

Signature Bank, N.A.

November 2, 2023

Dear Shareholder:

As reported previously in our second quarter shareholder letter, the banking industry continues to encounter challenges due to rapidly rising interest rates and the reduction of excess liquidity in the banking system. While Signature Bank is not immune to these challenges, there are reasons for optimism when we look ahead to 2024 and beyond. Our financial performance for the latest quarter can be characterized as "mixed". Key points are highlighted below:

- Total Assets were \$1.22 billion on September 30, 2023, which is a slight increase from \$1.21 billion on December 31, 2022. Importantly, deposit balances have continued to rebuild since the first quarter of this year and totaled \$1.08 billion.
- Loan Growth continued in the third quarter with balances reaching \$914.3 million compared to \$881 million on December 31, 2022, or net growth of \$33.3 million. In response to identified credit weaknesses, we increased our loan loss provision in the third quarter by \$1 million.
- Net Income through the first nine months of 2023 totaled \$7.3 million compared to \$10.5 million for the same period last year. The decrease in net income can be attributed to the ongoing pressure on our net interest margin and the previously mentioned increase in our loan loss provision.
- Net Interest Margin has begun to improve slightly and stands at 2.95% year to date compared to 2.92% in 2022. We anticipate continued margin improvement as new loans are originated at current market rates. Additionally, our investment portfolio will see bonds maturing in 2024, with the proceeds to be reinvested at higher rates.

We are delighted with the response rate from our recent client satisfaction survey, which affirmed our commitment to providing Gold Standard Service. We firmly believe that prioritizing unparalleled client service will build loyalty and ultimately enhance shareholder value. We are grateful for the continued support from our valued shareholders and dedicated employees.

Sincerely,

Richard J. Brunner
Chairman and CEO

Carol A. Savage
Chief Operating Officer

Robert D. Shamy
President