January 19, 2017

# Signature Bank Reports 2016 Fourth Quarter and Year-End Results

*Net Income Reached Record Levels in 2016*

- ***Net Income for the 2016 Fourth Quarter Reached a Record $113.9 Million, or $2.11 Diluted Earnings Per Share, An Increase of $10.9 Million, or 10.6 Percent, from $103.0 Million, or $2.01 Diluted Earnings Per Share Reported in the 2015 Fourth Quarter.***
- ***Net Income for 2016 Reached a Record $396.3 Million, or $7.37 Diluted Earnings Per Share, Compared with $373.1 Million or $7.27 Diluted Earnings Per Share in 2015, Up $23.3 Million, or 6.2 Percent.***
- ***Total Deposits Rose $465.9 Million to $31.86 Billion, in the Fourth Quarter. Average Deposits Increased $1.16 Billion, or 3.8 Percent, in the 2016 Fourth Quarter.***
- ***Total Deposits Grew $5.09 Billion, or 19.0 Percent, in 2016. Average Deposits for 2016 at $29.75 Billion, Representing an Increase of $4.45 Billion, or 17.6 Percent, Versus $25.29 Billion in 2015.***
- ***Loans Increased $1.27 Billion, or 4.6 Percent, to $29.04 Billion in the 2016 Fourth Quarter. Since Year-end 2015, Loans Increased $5.25 Billion, or 22.1 Percent.***
- ***Non-Accrual Loans Were $157.6 Million, or 0.54 Percent of Total Loans, at December 31, 2016, Versus $162.8 Million, or 0.59 Percent of Total Loans, at the End of the 2016 Third Quarter. Non-Accrual Loans at Year-end 2015 were $71.9 Million, or 0.30 Percent of Total Loans.***
- ***Net Interest Margin on a Tax-Equivalent Basis Was 3.14 Percent for the 2016 Fourth Quarter, Compared with 3.14 Percent for the 2016 Third Quarter and 3.30 Percent for the 2015 Fourth Quarter.***
- ***Core Net Interest Margin on a Tax-Equivalent Basis, Which Excludes Loan Prepayment Penalty Income, Decreased One Basis Point to 3.06 Percent for the 2016 Fourth Quarter, Compared with 3.07 Percent for the 2016 Third Quarter.***
- ***Tier 1 Leverage, Common Equity Tier 1 Risk-Based, Tier 1 Risk-Based and Total Risk-Based Capital Ratios were 9.61 Percent, 11.92 Percent, 11.92 Percent and 13.46 Percent, Respectively, at December 31, 2016. Signature Bank Remains Significantly Above FDIC "Well-Capitalized" Standards. Tangible Common Equity Ratio was 9.21 Percent.***
- ***For 2016, Three Private Client Banking Teams Joined. Additionally, the Bank Appointed Several New Private Client Banking Professionals to Existing Teams.***

NEW YORK--(BUSINESS WIRE)-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its fourth quarter and year ended December 31, 2016.

Net income for the 2016 fourth quarter reached a record $113.9 million, or $2.11 diluted earnings per share, compared with $103.0 million, or $2.01 diluted earnings per share, for the 2015 fourth quarter. The record net income for the 2016 fourth quarter, when compared with the same period last year, is primarily the result of an increase in net interest income, fueled by strong average deposit and loan growth. These factors were partially offset by an increase in the provision for loan losses and non-interest expenses.

Net interest income for the 2016 fourth quarter rose $28.5 million, or 10.6 percent, to $296.8 million, compared with the fourth quarter of 2015. This increase is primarily due to growth in average interest-earning assets. Total assets reached $39.05 billion at December 31, 2016, expanding $5.60 billion, or 16.7 percent, from $33.45 billion at December 31, 2015. Average assets for the 2016 fourth quarter reached $38.18 billion, an increase of $5.46 billion, or 16.7 percent, versus the comparable period a year ago.

Deposits for the 2016 fourth quarter rose $465.9 million, or 1.5 percent, to $31.86 billion at December 31, 2016. Overall deposit growth in 2016 was 19.0 percent, or $5.09 billion, when compared with deposits at the end of 2015. Average total deposits for 2016 were $29.75 billion, growing $4.45 billion, or 17.6 percent, versus average total deposits of $25.29 billion for 2015.

"2016 was again a year during which Signature Bank delivered record earnings - in fact, our 9th consecutive year - and also another where we reported strong performance across all key metrics. The expansion of our franchise continues, driven by substantial growth in deposits of $5.09 billion and in loans of $5.25 billion. This was all achieved despite challenges in our taxi medallion portfolio. Moreover, we bolstered our capital position with two successful offerings; a common stock offering of nearly $320 million and our first subordinated debt offering of $260 million. These capital raises, along with solid earnings retention, well positions Signature Bank for future expansion," explained Joseph J. DePaolo, President and Chief Executive Officer.

"We continue to execute our highly successful single-point-of-contact business model, which allows Signature Bank to differentiate itself in an extremely competitive marketplace. The care, attention and advocacy for the Bank's clients -- delivered by our committed colleagues -- furthers our business development activities and allows us to better attract and retain clients. Our persistence, commitment and overall strong performance culminated in the Bank achieving deposit and loan growth each in excess of $5 billion, as well as record annual earnings," DePaolo said.

Signature Bank Chairman of the Board Scott A. Shay, noted: "Signature Bank has produced yet another record year of earnings and solid financial performance. We are proud that -- even from the depths of the financial crisis -- we maintained a rapid growth pace while remaining a pillar of strength for our clients during those uncertain times.

"As the Bank continues to grow, we retain our strong disciplines and follow the hedgehog theory of business - doing a few things but doing each of them very well. In our case, that means maintaining our unrelenting commitment to depositor safety and service and conservative lending posture. We look forward to the New Year and to embracing many opportunities as we have built a platform poised to serve an expanding roster of clients," Shay concluded.

**Capital**

The Bank's Tier 1 leverage, common equity Tier 1 risk-based, Tier 1 risk-based and total risk-based capital ratios were approximately 9.61 percent, 11.92 percent, 11.92 percent and 13.46 percent, respectively, as of December 31, 2016. Each of these ratios is well in excess of regulatory requirements. The Bank's strong risk-based capital ratios reflect the relatively low risk profile of the Bank's balance sheet. The Bank's tangible common equity ratio remains strong at 9.21 percent. The Bank defines tangible common equity ratio as the ratio of total tangible common shareholders' equity to total tangible assets.

**Net Interest Income**

Net interest income for the 2016 fourth quarter was $296.8 million, up $28.5 million, or 10.6 percent, when compared with the same period last year, primarily due to growth in average interest-earning assets. Average interest-earning assets of $37.73 billion for the 2016 fourth quarter represent an increase of $5.43 billion, or 16.8 percent, from the 2015 fourth quarter. The yield on interest-earning assets for the 2016 fourth quarter declined 10 basis points to 3.61 percent, compared to the fourth quarter of last year.

Average cost of deposits and average cost of funds for the 2016 fourth quarter increased by three and seven basis points, to 0.42 percent and 0.53 percent, respectively, versus the comparable period a year ago.

Net interest margin on a tax-equivalent basis for the 2016 fourth quarter was 3.14 percent versus 3.30 percent reported in the 2015 fourth quarter and 3.14 percent in the 2016 third quarter. Excluding loan prepayment penalty income in both quarters, linked quarter core margin on a tax-equivalent basis decreased one basis point to 3.06 percent.

**Provision for Loan Losses**

The Bank's provision for loan losses for the fourth quarter of 2016 was $22.2 million, an increase of $5.5 million, or 33.2 percent, versus the 2015 fourth quarter. The increase was primarily due to additional reserves for taxi medallion loans.

Net charge offs for the 2016 fourth quarter were $13.5 million, or 0.19 percent of average loans on an annualized basis, versus $100.5 million, or 1.46 percent, for the 2016 third quarter and $4.6 million, or 0.08 percent, for the 2015 fourth quarter.

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

Non-interest income for the 2016 fourth quarter was $10.1 million, up $730,000 from $9.3 million reported in the fourth quarter of last year. The increase was driven by increases in all non-interest income categories, but partially offset by a rise of $1.2 million in other losses from additional amortization of low income housing tax credit investments.

Non-interest expense for the 2016 fourth quarter was $95.9 million, an increase of $7.5 million, or 8.5 percent, versus $88.4 million reported in the 2015 fourth quarter. The increase was primarily a result of new private client banking teams joining, as well as an increase in costs in our risk management and compliance related activities.

The Bank's efficiency ratio improved to 31.25 percent for the fourth quarter of 2016 compared with 31.85 percent for the same period a year ago. The improvement was primarily due to growth in net interest income.

**Loans**

Loans, excluding loans held for sale, expanded $1.27 billion, or 4.6 percent, during the 2016 fourth quarter to $29.04 billion, versus $27.77 billion at September 30, 2016. At December 31, 2016, loans accounted for 74.4 percent of total assets, compared with 73.5 percent at the end of the 2016 third quarter and 71.1 percent at the end of 2015. Average loans, excluding loans held for sale, reached $28.24 billion in the 2016 fourth quarter, growing $916.8 million, or 3.4 percent, from the 2016 third quarter and $5.28 billion, or 23.0 percent, from the fourth quarter of 2015. The increase in loans for the quarter and the year was primarily driven by growth in commercial real estate and multi-family loans, as well as commercial and industrial loans.

At December 31, 2016, non-accrual loans were $157.6 million, representing 0.54 percent of total loans and 0.40 percent of total assets, versus non-accrual loans of $162.8 million, or 0.59 percent of total loans, at September 30, 2016 and $71.9 million, or 0.30 percent of total loans, at December 31, 2015. At the end of the 2016 fourth quarter, $135.4 million of non-accrual loans were secured by taxi medallions. At December 31, 2016, the ratio of allowance for loan and lease losses to total loans was 0.74 percent, versus 0.74 percent at September 30, 2016 and 0.82 percent at December 31, 2015. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 135 percent for the 2016 fourth quarter versus 126 percent for the 2016 third quarter and 271 percent for the 2015 fourth quarter.

**Conference Call**

Signature Bank's management will host a conference call to review results of the 2016 fourth quarter and year-end on Thursday, January 19, 2017, at 10:00 AM ET. All participants should dial 866-359-8135 at least ten minutes prior to the start of the call and reference conference ID #51388109. International callers should dial 901-300-3484.

To hear a live web simulcast or to listen to the archived web cast following completion of the call, please visit the Bank's web site at www.signatureny.com, click on "Investor Information", then under "Company News," select "Conference Calls," to access the link to the call. To listen to a telephone replay of the conference call, please dial 800-585-8367 or 404-537-3406 and enter conference ID #51388109. The replay will be available from approximately 1:00 PM ET on Thursday, January 19, 2017 through 11:59 PM ET on Monday, January 23, 2017.

**About Signature Bank**

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

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

Signature Bank ranked sixth best on *Forbes'* Best and Worst Banks in America 2016 list and was recently named Best Business Bank for the third consecutive year by the *New York Law Journal* in the publication's seventh annual reader survey. The Bank also ranked second in the Best Private Bank and Best Attorney Escrow Services categories in the listing.

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

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

**SIGNATURE BANK**
**CONSOLIDATED STATEMENTS OF INCOME**
**(unaudited)**

| | *Three months ended December 31,* | | *Twelve months ended December 31,* | |
|---|---|---|---|---|
| *(dollars in thousands, except per share amounts)* | **2016** | **2015** | **2016** | **2015** |
| **INTEREST AND DIVIDEND INCOME** | | | | |
| Loans held for sale | $ 963 | 1,487 | 4,572 | 3,885 |
| Loans and leases, net | 276,128 | 234,893 | 1,042,717 | 839,782 |
| Securities available-for-sale | 47,695 | 48,328 | 198,001 | 191,661 |
| Securities held-to-maturity | 15,054 | 16,420 | 62,834 | 66,633 |
| Other short-term investments | 2,450 | 1,270 | 9,027 | 4,987 |
| Total interest income | 342,290 | 302,398 | 1,317,151 | 1,106,948 |
| **INTEREST EXPENSE** | | | | |
| Deposits | 33,379 | 26,927 | 123,285 | 102,905 |
| Federal funds purchased and securities sold under agreements to repurchase | 2,724 | 3,420 | 11,857 | 13,885 |
| Federal Home Loan Bank borrowings | 5,711 | 3,712 | 24,565 | 13,057 |
| Subordinated debt | 3,660 | - | 10,202 | - |
| Total interest expense | 45,474 | 34,059 | 169,909 | 129,847 |
| Net interest income before provision for loan and lease losses | 296,816 | 268,339 | 1,147,242 | 977,101 |
| Provision for loan and lease losses | 22,234 | 16,686 | 155,774 | 44,914 |
| Net interest income after provision for loan and lease losses | 274,582 | 251,653 | 991,468 | 932,187 |
| **NON-INTEREST INCOME** | | | | |
| Commissions | 3,442 | 3,342 | 11,474 | 11,418 |
| Fees and service charges | 5,802 | 5,166 | 21,846 | 21,515 |
| Net gains on sales of securities | 569 | 338 | 7,711 | 1,209 |
| Net gains on sales of loans | 1,701 | 1,213 | 6,750 | 7,107 |
| Other-than-temporary impairment losses on securities: | | | | |
| Total impairment losses on securities | (283) | (605) | (986) | (2,264) |
| Portion recognized in other comprehensive income (before taxes) | 145 | 324 | 559 | 1,301 |
| Net impairment losses on securities recognized in earnings | (138) | (281) | (427) | (963) |
| Other losses | (1,300) | (433) | (4,604) | (3,182) |
| Total non-interest income | 10,076 | 9,345 | 42,750 | 37,104 |
| **NON-INTEREST EXPENSE** | | | | |
| Salaries and benefits | 58,940 | 58,537 | 246,406 | 230,081 |
| Occupancy and equipment | 7,758 | 7,054 | 29,140 | 26,024 |
| Data processing | 5,450 | 4,453 | 20,343 | 16,649 |
| FDIC assessment fees | 6,299 | 4,562 | 21,265 | 15,885 |
| Professional fees | 3,249 | 2,136 | 9,671 | 9,460 |
| Other general and administrative | 14,223 | 11,689 | 49,946 | 43,115 |

| | | | | |
|---|---|---|---|---|
| Total non-interest expense | 95,919 | 88,431 | 376,771 | 341,214 |
| Income before income taxes | 188,739 | 172,567 | 657,447 | 628,077 |
| Income tax expense | 74,802 | 69,579 | 261,123 | 255,012 |
| Net income | $ 113,937 | 102,988 | 396,324 | 373,065 |
| **PER COMMON SHARE DATA** | | | | |
| Earnings per share - basic | $ 2.12 | 2.02 | 7.42 | 7.35 |
| Earnings per share - diluted | $ 2.11 | 2.01 | 7.37 | 7.27 |

**SIGNATURE BANK**
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

| *(dollars in thousands, except shares and per share amounts)* | **December 31, 2016 (unaudited)** | **December 31, 2015** |
|---|---|---|
| **ASSETS** | | |
| Cash and due from banks | $ 499,856 | 311,254 |
| Short-term investments | 39,095 | 30,292 |
| Total cash and cash equivalents | 538,951 | 341,546 |
| Securities available-for-sale | 6,335,347 | 6,240,761 |
| Securities held-to-maturity (fair value $2,027,393 at December 31, 2016 and $2,137,913 at December 31, 2015) | 2,038,125 | 2,133,144 |
| Federal Home Loan Bank stock | 132,629 | 154,405 |
| Loans held for sale | 559,528 | 456,358 |
| Loans and leases, net | 28,829,670 | 23,597,541 |
| Premises and equipment, net | 50,698 | 44,161 |
| Accrued interest and dividends receivable | 102,963 | 94,006 |
| Other assets | 459,700 | 388,623 |
| Total assets | $ 39,047,611 | 33,450,545 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Deposits | | |
| Non-interest-bearing | $ 10,520,529 | 8,567,300 |
| Interest-bearing | 21,340,731 | 18,206,623 |
| Total deposits | 31,861,260 | 26,773,923 |
| Federal funds purchased and securities sold under agreements to repurchase | 893,000 | 817,000 |
| Federal Home Loan Bank borrowings | 2,050,900 | 2,720,163 |
| Subordinated debt | 256,588 | - |
| Accrued expenses and other liabilities | 373,599 | 247,625 |
| Total liabilities | 35,435,347 | 30,558,711 |
| Shareholders' equity | | |
| Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at December 31, 2016 and December 31, 2015 | - | - |
| Common stock, par value $.01 per share; 64,000,000 shares authorized; 54,610,170 shares issued and outstanding at December 31, 2016; 51,929,064 shares issued and outstanding at December 31, 2015; | 546 | 509 |
| Additional paid-in capital | 1,763,100 | 1,399,501 |
| Retained earnings | 1,903,332 | 1,507,011 |
| Treasury stock, none at December 31, 2016 and 41,087 shares at December 31, 2015 | - | (5,684) |
| Accumulated other comprehensive loss | (54,714) | (9,503) |
| Total shareholders' equity | 3,612,264 | 2,891,834 |
| Total liabilities and shareholders' equity | $ 39,047,611 | 33,450,545 |

**SIGNATURE BANK**
**FINANCIAL SUMMARY, CAPITAL RATIOS, ASSET QUALITY**
**(unaudited)**

| (in thousands, except ratios and per share amounts) | Three months ended December 31, 2016 | Three months ended December 31, 2015 | Twelve months ended December 31, 2016 | Twelve months ended December 31, 2015 |
|---|---|---|---|---|
| **PER COMMON SHARE** | | | | |
| Net income - basic | $ 2.12 | $ 2.02 | $ 7.42 | $ 7.35 |
| Net income - diluted | $ 2.11 | $ 2.01 | $ 7.37 | $ 7.27 |
| Average shares outstanding - basic | 53,684 | 50,901 | 53,406 | 50,739 |
| Average shares outstanding - diluted | 54,060 | 51,341 | 53,811 | 51,302 |
| Book value | $ 66.15 | $ 56.81 | $ 66.15 | $ 56.81 |
| | | | | |
| **SELECTED FINANCIAL DATA** | | | | |
| Return on average total assets | 1.19% | 1.25% | 1.09% | 1.23% |
| Return on average shareholders' equity | 12.64% | 14.30% | 12.19% | 13.85% |
| Efficiency ratio (1) | 31.25% | 31.85% | 31.66% | 33.64% |
| Yield on interest-earning assets | 3.61% | 3.71% | 3.66% | 3.69% |
| Yield on interest-earning assets, tax-equivalent basis (1)(2) | 3.61% | 3.71% | 3.66% | 3.69% |
| Cost of deposits and borrowings | 0.53% | 0.46% | 0.52% | 0.47% |
| Net interest margin | 3.13% | 3.30% | 3.19% | 3.26% |
| Net interest margin, tax-equivalent basis (2)(3) | 3.14% | 3.30% | 3.19% | 3.26% |

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

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

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

| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|---|---|---|---|
| **CAPITAL RATIOS** | | | |
| Tangible common equity (4) | 9.21% | 9.41% | 8.64% |
| Tier 1 leverage (5) | 9.61% | 9.51% | 8.87% |
| Common equity Tier 1 risk-based (5) | 11.92% | 12.00% | 11.33% |
| Tier 1 risk-based (5) | 11.92% | 12.00% | 11.33% |
| Total risk-based (5) | 13.46% | 13.56% | 12.10% |
| | | | |
| **ASSET QUALITY** | | | |
| Non-accrual loans | $ 157,578 | $ 162,772 | $ 71,905 |
| Allowance for loan and lease losses | $ 213,495 | $ 204,809 | $ 195,023 |
| Allowance for loan and lease losses to non-accrual loans | 135.49% | 125.83% | 271.22% |
| Allowance for loan and lease losses to total loans | 0.74% | 0.74% | 0.82% |
| Non-accrual loans to total loans | 0.54% | 0.59% | 0.30% |
| Quarterly net charge-offs to average loans, annualized | 0.19% | 1.46% | 0.08% |

(4) We define tangible common equity as the ratio of total tangible common equity to total tangible assets (the "TCE ratio"). Tangible common equity is considered to be a non-GAAP financial measure and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. The TCE ratio is a metric used by management to evaluate the adequacy of our capital levels. In addition to tangible common equity, management uses other metrics, such as Tier 1 capital related ratios, to evaluate capital levels. See "Non-GAAP Financial Measures" for related calculation.

(5) December 31, 2016 ratios are preliminary.

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

| (dollars in thousands) | Three months ended December 31, 2016 Average Balance | Interest Income/ Expense | Average Yield/ Rate | Three months ended December 31, 2015 Average Balance | Interest Income/ Expense | Average Yield/ Rate |
|---|---|---|---|---|---|---|
| **INTEREST-EARNING ASSETS** | | | | | | |
| Short-term investments | $ 604,788 | 781 | 0.51% | 320,199 | 230 | 0.28% |
| Investment securities | 8,612,077 | 64,418 | 2.99% | 8,574,256 | 65,788 | 3.07% |
| Commercial loans, mortgages and leases (1) | 27,954,484 | 274,048 | 3.90% | 22,638,929 | 231,666 | 4.06% |
| Residential mortgages and consumer loans | 287,757 | 2,640 | 3.65% | 318,670 | 3,227 | 4.02% |
| Loans held for sale | 275,110 | 963 | 1.39% | 454,122 | 1,487 | 1.30% |
| Total interest-earning assets | 37,734,216 | 342,850 | 3.61% | 32,306,176 | 302,398 | 3.71% |
| Non-interest-earning assets | 447,739 | | | 417,596 | | |
| Total assets | $38,181,955 | | | 32,723,772 | | |
| **INTEREST-BEARING LIABILITIES** | | | | | | |
| Interest-bearing deposits | | | | | | |
| NOW and interest-bearing demand | $ 4,078,045 | 4,879 | 0.48% | 2,677,008 | 2,852 | 0.42% |
| Money market | 16,199,212 | 25,234 | 0.62% | 14,674,558 | 21,518 | 0.58% |
| Time deposits | 1,397,421 | 3,266 | 0.93% | 1,000,999 | 2,557 | 1.01% |
| Non-interest-bearing demand deposits | 10,002,625 | - | - | 8,736,667 | - | - |
| Total deposits | 31,677,303 | 33,379 | 0.42% | 27,089,232 | 26,927 | 0.39% |
| Subordinated debt | 256,502 | 3,659 | 5.71% | - | - | - |
| Other borrowings | 2,337,563 | 8,436 | 1.44% | 2,497,568 | 7,132 | 1.13% |
| Total deposits and borrowings | 34,271,368 | 45,474 | 0.53% | 29,586,800 | 34,059 | 0.46% |
| Other non-interest-bearing liabilities and shareholders' equity | 3,910,587 | | | 3,136,972 | | |
| Total liabilities and shareholders' equity | $38,181,955 | | | 32,723,772 | | |
| **OTHER DATA** | | | | | | |
| Net interest income / interest rate spread (1) | | 297,376 | 3.08% | | 268,339 | 3.25% |
| Tax-equivalent adjustment | | (560) | | | - | |
| Net interest income, as reported | | 296,816 | | | 268,339 | |
| Net interest margin | | | 3.13% | | | 3.30% |
| Tax-equivalent effect | | | 0.01% | | | - |
| Net interest margin on a fully tax-equivalent basis (1) | | | 3.14% | | | 3.30% |
| Ratio of average interest-earning assets to average interest-bearing liabilities | | | 110.10% | | | 109.19% |

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

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

| (dollars in thousands) | Twelve months ended December 31, 2016 Average Balance | Interest Income/ Expense | Average Yield/ Rate | Twelve months ended December 31, 2015 Average Balance | Interest Income/ Expense | Average Yield/ Rate |
|---|---|---|---|---|---|---|
| **INTEREST-EARNING ASSETS** | | | | | | |
| Short-term investments | $ 493,646 | 2,456 | 0.50% | 403,403 | 1,013 | 0.25% |
| Investment securities | 8,695,632 | 267,406 | 3.08% | 8,530,863 | 262,268 | 3.07% |
| Commercial loans, mortgages and leases (1) | 26,212,811 | 1,032,829 | 3.94% | 20,376,793 | 827,273 | 4.06% |
| Residential mortgages and consumer loans | 297,478 | 11,235 | 3.78% | 327,113 | 12,509 | 3.82% |
| Loans held for sale | 305,391 | 4,572 | 1.50% | 324,048 | 3,885 | 1.20% |
| Total interest-earning assets | 36,004,958 | 1,318,498 | 3.66% | 29,962,220 | 1,106,948 | 3.69% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-interest-earning assets | 410,764 | | | 366,592 | | |
| Total assets | $36,415,722 | | | 30,328,812 | | |
| **INTEREST-BEARING LIABILITIES** | | | | | | |
| Interest-bearing deposits | | | | | | |
| NOW and interest-bearing demand | $ 3,591,984 | 16,573 | 0.46% | 2,208,678 | 8,961 | 0.41% |
| Money market | 15,399,825 | 94,294 | 0.61% | 14,109,742 | 83,314 | 0.59% |
| Time deposits | 1,286,775 | 12,418 | 0.97% | 969,556 | 10,630 | 1.10% |
| Non-interest-bearing demand deposits | 9,469,240 | - | - | 8,005,589 | - | - |
| Total deposits | 29,747,824 | 123,285 | 0.41% | 25,293,565 | 102,905 | 0.41% |
| Subordinated debt | 180,120 | 10,202 | 5.66% | - | - | - |
| Other borrowings | 2,781,305 | 36,422 | 1.31% | 2,109,763 | 26,942 | 1.28% |
| Total deposits and borrowings | 32,709,249 | 169,909 | 0.52% | 27,403,328 | 129,847 | 0.47% |
| Other non-interest-bearing liabilities and shareholders' equity | 3,706,473 | | | 2,925,484 | | |
| Total liabilities and shareholders' equity | $36,415,722 | | | 30,328,812 | | |
| **OTHER DATA** | | | | | | |
| Net interest income / interest rate spread (1) | | 1,148,589 | 3.14% | | 977,101 | 3.22% |
| Tax-equivalent adjustment | | (1,347) | | | - | |
| Net interest income, as reported | | 1,147,242 | | | 977,101 | |
| Net interest margin | | | 3.19% | | | 3.26% |
| Tax-equivalent effect | | | - | | | - |
| Net interest margin on a fully tax-equivalent basis (1) | | | 3.19% | | | 3.26% |
| Ratio of average interest-earning assets to average interest-bearing liabilities | | | 110.08% | | | 109.34% |

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

**SIGNATURE BANK**
**NON-GAAP FINANCIAL MEASURES**
**(unaudited)**

Management believes that the presentation of certain non-GAAP financial measures assists investors when comparing results period-to-period in a more consistent manner and provides a better measure of Signature Bank's results. These non-GAAP measures include the Bank's (i) tangible common equity ratio, (ii) efficiency ratio (iii) yield on interest-earning assets, tax-equivalent basis, (iv) net interest margin, tax-equivalent basis, and (v) core net interest margin, tax-equivalent basis excluding loan prepayment penalty income. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. We strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

The following table presents the tangible common equity ratio calculation:

| *(dollars in thousands except, per ratio)* | **December 31, 2016** | **September 30, 2016** | **December 31, 2015** |
|---|---|---|---|
| Consolidated common shareholders' equity | $ 3,612,264 | 3,561,597 | 2,891,834 |
| Intangible assets | 19,640 | 6,527 | 1,832 |
| Consolidated tangible common shareholders' equity (TCE) | $ 3,592,624 | 3,555,070 | 2,890,002 |
| | | | |
| Consolidated total assets | $39,047,611 | 37,792,320 | 33,450,545 |
| Intangible assets | 19,640 | 6,527 | 1,832 |
| Consolidated tangible total assets (TTA) | $39,027,971 | 37,785,793 | 33,448,713 |
| Tangible common equity ratio (TCE/TTA) | 9.21% | 9.41% | 8.64% |

The following table presents the efficiency ratio calculation:

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Non-interest expense (NIE) | $ 95,919 | 88,431 | 376,771 | 341,214 |
| Net interest income before provision for loan and lease losses | 296,816 | 268,339 | 1,147,242 | 977,101 |
| Other non-interest income | 10,076 | 9,345 | 42,750 | 37,104 |
| Total income (TI) | $ 306,892 | 277,684 | 1,189,992 | 1,014,205 |
| Efficiency ratio (NIE/TI) | 31.25% | 31.85% | 31.66% | 33.64% |

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

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Interest income (as reported) | $ 342,290 | 302,398 | 1,317,151 | 1,106,948 |
| Tax-equivalent adjustment | 560 | - | 1,347 | - |
| Interest income, tax-equivalent basis | $ 342,850 | 302,398 | 1,318,498 | 1,106,948 |
| Interest-earnings assets | $37,734,216 | 32,306,176 | 36,004,958 | 29,962,220 |
| | | | | |
| Yield on interest-earning assets | 3.61% | 3.71% | 3.66% | 3.69% |
| Tax-equivalent effect | - | - | - | - |
| Yield on interest-earning assets, tax-equivalent basis | 3.61% | 3.71% | 3.66% | 3.69% |

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

| | Three months ended December 31, | | Three months ended September 30, | | Twelve months ended December 31, | |
|---|---|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** |
| Net interest margin (as reported) | 3.13% | 3.30% | 3.13% | 3.22% | 3.19% | 3.26% |
| Tax-equivalent adjustment | 0.01% | - | 0.01% | - | - | - |
| Margin contribution from loan prepayment penalty income | (0.08)% | (0.15)% | (0.07)% | (0.11)% | (0.09)% | (0.11)% |
| Core net interest margin, tax-equivalent basis excluding loan prepayment penalty income | 3.06% | 3.15% | 3.07% | 3.11% | 3.10% | 3.15% |

View source version on businesswire.com: http://www.businesswire.com/news/home/20170119005095/en/

**Signature Bank**
Investor Contact:
Eric R. Howell, 646-822-1402
Executive Vice President - Corporate & Business Development
ehowell@signatureny.com
or
Media Contact:
Susan J. Lewis, 646-822-1825
slewis@signatureny.com