SIGNATURE BANK

July 24, 2012

## Signature Bank Reports 2012 Second Quarter Results

- ***Net Income for the 2012 Second Quarter Reached a Record $45.3 Million, or $0.96 Diluted Earnings Per Share, An Increase of $8.7 Million, or 23.7 Percent, from $36.6 Million, or $0.87 Diluted Earnings Per Share, Reported in the 2011 Second Quarter***
- ***2012 and 2011 Second Quarter Net Income Included Pre-Tax Gains on Sale of SBA Interest-Only Strip Securities of $2.6 Million and $2.1 Million, Respectively. Excluding the Tax-Effected Gains on Sale of the SBA Interest-Only Strip Securities From Both Periods, 2012 and 2011 Second Quarter Net Income was $43.8 Million, or 0.93 Diluted Earnings per Share, and $35.4 Million, or $0.84 Diluted Earnings Per Share, Respectively***
- ***Deposits in the Second Quarter Rose $449.7 Million, or 3.6 Percent, to $12.95 Billion. Deposits for the First Half of 2012 Increased $1.2 Billion, or 10.2 Percent, and Deposits for the Past 12 Months Grew $2.08 Billion, or 19.1 Percent. Average Deposits Increased $448.7 Million, or 3.7 Percent, in the 2012 Second Quarter***
- ***Loans Increased a Record $664.9 Million, or 9.0 Percent, to $8.03 Billion for the 2012 Second Quarter. Loans Grew $1.18 Billion, or 17.2 Percent, in the First Half of 2012***
- ***Non-Accrual Loans Decreased to $31.9 Million, or 0.40 Percent of Total Loans, at June 30, 2012, Compared with $35.5 Million, or 0.48 Percent, at the End of the 2012 First Quarter and $44.2 Million, or 0.72 Percent, at the End of the 2011 Second Quarter***
- ***Net Interest Margin Increased 4 Basis Points to 3.54 Percent, Compared with 3.50 Percent for the 2012 First Quarter and 3.64 Percent for the 2011 Second Quarter***
- ***Core Net Interest Margin Excluding Loan Prepayment Penalty Income Remained Stable at 3.44 Percent, Compared with 3.44 Percent for the 2012 First Quarter***
- ***Tier 1 Leverage, Tier 1 Risk-Based and Total Risk-Based Capital Ratios were 9.57 Percent, 16.45 Percent and 17.55 Percent, Respectively, at June 30, 2012. Signature Bank Remains Significantly Above FDIC "Well Capitalized" Standards. Tangible Common Equity Ratio was 9.55 Percent***

NEW YORK--(BUSINESS WIRE)-- Signature Bank (Nasdaq: SBNY), a New York-based full-service commercial bank, today announced results for its second quarter ended June 30, 2012.

Net income for the 2012 second quarter reached a record $45.3 million, or $0.96 diluted earnings per share, versus $36.6 million, or $0.87 diluted earnings per share, for the 2011 second quarter. The record net income for the 2012 second quarter, versus the 2011 second quarter, is primarily due to an increase in net interest income, fueled by strong deposit growth and record loan growth. These factors were partially offset by an increase in non-interest expense.

Net interest income for the 2012 second quarter reached $134.2 million, an increase of $21.2 million, or 18.8 percent, versus the 2011 second quarter. This increase is primarily due to growth in average interest-earning assets. Total assets reached $15.87 billion at June 30, 2012, up $2.79 billion, or 21.3 percent, from $13.08 billion at June 30, 2011. Average assets for the 2012 second quarter reached $15.54 billion, an increase of $2.81 billion, or 22.0 percent, compared with the 2011 second quarter.

Deposits for the 2012 second quarter increased $449.7 million, or 3.6 percent, to $12.95 billion at June 30, 2012. When compared with deposits at December 31, 2011, overall deposit growth during the first half of 2012 was 10.2 percent, or $1.2 billion. Excluding short-term escrow deposits of $867.8 million and brokered deposits of $87.9 million at the end of the 2012 second quarter and $921.6 million and $47.7 million, respectively, at the end of the 2012 first quarter, core deposits grew $463.3 million for the quarter. Average deposits for the 2012 second quarter reached $12.7 billion, an increase of $448.7 million, or 3.7 percent.

"We continued to demonstrate strength in our financial performance this quarter as evidenced by record earnings and record loan growth as well as significant growth in deposits. Furthermore, one of the highlights of the 2012 second quarter was the introduction of Signature Financial, our new specialty finance subsidiary. Signature Financial is an excellent growth opportunity for the Bank that further diversifies our revenue streams and is a natural fit for our progress," explained Signature Bank President and Chief Executive Officer Joseph J. DePaolo.

"We are pleased with the initial results from the launch of this new business endeavor, as well as the ongoing success of our

Private Client Banking and Commercial Real Estate Banking teams. Moreover, we continue to seek new private client banking teams interested in joining our institution, as the market still affords us many opportunities on which to capitalize," DePaolo noted.

Scott A. Shay, Chairman of the Board, said: "In these uncertain economic times -- where both foreign and U.S. capital markets remain unstable -- we have stayed firmly centered on meeting the banking needs of our clients. For the past decade, our veteran relationship bankers have provided steadfast assistance to our clients throughout various economic cycles. Our outwardly focused commitment to our clients' success is again reflected in the Bank's ongoing strong financial performance, with the 2012 second quarter being a continuation of our pace."

**Capital**

The Bank's Tier 1 leverage, Tier 1 risk-based, and total risk-based capital ratios were approximately 9.57 percent, 16.45 percent and 17.55 percent, respectively, as of June 30, 2012. 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 9.55 percent. The Bank defines the tangible common equity ratio as the ratio of tangible common equity to adjusted tangible assets and calculates this ratio by dividing total consolidated common shareholders' equity by consolidated total assets.

**Net Interest Income**

Net interest income for the 2012 second quarter was $134.2 million, up $21.2 million, or 18.8 percent, versus the 2011 second quarter, primarily due to growth in average interest-earning assets. Average interest-earning assets of $15.24 billion for the 2012 second quarter represent an increase of $2.78 billion, or 22.4 percent, from the 2011 second quarter. Yield on interest-earning assets for the 2012 second quarter decreased 35 basis points, to 4.28 percent, versus the 2011 second quarter. This decrease was primarily attributable to the continued effect of the prolonged low interest rate environment.

Average cost of deposits and average cost of funds for the second quarter of 2012 decreased by 20 and 25 basis points, respectively, compared with the 2011 second quarter to 0.67 percent and 0.81 percent. These decreases were predominantly due to the continued effect of the prolonged low interest rate environment.

Net interest margin for the 2012 second quarter was 3.54 percent versus 3.64 percent reported in the 2011 second quarter. On a linked quarter basis, net interest margin increased 4 basis points. The linked quarter increase was primarily the result of an increase of $1.8 million in loan prepayment penalty income.

**Provision for Loan and Lease Losses**

The Bank's provision for loan and lease losses for the 2012 second quarter was $10.3 million, a decrease of $2.5 million, or 19.8 percent, versus the 2011 second quarter. The decrease was largely due to a decrease in charge-offs.

Net charge-offs for the 2012 second quarter were $4.7 million, or 0.25 percent of average loans on an annualized basis, compared with $5.0 million, or 0.29 percent, for the 2012 first quarter and $7.7 million, or 0.53 percent, for the 2011 second quarter.

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

Non-interest income for the 2012 second quarter was $9.9 million, a decrease of $361,000 versus $10.2 million reported in the 2011 second quarter.

Non-interest expense for the 2012 second quarter rose $9.6 million, or 21.3 percent, to $54.9 million versus $45.2 million reported in the 2011 second quarter. The increase was primarily a result of the addition of new private client banking teams and the launch of Signature Financial.

The Bank's efficiency ratio increased slightly to 38.1 percent for the second quarter of 2012 compared with 36.7 percent for same period last year. The increase was primarily due to the hiring for Signature Financial.

**Loans**

Loans, excluding loans held for sale, grew a record $664.9 million, or 9.0 percent, during the 2012 second quarter to $8.03 billion, versus $7.36 billion at March 31, 2012. At June 30, 2012, loans accounted for 50.6 percent of total assets, compared with 48.2 percent at the end of the 2012 first quarter and 46.7 percent at the end of the 2011 second quarter. Average loans, excluding loans held for sale, were $7.69 billion in the 2012 second quarter, an increase of $632.4 million, or 9.0 percent, from the 2012 first quarter and $1.84 billion, or 31.4 percent, from the 2011 second quarter. The increase in loans for the quarter was primarily driven by growth in commercial real estate and multi-family loans as well as the launch of the Bank's specialty finance business.

At June 30, 2012, non-accrual loans were $31.9 million, representing 0.40 percent of total loans and 0.20 percent of total assets, versus non-accrual loans of $35.5 million, or 0.48 percent of total loans, at March 31, 2012 and $44.2 million, or 0.72 percent of total loans, at June 30, 2011. At June 30, 2012, the ratio of allowance for loan and lease losses to total loans was 1.21 percent, versus 1.25 percent at March 31, 2012 and 1.28 percent at June 30, 2011. Additionally, the ratio of allowance for loan and lease losses to non-accrual loans, or the coverage ratio, was 305 percent for the 2012 second quarter versus 259 percent for the first quarter of 2012 and 177 percent for the 2011 second quarter.

**Conference Call**

Signature Bank's management will host a conference call to review results of the 2012 second quarter on Tuesday, July 24, 2012, at 10:00 AM ET. All participants should dial 480-629-9835 at least ten minutes prior to the start of the call.

To hear a live web simulcast or to listen to the archived web cast following completion of the call, please visit the Bank's web site at www.signatureny.com, click on the "Investor Relations" tab, then select "Company News," followed by "Conference Calls," to access the link to the call. To listen to a telephone replay of the conference call, please dial 303-590-3030 and enter reservation identification number 4548852. The replay will be available from approximately 12:00 PM ET on Tuesday, July 24, 2012 through 11:59 PM ET on Friday, July, 27, 2012.

**About Signature Bank**

Signature Bank, member FDIC, is a New York-based full-service commercial bank with 25 private client offices throughout the New York metropolitan area. 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. The Bank operates Signature Financial, LLC, a specialty finance subsidiary focused on equipment finance and leasing, transportation financing and taxi medallion financing. Investment, brokerage, asset management and insurance products and services are offered through the Bank's subsidiary, Signature Securities Group Corporation, a licensed broker-dealer, investment adviser and member FINRA/SIPC.

Signature Bank's 25 offices are located: In Manhattan (9) - 261 Madison Avenue; 300 Park Avenue; 71 Broadway; 565 Fifth Avenue; 950 Third Avenue; 200 Park Avenue South; 1020 Madison Avenue; 50 West 57th Street and 2 Penn Plaza. Brooklyn (3) - 26 Court Street; 84 Broadway and 6321 New Utrecht Avenue. Westchester (2) - 1C Quaker Ridge Road, New Rochelle and 360 Hamilton Avenue, White Plains. Long Island (6) - 1225 Franklin Avenue, Garden City; 279 Sunrise Highway, Rockville Centre; 68 South Service Road, Melville; 923 Broadway, Woodmere; 40 Cuttermill Road, Great Neck and 100 Jericho Quadrangle, Jericho. Queens (3) - 36-36 33rd Street, Long Island City; 78-27 37th Avenue, Jackson Heights and 8936 Sutphin Blvd., Jamaica. Bronx (1) - 421 Hunts Point Avenue, Bronx. Staten Island (1) - 2066 Hylan Blvd.

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 team 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. 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. As you read and consider forward-looking statements, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions and can change as a result of many possible events or factors, not all of which are known to us or in our control. 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 OPERATIONS**
**(unaudited)**

| | *Three months ended June 30,* | | *Six months ended June 30,* | |
|---|---|---|---|---|
| *(dollars in thousands, except per share amounts)* | **2012** | **2011** | **2012** | **2011** |
| **INTEREST AND DIVIDEND INCOME** | | | | |
| Loans held for sale | $ 753 | 996 | 1,530 | 1,964 |
| Loans and leases, net | 99,604 | 81,578 | 191,898 | 156,600 |
| Securities available-for-sale | 56,586 | 56,199 | 113,934 | 108,411 |
| Securities held-to-maturity | 4,813 | 4,664 | 9,605 | 8,997 |
| Other short-term investments | 516 | 397 | 1,003 | 930 |
| Total interest income | 162,272 | 143,834 | 317,970 | 276,902 |
| **INTEREST EXPENSE** | | | | |
| Deposits | 21,055 | 23,200 | 42,945 | 45,117 |
| Federal funds purchased and securities sold under agreements to repurchase | 5,937 | 5,613 | 11,789 | 10,798 |
| Federal Home Loan Bank advances | 1,089 | 2,033 | 2,245 | 4,326 |
| Total interest expense | 28,081 | 30,846 | 56,979 | 60,241 |
| Net interest income before provision for loan and lease losses | 134,191 | 112,988 | 260,991 | 216,661 |
| Provision for loan and lease losses | 10,303 | 12,851 | 20,967 | 25,173 |
| Net interest income after provision for loan and lease losses | 123,888 | 100,137 | 240,024 | 191,488 |
| **NON-INTEREST INCOME** | | | | |
| Commissions | 2,065 | 2,385 | 4,434 | 4,700 |
| Fees and service charges | 3,817 | 3,732 | 7,523 | 7,681 |
| Net gains on sales of securities | 4,136 | 3,710 | 5,568 | 11,587 |
| Net gains on sales of loans | 2,768 | 818 | 4,189 | 2,151 |
| Other-than-temporary impairment losses on securities: | | | | |
| Total impairment losses on securities | (4,165) | (4,228) | (9,379) | (8,238) |
| Portion of loss recognized in other comprehensive income (before taxes) | 2,765 | 3,422 | 7,265 | 6,706 |
| Net impairment losses on securities recognized in earnings | (1,400) | (806) | (2,114) | (1,532) |
| Net trading income | 377 | 94 | 357 | 137 |
| Other (loss) income | (1,877) | 314 | (957) | 591 |
| Total non-interest income | 9,886 | 10,247 | 19,000 | 25,315 |
| **NON-INTEREST EXPENSE** | | | | |
| Salaries and benefits | 36,740 | 28,573 | 69,763 | 54,766 |
| Occupancy and equipment | 4,272 | 3,996 | 8,658 | 7,785 |
| Other general and administrative | 13,839 | 12,651 | 26,778 | 27,340 |
| Total non-interest expense | 54,851 | 45,220 | 105,199 | 89,891 |
| Income before income taxes | 78,923 | 65,164 | 153,825 | 126,912 |
| Income tax expense | 33,641 | 28,548 | 66,174 | 55,712 |
| Net income | $ 45,282 | 36,616 | 87,651 | 71,200 |
| **PER COMMON SHARE DATA** | | | | |
| Earnings per share — basic | $ 0.97 | 0.89 | 1.89 | 1.72 |
| Earnings per share — diluted | $ 0.96 | 0.87 | 1.86 | 1.69 |

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

| (dollars in thousands, except per share amounts) | June 30, 2012 (unaudited) | December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| Cash and due from banks | $ 91,772 | 34,083 |
| Short-term investments | 5,744 | 6,071 |
| Total cash and cash equivalents | 97,516 | 40,154 |
| Securities available-for-sale (pledged $2,690,092 at June 30, 2012 and $2,672,093 at December 31, 2011) | 6,479,587 | 6,512,855 |
| Securities held-to-maturity (fair value $614,679 at June 30, 2012 and $571,980 at December 31, 2011; pledged $429,974 at June 30, 2012 and $352,865 at December 31, 2011) | 595,917 | 556,044 |
| Federal Home Loan Bank stock | 44,387 | 48,152 |
| Loans held for sale | 365,823 | 392,025 |
| Loans and leases, net | 7,930,572 | 6,764,564 |
| Premises and equipment, net | 32,178 | 30,574 |
| Accrued interest and dividends receivable | 62,094 | 60,533 |
| Other assets | 265,765 | 261,219 |
| Total assets | $ 15,873,839 | 14,666,120 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Deposits | | |
| Non-interest-bearing | 3,503,206 | 3,148,436 |
| Interest-bearing | 9,450,381 | 8,605,702 |
| Total deposits | 12,953,587 | 11,754,138 |
| Federal funds purchased and securities sold under agreements to repurchase | 825,625 | 750,800 |
| Federal Home Loan Bank advances | 465,000 | 675,000 |
| Accrued expenses and other liabilities | 113,490 | 78,066 |
| Total liabilities | 14,357,702 | 13,258,004 |
| Shareholders' equity | | |
| Preferred stock, par value $.01 per share; 61,000,000 shares authorized; none issued at June 30, 2012 and December 31, 2011 | - | - |
| Common stock, par value $.01 per share; 64,000,000 shares authorized; 46,663,750 and 46,181,890 shares issued and outstanding at June 30, 2012 and December 31, 2011 | 467 | 462 |
| Additional paid-in capital | 973,013 | 954,833 |
| Retained earnings | 510,683 | 423,032 |
| Net unrealized gains on securities available-for-sale, net of tax | 31,974 | 29,789 |
| Total shareholders' equity | 1,516,137 | 1,408,116 |
| Total liabilities and shareholders' equity | $ 15,873,839 | 14,666,120 |

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

| | *Three months ended June 30,* | | *Six months ended June 30,* | |
|---|---|---|---|---|
| *(dollars in thousands, except ratios and per share amounts)* | **2012** | **2011** | **2012** | **2011** |
| **PER COMMON SHARE** | | | | |
| Net income - basic | $ 0.97 | $ 0.89 | $ 1.89 | $ 1.72 |
| Net income - diluted | $ 0.96 | $ 0.87 | $ 1.86 | $ 1.69 |
| Average shares outstanding - basic | 46,549 | 41,353 | 46,377 | 41,351 |
| Average shares outstanding - diluted | 47,307 | 42,152 | 47,202 | 42,120 |
| Book value | $ 32.49 | $ 25.55 | $ 32.49 | $ 25.55 |

**SELECTED FINANCIAL DATA**

| | | | | |
|---|---|---|---|---|
| Return on average total assets | 1.17% | 1.15% | 1.16% | 1.16% |
| Return on average shareholders' equity | 12.22% | 14.33% | 12.06% | 14.35% |
| Efficiency ratio (1) | 38.07% | 36.69% | 37.57% | 37.15% |
| Efficiency ratio excluding net gains on sales of securities and net impairment losses on securities recognized in earnings (1) | 38.81% | 37.58% | 38.04% | 38.76% |
| Yield on interest-earning assets | 4.28% | 4.63% | 4.29% | 4.62% |
| Cost of deposits and borrowings | 0.81% | 1.06% | 0.84% | 1.07% |
| Net interest margin | 3.54% | 3.64% | 3.52% | 3.61% |

(1) The efficiency ratio is calculated by dividing non-interest expense by the sum of net interest income before provision for loan and lease losses and non-interest income.

| | June 30, 2012 | March 31, 2012 | December 31, 2011 | June 30, 2011 |
|---|---|---|---|---|
| **CAPITAL RATIOS** | | | | |
| Tangible common equity (2) | 9.55% | 9.58% | 9.60% | 8.08% |
| Tier 1 leverage | 9.57% | 9.62% | 9.67% | 8.15% |
| Tier 1 risk-based | 16.45% | 16.86% | 17.08% | 14.20% |
| Total risk-based | 17.55% | 17.96% | 18.17% | 15.29% |
| | | | | |
| **ASSET QUALITY** | | | | |
| Non-accrual loans | $ 31,905 | $ 35,492 | $ 42,218 | $ 44,234 |
| Allowance for loan and lease losses | $ 97,403 | $ 91,786 | $ 86,162 | $ 78,370 |
| Allowance for loan and lease losses to non-accrual loans | 305.29% | 258.61% | 204.09% | 177.17% |
| Allowance for loan and lease losses to total loans | 1.21% | 1.25% | 1.26% | 1.28% |
| Non-accrual loans to total loans | 0.40% | 0.48% | 0.62% | 0.72% |
| Quarterly net charge-offs to average loans (annualized) | 0.25% | 0.29% | 0.71% | 0.53% |

(2) We define tangible common equity as the ratio of tangible common equity to adjusted tangible assets (the "TCE ratio") and calculate this ratio by dividing total consolidated common shareholders' equity by consolidated total assets (we had no intangible assets at any of the dates presented above). 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.

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

| | *Three months ended June 30, 2012* | | | *Three months ended June 30, 2011* | | |
|---|---|---|---|---|---|---|
| *(dollars in thousands)* | **Average Balance** | **Interest Income/ Expense** | **Average Yield/ Rate** | **Average Balance** | **Interest Income/ Expense** | **Average Yield/ Rate** |
| **INTEREST-EARNING ASSETS** | | | | | | |
| Short-term investments | $ 79,214 | 67 | 0.34% | 88,352 | 68 | 0.31% |
| Investment securities | 7,245,984 | 61,848 | 3.41% | 6,266,851 | 61,192 | 3.91% |
| Commercial loans, mortgages and leases | 7,330,435 | 93,973 | 5.16% | 5,477,837 | 75,779 | 5.55% |
| Residential mortgages | 168,747 | 1,775 | 4.21% | 179,077 | 2,199 | 4.91% |
| Consumer loans | 193,328 | 3,856 | 8.02% | 197,146 | 3,600 | 7.32% |
| Loans held for sale | 220,666 | 753 | 1.37% | 244,485 | 996 | 1.63% |
| Total interest-earning assets | 15,238,374 | 162,272 | 4.28% | 12,453,748 | 143,834 | 4.63% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-interest-earning assets | 299,585 | | | 277,852 | | |
| Total assets | $15,537,959 | | | 12,731,600 | | |
| **INTEREST-BEARING LIABILITIES** | | | | | | |
| Interest-bearing deposits | | | | | | |
| NOW and interest-bearing demand | 660,303 | 751 | 0.46% | 650,747 | 850 | 0.52% |
| Money market | 7,777,176 | 16,714 | 0.86% | 6,460,707 | 18,248 | 1.13% |
| Time deposits | 917,656 | 3,590 | 1.57% | 921,973 | 4,102 | 1.78% |
| Non-interest-bearing demand deposits | 3,340,556 | - | - | 2,667,529 | - | - |
| Total deposits | 12,695,691 | 21,055 | 0.67% | 10,700,956 | 23,200 | 0.87% |
| Borrowings | 1,266,234 | 7,026 | 2.23% | 953,012 | 7,646 | 3.22% |
| Total deposits and borrowings | 13,961,925 | 28,081 | 0.81% | 11,653,968 | 30,846 | 1.06% |
| Other non-interest-bearing liabilities and shareholders' equity | 1,576,034 | | | 1,077,632 | | |
| Total liabilities and shareholders' equity | $15,537,959 | | | 12,731,600 | | |
| **OTHER DATA** | | | | | | |
| Net interest income / interest rate spread | | 134,191 | 3.47% | | 112,988 | 3.57% |
| Net interest margin | | | 3.54% | | | 3.64% |
| Ratio of average interest-earning assets to average interest-bearing liabilities | | | 109.14% | | | 106.86% |

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

| | *Six months ended June 30, 2012* | | | *Six months ended June 30, 2011* | | |
|---|---|---|---|---|---|---|
| *(dollars in thousands)* | **Average Balance** | **Interest Income/ Expense** | **Average Yield/ Rate** | **Average Balance** | **Interest Income/ Expense** | **Average Yield/ Rate** |
| **INTEREST-EARNING ASSETS** | | | | | | |
| Short-term investments | $ 85,325 | 143 | 0.34% | 77,003 | 115 | 0.30% |
| Investment securities | 7,202,060 | 124,399 | 3.45% | 6,114,910 | 118,223 | 3.87% |
| Commercial loans, mortgages and leases | 7,009,801 | 180,675 | 5.18% | 5,259,702 | 145,243 | 5.57% |
| Residential mortgages | 169,581 | 3,650 | 4.30% | 182,706 | 4,385 | 4.80% |
| Consumer loans | 196,948 | 7,573 | 7.73% | 196,688 | 6,972 | 7.15% |
| Loans held for sale | 243,298 | 1,530 | 1.26% | 257,758 | 1,964 | 1.54% |
| Total interest-earning assets | 14,907,013 | 317,970 | 4.29% | 12,088,767 | 276,902 | 4.62% |
| Non-interest-earning assets | 285,212 | | | 289,994 | | |
| Total assets | $15,192,225 | | | 12,378,761 | | |
| **INTEREST-BEARING LIABILITIES** | | | | | | |
| Interest-bearing deposits | | | | | | |
| NOW and interest-bearing demand | 659,522 | 1,527 | 0.47% | 663,034 | 1,686 | 0.51% |
| Money market | 7,637,541 | 34,159 | 0.90% | 6,117,044 | 35,186 | 1.16% |
| Time deposits | 904,575 | 7,259 | 1.61% | 923,642 | 8,245 | 1.80% |
| Non-interest-bearing demand deposits | 3,269,699 | - | - | 2,553,375 | - | - |
| Total deposits | 12,471,337 | 42,945 | 0.69% | 10,257,095 | 45,117 | 0.89% |
| Borrowings | 1,187,006 | 14,034 | 2.38% | 1,078,661 | 15,124 | 2.83% |
| Total deposits and borrowings | 13,658,343 | 56,979 | 0.84% | 11,335,756 | 60,241 | 1.07% |
| Other non-interest-bearing liabilities and shareholders' equity | 1,533,882 | | | 1,043,005 | | |
| Total liabilities and shareholders' equity | $15,192,225 | | | 12,378,761 | | |
| **OTHER DATA** | | | | | | |
| Net interest income / interest rate spread | | 260,991 | 3.45% | | 216,661 | 3.55% |
| Net interest margin | | | 3.52% | | | 3.61% |
| Ratio of average interest-earning assets | | | | | | |

| | | |
|---|---|---|
| to average interest-bearing liabilities | 109.14% | 106.64% |

**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) net income and diluted earnings per share excluding the after-tax effect of gains from the sales of SBA interest-only strip securities and (iii) core net interest margin excluding loan prepayment penalty income. These non-GAAP measures should not be considered a substitute for GAAP-basis measures and results. We strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

The following table presents a reconciliation of net income and diluted earnings per share (as reported) to net income and diluted earnings per share excluding the after-tax effect of gains from the sales of SBA interest-only strip securities:

| | *Three months ended June 30,* | | *Six months ended June 30,* | |
|---|---|---|---|---|
| *(dollars in thousands, except per share amounts)* | **2012** | **2011** | **2012** | **2011** |
| Net income (as reported) | $ 45,282 | 36,616 | $ 87,651 | 71,200 |
| Gains on sales of SBA interest-only strip securities | (2,624) | (2,142) | (2,664) | (7,434) |
| Tax effect | 1,119 | 942 | 1,136 | 3,270 |
| Net income - excluding after-tax effect of gains on sales of SBA interest-only strip securities | $ 43,777 | 35,416 | $ 86,123 | 67,036 |
| | | | | |
| Diluted earnings per share (as reported) | $ 0.96 | $ 0.87 | $ 1.86 | 1.69 |
| Gains on sales of SBA interest-only strip securities | (0.05) | (0.05) | (0.06) | (0.18) |
| Tax effect | 0.02 | 0.02 | 0.02 | 0.08 |
| Diluted earnings per share - excluding after-tax effect of gains on sales of SBA interest-only strip securities | $ 0.93 | 0.84 | $ 1.82 | 1.59 |

The following table reconciles net interest margin (as reported) to core net interest margin excluding loan prepayment penalty income:

| | *Three months ended June 30,* | | *Six months ended June 30,* | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| Net interest margin (as reported) | 3.54% | 3.64% | 3.52% | 3.61% |
| Margin contribution from loan prepayment penalty income | (0.10)% | (0.10)% | (0.08)% | (0.08)% |
| Core net interest margin - excluding loan prepayment penalty income | 3.44% | 3.54% | 3.44% | 3.53% |

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Source: Signature Bank