resource engine.

Directors Continuing in Office

Scott A. Shay has served as Chairman of the Board of Directors of Signature Bank since its inception. He has also served as a Director of Signature Securities Group since its inception and as Chairman of the Board since December 2006. Since 1980 Mr. Shay has been involved in the investment banking and venture capital industries. Mr. Shay has been Managing Director of Ranieri & Co., Inc. and a partner of Hyperion Partners since 1988. Prior to joining Ranieri & Co./Hyperion Partners, he served as a director and a senior member of the mergers and acquisitions department of Salomon Brothers, Inc. Mr. Shay serves as an officer or director of other direct and indirect subsidiaries of Hyperion Partners, L.P. and related entities. From October 1997 until August 2005, Mr. Shay served as a director of Bank Hapoalim BM, our former parent company. From December 1988 until February 2001, Mr. Shay served as a director of Bank United Corp., Texas and was a member of its audit committee for six years.

Joseph J. DePaolo has been President and Chief Executive Officer and a Director of Signature Bank since its inception. He has also served as a Director of Signature Securities Group since its inception and served as its Chairman of the Board until December 2006. Prior to joining Signature Bank, Mr. DePaolo was a Managing Director and member of the Senior Management Committee of the Consumer Financial Services Division at Republic National Bank, which he joined in 1988. At Republic National Bank, Mr. DePaolo held numerous positions including First Vice President and Deputy Auditor, First Vice President and Senior Vice President of Consumer Banking, Managing Director, Chairman of Republic Financial Services Corporation (Republic National Bank's retail broker-dealer group) and Chairman of Republic Insurance Agency (Republic National Bank's retail insurance agency). Prior to joining Republic National Bank, Mr. DePaolo was a senior audit manager with KPMG Peat Marwick. Mr. DePaolo is a member of the New York State Society of CPAs.

John Tamberlane has been Vice-Chairman and Director of Signature Bank since its inception, as well as a Director of Signature Securities Group since its inception. Prior to joining Signature Bank, Mr. Tamberlane was the President of the Consumer Financial Services Division and a Director of Republic National Bank, which he joined in 1980. As President of the Consumer Financial Services Division, Mr. Tamberlane managed the national mortgage banking division, retail broker-dealer division and retail branch network, which grew to the third largest branch network in the New York metropolitan area prior to its acquisition. In this capacity, he was also President of two independent bank subsidiaries of Republic New York Corporation: The Manhattan Savings Bank and its predecessor, The Williamsburgh Savings Bank. Mr. Tamberlane was also a member of the Asset/Liability Management Committee of Republic National Bank. Prior to joining Republic National Bank, he was employed with Bankers Trust.

Alfred B. DelBello has been a Director of Signature Bank since January 2003. Since July 1995, Mr. DelBello has been a partner in the White Plains, New York based law firm of DelBello Donnellan Weingarten Wise & Wiederkehr, LLP. Mr. DelBello served as Lieutenant Governor of the State of New York from 1983 to 1985, as Westchester County Executive from 1974 to 1983 and as Mayor of Yonkers from 1970 to 1974. Mr. DelBello currently serves on the Board of Directors of the Westchester Land Trust and the Westchester County Association.

Ann Kaplan has been a Director of Signature Bank since March 2004. Ms. Kaplan is the Chair of Circle Financial Group, a membership organization that provides wealth management services. She is also an Adjunct Professor of Finance at the Columbia University School of Business. Ms. Kaplan is also a director of the Financial Guaranty Insurance Company, Columbia University and the American Red Cross, among others. Ms. Kaplan was an Advisory Director of Goldman, Sachs & Co., which she joined in 1977, from 2002 until 2003. Ms. Kaplan became a General Partner of Goldman, Sachs & Co. in 1990 and a Managing Director in 1999.

Yacov Levy has been a Director of Signature Bank since September 2003. Mr. Levy is the founder and Managing Partner of KerenTwo LLC, a venture capital firm, and was the founder and managing partner of Levy Trajman Management Investment LLC, which closed in 2006. In this capacity, he was also the Chairman of RealM Technologies Inc. from 1999 to 2001, a director in ClayCare Systems, Inc. from 1999 to 2000 and a director in Enfocus Software NV from 1999 to 2000. From 1993 to 1996, Mr. Levy served as Chief Executive Officer and acting Chief Financial Officer for Lernout & Hauspie Speech Products NV, a developer and licensor of speech technologies.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Scott A. Shay	51	Chairman of the Board of Directors
Joseph J. DePaolo	49	President and Chief Executive Officer, Director
John Tamberlane	67	Vice-Chairman, Director
Mark T. Sigona	47	Executive Vice President and Chief Operating Officer
Michael Merlo	61	Executive Vice President and Chief Credit Officer
Michael Sharkey	51	Senior Vice President and Chief Technology Officer
Eric R. Howell	38	Senior Vice President and Chief Financial Officer
Peter S. Quinlan	42	Senior Vice President and Treasurer

For the background information regarding Scott A. Shay, Joseph J. DePaolo and John Tamberlane, see “Directors and Nominees,” above.

Mark T. Sigona is Executive Vice President and Chief Operating Officer of Signature Bank, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Financial Officer, a role he held since Signature Bank’s inception. Prior to joining Signature Bank, Mr. Sigona was a Senior Vice President and head of the Accounting Services Division of the Finance Group at Republic National Bank, which he joined in March 1989. At Republic National Bank, Mr. Sigona held numerous positions, including First Vice President of the Finance Division and Internal Audit Manager. Prior to joining Republic National Bank, Mr. Sigona was a supervising senior accountant at KPMG Peat Marwick.

Michael Merlo is Executive Vice President and Chief Credit Officer of Signature Bank, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Credit Officer, a role he held since Signature Bank’s inception. Prior to joining Signature Bank, he was a Senior Vice President with Fleet Bank. He joined Fleet through the acquisition of NatWest Bank by Fleet Bank in 1992 and held various credit positions within both the Large Corporate and the Middle Market Groups. His last position at Fleet was Head of the Middle Market Group in Long Island with a staff of 26 reporting to him. Mr. Merlo serves on the Board of Directors of New York Institute of Technology where he is a member of the Audit, Finance and Public Affairs committees.

Michael Sharkey was appointed to the role of Senior Vice President and Chief Technology Officer in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Operations Officer, a role he held since Signature Bank’s inception. Before joining Signature Bank, Mr. Sharkey was an Associate Managing Director at Republic National Bank, which he joined in 1998. At Republic National Bank, Mr. Sharkey’s responsibilities included retail banking systems, banking product management, ATM/debit processing cards, pension products, check processing and systems liaison, branch review and control as well as disaster recovery coordination.

Eric R. Howell holds the position of Senior Vice President and Chief Financial Officer, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Vice President of Finance and Controller for Signature Bank. He joined Signature Bank in 2000 as Vice President and Controller. Prior to joining Signature Bank, Mr. Howell was Controller at BlueStone Capital Partners, L.P. and its Trade.com division. Mr. Howell also was an Associate Managing Director at Republic National Bank, which he joined in 1992. Mr. Howell also held numerous other positions while at Republic National Bank, including Chief Financial Officer of Republic Financial Services Corporation (Republic National Bank’s retail broker-dealer group) and Republic Insurance Agency (Republic National Bank’s retail insurance agency).

Peter S. Quinlan serves as Treasurer and Senior Vice President of Signature Bank, a role to which he was appointed in November 2006. In this capacity he manages the investment portfolio, interest rate risk and liquidity management functions of the institution. Prior to this appointment, he had been serving as Treasurer of Signature Bank. He also serves as the Chairman of the Company’s Asset Liability Management Committee. Prior to joining Signature Bank, he was a divisional Chief Financial Officer of Bank Hapoalim, which he joined in September 2000. He also previously served as the Treasurer of Clarity Holdings and Clarity Bank as well as the Controller of First Trade Union Bank. Mr. Quinlan began his banking career with the Comptroller of the Currency (OCC) as an Associate National Bank Examiner.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis describes the material elements of compensation awarded to, earned by or paid to each of our named executive officers during the last completed fiscal year. To the extent that it enhances an understanding of our executive compensation disclosure, we also describe compensation actions taken before or after the last completed fiscal year. The individuals who served as the principal executive officer and principal financial officer during 2008, as well as the other individuals included in the Summary Compensation Table, are referred to as the “named executive officers.”

Compensation Program Objectives

Our primary objective with respect to executive compensation is to provide competitive compensation and benefits to attract, retain, motivate and reward the highest quality executive officers. A further objective of our compensation program is to provide variable pay opportunities through cash bonuses and restricted stock awards that reward our officers based on achievement of both individual and Company financial results. In addition, we aim to establish compensation plans that align the performance of our executive officers with the Company’s objectives and the creation of long-term shareholder value, such as the reward of equity compensation which ties a portion of our executive compensation to the performance of our common stock. We believe an appropriate mix of an executive officer’s pay should be variable and performance-based in order to focus the executive officer on both our short-term and long-term strategic objectives. Finally, it is a key objective to ensure that compensation provided to executive officers remains competitive relative to the compensation paid to similarly situated executives at peer companies in the banking industry.

What Our Compensation Program Is Designed to Reward

Our compensation program is a competitive mix of base salary and incentive compensation designed to reward both the performance of the individual executive and the performance of the division or group he or she supervises and the Company as a whole, to the extent applicable. We aim to reward the achievement of Company and personal performance goals, in addition to other strategic achievements such as the Company’s growth, operating performance and development of the corporate culture.

Limitations on Executive Compensation Due to Participation in the U.S. Department of the Treasury’s (the “U.S. Treasury”) Troubled Assets Relief Program’s Capital Purchase Program

In 2008 we participated in the Capital Purchase Program pursuant to which, in early December 2008, the U.S. Treasury invested approximately \$120 million in our preferred stock and warrants. As a participant in the Capital Purchase Program, we must comply with the standards for executive compensation set forth in (1) Section 111 of the Emergency Economic Stabilization Act (the “EESA”), as amended by the American Recovery and Reinvestment Act, enacted on February 17, 2009 (the “ARRA”), and (2) the regulations and other guidance issued and in effect for Capital Purchase Program participants while the U.S. Treasury holds securities of the Company. During the portion of the 2008 fiscal year during which we participated in the program, we were required to:

- ensure that the incentive compensation programs for our “senior executive officers” (as defined in subsection 111(b)(3) of the EESA and regulations issued thereunder) do not encourage unnecessary and excessive risk taking that threatens the value of the Company;
- implement a required “clawback” or forfeiture of any bonus or incentive compensation paid to our senior executive officers based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate;
- not make any “golden parachute payment” (defined in applicable U.S. Treasury guidance as severance-triggered payments exceeding three times the officer’s average historical taxable wage compensation over the five years preceding the year of termination) to any of our senior executive officers; and
- agree not to deduct for tax purposes compensation in excess of \$500,000 due in respect of any one fiscal year while the U.S. Treasury holds any debt or equity securities of the Company, for each of our senior executive officers.

To address these requirements, our Board adopted executive compensation policies requiring that compensation arrangements for senior executive officers covered by the foregoing limitations comply with the standards. In addition, we have entered into an agreement with each of our senior executive officers who is, or who we in good faith believe could be, covered by the foregoing executive compensation limitations, pursuant to which each officer has agreed, among other things, to be subject to any altered compensation, incentive and/or benefit terms to the extent necessary to comply with Section 111 of the EESA and the regulations and guidance applicable to participants in the Capital Purchase Program, while the U.S. Treasury owns any of our debt or equity securities. These agreements are binding notwithstanding the provisions of any otherwise applicable employment agreement or employee benefit plan of the Company.

As an additional condition to participation in the Capital Purchase Program, we and our senior executive officers were required to grant and have granted to the U.S. Treasury waivers releasing the U.S. Treasury from any claims that we and our senior executive officers may otherwise have as a result of the issuance of any regulations that modify the terms of benefit plans, arrangements and agreements to eliminate any provisions that would not be in compliance with the executive compensation and corporate governance requirements of Section 111 of the EESA and any applicable guidance or regulations issued by the U.S. Treasury.

The ARRA amends the legislation applicable to Capital Purchase Program recipients like us by directing the U.S. Treasury to issue regulations implementing limitations on executive compensation that are more strict and expansive than the rules in effect in 2008. These limitations are to include:

- a prohibition on paying or accruing bonus, incentive or retention compensation for our five most highly compensated employees (not necessarily our named or senior executive officers and not limited to executive officers with policy-making functions), other than certain awards of long-term restricted stock or bonuses payable under existing employment agreements;
- a prohibition on making any payments to the five highest paid executive officers and the next five most highly compensated employees for departure from the Company other than payments for services performed or accrued benefits;
- subjecting bonus, incentive and retention payments made to the five highest paid executive officers and the next 20 most highly compensated employees to repayment (clawback) if based on statements of earnings, revenues, gains or other criteria that are later found to be materially inaccurate;
- a prohibition on any compensation plan that would encourage manipulation of our reported earnings to enhance the compensation of any of our employees (not just our named or senior executive officers);
- establishment by the Board of a company-wide policy regarding excessive or luxury expenditures including office and facility renovations, aviation or other transportation services and other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives or similar measures in the ordinary course of business;
- permitting a “say-on-pay” proposal to a non-binding vote of shareholders at future annual meetings, whereby shareholders vote to approve the compensation of executives as disclosed pursuant to the executive compensation disclosures included in the proxy statement;
- a review by the U.S. Treasury of any bonus, retention awards or other compensation paid to the five highest paid executive officers and the next 20 most highly compensated employees prior to February 17, 2009 to determine if such payments were inconsistent with the purposes of the executive compensation provisions of the ARRA or otherwise contrary to the public interest and negotiate for the reimbursement of such payments;
- semi-annual Compensation Committee meetings to evaluate compensation plans in light of any risk assessment; and
- CEO and CFO to provide certifications of compliance with EESA executive compensation rules.

As noted, the ARRA directs the U.S. Treasury and the Securities Exchange Commission to issue regulations implementing these rules. There are numerous interpretive questions regarding the scope of the limitations and the relationship of the ARRA rules to existing U.S. Treasury guidance. None of the regulations mandated by the law have been issued to date. Pending the issuance of regulations, our Board, Compensation Committee and

management are reviewing the requirements of the ARRA and its impact on our business. The Board has authorized the Company to explore the possible repayment to the U.S. Treasury for its equity interest in the Company and the procedures that would be required to effect such repayment. Under the ARRA, in general, such repayment may occur without the limitations that had previously applied to such a transaction. If we do repay the U.S. Treasury, we expect that ARRA's executive compensation rules and the other executive compensation rules in effect for Capital Purchase Program participants will generally no longer apply to us.

Our Executive Compensation Risk Assessment

We recognize that the amount of annual cash incentive bonus compensation received by our named executive officers is directly related to the achievement of annual financial and business results that meet Company and individual performance objectives. The Company is aware that the pursuit of these objectives may lead to behaviors that focus executives on their individual enrichment rather than the Company's long-term welfare. This focus could weaken the link between pay and performance, and, therefore, result in less correlation between the compensation delivered to our named executive officers and the return realized by our shareholders.

In conjunction with our senior risk official, Brian Twomey, and the independent compensation consultant to the Committee, Frederic W. Cook & Co. (the "Committee's consultant"), we have conducted a comprehensive review of the design and operation of our executive compensation plans and arrangements, including the performance objectives and target levels used in connection with our annual cash incentive bonus compensation awards, to determine whether any amendments or modifications will be required to comply with the limits on executive compensation established by Section 111 of the EESA and regulations and guidance applicable to participants in the Capital Purchase Program. The senior risk official prepared a report setting out the risks we face that could potentially threaten the value of the Company. These risks are set forth in the "Risk Factors" section of our most recent annual filing on Form 10-K and generally fall into the following five areas: (1) inability to successfully execute the business model; (2) inability to maintain acceptable credit quality over various business cycles given the growth model and inherent geographic concentrations; (3) inability to maintain adequate liquidity; (4) vulnerability to swings in interest rates and volatility in fixed income portfolio and (5) all manner of operational risk including reliance on outside vendors and employee or customer fraud or defalcation. The Compensation Committee had several meetings in the first quarter of 2009 to develop a better understanding of the long- and short-term risks the Company currently faces that could threaten the value of the Company, including a formal meeting at which the senior executive official's report was presented. The Compensation Committee examined whether any features of the senior executive officer compensation arrangements could induce the senior executive officers to take such risks. The Compensation Committee and our senior risk official noted that performance metrics and target levels used in connection with our annual cash incentive bonus compensation awards are not set at levels that would incentivize our senior executive officers to take excessive risks in our business or achieve only short-term increases in our common stock price. Moreover, the senior executive officer compensation program as a whole includes the following design features that we believe should mitigate officer risk-taking:

Compensation Mix. To encourage appropriate decision-making and facilitate the alignment of the interests of our senior executive officers with those of the Company and its shareholders, our senior executive officer compensation program is structured to provide an appropriate balance of "fixed" and "variable" or "at risk" compensation. We believe that the allocation of variable compensation between annual cash incentives and long-term restricted stock grants is reasonable for the Company given our business objectives and is comparable to the ratio used by members of our peer group identified below. The mix of compensation provided to our executives is sufficiently diversified to be consistent with the Company's risk profile and provide a balance of incentives.

Base Salaries. While base salary is the only fixed element of compensation that we provide to our senior executive officers, we believe that the amounts paid are sufficient to meet the essential financial needs of these senior executive officers. Consequently, our incentive compensation arrangements are intended to reward their performance if, and only to the extent that, the Company and our shareholders also benefit financially from their stewardship.

Annual Incentives. The annual incentive component of our executive compensation program involves cash-based awards payable if, and only to the extent that, pre-established corporate financial and individual performance objectives are achieved. The Compensation Committee evaluates the performance factors and targets for annual cash bonus awards each year. We consider the performance goals and target levels for annual bonuses are appropriate given the risks the Company faces and are realistic in light of past performance.

Additionally, we believe that the following attributes of our amended and restated equity incentive plan pursuant to which any such bonuses are awarded further our long-term business plan and ensure that the interests of our senior executive officers have been aligned with the interests of our shareholders: (i) bonus payouts are based on multiple goals and objectives and (ii) bonus payouts are not based solely on corporate performance, but also depend on qualitative, non-financial measures. We have also adopted an incentive compensation policy such that, going forward, our incentive compensation arrangements for our senior executive officers will be designed so as not to encourage them to take unnecessary and excessive risks that threaten the value of the Company.

Restricted Stock. Historically, and in 2008, the Compensation Committee granted a substantial amount of the senior executive officers' total compensation as non-cash incentive compensation in the form of restricted stock awards. Our annual restricted stock awards that are granted to our senior executive officers are 100% service-based, vesting in equal annual installments over a three-year period; vesting is not tied to Company or individual performance. We have not granted performance-based equity awards at any time. We also made a special restricted stock grant in April 2008 that does not begin to vest until the sixth anniversary of the grant date in order to underscore our commitment to long-term decision-making and growth.

Forfeiture of Awards. The Signature Bank Amended and Restated 2004 Long-Term Incentive Plan (our "2004 Incentive Plan"), pursuant to which all equity compensation and, from 2008 onwards, all annual cash bonuses are awarded to senior executive officers, contains a 'forfeiture of awards' provision pursuant to which the Compensation Committee may provide in any award agreement that in the event of serious misconduct by a plan participant or any activity of a plan participant in competition with the Company or any subsidiary or affiliate, any outstanding award granted under the plan to such participant shall be cancelled, in whole or in part, whether or not vested or deferred. We intend to include such a provision in all future award agreements. Also, as described above, we adopted a "clawback" policy in connection with our participation in the Capital Purchase Program, which provides for the recovery of any incentive compensation paid to our senior executive officers where such payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. This clawback policy will apply even if the inaccuracies do not result in an accounting restatement. Each of our senior executive officers also entered into a letter agreement with the Company pursuant to which he agreed to the clawback of his incentive compensation if required pursuant to this policy.

Conclusion. After completing our review, we concluded, with the concurrence of the Compensation Committee's consultant, that our senior executive officer compensation program does not encourage or incentivize our senior executive officers to take unnecessary and excessive risks or engage in other activities and behavior that threaten the value of the Company or the investments of its shareholders. Thus a determination was made that no modifications to our senior executive officer compensation programs need to be made at this time. The Compensation Committee will conduct similar reviews in the future as required by rules applicable to Capital Purchase Program participants.

Effect of Recent Economic Volatility and Downturn on Executive Compensation

Due to the recent economic volatility and downturn, we are mindful that we will need to consider the continued appropriateness of our executive compensation program, including the performance measures in our annual cash incentive plan, while taking into account the risk profile of the Company, as described above.

The Process of Setting Executive Compensation

Our Executive Chairman, Scott A. Shay, and our CEO, Joseph J. DePaolo, annually review each named executive officer's compensation package in light of the performance of each officer. The conclusions reached and recommendations made based on these reviews, including those with respect to salary adjustments and annual award amounts, are then presented to the Compensation Committee for review and approval. Specifically, the Compensation Committee approves the compensation packages of each of the Executive Chairman and the CEO and approves the compensation packages of each other named executive officer, giving significant deference to the views and recommendations of the Executive Chairman and CEO. The Executive Chairman and CEO made recommendations in 2008 with respect to their own salary levels. However, the Compensation Committee exercises its full discretion in determining compensation.

The Compensation Committee has engaged the Compensation Committee's consultant to both assist it in carrying out its responsibilities in this respect and to conduct periodic reviews of the total compensation program for executive officers. The Compensation Committee's consultant provides the Compensation Committee with guidance and relevant market data to consider when making the compensation decisions for the Executive Chairman and CEO and when considering the recommendations made with respect to the other named executive officers. The Compensation Committee has the sole authority to retain or terminate consultants to assist it in the evaluation of director, chief executive officer or executive compensation. The Compensation Committee has the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Compensation Committee.

The market data provided by the Compensation Committee's consultant enables the Compensation Committee to review compensation practices at peer companies in the banking industry and compare our named executive officers' current compensation levels and any changes to the current compensation packages suggested by the Executive Chairman and CEO to competitive market norms. Each named executive officer's position is compared to other executives of a similar skill level in positions of comparable scope and responsibility. This peer group may change from year to year depending on changes in the marketplace. While information regarding pay practices at peer companies is useful to ensure our compensation practices are both reasonable and competitive in the marketplace, we do not believe that it is appropriate to establish compensation levels primarily based on benchmarking, in light of the belief that at this stage in the Company's development, more flexibility, especially with respect to executive compensation, is necessary in order to successfully increase franchise value.

The peer group for 2008 consists of the following companies:

- City National Corporation
- Valley National Bancorp
- East West Bancorp, Inc.
- Cathay General Bancorp, Inc.
- Boston Private Financial Holdings, Inc.
- NBT Bancorp Inc.
- PrivateBancorp, Inc.
- Independent Bank Corporation
- Yardville National Bancorp
- USB Holding Co., Inc.
- Sterling Bancorp

Data obtained from review of the peer group information is only one of several reference points for setting of actual compensation. The Compensation Committee reviews and approves each element of compensation for each named executive officer by taking into consideration the Executive Chairman and CEO recommendations; competitive pay practices at peer companies in the banking industry, including the peer group; the relative compensation levels among the Company's senior executive officers; and historical compensation levels of the individual executive.

The Process of Setting CEO Compensation

The Executive Chairman and the Compensation Committee participate in an annual evaluation of the performance of our CEO and, either as a committee or together with the other independent directors, determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Executive Chairman and the Compensation Committee will also consider, among such other factors, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable banks and the awards given to the CEO in past years. Neither the CEO nor the Executive Chairman is present during voting or deliberations relating to their own compensation.

Elements of Compensation for 2008 and Why We Chose to Pay Each Element

For fiscal year ended December 31, 2008, the principal components of compensation for the named executive officers were:

- base salary;
- annual cash bonus;
- restricted stock awards;
- payment of taxes on behalf of the executive officers with respect to benefits under life insurance and disability policies;
- employment agreements for our Executive Chairman and CEO, including any change of control or severance provisions or personal benefits set forth in those agreements; and
- eligibility to receive benefits under our Change of Control Severance Plan for Key Corporate Employees.

Consistent with and in promotion of the compensation program objectives detailed above, a significant percentage of total compensation is allocated to incentives in order to motivate the named executive officers to achieve the business goals set by the Company and reward the officers for achieving such goals. There is no pre-established policy or target for allocating compensation between long-term and currently paid out compensation, between cash and non-cash compensation, among different forms of non-cash compensation, or among named executive officers. Rather, we look at an executive's goals and responsibilities to determine the appropriate level and mix of incentive compensation. Historically, and in 2008, the Compensation Committee granted a significant amount of total compensation to the named executive officers as non-cash incentive compensation in the form of restricted stock awards, believing that such awards align the goals of our executives with those of our shareholders. The Company does not time, or plan to time, its release of material nonpublic information for the purpose of affecting the value of executive compensation.

Base Salary. We provide executive officers with a base salary to compensate them for services rendered during the fiscal year. This process also enables us to attract and retain an appropriate caliber of talent for the position and to provide a base level of monthly income that is not subject to our performance risk. We conduct a review of base salaries annually, and during such a review we generally consider each named executive officer's individual past performance, the scope of the role and responsibilities of the executive officer within our organization, and the performance of the organization as a whole. We also review the officer's compensation relative to that of our other officers and to the market for officers of similar expertise and experience. During the first quarter of 2008, the Executive Chairman and CEO recommended and the Compensation Committee approved proposed salary increases for our named executive officers, including the Executive Chairman and the CEO. Such increases were awarded in recognition of the high value of the contributions made by these officers during the past year, the increased level of responsibility assumed by these executives and the overall performance of the Company during that time. These increases also ensure that the base salaries we provide remain competitive in the market for executives of similar expertise and experience. The Compensation Committee approved increases in the annual base salary of the following executive officers: Joseph DePaolo from \$375,000 to \$450,000; Scott Shay from \$345,000 to \$375,000; Eric R. Howell from \$220,000 to \$245,000; Michael Merlo from \$260,000 to \$275,000; and John Tamberlane from \$265,000 to \$275,000. For Messrs. Shay and DePaolo, these increases were the first since 2006.

Annual Cash Bonus. We award annual cash bonuses to reward performance achievements with a time horizon of one year or less. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to motivate executives to achieve our annual business goals. We review cash incentive awards annually to determine award payments for the last completed fiscal year, as well as to establish award opportunities for the current fiscal year.

The employment agreements of both the Executive Chairman and the CEO provide that each shall receive an annual bonus based on the achievement of certain performance criteria determined by the Board. Pursuant to the terms of his chairman agreement, the bonus received by the Executive Chairman is to be 50% of the rate in effect for the CEO, which is also established annually pursuant to the terms of his employment agreement.

All annual cash bonuses are granted pursuant to our 2004 Incentive Plan. The 2004 Incentive Plan was approved by our stockholders in April 2008. Pursuant to the 2004 Incentive Plan, our Compensation Committee, which consists of members of our Board who were “outside directors” as defined in Section 162(m) of the Internal Revenue Code, established objective performance criteria that determined the maximum bonus pool from which bonuses could be paid and a maximum allocation for each named executive officer. The pool was approximately \$8,100,000 and is funded if the Company’s net income is \$42 million or more. This pool was allocated to allow maximum awards of \$2,250,000 for Mr. DePaolo, \$1,875,000 for Mr. Shay, \$1,225,000 for Mr. Howell, \$1,375,000 for Mr. Tamberlane, and \$1,375,000 for Mr. Merlo. For each named executive officer, this amount is five times the officer’s 2008 base salary. These maximum levels are below the cap permitted under the 2004 Incentive Plan and allow the Compensation Committee to apply discretion to reduce the amount of the actual bonus.

To determine the actual bonus amounts, the Compensation Committee will review additional quantitative and qualitative criteria. With respect to both types of criteria, attainment of any specific level of performance or specific qualitative goal does not determine the amount of the bonus. The Compensation Committee may exercise discretion to determine what the amount of the bonus will be by looking at all of the criteria together.

The quantitative performance criteria considered by the Compensation Committee to determine cash bonuses for 2008 included the following: growth in the number of private client groups, deposit growth, asset growth, return on assets, return on equity, earnings per share, comparison of actual performance against budget, net income, loan growth, and efficiency ratio. The qualitative criteria considered by the Compensation Committee included the following, and were tailored to the named executive officer’s position: reputation and ratings of the Company; maintaining the business philosophy and culture of the Company; and continued development and adherence to appropriate and prudent business strategy and decision making with regard to acquisition of securities, credit determinations, problem resolution and the identity of private client groups, among others.

The Compensation Committee reviews the performance of each of our named executive officers relative to their annual fiscal year target bonus plan objectives at its regularly scheduled annual meeting. Based on such review, the Compensation Committee determines and approves the annual cash bonuses for each of our named executive officers.

Restricted Stock Awards. Restricted stock awards are granted pursuant to our 2004 Incentive Plan. The purpose of our 2004 Incentive Plan is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide us and our subsidiaries and affiliates with a stock plan providing incentives directly related to increases in shareholder value. We review long-term equity incentives annually, and for the last completed fiscal year, our long-term equity incentive program consisted of grants of restricted stock, as detailed in the Grants of Plan-Based Awards Table. We use awards of restricted stock as a long-term incentive vehicle because it aligns the interests of executives with those of shareholders, supports a pay-for-performance culture, fosters employee stock ownership, and focuses the management team on increasing value for the shareholders and on the organization’s long-term performance. The restricted stock is subject to a three-year pro-rata vesting period which encourages executive retention and preservation of shareholder value. By creating the incentive for executives to stay with us for longer periods of time, this provides us with greater stability during our period of growth.

The Compensation Committee, as well as the Board, has the authority to determine the terms and conditions of any agreements evidencing any awards granted under our 2004 Incentive Plan, and to adopt, alter and repeal rules, guidelines and practices relating to our 2004 Incentive Plan. Unless the Compensation Committee determines otherwise, or specifies otherwise in an award agreement, if the participant terminates employment during the restricted period, then any unvested restricted stock will be forfeited.

The amounts of restricted stock awards are recommended by the Executive Chairman and CEO to the Compensation Committee. The ability of the individual to affect profits and shareholder value, and his or her historic and recent performance are also considered.

All awards of restricted stock under the aforementioned program are made at the closing price of our common stock on the Nasdaq National Market on the date of the grant. We generally only grant awards of restricted stock on an annual basis on March 22nd, the anniversary date of our initial public offering. The Compensation Committee, in determining the amount of restricted stock that was awarded in March 2008, took into account the

decrease in net income caused by the other than temporary impairment write-down on investments in our securities portfolio and reduced the awards by 57% from what the awards would otherwise have been. Amounts are set forth in the Grants of Plan-Based Awards Table.

In September 2007, the Compensation Committee determined that it would make a special one-time grant of restricted stock or restricted stock units to certain of our executives, including each named executive officer, upon shareholder approval of our 2004 Incentive Plan. This special one-time grant was made on April 17, 2008 to incentivize senior management and as a long term retention device, as the awards vest ratably on each of the sixth through tenth anniversaries of the date of grant, subject to continued employment on each such date (except that vesting will accelerate upon the death of the recipient or a change of control of the Company).

Other Executive Benefits and Perquisites. We do not provide any named executive officers with perquisites or other personal benefits. Named executive officers are, however, eligible for participation in the Signature Bank 401(k) plan under which we currently provide a tiered matching feature: 100% of the first 3% contributed and 50% of the next 4% contributed. (Substantially all of our employees are eligible to participate in this plan.) Taxes are also paid on behalf of named executive officers with respect to benefits under disability and life insurance policies. We provide these as additional incentives for our executives and to remain competitive in the general marketplace for executive talent. Named executive officers are additionally eligible for participation in the company-wide employee benefit programs that include medical, dental, vision, prescription drug, life insurance, accidental death and dismemberment, short-term and long-term disability, flexible spending account, and other voluntary benefits. Continuation of these perquisites will be subject to the policy on luxury expenditures to be adopted by our Board required by the ARRA.

Severance and Change of Control Arrangements. Our Change of Control Severance Plan for Key Corporate Employees is designed to assure the Company of the continued employment and attention and dedication to duty of certain of its key management employees and to seek to ensure the availability of their continued service, notwithstanding the possibility or occurrence of a change of control of the Company. These arrangements include a “gross up” provision to the extent amounts due under the plan are more than 10% greater than the level that would avoid triggering excise taxes pursuant to Section 280G and Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”). Certain amounts due under this plan may be limited in order to comply with the executive compensation restrictions imposed under the Capital Purchase Program. Messrs. DePaolo and Shay have additional arrangements under their employment agreement and chairman agreement, respectively, each as described under “Potential Post-Employment Payments Upon Termination or Change of Control” below. The amount of severance under Messrs. De Paolo’s and Shay’s agreements, and the multiples applicable to severance pay under the Change of Control Severance Plan for Key Corporate Employees is an amount the Company has determined is necessary to remain competitive in the marketplace for executive talent.

On December 29, 2008 we amended our Change of Control Severance Plan for Key Corporate Employees, Mr. DePaolo’s employment agreement and Mr. Shay’s Chairman agreement, in each case in order to ensure that it is in compliance with the provisions of Section 409A (“Section 409A”) of the Code and the regulations promulgated thereunder, which regulate the form and timing of distribution of deferred compensation. Failure to comply with Section 409A generally results in taxation when the income vests (even if before amounts are payable), plus a 20% additional income tax, as well as interest and penalties, if applicable. The amendments made are intended to prevent the possible application of such tax penalties that might be imposed on our executives after the final regulations under Section 409A became effective on January 1, 2009.

Deductibility of Executive Compensation. We generally seek to maximize the deductibility for federal income tax purposes of all elements of compensation of our named executive officers. Under Section 162(m) of the Internal Revenue Code, compensation paid to certain members of senior management in excess of \$1 million per year is not deductible unless the compensation is “performance-based” as described in the regulations under Section 162(m). Compensation is generally “performance-based” if it is determined using pre-established objective formulas and criteria approved by stockholders. Under our 2004 Incentive Plan, which, as described above, also provides for annual cash incentive bonus awards, if the applicable performance goals are satisfied, the Company will be able to obtain tax deductions with respect to awards made under the plan, without regard to the limitations of Section 162(m). The Compensation Committee, however, reserves the right to issue awards under our 2004 Incentive Plan to our executive officers that are not tax deductible under Section 162(m) when, in the exercise of the Compensation Committee’s judgment, such pay would be in the best interests of the Company and its shareholders. As described above, as a result of our participation in the Capital Purchase Program, we have

agreed and are required not to deduct for tax purposes compensation in excess of \$500,000 (rather than the \$1 million limitation otherwise applicable under Section 162(m)) due in respect of any fiscal year while the U.S. Treasury holds any debt or equity securities of the Company. The rules applicable to Capital Purchase Program participants provide for application of the \$500,000 limitation on a pro rata basis with respect to calendar years during which the U.S. Treasury held its investment for less than the full year, as was the case in 2008 when the U.S. Treasury held the investment for less than one month.

Summary Compensation Table

The following table sets forth the cash and non-cash compensation paid by or incurred on behalf of Signature Bank during the years ended December 31, 2006, December 31, 2007 and December 31, 2008 to its named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Joseph J. DePaolo, President and CEO	2008	432,692	—	750,000	414,231	—	21,428	1,618,351
	2007	375,000	750,000	—	255,907	—	22,696	1,403,603
	2006	363,461	550,000	—	164,709	—	15,647	1,093,817
Eric R. Howell, Senior Vice President and CFO	2008	239,231	—	180,000	198,931	—	11,774	629,936
	2007	211,923	180,000	—	76,656	—	10,882	479,461
	2006	176,923	90,000	—	39,265	—	9,131	315,319
Scott A. Shay, Chairman of the Board	2008	368,077	—	375,000	279,705	—	12,190	1,034,972
	2007	345,000	375,000	—	202,465	—	11,940	934,405
	2006	334,616	275,000	—	107,315	—	11,450	728,381
John Tamberlane, Vice-Chairman	2008	272,693	—	180,000	244,919	—	15,345	712,957
	2007	265,000	180,000	—	149,893	—	15,262	610,155
	2006	261,539	125,000	—	100,722	—	14,988	502,249
Michael Merlo, Executive Vice President and Chief Credit Officer	2008	271,539	—	180,000	203,472	—	13,500	668,511
	2007	251,154	180,000	—	81,002	—	12,637	524,793
	2006	235,000	100,000	—	57,483	—	12,381	404,864

- (1) Represents fiscal year compensation cost recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standard No. 123 (FAS 123R) of all outstanding stock awards. Refer to Note 17 — Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10-K filed with the FDIC for fiscal year ended December 31, 2008 for our accounting policy related to stock-based compensation.
- (2) On December 20, 2005, the Compensation Committee and the Board approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants. As a result, no compensation expense was recorded on the Company's books related to unvested stock options and, therefore, no option-related compensation is included for the named executive officers above. In addition, there were no option grants made in 2006, 2007 or 2008.
- (3) Amounts in this column represent Company matching contributions to our 401(k) plan and payment of taxes on behalf of the executive officers for certain payments under disability and life insurance plans. For each executive officer, the Company matching contribution was \$11,500.

Grants of Plan-Based Awards in 2008 Fiscal Year

The following table presents information with respect to each award made to our named executive officers under (i) our 2004 Incentive Plan in 2008, and (ii) in accordance with the terms of each of our CEO's and Executive Chairman's employment agreements. The Company has not granted any performance-based equity awards, and no stock options were granted during 2008.

Name	Grant Date	Corporate Action Date ⁽¹⁾	All Other Stock Awards: Number of Shares of Stock (#) ⁽²⁾	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Maximum	Closing Price on Grant Date (\$/Sh) ⁽⁴⁾	Grant Date Fair Value of Stock Awards (\$) ⁽⁵⁾
Joseph J. DePaolo	3/24/2008	2/26/2008	6,000		27.485	164,910
	4/17/2008 ⁽³⁾	9/19/2007	67,848	\$2,250,000	26.530	1,800,007
Eric R. Howell	3/24/2008	2/26/2008	3,500		27.485	96,198
	4/17/2008 ⁽³⁾	9/19/2007	52,771	1,225,000	26.530	1,400,015
Scott A. Shay	4/17/2008	9/19/2007	45,232		26.530	1,200,005
	⁽³⁾			1,875,000		
John Tamberlane	3/24/2008	2/26/2008	5,000		27.485	137,425
	4/17/2008 ⁽³⁾	9/19/2007	37,694	1,375,000	26.530	1,000,022
Michael Merlo	3/24/2008	2/26/2008	4,000		27.485	109,940
	4/17/2008 ⁽³⁾	9/19/2007	52,771	1,375,000	26.530	1,400,015

- (1) Represents the approval of grants of equity-based compensation at a meeting of the Compensation Committee held on February 26, 2008 and September 19, 2007 respectively.
- (2) All restricted shares granted on March 24, 2008 vest equally over three years on March 24 of each year, beginning with the first anniversary of the grant date. All restricted shares granted on April 17, 2008 vest equally over five years on April 17th of each year, beginning with the sixth anniversary of the grant date.
- (3) Represents the maximum payout under our annual cash bonus plan, which has no specific threshold or target payout levels, as described in the "Annual Cash Bonus" section of the Compensation Discussion and Analysis, above.
- (4) As quoted on the Nasdaq National Market.
- (5) The April 17, 2008 grant is calculated as the number of shares granted multiplied by the closing price of our common stock on April 17. The March 24, 2008 grant was calculated using the high/low average price of our common stock on March 24.

Employment Agreements

The only named executive officers who are currently party to an employment agreement are our CEO and our Executive Chairman. As discussed in the "Compensation Discussion and Analysis" section, above, each of these officers signed an agreement to limit his rights to any payments and benefits to the extent required under executive compensation rules applicable to participants in the Capital Purchase Program.

Employment Agreement with Joseph J. DePaolo

In March 2004, we entered into an employment agreement with Joseph J. DePaolo, which provides that Mr. DePaolo is to serve as our President and CEO for a three-year period (with automatic one-year renewals unless either party gives ninety (90) days' prior written notice of its intent to terminate the agreement) or until we terminate his employment or he resigns. The agreement provides Mr. DePaolo with a base salary that may be adjusted annually at the Board's discretion (such base salary was \$450,000 in 2008), an annual bonus subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Incentive Plan, and eligibility for our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other executive employees. Mr. DePaolo's employment agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during his employment term and for a period of one year thereafter.

The agreement provides that Mr. DePaolo will receive life insurance with a death benefit equal to three times his annual base salary and long-term disability insurance up to the age of 65 in an amount not less than 50% of his annual base salary.

Chairman Agreement with Scott A. Shay

In March 2004, we entered into a chairman’s employment agreement, which provides that Mr. Shay serve as our Executive Chairman for a three-year period (with automatic one-year renewals unless either party gives ninety (90) days’ prior written notice of its intent to terminate the agreement) or until we terminate his service or he resigns. The agreement provides that Mr. Shay will receive a base fee that may be adjusted annually at the Board’s discretion (such base fee was \$375,000 in 2008), an annual bonus of 50% of the rate in effect for the CEO, subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Incentive Plan, and eligibility for our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other executive employees. Mr. Shay’s chairman agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during the term of his agreement and for a period of one year thereafter.

Outstanding Equity Awards At 2008 Fiscal Year-End

The following table provides information about each of the outstanding awards of options to purchase our common stock and restricted shares of our common stock held by each named executive officer as of December 31, 2008. The Company has not granted any performance-based equity awards.

<u>Name</u>	<u>Number of Securities Underlying Unexercised Options (Exercisable) (#)</u>	<u>Number of Securities Underlying Unexercised Options (Unexercisable) (#)⁽¹⁾</u>	<u>Option Exercise Price (\$)⁽²⁾</u>	<u>Option Expiration Date</u>	<u>Number of Shares of Stock That Have Not Vested (#)⁽⁴⁾</u>	<u>Market Value of Shares of Stock That Have Not Vested (\$)⁽³⁾</u>
Joseph J. DePaolo	330,000	—	15.50	3/22/2015	84,514	2,424,707
	27,500	—	26.11	3/22/2014		
Eric R. Howell	5,000	—	26.11	3/22/2015	59,604	1,710,039
Scott A. Shay	290,250	—	15.50	3/22/2014	53,764	1,542,489
	22,500	—	26.11	3/22/2015		
John Tamberlane	160,000	—	15.50	3/22/2014	49,094	1,408,507
	11,000	—	26.11	3/22/2015		
Michael Merlo	35,000	—	15.50	3/22/2014	60,104	1,724,384
	7,500	—	26.11	3/22/2015		

- (1) On December 20, 2005, the Compensation Committee and the Board approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants.
- (2) Stock options granted in connection with our Initial Public Offering were priced at \$15.50. Subsequent option exercise prices were calculated at the average of the high and low price of our common stock on grant date as quoted on the Nasdaq National Market.
- (3) Market value is based on the \$28.69 closing price of our common stock on the Nasdaq National Market at December 31, 2008.
- (4) The following table sets forth the vesting period and final vesting date of each nonvested restricted share grant.

Restricted Shares				
Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Vesting Period	Final Vesting Date
Joseph J. DePaolo	3/22/2006	3,333	Equally — 3 Years	3/22/2009
	3/22/2007	7,333	Equally — 3 Years	3/22/2010
	3/22/2008	6,000	Equally — 3 Years	3/22/2011
	4/17/2008	67,848	Equally — 5 Years ⁽¹⁾	4/17/2018
Eric R. Howell	3/22/2006	1,000	Equally — 3 Years	3/22/2009
	3/22/2007	2,333	Equally — 3 Years	3/22/2010
	3/22/2008	3,500	Equally — 3 Years	3/22/2011
	4/17/2008	52,771	Equally — 5 Years ⁽¹⁾	4/17/2018
Scott A. Shay	3/22/2006	2,666	Equally — 3 Years	3/22/2009
	3/22/2007	5,866	Equally — 3 Years	3/22/2010
	4/17/2008	45,232	Equally — 5 Years ⁽¹⁾	4/17/2018
John Tamberlane	3/22/2006	2,000	Equally — 3 Years	3/22/2009
	3/22/2008	4,400	Equally — 3 Years	3/22/2010
	4/17/2008	5,000	Equally — 3 Years	3/22/2011
	3/22/2007	37,694	Equally — 5 Years ⁽¹⁾	4/17/2018
Michael Merlo	3/22/2006	1,000	Equally — 3 Years	3/22/2009
	3/22/2007	2,333	Equally — 3 Years	3/22/2010
	3/22/2008	4,000	Equally — 3 Years	3/22/2011
	4/17/2008	52,771	Equally — 5 Years ⁽¹⁾	4/17/2018

(1) Award vests equally over five years, commencing on the sixth anniversary of grant.

Option Exercises and Stock Vested During 2008 Fiscal Year

The following table sets forth as to each of the named executive officers information on exercises of options to purchase our common stock and the vesting of restricted shares of our common stock during 2008.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) ⁽¹⁾	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#) ⁽²⁾	Value Realized on Vesting (\$) ⁽²⁾
Joseph J. DePaolo	—	—	8,900	244,617
Eric R. Howell	—	—	2,667	73,302
Scott A. Shay	34,750	502,833	7,034	193,329
John Tamberlane	—	—	5,200	142,922
Michael Merlo	25,000	358,250	2,833	77,865

(1) On December 10, 2008, Mr. Shay exercised options to purchase 34,750 shares, when our stock had a per-share fair market value of \$32.385. On November 5, 2008, Mr. Merlo exercised options to purchase 25,000 shares, when our stock had a per-share fair market value of \$32.77.

(2) Reflects restricted shares that vested on March 24, 2008 at a fair value of \$27.485.

Potential Post-Employment Payments Upon Termination or Change in Control

Termination Payments

Joseph J. DePaolo and Scott A. Shay are each entitled to certain payments upon termination pursuant to their employment agreement and chairman agreement, respectively. There are no contractual provisions in effect which provide for payments upon termination for any of the other named executive officers. All of our named executive officers participate in our Change of Control Severance Plan for Key Corporate Employees.

Joseph J. DePaolo

Mr. DePaolo's employment agreement provides that, regardless of the reason for termination of his employment, he will be entitled to any earned but unpaid base salary and vacation time, any outstanding reasonable business expense incurred by him, continued insurance benefits to the extent required by law, and vested benefits as required by the terms of any employee benefit plan or program. If termination occurs due to the death or "disability" of Mr. DePaolo, he will also be entitled to receive any accrued but unpaid bonuses for completed fiscal years. If we voluntarily terminate his employment for any reason other than "cause" or if he terminates his employment for "good reason," Mr. DePaolo or his estate will be entitled to both accrued but unpaid bonuses for completed fiscal years and an immediate lump sum severance payment equal to the product of the greater of (x) the amount of base salary that Mr. DePaolo would have received had he remained employed through the scheduled conclusion of the employment period, or (y) two times his annual base salary, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years. In such circumstances, Mr. DePaolo will also be entitled to continued medical coverage for 18 months following his termination or until he becomes eligible for comparable coverage under another employer's health plans, if earlier.

Scott A. Shay

Mr. Shay's chairman agreement provides that, regardless of the reason for termination of his service, he will be entitled to any earned but unpaid base fees and vacation time, any outstanding reasonable business expense incurred by him, continued insurance benefits to the extent required by law, and vested benefits as required by the terms of any employee benefit plan or program. If termination occurs due to the death or "disability" of Mr. Shay, he will also be entitled to receive any accrued but unpaid bonuses for completed fiscal years. If we voluntarily terminate his service for any reason other than "cause" or if he terminates his service for "good reason", Mr. Shay will be entitled to both accrued but unpaid bonuses for completed fiscal years and an immediate lump sum severance payment equal to the product of the greater of (x) the amount of base fees that Mr. Shay would have received had he remained Chairman through the scheduled conclusion of his term, or (y) two times his annual base fees, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years.

For purposes of each of these agreements, "cause" for termination includes any of the following: (i) the conviction of the executive of, or the entry of a plea of guilty or nolo contendere by the executive to, any felony or misdemeanor, excluding minor traffic violations; (ii) fraud, misappropriation or embezzlement by the executive; (iii) the executive's willful failure or gross negligence in the performance of the executive's assigned duties for the Company, which continues for more than fifteen (15) calendar days following the executive's receipt of written notice of such conduct; (iv) the executive's breach of the executive's fiduciary duty to the Company; (v) any willful act or willful omission of the executive that reflects adversely on the integrity and reputation for honesty and fair dealing of the Company; (vi) the breach by the executive of any material term of the agreement; or (vii) the disqualification of the executive by any state or federal regulatory agency or court from continued service to the Company.

For purposes of each of these agreements, "good reason" for termination includes, without the executive's consent, (i) a requirement by the Company that the executive relocate his principal office for purposes of his service to the Company to a location other than the Company's headquarters, and additionally for Mr. Shay, a relocation of his principal office for purposes of his service to the Company to a location which is more than 35 miles further from his principal residence than is his current principal office for purposes of his service to the Company; (ii) the Company's failure to pay the executive any base fee, base salary or other compensation or benefits to which he is entitled, other than an inadvertent failure which is remedied by the Company within ten days after receipt of written notice thereof; (iii) a material breach of the agreement by the Company (including a failure to nominate Mr. Shay for the Company's slate of directors or to appoint him Chairman) which is not remedied by the Company within ten days after receipt of written notice thereof; (iv) a demotion of the executive, a reduction in his title or reporting responsibilities, or a material diminution of his duties or (v) the issuance of a notice of non-renewal by the Company other than in a case where cause for termination exists. Additionally, for Mr. DePaolo "good reason" for termination is constituted by his ceasing to be a member of the Board.

For purposes of each of these agreements, “disability” means the inability of the executive, due to a physical or mental impairment, to perform his duties to the Company, which impairment reasonably can be expected to cause the executive’s continued incapacity to perform his duties for a period of 120 consecutive days from the first date of the disability.

Messrs. DePaolo and Shay are required to deliver to the Company, within 60 days after termination of employment, an effective release of claims against the Company and related persons.

The following table sets forth arrangements that provide for payments to each of Messrs. DePaolo and Shay in connection with termination of his employment by the Company without cause, termination of his employment by him for good reason, termination of his employment upon his death or termination of his employment by reason of his disability, assuming for such purposes that such termination took place on December 31, 2008 and there was no change of control of the Company. The table does not reflect the limitation on payments upon departure from the Company that may be imposed by the ARRA. If the ARRA rules were to apply, Messrs DePaolo and Shay would not receive the payments disclosed in the table.

<u>Name</u>	<u>Benefit</u>	<u>Amount Payable for Termination Without Cause or for Good Reason (\$)</u>	<u>Amount Payable by Reason of Death or Disability (\$)⁽¹⁾</u>
Joseph J. DePaolo	Cash Severance	\$1,650,000	\$750,000
	Continued Welfare Benefits	\$84,807	\$56,538
Scott A. Shay	Cash Severance	\$1,125,000	\$375,000
	Continued Welfare Benefits	\$0	\$42,679

(1) Amounts in this column represent annual cash bonus pro-rated through the assumed December 31, 2008 date of termination.

Change of Control Termination

Change of Control Severance Plan

In March 2005, in connection with Bank Hapoalim’s sale of its majority stake in us, we amended our Change of Control Severance Plan for Key Corporate Employees and on each of June 20, 2007, September 19, 2007 and December 29, 2008, we further amended the plan. The plan, as amended, provides that covered executives will receive severance if a “change of control” occurs and their employment is terminated by Signature Bank for reasons other than for “cause”, disability or death, or if the covered executive terminates his employment with “good reason” either (i) prior to such change of control at the request of a third party who has taken steps to effect a change of control or (ii) after such change of control but prior to the third anniversary thereof.

“Good reason” is defined in the plan to include (i) termination of employment by the executive following a diminution of duties, a decrease in compensation or benefits or a relocation; (ii) failure by the Company to ensure any successor expressly assumes and honors the plan; and (iii) termination by a named executive officer for any reason during a window period from 90 to 120 days following a change of control.

“Cause” is defined in the plan as either (i) the willful and continued failure of the executive to perform substantially his duties to the Company after receiving a specific written demand for substantial performance, or (ii) the willful engaging by the executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

A “change of control” will be deemed to have occurred under the severance plan upon (A) an acquisition by any person of 50% or more of either the outstanding shares or combined voting power of our securities, subject to certain exceptions; (B) a change in the majority of the members of our Board which is not approved by our pre-change Board; (C) a reorganization, merger or consolidation or sale or other disposition of all or substantially all of our assets, unless the beneficial owners of our common stock and voting securities will beneficially own at least 50% of the common stock and voting securities of the resulting corporation, no person will beneficially own more than 50% of the common stock or other voting securities of the resulting corporation (except to the extent

such ownership existed before the applicable transactions) and at least a majority of the members of the Board of the resulting corporation were members of our Board prior to the transaction; or (D) approval by our shareholders of a complete liquidation or dissolution of the Company.

Upon such termination, the named executive officer will receive a lump sum cash payment equal to (i) the executive's accrued but unpaid base salary through the date of termination; (ii) a pro rata bonus for the year in which the termination occurs based on the greater of the executive's highest bonus earned in the last three full fiscal years and the executive's annual bonus for the most recently completed fiscal year less any previously paid bonus for such fiscal year plus any accrued vacation pay; (iii) an amount equal to two times the executive's base salary and highest annual bonus in the last three years; (iv) an amount equal to two times the fair market value of the largest single restricted stock grant made in the 36 months (ignoring any grants of restricted stock approved by the Board (subject to shareholder approval) in September 2007) before the change of control, which value is determined immediately before the change of control; and (v) continued welfare and fringe benefits for two years following termination of employment (or until the executive becomes eligible for comparable coverage under another employer's health plans, if earlier). In calculating the amount of bonus received by an employee, the plan does not take into account any special bonus paid to employees in 2005 by the Bank's former parent company, Bank Hapoalim.

If amounts payable under our severance plan would subject a participant to an excise tax on account of Sections 280G and 4999 of the Code, the named executive officer will be entitled to an additional payment from us to make him or her whole, on an after-tax basis in respect of his or her severance payment. However, if reducing the participant's payments by less than 10% of the amount that is a "parachute payment" under Section 280G of the Code would eliminate the excise tax, we will reduce the participant's payments and not make the additional payment.

Our Change of Control Severance Plan for Key Corporate Employees may at any time be terminated or amended by our Board, provided that the plan may not be terminated or amended in any manner which would impair the rights of any executive if such termination or amendment occurs in connection with, or in anticipation of, or following a change of control. The plan is binding on any successor to us, our assets or our businesses.

Under the 2004 Incentive Plan and award agreements, upon a change of control of the Company, each named executive officer's unvested restricted shares will immediately be fully vested and all restrictions thereon shall lapse.

The following table sets forth the value of all restricted shares held by each named executive officer that would have become vested if a change of control of the company occurred on December 31, 2008, calculated based on the closing price of our common stock on Nasdaq on such date, which was \$28.69.

<u>Name</u>	<u>Value of Equity Vesting in Connection with a Change of Control</u>	<u>Gross-Up on Equity Acceleration</u>
Joseph J. DePaolo	\$2,424,707	N/A
Eric R. Howell	\$1,710,039	785,451
Scott A. Shay	\$1,542,489	N/A
John Tamberlane	\$1,408,507	N/A
Michael Merlo	\$1,724,384	697,818

The following table sets forth amounts and benefits that would be payable to our named executive officers under our Change of Control Severance Plan for Key Corporate Employees in connection with the termination of their employment by the Company without cause, or termination of their employment by them for good reason, assuming for such purposes that a change of control and such termination both took place on December 31, 2008.

<u>Name</u>	<u>Benefit</u>	<u>Amount Payable for Termination Without Cause or for Good Reason (\$)</u>	<u>Impact of Capital Purchase Program Participation⁽¹⁾</u>
Joseph J. DePaolo	Cash Severance	3,239,744	3,239,744
	Continued Welfare Benefits	56,538	56,538
	Excise Tax Gross Up on Severance ⁽²⁾	N/A	N/A
Eric R. Howell	Cash Severance	1,230,830	1,184,403
	Continued Welfare Benefits	41,233	0
	Excise Tax Gross Up on Severance ⁽²⁾	759,667	0
Scott A. Shay	Cash Severance	2,379,944	1,586,793
	Continued Welfare Benefits	42,679	0
	Excise Tax Gross Up on Severance ⁽²⁾	2,052,064	0
John Tamberlane	Cash Severance	1,468,708	1,468,708
	Continued Welfare Benefits	28,338	28,338
	Excise Tax Gross Up on Severance ⁽²⁾	1,228,231	1,049,595
Michael Merlo	Cash Severance	1,319,520	1,319,520
	Continued Welfare Benefits	6,206	6,206
	Excise Tax Gross Up on Severance ⁽²⁾	791,715	341,934

- (1) Amounts in this column reflect what each named executive officer would actually have received on December 31, 2008, when applying the Capital Purchase Program limit. As a result of our participation in the Capital Purchase Program, we may not make any “golden parachute” payment to any of our senior executive officers. A “golden parachute” payment is a payment made due to an involuntary termination or a termination for “good reason” as defined in applicable guidance under the Internal Revenue Code, that is in excess of three times the officer’s average amount of annual taxable wage compensation over the five years preceding the year of termination. Whether or not the limitation would actually affect an executive officer will depend on several factors, including whether Capital Purchase Program limitations continue to be applicable to the Company because the U.S. Treasury continues to hold our preferred stock, and whether the level of three times the executive officer’s average pay for the preceding five years exceeds the value of the severance payments and the vesting of long term incentive awards.
- (2) Calculations to estimate the excise tax due under the Internal Revenue Code and the related gross-up are complex and require a number of assumptions. This gross-up is calculated based on the assumption that the 280G excise tax rate is 20%, the cumulative rate for other taxes, including federal, state, and local income taxes, applicable for each affected executive officer is 46.51%, that all shares subject to outstanding equity awards are treated as accelerated upon a change in control and included in the gross-up calculation in full, and the equity awards were valued at the closing price of our common stock on December 31, 2008, \$28.69. This calculation is an estimate for proxy disclosure only.

Impact of ARRA

The ARRA provides that Capital Purchase Program participants may not make any payment to one of the five highest paid executive officers or five most highly compensated employees for departure from employment other than payments for services performed or accrued benefits. This is in contrast to the Capital Purchase Program rules in effect on December 31, 2008, which provided that such payments were limited for our senior executive officers and only to the extent they exceeded three times the officer’s average taxable wage compensation over each of the five years preceding termination of employment. If the ARRA rules were to apply, the named executive officers would generally not receive the payments or benefits disclosed in the tables in this “Potential Post-Employment Payments Upon Termination or Change in Control” section of this disclosure.

COMPENSATION OF DIRECTORS

The following table sets forth information with respect to the compensation of non-employee directors of the Company in respect of fiscal year 2008.

Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	Option Awards (\$) ⁽³⁾⁽⁴⁾⁽⁵⁾	Total (\$)
Kathryn A. Byrne	58,000	45,738	—	103,738
Alfonse M. D’Amato	49,000	47,782	—	96,782
Alfred B. DelBello	49,000	44,164	830	93,994
Ann Kaplan	70,000	44,164	830	114,994
Yacov Levy	73,000	44,164	830	117,994
Jeffrey W. Meshel	45,000	47,277	—	92,277

- (1) On March 24, 2008, each Board member was granted 1,500 restricted shares with a fair value of \$41,228. All grants vest quarterly over one year ending on March 22, 2009.
- (2) The grant date fair value of the unvested awards held by the directors are as follows: Ms. Byrne - 950 restricted shares, grant date fair value - \$29,453; Mr. D’Amato — 1,011 restricted shares, grant date fair value - \$31,511; Mr. DelBello, Ms. Kaplan and Mr. Levy - 874 restricted shares, grant date fair value - \$26,889; and Mr. Meshel - 996 restricted shares, grant date fair value - \$31,005
- (3) On December 20, 2005, the Compensation Committee and the Board approved the accelerated vesting and exercisability of all outstanding unvested and unexercisable stock options to purchase common shares of the Company held by employee directors, officers, employees and consultants. The grants of 1,000 options made to each of our independent directors (Mr. DelBello, Ms. Kaplan and Mr. Levy) on March 22, 2005 vested in full in accordance with their original terms on March 22, 2008.
- (4) There were no option grants made in 2008.
- (5) At December 31, 2008, each Director had the following aggregate number of outstanding nonvested restricted shares and unexercised stock options: Ms. Byrne - 950 restricted shares; Mr. D’Amato — 1,011 restricted shares; Mr. DelBello, Ms. Kaplan and Mr. Levy - 874 restricted shares and 1,000 stock options; and Mr. Meshel - 996 restricted shares.
- (6) Refer to Note 17 - Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10-K filed with the FDIC for the fiscal year ended December 31, 2008 for the assumptions used in determining option fair value.
- (7) Represents fiscal year compensation cost recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standard No. 123 (SFAS No. 123R).

In 2008, independent directors received an annual fee of \$26,000, payable \$6,500 per quarter, and an additional fee of \$1,500 for each Board meeting they attended (\$500 if they attend telephonically). In addition, they received \$1,000 for each committee meeting they attended and the Chairman of the Examining Committee received an annual fee of \$12,500. An annual fee of \$7,500 was also paid to the Chairman of the Compensation Committee. In 2009, directors will continue to receive an annual fee of \$26,000, payable \$6,500 per quarter. The additional fee received for each Board meeting they attend will remain at \$1,500 (\$500 if they attend telephonically), and they will receive \$1,000 for each committee meeting they attend. The Chairman of the Examining Committee will receive an annual fee of \$12,500, and an annual fee of \$7,500 will be paid to the Chairman of the Compensation Committee. Additionally, each independent director who serves on the Credit Committee will receive an annual special director’s fee of \$5,000, payable in full at the end of the first quarter of each year. Directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board and its committees. In addition, each independent director received, on March 22, 2008, 1,500 restricted shares of common stock for services as a director in 2008-2009, and will receive 1,500 restricted shares of common stock on March 22, 2009 for services as a director in 2009-2010. The shares of common stock awarded in 2008 vest in equal quarterly installments over one year and the shares to be awarded in 2009 will vest in equal quarterly installments over one year.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of our executive officers serves as a member of the Board or compensation committee of any entity that has one or more executive officers who also serve on our Board or compensation committee. No member of the compensation committee during 2008 was an officer or employee of us or any of our subsidiaries.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The following is the report of the Compensation Committee for the Company's fiscal year ended December 31, 2008. The 2008 members of the Compensation Committee are three non-executive members of our Board of Directors: Alfred B. DelBello, Ann Kaplan, and Alfonse M. D'Amato. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis portion of this proxy statement with management, and recommends to the Board of Directors that it be included in the Company's annual report on Form 10-K and the Company's Proxy Statement.

The Compensation Committee also certifies that it has reviewed with its senior risk officers the incentive compensation arrangements of the Company's senior executive officers and has made reasonable efforts to ensure that such arrangements do not encourage such senior executive officers to take unnecessary and excessive risks that threaten the value of the financial institution.

COMPENSATION COMMITTEE

Ann Kaplan (Chairwoman)

Alfred B. DelBello

Alfonse M. D'Amato

The report of the Compensation Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Signature Bank filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this item therein by reference.

REPORT OF THE EXAMINING COMMITTEE

The charter of the Examining Committee of the Board of Directors specifies that the purpose of the Examining Committee is to assist the Board of Directors in its oversight of:

- the integrity of the Company's financial statements and other financial information provided to the Company's shareholders, the public, and any stock exchange;
- the Company's risk management processes and internal control;
- the Company's ethics monitor and compliance with legal and regulatory requirements;
- the qualifications and independence of the Company's internal auditors to provide assurance about the overall system of internal control; and
- the performance of the Company's external independent registered public accounting firm.

The full text of the Examining Committee's charter is available on the Company's website (www.signatureny.com) under "*Investor Relations*." In carrying out its responsibilities, the Examining Committee, among other things:

- monitors preparation of quarterly and annual financial reports by the Company's management;
- supervises the relationship between the Company and its external independent registered public accounting firm, to ensure the independence and objectivity of the external audit process, including: having direct responsibility for their appointment, compensation, retention and oversight; reviewing the scope of their audit services; approving significant non-audit services; and confirming the independence of the independent internal auditors; and
- oversees management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Company's policies and procedures relating to legal and regulatory compliance, ethics and conflicts of interests, review and approval of any material related person transactions, review of the Company's internal auditing program, and review of the Company's whistleblower and complaint hotline to allow employees to report concerns anonymously.

The Examining Committee met 16 times during 2008. The Examining Committee's meetings include, whenever appropriate, executive sessions with the Company's independent registered public accounting firm and with the Company's internal auditors, in each case without the presence of the Company's management. During 2007, the Board of Directors elected to impose a term limit of five years on the chairman of the Examining Committee.

As part of its oversight of the Company's financial statements, the Examining Committee reviews and discusses with both management and the Company's external independent registered public accounting firm all annual and quarterly financial statements prior to their issuance. During 2008, management advised the Examining Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the Examining Committee. These reviews included discussion with the external independent registered public accounting firm of matters required to be discussed pursuant to *Statement on Auditing Standards No. 61 (Communication with Audit Committees)*, including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Examining Committee also discussed with KPMG LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from KPMG LLP to the Examining Committee pursuant to *Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees)*.

Taking all of these reviews and discussions into account, the undersigned Examining Committee members recommended to the Board of Directors that the Board of Directors approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, for filing with the FDIC.

Yacov Levy, the Examining Committee Chairman, and Kathryn A. Byrne each qualifies as an audit committee financial expert under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002.

EXAMINING COMMITTEE

Yacov Levy (Chairman)

Kathryn A. Byrne

Ann Kaplan

The report of the Examining Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Signature Bank filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this item therein by reference.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Procedures for Approval of Transactions with Related Persons

We review all relationships and transactions in which the Company and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in the Company's proxy statement. Our Examining Committee is charged with reviewing and approving any related person transaction that is required to be disclosed.

Loans to Directors and Executive Officers

We have made loans or otherwise extended credit to Messrs. Merlo, Sharkey, Tamberlane and Howell, of which only the loans to Messrs. Tamberlane and Howell are outstanding as of December 31, 2008, in aggregate principal amounts of \$100,000 and \$629,570, respectively. In each case, the loans or other extensions of credit were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility or present other unfavorable features.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD OF DIRECTORS' MATTERS

Signature Bank is committed to having sound corporate governance principles. Having such principles is essential to running Signature Bank's business efficiently and to maintaining Signature Bank's integrity in the marketplace.

Voting for Directors

In January 2006, our Board of Directors adopted a new corporate governance policy that requires a nominee for director in an uncontested election who receives more "WITHHELD" than "FOR" votes to promptly tender his or her resignation to the Chairman of the Board. Under this policy, if a nominee were to receive a greater number of "WITHHELD" than "FOR" votes, the independent directors who did not receive a majority of withheld votes would appoint a committee of the Board of Directors amongst themselves for the purpose of considering the tendered resignations and would recommend to the Board of Directors whether to accept or reject them. Following the Board of Directors' decision on the committee's recommendation, the decision and decision-making process will be promptly publicly disclosed in a periodic or current report filed with the Federal Deposit Insurance Corporation. We believe that this policy represents a standard of good corporate governance and is in the best interest of the Company.

Director Independence

The Board of Directors has evaluated all relationships between each director and the Company and has determined that Kathryn A. Byrne, Alfonse M. D'Amato, Alfred B. DelBello, Yacov Levy, Ann Kaplan and Jeffrey W. Meshel are "independent directors" as defined in the Nasdaq Marketplace Rules.

Board of Directors' Structure and Committee Composition

During 2008, our Board of Directors had nine directors and three Board of Directors committees: the Examining Committee, the Compensation Committee and the Nominating Committee. The membership during the last fiscal year and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board of Directors. The committee charters are available on the Company's website (www.signatureny.com) under "*Investor Relations*." During 2008, the Board of Directors held 14 meetings. During this period, all of the directors attended or participated in more than 75% of the aggregate of the total meetings held of the Board of Directors and the total number of meetings held by all committees of the Board of Directors. Directors are encouraged to attend annual meetings of Signature Bank shareholders.

Examining Committee

The Examining Committee's duties and responsibilities are set forth in the charter of the Examining Committee and include the general oversight of the integrity of Signature Bank's financial statements, Signature Bank's compliance with legal and regulatory requirements, the independent registered public accounting firms' qualifications and independence, the performance of Signature Bank's internal audit function and registered public accounting firms, and risk assessment and risk management. Among other responsibilities, the Examining Committee prepares the Examining Committee report for inclusion in the annual proxy statement; annually reviews the Examining Committee charter and the committee's performance; reviews and approves any material related party transactions; appoints, evaluates and determines the compensation of Signature Bank's registered public accounting firm; reviews and approves the scope of the annual audit, the audit fee and the financial statements; reviews Signature Bank's disclosure controls and procedures, internal controls, information security policies, internal audit function, and corporate policies with respect to financial information and earnings guidance; oversees investigations into complaints concerning financial matters; and reviews other risks that may have a significant impact on Signature Bank's financial statements. The Examining Committee works closely with management as well as Signature Bank's registered public accounting firm. The Examining Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Signature Bank for, outside legal, accounting or other advisors as the Examining Committee deems necessary to carry out its duties. In fulfilling its duties and responsibilities, the Examining Committee may reasonably rely on the information and representations it receives from professionals, experts and persons within the Company. The functions of the Examining Committee are further described in this proxy statement under "Report of Examining Committee."

During 2008, the members of the Examining Committee were Yacov Levy, Kathryn A. Byrne and Ann Kaplan and the Examining Committee held 16 meetings. The Board of Directors has determined that Yacov Levy and Kathryn A. Byrne, each of whom is independent as such term is defined by the Nasdaq Marketplace Rules, are “financial experts” under the SEC rules. During 2007, the Board of Directors elected to impose a term limit of five years on the chairman of the Examining Committee. The charter of the Examining Committee is available on the Company’s website (www.signatureny.com) under “*Investor Relations.*”

Compensation Committee

The Compensation Committee’s duties and responsibilities are set forth in the charter of the Compensation Committee. The charter of the Compensation Committee is available on the Company’s website (www.signatureny.com) under “*Investor Relations.*” The Committee consists of at least three of the Company’s non-employee directors, any of whom may be removed at any time by action of the Board. The chairperson is designated by the Board and the committee must have at least two meetings per year. In 2007, the Board of Directors elected to impose a five-year term limit on the chairperson. During 2008, the members of the Compensation Committee were Ann Kaplan, who also acted as the Chair, Alfred B. DelBello and Alfonse M. D’Amato and the Compensation Committee met five times.

The scope of authority of the Compensation Committee includes the power to:

- review and determine compensation of Signature Bank’s CEO and other executive officers on an annual basis;
- review and make recommendations to management and the Board with respect to policies relating to compensation, the Company’s equity compensation plan and the adoption of new incentive compensation and equity-based plans;
- administer the 2004 Long-Term Incentive Plan and the Change of Control Severance Plan;
- approve the terms of the grant agreements for all equity awards and make such grants of equity awards;
- review and approve all compensation awards, employment agreements, and severance plans and agreements for executive officers and key employees; and
- review its own performance and the adequacy of the Compensation Committee Charter annually and report regularly to the Board, recommending any changes it deems appropriate.

The Executive Chairman and Chief Executive Officer are the only executive officers to have a role in determining or recommending the amount or form of executive and director compensation. Together they annually review the performance of each executive. The conclusions reached and recommendations made based on these reviews, including those with respect to salary adjustments and annual award amounts, are then presented to the Committee for review and approval and/or ratification. The Executive Chairman and Chief Executive Officer do not play a prominent role in the determination of their own salary levels, although recommendations are still made by each of them to the Committee. The Committee can exercise its full discretion in modifying any recommended adjustments or awards to executives.

The Committee has engaged a compensation consultant, Frederic W. Cook & Co., to both assist it in carrying out its responsibilities and to conduct periodic reviews of the total compensation program for executive officers. The Committee’s consultant aids in the determination of the amount and form of executive and director compensation by providing the Committee with guidance and relevant market data to consider. Such information enables the Committee to review compensation practices at peer companies in the banking industry and compare our named executive officers’ current compensation levels to competitive market norms. The Committee’s consultant is engaged directly by the Committee, which has the sole authority to retain or terminate consultants to assist it in the evaluation of director, chief executive officer or executive compensation. The Committee has the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Committee.

Nominating Committee

The Nominating Committee's duties and responsibilities are set forth in the charter of the Nominating Committee and include identifying individuals qualified to become members of the Board of Directors, consistent with the criteria set forth below under "Consideration of Director Nominees — *Identifying and Evaluating Nominees for Directors*" and "Consideration of Director Nominees — *Director Qualifications*;" and overseeing the organization of the Board of Directors to discharge the Board of Directors' duties and responsibilities properly and efficiently. Other specific duties and responsibilities of the Nominating Committee include annually assessing the size and composition of the Board of Directors; developing membership qualifications for Board of Directors' committees; defining specific criteria for director independence; annually reviewing and recommending directors for continued service; coordinating and assisting management and the Board of Directors in recruiting new members and conducting periodic reviews of the independence of the members of the Board of Directors and its committees and the financial literacy and expertise of Examining Committee members. During 2008, the members of the Nominating Committee were Alfred B. DelBello and Alfonse M. D'Amato and the Nominating Committee held one meeting. The charter of the Nominating Committee is available on the Company's website (www.signatureny.com) under "*Investors Relations*."

Consideration of Director Nominees

Shareholder Nominees

The policy of the Nominating Committee relating to shareholder nominations of candidates for membership to the Board of Directors is to consider properly and timely submitted nominations as described below under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors and to address the membership criteria set forth under "Director Qualifications" below. Any shareholder nominations proposed for consideration by the Nominating Committee should include the nominee's name and qualifications for Board of Directors' membership and should be addressed to:

Corporate Secretary
Signature Bank
565 Fifth Avenue
New York, NY 10017

In addition, the By-laws of Signature Bank permit shareholders to nominate directors for consideration at an annual shareholders meeting. For a description of the process for nominating directors or other shareholder proposals in accordance with Signature Bank's By-laws, see "Shareholder Proposals" in this proxy statement.

Identifying and Evaluating Nominees for Directors

The Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Nominating Committee from time to time assesses the appropriate size of the Board of Directors, and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current Board of Directors' members, professional search firms, shareholders or other persons. These candidates are evaluated at meetings of the Board of Directors and may be considered at any point during the year. As described above, the Nominating Committee considers properly submitted shareholder nominations as candidates for the Board of Directors. Following verification of the shareholder status of persons proposing candidates, properly submitted recommendations will be aggregated and considered by the Nominating Committee at a meeting prior to the issuance of the proxy statement for Signature Bank's annual meeting. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials will be forwarded to the Nominating Committee. The Nominating Committee also reviews materials provided by professional search firms or others in connection with a nominee who is not proposed by a shareholder. In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors.

Director Qualifications

The Nominating Committee uses a number of criteria to determine the qualification of a director nominee for the Board of Directors. The minimum criteria used by the Nominating Committee consists of the following:

- Directors should be of the highest ethical character and share the mission, vision and values of Signature Bank;
- Directors should have reputations, both personal and professional, consistent with the image and reputation of Signature Bank;
- Directors should be highly accomplished in their respective fields, with superior credentials and recognition;
- Each director should have relevant expertise and experience, and be able to offer advice and guidance to the chairman and the chief executive officer based on that expertise and experience; and
- Each director should have the ability to exercise sound business judgment.

The Nominating Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board of Directors, the balance of management and independent directors, the need for Examining Committee and industry expertise and the evaluations of other prospective nominees. After completing the interview and evaluation process that the Nominating Committee deems appropriate, it makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board of Directors, and the Board of Directors determines the nominees after considering the recommendation and the report of the Nominating Committee.

New Directors

No new members were elected to the Board of Directors during 2008.

Executive Sessions

As required by the Nasdaq Marketplace Rules, our independent directors hold meetings in executive session at which only independent directors are present. Such meetings are held periodically, and other meetings may be called at the request of the independent members of the Board of Directors. During 2008, the independent directors held one meeting in executive session.

Advisory Board

We have established an advisory board whose function is to provide senior management with advice on strategic direction and business development initiatives. Our advisory board is currently composed of the following individuals:

Stanley Kreitman	Chairman of the Board of Directors of Geneva Financial Corp. and Vice-Chairman of Manhattan Associates LLC, an equity investment firm.
Lewis S. Ranieri	Founder and Managing Partner, Hyperion Partners.
Michael Steinhardt	Retired hedge fund manager. Philanthropist. Founder and Chairman of The Steinhardt Foundation for Jewish Life. Chairman of WisdomTree Investments, an asset management firm.
John Sullivan	Managing Director of CapGen Financial, a private equity firm investing in banks and other financial services firms. Former President, Chief Executive Officer and Director of Hamilton Bancorp; former President, Chief Operating Officer and Director of River Bank America; former President, Chief Executive Officer and Director of Continental Bank; former Chairman of the Board of Directors of Olympian Bank.

Communications with the Board of Directors

Signature Bank's Board of Directors has adopted a policy regarding shareholder access to the Board of Directors to ensure that shareholders may communicate directly with the Board of Directors. All written communications should be directed to the Company's Secretary at: Corporate Secretary, Signature Bank, 565 Fifth Avenue, New York, NY 10017 and should prominently indicate on the outside of the envelope that it is intended for one of the following: the Board of Directors, the Examining Committee, the Compensation Committee or the Nominating Committee. Each written communication intended for the Board of Directors or one of the committees and received by the Secretary will be forwarded to the specified party following its clearance through normal security procedures. The written communication will not be opened, but rather will be forwarded unopened to the intended recipients.

Codes of Ethics

We believe that each of our employees and directors should maintain high ethical standards. We have adopted our Code of Business Conduct and Ethics applicable to our employees and directors and our Code of Ethics for the Principal Executive Officer and Senior Financial Officers. The Company's Code of Business Conduct and Ethics was amended in January 2006 to include the engagement of a third-party, Global Compliance Services, to provide employees an independent mechanism for the confidential, anonymous submission of concerns regarding questionable accounting, operational or auditing matters or any other questionable activity or matter. The Whistleblower program is a 24-hour manned toll-free hotline.

These codes are available on our website (www.signatureny.com) under "*Investor Relations*," and in print upon any written request by a shareholder. The Company intends to post at this location on its website any amendments to or material waivers from the provisions of these codes.

EQUITY INCENTIVE PLAN INFORMATION

The following table shows the total number of outstanding options and shares available for other future issuances of awards under our Amended and Restated 2004 Equity Plan, our only existing equity compensation plan as of December 31, 2008.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	1,822,050	\$16.85	1,414,137
Equity compensation plans not approved by security holders	—	—	—
Total	1,822,050	\$16.85	1,414,137

- (1) Shares indicated are total grants under the Amended and Restated 2004 equity incentive plan.
- (2) Column A includes 679,883 shares of Common Stock underlying outstanding awards of restricted stock. Because there is no exercise price associated with restricted stock, such equity awards are not included in the weighted-average exercise price calculation in column (b).

RATIFICATION OF INDEPENDENT AUDITORS

(PROPOSAL NO. 2)

The Examining Committee has selected the firm of KPMG LLP, an independent registered public accounting firm, as our independent auditors for the year ending December 31, 2009. KPMG LLP has audited our financial statements since our inception, and is in compliance with the requirements of the Sarbanes-Oxley Act of 2002 and applicable rules adopted by the SEC regarding mandatory audit partner rotation.

A representative of KPMG LLP will be present at the 2009 Annual Meeting, will be offered the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions. In the event the appointment is not ratified, the Examining Committee will consider the appointment of other independent auditors.

The Board of Directors recommends a vote “FOR” this proposal.

PRINCIPAL AUDITOR FEES AND SERVICES

The Examining Committee, Signature Bank’s audit committee, has appointed KPMG LLP as Signature Bank’s independent auditors for the fiscal year ending December 31, 2009.

Fees Incurred by Signature Bank for KPMG LLP

The following table shows the fees billed to Signature Bank for the audit and other services provided by KPMG LLP for fiscal 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Audit Fees ⁽¹⁾	\$ 611,500	\$397,000
Audit-Related Fees ⁽²⁾	237,000	301,000
Tax Fees	—	—
All Other Fees	<u>225,000</u>	<u>—</u>
Total	<u>\$1,073,500</u>	<u>\$698,000</u>

(1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

(2) For fiscal 2008, audit-related fees consisted primarily of accounting consultations concerning financial accounting and reporting standards, internal control reviews and other related services.

(3) All other fees represent fees for professional services provided in connection with our September 2008 Public Offering.

The Examining Committee approves all audit-related and non-audit services not prohibited by law to be performed by Signature Bank’s independent auditors. The Examining Committee determined that the provision of such services by KPMG LLP was compatible with the maintenance of such firm’s independence in the conduct of its audit functions.

ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

(PROPOSAL NO. 3)

In December 2008, we participated in the U.S. Treasury's Troubled Asset Relief Program ("TARP") Capital Purchase Program (the "CPP") and issued to the U.S. Treasury 120,000 shares of our Fixed Rate Non-Cumulative Perpetual Preferred Stock Series A (the "Preferred Shares") and a warrant to purchase 595,829 shares of our common stock. The aggregate purchase price paid by the U.S. Treasury for the Preferred Shares and warrant was \$120 million.

In February 2009, the U.S. Congress passed, and the President signed into law, the American Recovery and Reinvestment Act of 2009 (the "ARRA"). The ARRA contains provisions that require any institution that has received financial assistance under TARP, including participants in the CPP, to include a non-binding, advisory shareholder vote in its annual Proxy Statement to approve the compensation of the executives of the institution. The ARRA specifically provided that the vote should not be construed to overrule the decisions of the institution's board of directors (or the compensation committee of the board of directors) or fiduciary duties, with respect to the compensation of the institutions executive officers. As a result, we are asking our shareholders to approve our named executive officer compensation by adopting the following resolution:

"RESOLVED, that the shareholders approve the Bank's named executive officer compensation, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this Proxy Statement."

Because your vote is advisory, it will not be binding on the board of directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

OTHER MATTERS

Other Matters

Management does not know of any other matters to be considered at the 2009 Annual Meeting. If any other matters do properly come before the meeting, persons named in the accompanying form of proxy intend to vote on those matters as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

Annual Report on Form 10-K

Signature Bank will provide upon request and without charge to each shareholder receiving this Proxy Statement a copy of Signature Bank's Annual Report on Form 10-K for fiscal year ended December 31, 2008, including the financial statements included therein, as filed with the FDIC on or about the date of this Proxy Statement.

Available Information

The Company's internet address is www.signatureny.com. We make available on our website under "*Investor Relations*" our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, reports made pursuant to section 16 of the Securities Exchange Act and amendments to those reports as soon as reasonably practicable after we file such material with, or furnish it to, the FDIC. Our Code of Business Conduct and Ethics for our employees and Board of Directors, and our Code of Ethics for the Principal Executive Officer and Senior Financial Officers are also available on our website under "*Investor Relations*" and in print upon any request by a shareholder. The charters of our Compensation, Nominating and Examining Committees are also available on our website under "*Investor Relations*." In addition, Signature Bank will furnish copies of its annual report on Form 10-K and any exhibits thereto upon written request to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017.

Stockholders Sharing the Same Address; Householding

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one annual report and proxy statement or Notice of Internet Availability of Proxy Material, as applicable, is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as "householding," is intended to reduce the Company's printing and postage costs. However, any such street-name stockholder residing at the same address who wishes to receive a separate copy of a Notice of Internet Availability of Proxy Material or this Proxy Statement or accompanying Signature Bank 2008 Annual Report to Stockholders may request a copy by contacting the bank, broker or other holder of record, or the Company by telephone at 646-822-1500, by email to investorrelations@signatureny.com or by mail to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017. The voting instruction or Notice of Internet Availability of Proxy Material, as applicable, sent to a street-name stockholder should provide information on how to request (1) householding of future Company materials or (2) separate materials if only one set of documents is being sent to a household. If it does not, a stockholder who would like to make one of these requests should contact the Company as indicated above.

Shareholder Proposals

We anticipate that the 2010 Annual Meeting of Shareholders will be held in the first four months of 2010. Any shareholders who intend to present proposals at the 2010 Annual Meeting, and who wish to have such proposal included in Signature Bank's Proxy Statement for the 2010 Annual Meeting, must follow the procedures prescribed in Rule 14a-8 of the Securities Exchange Act of 1934, as well as the provisions of our By-laws. To be considered timely, a proposal for inclusion in our proxy statement and form of proxy submitted pursuant to Rule 14a-8 for our 2010 Annual Meeting must be received by November 9, 2009. Under our By-laws, shareholder nominees or other proper business proposals must be made by timely written notice given by or on behalf of a shareholder of record of the Company to the Secretary of the Company. In the case of nomination of a person for election to the Board of Directors or other business to be conducted at the annual meeting of shareholders, notice shall be considered timely if it is received not less than 90 nor more than 120 days prior to the first anniversary of

the date on which the Company first mailed its proxy materials for the prior year's annual meeting of shareholders, except in the case where the Company did not mail proxy materials in connection with the prior year's annual meeting. The notice is required to comply with each of the procedural and informational requirements set forth in our By-laws. The requirements in our By-laws are separate from, and in addition to, the requirements in Regulation 14A under the Securities Exchange Act of 1934 that a shareholder must meet in order to have a shareholder proposal included in the Company's proxy statement. To be considered timely under our By-laws, a proposal for business at our 2010 annual meeting must be received no earlier than November 9, 2009 and no later than December 9, 2009. For information about the policies of the Company's Board of Directors relating to shareholder nominees, see "Consideration of Director Nominees" in this proxy statement.

By Order of the Board of Directors,

/s/ Patricia E. O'Melia

Patricia E. O'Melia

Secretary

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