

Signature Bank, N.A.

April 22, 2021

Dear Shareholder:

Last night, we held our first “virtual” annual meeting, and we wanted to share with you some exciting organizational announcements. Two years ago, we began a concerted succession planning project to develop future leadership and ensure continuity in our organization. The Board recently approved the following new executive positions which will be effective May 1, 2021:

- David A. Reed will become Executive Vice Chairman and continue to serve on the Board of Directors. Dave is a co-founder of the bank and has served as President for the last 10 years. Dave will serve as Senior Credit Officer and have responsibility for the Credit Group of the Bank.
- Carol A. Savage will be promoted to Chief Operating Officer. Carol is a co-founder of the bank and has managed all Operations functions of the bank since our opening in 2002. Carol will continue to serve as a member of the Board of Directors.
- Robert D. Shamy will be promoted to President and has been newly appointed to the Board of Directors. Rob started in our Commercial Lending group in 2002 and has moved through several key management positions in this group.

Please join me in congratulating Dave, Carol, and Rob on their new positions!

At the annual meeting, we also shared our first quarter financial highlights:

- Net Income totaled \$3,808,000 – a 25% increase compared to first quarter last year, as we continue to earn significant fee income from the SBA’s Payroll Protection Program.
- Total Assets grew with Round 2 of the PPP Program. Total Assets reached \$1.3 Billion and both deposits and total loan balances grew. The loan forgiveness for both Round 1 and Round 2 PPP loans will continue through the remainder of the year. Overall loan balances will most likely decline as a result.

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- As PPP loans are forgiven and these balances convert to cash, our Net Interest Margin will be negatively impacted. Our margin declined to 2.99% from 3.48% a year ago. With interest rates forecasted to stay flat through 2022, margin pressure will continue.
- We will be paying an increased dividend in May. The Board has approved a semi-annual cash dividend of \$.95 per share which is an increase from \$.90 per share paid last year. The dividend payment will be sent on May 17th to all shareholders of record on May 1st.

As the economy emerges from the pandemic, we are optimistic for continued growth in 2021. We will continue to build the bank for long-term success, and we are excited about our continued leadership development initiative. As always, thank you for your support.

Best Regards,



Richard J. Brunner
Chairman & CEO