



October 28, 2021

Dear Shareholder:

We are pleased to share some exciting news regarding our succession planning initiative we began in 2019. The Board of Directors has approved the promotion and new titles for the following individuals:

- Josh Schuyler – will become Senior Vice President – Client Development. He will be responsible for developing integrated strategies to grow loans and deposits. Josh will report to Rob Shamy.
- Steve Leamy – will become Senior Vice President and Senior Loan Officer. Steve will be responsible for managing and leading all of the lending group including consumer lending. He will report to Josh Schuyler.
- Alison Frye – will become Senior Vice President – Treasury Management. Alison will lead and manage the Treasury Management team and the branch function. She will report to Josh Schuyler.
- Shane Gibson – will become Senior Vice President – Finance and Accounting. Shane will continue to manage the Finance area and will have a primary goal to build and develop this area for future growth. Shane will report to Rick Brunner.
- Nancy Feltz – will become Senior Vice President – Credit Administration. Nancy will lead and manage the Credit Department including the Credit Analysis, and Loan Documentation groups. Nancy will report to Rob Shamy.

Please join us in congratulating everyone for their promotions and new responsibilities. We are excited to take this next step for building and expanding the leadership of our bank.

Additionally, we continue to generate positive financial results which include several highlights:

Total Assets were \$1.29 billion at September 30, 2021 reflecting an increase of \$67 million from December 31, 2020. The increase is reflective of the continued liquidity in the banking system nationwide. Similar to most banks, our deposit balances are increasing, and loan balances are declining.

- Total Loan balances have decreased by \$78.5 million primarily related to the repayment of the Payroll Protection Program (PPP) loans. At 12/31/20, our loans totaled \$896 million consisting of \$744 million in core loan balances and \$152 million of PPP loan balances. At 9/30/21, our core loan balances have grown \$28.4 million to \$772 million. PPP loan balances continue to be forgiven and now total \$54.1 million – a decrease of \$98 million year to date. The remaining PPP loan balances will continue to decline throughout the remainder of the year.
- Our credit quality remains strong as evidenced by our overall loan quality metrics and our loan recoveries exceeding loan charge-offs. As a result, we have reduced our monthly Loan Loss Provision expense, but continue to maintain a healthy loan loss reserve balance of \$10.6 million.
- Total Deposit balances continue to increase totaling \$1.16 billion or an increase of \$57.6 million through the first nine months of this year.
- Net Income through nine months ended September 30, 2021 totaled \$11.5 million compared to \$10.4 million for the same period last year. This is an increase of 10.9% and is primarily attributed to the collection of PPP loan fees. Our net interest margin has been negatively impacted by the low interest rate environment, and we expect this to be a challenge throughout 2022.
- The Board of Directors recently approved the payment of our semi-annual cash dividend. Shareholders of record on November 1, 2021 will receive a cash dividend of \$0.95 per share, payable on November 15, 2021. The total dividends paid in 2021 equals \$1.90 per share.

Thank you again for your loyal support of Signature Bank! We appreciate your business and your new client referrals.

Sincerely,



Richard J. Brunner
Chairman and CEO



Robert D. Shamy
President



Carol A. Savage
Chief Operating Officer