

## Signature Bank – Leveraging a Single Point Approach

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SIGNATURE BANK



In September 2013, Signature Bank, a \$20 billion New York-based commercial bank focused on serving the needs of privately owned businesses, announced the formation of a new asset-based lending group, marking the bank's entry into this specialized area of commercial finance. At the helm of this newly formed team is Robert Love, senior vice president and group director. Joining Love is an experienced and well-respected asset-based lending team headquartered in Manhattan.

Love's roots in the asset-based lending industry are deep, possessing over 23 years of experience having held various positions for Royal Bank of Scotland, The CIT Group and GE Capital, and most recently as the head of Amalgamated Capital, the asset-based lending division of Amalgamated Bank, a group he headed for three years.

Signature Bank's entry into the asset-based lending arena with an experienced team is the bank's latest expansion of its product offerings and exemplifies its ongoing strategy to expand into new lending specialties. In April 2012, the bank announced its expansion into the specialty equipment finance arena with the formation of a nationwide subsidiary, Signature Financial, focused on equipment finance and leasing, transportation and taxi medallion financing. This specialty lending group, comprised of a former Capital One Bank team spanning about fifty employees has grown to more than seventy in eighteen months.

This strategy – finding the right team first – is designed to attract top relational bankers and their teams and build lending functions based upon the capabilities and expertise of the acquired team.

Love's past experience building and managing a de novo operation afforded him the tools necessary to build a new lending unit. "Amalgamated provided an opportunity to start and lead my own group; therefore, the learning curve was very fast as I transitioned from an origination role to a leadership role. It was a valuable learning experience," says Love.



**ROBERT LOVE**  
Senior Vice President and  
Group Director  
Signature Bank

This opportunity to start an asset-based lending group at Signature Bank presents Love with a new and welcomed challenge, which he has grown accustomed to over the years. And, he believes these challenges also provide opportunities. He explains, "Prior to our team joining, there wasn't an asset-based lending unit at Signature Bank, so I had to hire an entire team to develop policies and procedures, implement operating systems, and build out a technology platform. While this may seem overwhelming, my experience has equipped me for building and growing a strong asset based business."

### **Success Requires Support**

All that experience is only part of the formula required for success says Love, because without a strong executive team and support from the highest levels within a bank, no operation can succeed. And it was the strength and depth of the senior management team at Signature Bank that attracted Love to this opportunity. "One of the many great things about Signature Bank is the tremendous level of support we receive from the senior management team. Signature Bank's management team has created an environment where talented people can thrive. From the onset of my appointment, they have been very supportive of the asset-based lending unit. They understand the product and are committed to it. And, management allowed us to move quickly. Our policies and procedures have already been created and approved and our technological platform is fully in place. We are open for business and are seeing a lot of activity."

### **A Distinctive Model**

Signature Bank employs a distinctive approach to building customer relationships via the utilization of a single-point-of-contact model, designed to effectively meet all their customers' financial needs. This single-point-of-contact approach differentiates Signature Bank from large, multi-national institutions that typically operate under segmented approaches, according to Joseph J. DePaolo, president and chief executive officer. This unique organizational structure, designed to combine small-bank responsiveness with large-bank reach, experience and capabilities, provides clients the advantage of having a single point of contact to meet all of their banking needs through assigned group directors.

For Love and his team, this presents a unique opportunity to leverage the entire Signature Bank C&I lending network, which is effectively covering the New York metropolitan area and enjoys very strong market share. But, as Love explains, the group will be conducting business nationally as well. "The Bank's experienced group directors are in an advantageous position to bring us asset-based transactions on a regular basis and they are already showing us tremendous support by sending deals to us regularly," said Love. He continued, "We will also be leveraging the business development resources residing in Signature Financial, which boasts a national presence. Our plan is to utilize the entire Bank network for the immediate future and grow the asset based lending team as necessary – meaning we will responsibly add business originators as the market requires."

Love's team is comprised of four seasoned asset-based lending professionals he has worked with for many years – a team he trusts will position this new group for success quickly. When tasked to build this team, he knew exactly who he wanted, stating, "When I was looking to build this staff, I wanted to reach out to the most highly competent and trustworthy people I knew personally. Wendy Berney Nelson, our senior vice president of underwriting and portfolio was on top of that list because a strong credit staff is critical to success, and she was the perfect person to lead this group in this capacity. Robert Wallace, our vice president and portfolio manager, is someone I have known for more than 20 years, and he possesses excellent account management skills and has the ability to build strong rapport with his clients. Rounding out the team is Marissa Bianco Wych, our vice president of underwriting. Marissa possesses excellent underwriting skills and is an extremely polished presenter both externally and internally. She will underwrite direct and indirect asset-based loans. From a business development perspective, I will be heading this effort utilizing the entire Signature Bank network. This is a great opportunity for all of us."

This new team is pursuing asset-based loan opportunities across multiple industries within the middle market, according to Love, who explains, "We define our market as the lower middle and middle market – companies with revenues greater than \$15 million. We will, however, underwrite smaller credit facilities within the bank's footprint to support the group directors." From a transaction size perspective, the group will be focusing on originating transactions between \$5 million to \$20 million and will also participate in the broadly syndicated market. They will hold those between \$15 million to \$25 million. As the group matures, Love hopes to originate, agent and syndicate transactions beyond the bank's current targeted hold limits.

### **Differentiation in a Hyper-Competitive Market**

Entering this lending segment creates new challenges for any lender due to the hyper-competitive nature of the lending environment. In this post-recession era, asset-based lending is also experiencing significant margin compression. For Love and his team, it comes down to more than just a low interest rate; superior customer service is a critical part of the strategy to win and retain customer relationships. Love added, "Fast turnaround time on

transactions from proposal to funding will be a point of distinction for us in the market. I report directly to the bank's chief executive officer, and we have a direct line to the chief credit officer as well. This provides us the ability to quickly issue term sheets and put deals through the credit and funding process more efficiently than many of our competitors. Access to senior management, coupled with our single-point-of-contact approach are two critical keys to our marketing strategy. We compete effectively with the larger banks already in many lending areas, and Signature Bank has garnered a reputation for being a highly responsive institution."

Love summarizes his group's approach to the market saying, "At Signature Bank, we are building a solid, complementary asset-based lending practice, dedicated to serving middle market companies, where we will provide clients with creative structures and highly personalized service. This commitment to client care directly corresponds with Signature Bank's client-first philosophy, making it an ideal fit for our team. We are excited to be here and are looking forward to the contributions we will make to the Bank's growth."