NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
CONSUMER PROTECTION AND FINANCIAL ENFORCEMENT DIVISION

One State Street
New York, NY 10004

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2018

Institution: Signature Bank
565 Fifth Avenue
New York, NY 10017

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Signature Bank ("Signature" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This evaluation represents the Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2018.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income ("LMI") areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent ("GRS") implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions' performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

(1) Outstanding record of meeting community credit needs;

(2) Satisfactory record of meeting community credit needs;

(3) Needs to improve record of meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary ("Evaluation") be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Signature according to the large banking institution performance criteria pursuant to Sections 76.7, 76.8, 76.9, and 76.10 of the GRS. The Department evaluated Signature's performance in calendar years 2015, 2016, 2017, and 2018. Signature is rated "**Satisfactory"** or "2." This rating means Signature had a satisfactory record of helping to meet community credit needs within regulatory standards.

This rating is based on the following factors:

LENDING TEST: "High Satisfactory"

Signature's lending activities, particularly in Consolidation, Extension, and Modification Agreements ("CEMA") for multifamily loans and community development lending were more than reasonable considering its size, business strategy, financial condition, aggregate and peer group activity, and the demographic characteristics and credit needs of its assessment area.

Lending Activity: "High Satisfactory"

Signature's lending levels were more than reasonable considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Signature's average loan-to-deposit ("LTD") ratio for the evaluation period of 92% was 6.6% more than its peer group's average of 85.4% for the same period.

Assessment Area Concentration: "Outstanding"

Signature originated 95.4% by number and 98.6% by dollar value of its total CEMA multifamily, HMDA-reportable, and small business loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

Geographic Distribution of Loans: "Outstanding"

Signature's origination of loans in census tracts of varying income levels demonstrated an excellent distribution of lending.

The excellent levels of lending in LMI census tracts were primarily due to Signature's CEMA multifamily and HMDA-reportable loans.

Distribution by Borrower Characteristics: "Low Satisfactory"

Signature's small business lending demonstrated an adequate distribution of loans among businesses of different revenue sizes. DFS evaluated Signature's distribution by borrower characteristics based solely on its small business lending activities. Signature's

lending activities were primarily in HMDA-reportable multifamily and CEMA multifamily loans where borrower income is not required for HMDA-reporting purposes.

Signature made 21.1% by number and 38.3% by dollar value of its loans to businesses with revenue of $1 million or less. Signature's rate of lending by number of loans trailed the aggregate by 25.5% but was comparable by dollar value.

Community Development Lending: "High Satisfactory"

Signature originated $5.7 billion in community development loans. This demonstrated a more than reasonable level of community development lending over the course of the evaluation period. Signature's community development loans consisted mainly of affordable housing projects, which made up 71.2% of the total community development loans. Of the loans Signature submitted for affordable housing purposes, DFS disqualified seven multifamily loans totaling $8 million.

INVESTMENT TEST: "High Satisfactory"

Signature's qualified investments were more than reasonable in light of the assessment area's credit needs.

Qualified Investments: "High Satisfactory"

Signature made $247.8 million in new community development investments during the evaluation period. In addition, Signature made $8.3 million in community development grants. This demonstrated a more than reasonable level of qualified investments over the course of the evaluation period.

Innovativeness of Community Development Investments

Signature did not make use of any innovative investments to support community development during the evaluation period.

Responsiveness of Community Development Investments to Credit and Community Development Needs

Signature's community development investments exhibited more than reasonable responsiveness to the assessment area's credit and community development needs.

SERVICE TEST: "High Satisfactory"

Retail Banking Services: "Low Satisfactory"

Signature's branch network, delivery systems, branch hours, services, and alternative delivery systems are adequate, particularly as they relate to LMI individuals.

Community Development Services: “High Satisfactory”

Signature provided a more than reasonable level of community development services. During the evaluation period senior officers and staff participated in a range of community development services. These services included serving as board members of nonprofit organizations involved in a range of community services. Signature was also involved in providing and sponsoring financial literacy education to LMI individuals.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

PERFORMANCE CONTEXT

Institution Profile

Chartered in 2001, Signature is a New York state-chartered commercial bank, with its corporate headquarters located at 565 Fifth Avenue, New York, New York. Signature operates from twenty-nine full service and two limited service branches throughout the New York metropolitan area, covering eight counties: New York (Manhattan), Bronx, Queens, Kings (Brooklyn), Richmond (Staten Island), Westchester, Nassau, and Suffolk. In addition to New York, Signature has expanded its operations in Connecticut and California.

Signature offers a wide array of business and personal banking products and services, such as multifamily residential and commercial real estate loans, as well as receivable and payable management services for its business clients. Signature primarily serves the needs of privately-owned businesses, including the owners and senior managers of these businesses.

Signature provides other financial products and services through two wholly owned subsidiaries: Signature Financial LLC, a specialty finance company based in Melville, New York that offers a variety of financing and leasing products, including equipment, transportation and commercial marine loans, and Signature Securities Group Corporation, a licensed broker-dealer and investment advisor that offers brokerage, asset management, and insurance products and services.

In its Consolidated Report of Condition ("Call Report") filed with the Federal Deposit Insurance Corporation ("FDIC") as of December 31, 2018, Signature reported total assets of $47.4 billion, of which $36.7 billion, or 77.4%, were net loans and lease financing receivables. It also reported total deposits of $36.4 billion, resulting in an LTD ratio of 101%. According to the latest available comparative deposit data as of June 30, 2018, Signature had a market share of 2.3%, or $34.6 billion in a market of $1.5 trillion, ranking it 9th among 129 deposit-taking institutions in the assessment area.

The following table is a summary of Signature's loan portfolio, based upon Schedule RC-C of the Bank's December 31, 2015, 2016, 2017, and 2018 Call Reports.

TOTAL GROSS LOANS OUTSTANDING								
	2015		2016		2017		2018	
Loan Type	$000's	%	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	704,688	2.9	686,014	2.3	744,748	2.2	738,115	2.0
Commercial & Industrial Loans	3,907,324	16.1	4,314,653	14.5	4,503,902	13.6	5,873,998	15.9
Commercial Mortgage Loans	6,956,109	28.6	8,761,659	29.5	9,839,292	29.7	11,414,496	30.9
Multifamily Mortgages	11,823,073	48.7	14,365,680	48.4	14,507,077	43.8	15,686,967	42.4
Consumer Loans	159,374	0.7	187,230	0.6	217,238	0.7	170,469	0.5
Construction Loans	86,195	0.4	485,309	1.6	2,022,510	6.1	1,656,382	4.5
Obligations of States & Municipalities	30,098	0.1	153,010	0.5	364,658	1.1	446,532	1.2
Other Loans	71,203	0.3	98,227	0.3	142,582	0.4	125,149	0.3
Lease Financing Receivables	555,576	2.3	602,311	2.0	763,570	2.3	861,309	2.3
Total Gross Loans	24,293,640	100.0	29,654,093	100.0	33,105,577	100.0	36,973,417	100.0

As illustrated in the above table, Signature is primarily a commercial lender with 89.2% of its loan portfolio, as of December 31, 2018, in multifamily mortgage loans, commercial mortgage loans, and commercial and industrial loans. Signature's largest concentration was in multifamily mortgages with a four-year average of 45.8% of its portfolio, followed by commercial mortgages at 29.7% and commercial & industrial loans at 12.5%.

During the prior evaluation period (2011 through 2014), total loans averaged $12.5 billion. The annual average for the current evaluation period was $31 billion or 148% greater than the prior period.

Examiners found no evidence of financial or legal impediments that had an adverse impact on Signature's ability to meet the credit needs of its community.

Assessment Area

Signature's assessment area consisted of eight counties: Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk and Westchester. Signature's assessment area has remained unchanged since the prior evaluation.

There are 2,997 census tracts in the area, of which 367 are low-income, 736 are moderate-income, 1,027 are middle-income, and 786 are upper-income; 81 tracts had no median family income ("MFI") available. There was a slight decrease in the number of LMI census tracts due to MSA delineation changes[1] affecting the moderate- income census tracts, which also affected the distribution of Signature's branches in LMI census tracts[2].

1. The number of LMI census tracts dropped from 1,111 in 2014 to 1,103 in 2018. This is primarily the result of the U.S. Office of Management and Budget's ("OMB") review of the census tract delineations which occurred in July 2015, August 2017 and April & September 2018. A metropolitan statistical area's geographic composition at a particular point in time, is referred to as its "delineation".
2. Refer to "Retail Banking Services" in the Performance Standards and Assessment Factors section of this Evaluation.

Assessment Area Census Tracts by Income Level							
County	NA	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	160	90	56	26	339	73.7
Kings	14	115	280	211	141	761	51.9
New York	15	44	51	20	158	288	33.0
Queens	27	24	176	308	134	669	29.9
Richmond	3	4	11	36	56	110	13.6
Nassau	9	7	28	159	81	284	12.3
Suffolk	1	6	68	192	56	323	22.9
Westchester	5	7	32	45	134	223	17.5
Total	81	367	736	1,027	786	2,997	36.8

Demographic & Economic Data

The assessment area had a population of 12.3 million during the evaluation period. About 13.6% of the population were over the age of 65 and 19.2% were under the age of sixteen.

Of the 2.8 million families in the assessment area, 28.1% were low-income, 16.2% were moderate-income, 17.2% were middle-income, and 38.5% were upper-income. There were 4.4 million households in the assessment area, of which 15.9% had income below the poverty level and 3.5% were on public assistance.

The weighted average MFI for the assessment area was $85,421. The breakdown of MFI for the respective counties is as follows:

- Bronx, Kings and Queens counties had lower weighted average MFIs at $43,106, $60,769, and $$67,495, respectively.

- The following counties had higher weighted average MFIs: Richmond at $87,457; Suffolk at $105,605; New York at $115,721; Nassau at $120,712; and Westchester at $120,822.

There were 4.8 million housing units within the assessment area, of which 52.3% were one-to-four family units and 47.4% were multifamily units.

The most significant concentration of multifamily housing units were in the following counties: Bronx at 71%, Kings at 50.7%, and New York at 95.2%. In Bronx County, 84.2% of multifamily housing units were located in LMI census tracts, while 62.2% were in LMI census tracts in Kings County. Although New York County had the highest percentage of multifamily housing units at 95.2%, only 28.1% of those were in LMI

census tracts.

The following counties have more one-to-four family housing units than multifamily units: Suffolk County's housing stock was composed of 90.7% one-to-four family units; Nassau County's was 88.1%; Richmond County's was 86.9%; Westchester County's was 67.5%; and Queens County's was 59.8%.

Of the assessment area's total housing units, 50.6% were renter-occupied, while 40.3% were owner-occupied.

- Of the 2.4 million renter-occupied housing units, 53.4% were in LMI census tracts while 46.3% were in middle- and upper-income census tracts.

- Of the eight counties in the assessment area, Bronx at 85.5% and Kings at 64.4%, had the highest percentages of renter-occupied housing units in LMI census tracts. The weighted average monthly rent in the assessment area was $1,362.

- Of the 1.9 million owner-occupied housing units, 18.7% were in LMI census tracts while 81.2% were in middle- and upper-income census tracts. The median age of the housing stock was 73 years, and the median home value in the assessment area was $518,692.

There were 841,196 non-farm businesses in the assessment area. Of these, 86.4% were businesses with reported revenues of less than or equal to $1 million, 6.8% reported revenues of more than $1 million and 6.8% did not report their revenues. Of all the businesses in the assessment area, 96.9% were businesses with less than fifty employees while 91.6% operated from a single location. The largest industries in the area were services (46.3%), retail trade (14.3%), and finance, insurance & real estate (9.1%); 11.4% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State during the evaluation period decreased to 4.2% in 2018 from 5.3% in 2015, resulting in a four-year average rate of 4.7%. All counties in Signature's assessment area exhibited the same downward trend in unemployment rates noted at the statewide level.

Bronx County had the highest average unemployment rate at 6.7% followed by Kings at 5%. Richmond's average rate of 4.9% was comparable to the state average. Queens, New York, Nassau, Suffolk, and Westchester counties had average unemployment rates lower than the statewide average.

Assessment Area Unemployment Rate									
	Statewide	Bronx	Kings	Queens	New York	Richmond	Nassau	Suffolk	Westchester
2015	5.3	7.8	5.9	5.0	4.9	5.8	4.2	4.7	4.5
2016	4.8	7.1	5.3	4.5	4.5	5.2	3.9	4.4	4.3
2017	4.7	6.2	4.6	4.0	4.0	4.6	4.1	4.5	4.6
2018	4.2	5.6	4.2	4.0	3.6	4.1	3.7	4.0	4.1
Average	4.7	6.7	5.0	4.4	4.3	4.9	4.0	4.4	4.4

Community Information

Examiners conducted community contact interviews with two not-for-profit organizations to obtain an understanding of the credit needs of the assessment area, as well as obtain their perspective on issues confronting financial institutions engaged in multifamily lending.

The first interview was with officials of a nonprofit organization that provides technical assistance and other services relating to affordable housing in New York City to prospective tenants, community leaders, tenant groups, affordable housing managers, and other nonprofits. The officials remarked that local financial institutions can help alleviate the problem of affordable housing in the assessment area by financing to build, rehabilitate, and renovate privately-owned multifamily affordable housing projects. However, the officials cautioned that multifamily lenders should be proactive in their lending practices by taking into account all information relating to the landlords or property addresses and should be in periodic dialogue with community stakeholders including tenant associations, tenant leaders, affordable housing advocates, and community organizations because issues can occur after loans are made.

The second interview was with the director of a community development financial institution ("CDFI") engaged in lending to entities for projects that have high social value but may not be able to access the services offered by traditional financial institutions. The interviewee also confirmed that financing affordable housing projects remains the most significant need of Signature's assessment area, while noting a growing need to provide working capital lines for social service providers who rely on federal grants, as these grants have become more difficult to obtain.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated Signature under the large banking institution performance standards in accordance with Sections 76.7, 76.8, 76.9, and 76.10 of the GRS, which consist of the lending, investment, and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. *The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
2. *Any practices intended to discourage credit applications;*
3. *Evidence of prohibited discriminatory or other illegal credit practices;*
4. *Record of opening and closing offices and providing services at offices; and*
5. *Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

Finally, the evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which Signature helps to meet the credit needs of its entire community.

DFS derived statistics employed in this evaluation from various sources. Signature submitted bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS used LTD ratios from the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The assessment period included calendar years 2015, 2016, 2017, and 2018.

Examiners considered Signature's small business loans in evaluating factors (2), (3), and (4) of the lending test noted below, and considered HMDA-reportable loans and CEMA multifamily loans[1] in evaluating factors (2) and (3). In evaluating Signature's lending test, examiners gave greater weight to the Bank's HMDA-reportable and CEMA multifamily lending, as those loans comprised 90.3 % of the Bank's lending activities within the assessment area during the evaluation period.

HMDA-reportable, small business, and CEMA multifamily loans evaluated in this Evaluation represented actual originations.

[1] Borrower income for multifamily loans is not required for HMDA reporting, therefore HMDA-reportable multifamily and CEMA multifamily loans were not considered in evaluating factor (4)

At its **prior** Performance Evaluation, as of December 31, 2014, DFS assigned Signature a rating of "2," reflecting a "Satisfactory" record of helping to meet community credit needs.

Current CRA Rating: "Satisfactory"

LENDING TEST: "High Satisfactory"

Signature's lending performance was evaluated pursuant to the following criteria:
(1) Lending Activity;
(2) Assessment Area Concentration;
(3) Geographic Distribution of Loans;
(4) Borrower Characteristics;
(5) Community Development Lending; and
(6) Flexible and/or Innovative Lending Practices.

Signature's lending activities, particularly in HMDA-reportable and CEMA multifamily loans were more than reasonable in light of the Bank's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. Signature's volume of community development loans addressing affordable housing, economic development, community services, and revitalization and stabilization demonstrated more than reasonable levels of responsiveness to LMI individuals and the needs of the community.

Lending Activity: "High Satisfactory"

Signature's lending activity levels were more than reasonable considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Signature's average LTD ratio for the evaluation period was 92%, registering an increase of 30.9% from its prior evaluation period's LTD ratio of 70.3%. On average, Signature's LTD ratio of 92% was 6.6% more than its peer group's average of 85.4% for the same period.

Loan-to-Deposit Ratios

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Avg.
Bank	80.7	85.1	85.1	89.8	89.8	91.2	89.4	92.2	91.3	92.0	93.1	98.2	96.4	98.9	98.1	100.8	92.0
Peer	81.7	83.1	82.7	82.6	82.9	85.5	84.5	84.3	84.3	86.8	86.6	87.2	87.5	88.6	89.3	88.2	85.4

Assessment Area Concentration: "Outstanding"

During the evaluation period, Signature originated 95.4% by number and 98.6% by dollar value of its total CEMA multifamily, HMDA-reportable, and small business loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

CEMA Multifamily Loans

CEMA loans became HMDA-reportable effective 2018 and are therefore included in the HMDA-reportable analysis for 2018. From 2015 to 2017, Signature originated 99.5% by number and 99.6% by dollar value of its CEMA multifamily loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent record of lending.

HMDA-Reportable Loans

Signature originated 99.5% by number and 99.1% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending reflects an excellent concentration of lending within the assessment area. The number and dollar value of the Bank's HMDA-reportable loans increased significantly in 2018 because, for the first time, those figures included CEMA multifamily loans originated or purchased during the year.

Small Business Loans

Signature originated 94% by number and 92.1% by dollar value of its small business loans within the assessment area, demonstrating an excellent record of lending.

The following table shows the percentages of Signature's CEMA multifamily, HMDA-reportable, and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA-Reportable Loans										
2015	92	100.0%	-	0.0%	92	418,963	100.0%	-	0.0%	418,963
2016	73	100.0%	-	0.0%	73	289,692	100.0%	-	0.0%	289,692
2017	37	97.4%	1	2.6%	38	284,508	98.2%	5,350	1.8%	289,858
2018*	536	99.4%	3	0.6%	539	3,141,950	99.0%	32,450	1.0%	3,174,400
Subtotal	738	99.5%	4	0.5%	742	4,135,113	99.1%	37,800	0.9%	4,172,913
Small Business Loans										
2015	1,216	93.7%	82	6.3%	1,298	211,799	88.7%	27,017	11.3%	238,816
2016	910	94.0%	58	6.0%	968	239,237	91.1%	23,267	8.9%	262,504
2017	1,041	94.6%	59	5.4%	1,100	328,829	94.4%	19,485	5.6%	348,314
2018	946	93.6%	65	6.4%	1,011	254,612	93.0%	19,177	7.0%	273,789
Subtotal	4,113	94.0%	264	6.0%	4,377	1,034,477	92.1%	88,946	7.9%	1,123,423
CEMA Multi-Family Loans										
2015	283	99.6%	1	0.4%	284	1,828,307	99.8%	3,525	0.2%	1,831,832
2016	281	99.6%	1	0.4%	282	2,207,795	99.7%	7,050	0.3%	2,214,845
2017	191	99.0%	2	1.0%	193	1,443,609	99.3%	10,850	0.7%	1,454,459
Subtotal	755	99.5%	4	0.5%	759	5,479,711	99.6%	21,425	0.4%	5,501,136
Grand Tota	5,606	95.4%	272	4.6%	5,878	10,649,301	98.6%	148,171	1.4%	10,797,472

* 2018 HMDA-reportable loans include CEMA loans.

Geographic Distribution of Loans: "Outstanding"

Signature's origination of loans in census tracts of varying income levels demonstrated an excellent distribution of lending.

The excellent overall level of lending in LMI census tracts was driven primarily by Signature's HMDA-reportable and CEMA multifamily lending, with both loan products combined representing 90.3% by dollar value of loans originated inside the assessment area.

CEMA Multifamily Loans

The distribution of Signature's CEMA multifamily loans by the income level of the geography was excellent.

Signature's CEMA multifamily lending from 2015 to 2017 was 69.9% by number and 57% by dollar value in LMI census tracts. Throughout this period, the rate of lending by number was 72.1%, 71.5% and 64.4%, respectively, while the rate of lending by dollar value was 62.7%, 58.3% and 47.8%, respectively. Starting in 2018, CEMA loans were reported and evaluated as HMDA reportable loans.

The following table provides a summary of the distribution of Signature's CEMA multifamily loans by the income level of the geography, including renter-occupied housing units on each income level.

Distribution of CEMA Multifamily loans by Geographic Income of the Census Tract					
2015					
Geographic	**Bank**				**RO HUs**
Income	**#**	**%**	**$000's**	**%**	**%**
Low	63	22.3%	328,460	18.0%	20.6%
Moderate	141	49.8%	818,167	44.7%	34.2%
LMI	204	72.1%	1,146,627	62.7%	54.8%
Middle	41	14.5%	338,165	18.5%	24.2%
Upper	36	12.7%	333,015	18.2%	21.0%
Unknown	2	0.7%	10,500	0.6%	
Total	**283**	**100.0%**	**1,828,307**	**100.0%**	**100.0%**
2016					
Geographic	**Bank**				**RO HUs**
Income	**#**	**%**	**$000's**	**%**	**%**
Low	88	31.3%	674,023	30.5%	20.6%
Moderate	113	40.2%	612,233	27.7%	34.2%
LMI	201	71.5%	1,286,256	58.3%	54.8%
Middle	36	12.8%	349,985	15.9%	24.2%
Upper	44	15.7%	571,554	25.9%	21.0%
Unknown		0.0%		0.0%	
Total	**281**	**100.0%**	**2,207,795**	**100.0%**	**100.0%**
2017					
Geographic	**Bank**				**RO HUs**
Income	**#**	**%**	**$000's**	**%**	**%**
Low	41	21.5%	265,371	18.4%	22.6%
Moderate	82	42.9%	424,543	29.4%	30.9%
LMI	123	64.4%	689,914	47.8%	53.4%
Middle	29	15.2%	179,380	12.4%	22.9%
Upper	38	19.9%	566,315	39.2%	23.4%
Unknown	1	0.5%	8,000	0.6%	0.3%
Total	**191**	**100.0%**	**1,443,609**	**100.0%**	**100.0%**
GRAND TOTAL					
Geographic	**Bank**				
Income	**#**	**%**	**$000's**	**%**	**%**
Low	192	25.4%	1,267,854	23.1%	
Moderate	336	44.5%	1,854,943	33.9%	
LMI	528	69.9%	3,122,797	57.0%	
Middle	106	14.0%	867,530	15.8%	
Upper	118	15.6%	1,470,884	26.8%	
Unknown	3	0.4%	18,500	0.3%	
Total	**755**	**100.0%**	**5,479,711**	**100.0%**	

HMDA-Reportable Loans

The distribution of Signature's HMDA-reportable loans by the income level of the geography was excellent.

Signature originated 24.8% by number and 25.3% by dollar value of its HMDA-reportable loans in low-income census tracts during the current evaluation period, which favorably compared with aggregate levels of 3.4% and 5.7%, respectively. Overall lending in LMI census tracts was 61.5% by number and 54.4% by dollar value, significantly exceeding aggregate levels of 18.9% and 22.4%, respectively.

Signature's levels of lending in both low- and moderate-income geographies were more than the aggregate levels for each year during the evaluation period, as well as comparable to the assessment area's housing characteristics that ranged from 53.4% to 54.8% of renter-occupied units housing units.

The following table provides a summary of Signature's HMDA-reportable lending distribution based on the income level of the geography, including the breakdown of renter-occupied housing units for each income category.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2015									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	14	15.2%	80,598	19.2%	3,340	3.0%	2,936,935	4.7%	20.6%
Moderate	44	47.8%	135,424	32.3%	16,932	15.3%	9,564,264	15.4%	34.2%
LMI	58	63.0%	216,022	51.6%	20,272	18.3%	12,501,199	20.1%	54.8%
Middle	11	12.0%	57,664	13.8%	45,836	41.4%	18,719,329	30.1%	24.2%
Upper	23	25.0%	145,277	34.7%	44,499	40.2%	30,839,439	49.7%	21.0%
Unknow n		0.0%		0.0%	43	0.0%	41,517	0.1%	
Total	**92**	**100.0%**	**418,963**	**100.0%**	**110,650**	**100.0%**	**62,101,484**	**100.0%**	**100.0%**
2016									
Geographic	**Bank**				**Aggregate**				**RO Hus**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	16	21.9%	39,302	13.6%	3,672	3.1%	3,335,318	4.9%	20.6%
Moderate	22	30.1%	106,522	36.8%	18,616	15.5%	10,733,705	15.8%	34.2%
LMI	38	52.1%	145,824	50.3%	22,288	18.5%	14,069,023	20.7%	54.8%
Middle	15	20.5%	47,225	16.3%	50,785	42.2%	20,817,129	30.6%	24.2%
Upper	20	27.4%	96,643	33.4%	47,182	39.2%	33,179,307	48.7%	21.0%
Unknow n		0.0%		0.0%	40	0.0%	59,624	0.1%	
Total	**73**	**100.0%**	**289,692**	**100.0%**	**120,295**	**100.0%**	**68,125,083**	**100.0%**	**100.0%**
2017									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	10	27.0%	43,646	15.3%	4,161	3.6%	3,774,282	5.6%	22.6%
Moderate	13	35.1%	52,735	18.5%	17,844	15.6%	12,111,760	17.9%	30.9%
LMI	23	62.2%	96,381	33.9%	22,005	19.3%	15,886,042	23.5%	53.4%
Middle	3	8.1%	105,475	37.1%	46,927	41.1%	19,193,538	28.4%	22.9%
Upper	11	29.7%	82,652	29.1%	45,149	39.5%	32,358,042	47.8%	23.4%
Unknown		0.0%		0.0%	175	0.2%	227,157	0.3%	0.3%
Total	**37**	**100.0%**	**284,508**	**100.0%**	**114,256**	**100.0%**	**67,664,779**	**100.0%**	**100.0%**
2018									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	143	26.7%	880,810	28.0%	5,201	3.7%	6,299,635	7.2%	22.6%
Moderate	192	35.8%	909,825	29.0%	21,896	15.6%	15,261,070	17.4%	30.9%
LMI	335	62.5%	1,790,635	57.0%	27,097	19.3%	21,560,705	24.6%	53.4%
Middle	94	17.5%	552,428	17.6%	57,972	41.2%	24,710,390	28.2%	22.9%
Upper	107	20.0%	798,887	25.4%	55,474	39.4%	41,087,400	46.9%	23.4%
Unknown		0.0%		0.0%	189	0.1%	331,335	0.4%	0.3%
Total	**536**	**100.0%**	**3,141,950**	**100.0%**	**140,732**	**100.0%**	**87,689,830**	**100.0%**	**100.0%**
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				
Income	#	%	$000's	%	#	%	$000's	%	
Low	183	24.8%	1,044,356	25.3%	16,374	3.4%	16,346,170	5.7%	
Moderate	271	36.7%	1,204,506	29.1%	75,288	15.5%	47,670,799	16.7%	
LMI	454	61.5%	2,248,862	54.4%	91,662	18.9%	64,016,969	22.4%	
Middle	123	16.7%	762,792	18.4%	201,520	41.5%	83,440,386	29.2%	
Upper	161	21.8%	1,123,459	27.2%	192,304	39.6%	137,464,188	48.1%	
Unknown		0.0%		0.0%	447	0.1%	659,633	0.2%	
Total	**738**	**100.0%**	**4,135,113**	**100.0%**	**485,933**	**100.0%**	**285,581,176**	**100.0%**	

Small Business Loans

The distribution of Signature's small business loans among census tracts of varying income levels was adequate.

The average rate of lending in LMI geographies was 29.9% by number and 31.2% by dollar value, slightly more than aggregate levels by 3.8% and 7.9%, respectively.

The following table provides a summary of the distribution of Signature's small business loans by the income level of the geography, including business demographics of each income level.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2015									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	59	4.9%	17,183	8.1%	24,652	7.8%	543,200	6.2%	7.3%
Moderate	244	20.1%	46,558	22.0%	61,847	19.4%	1,446,246	16.5%	19.2%
LMI	303	24.9%	63,741	30.1%	86,499	27.2%	1,989,446	22.7%	26.5%
Middle	619	50.9%	76,102	35.9%	102,544	32.2%	2,767,565	31.6%	32.8%
Upper	236	19.4%	63,862	30.2%	122,583	38.5%	3,693,972	42.2%	38.8%
Unknown	58	4.8%	8,094	3.8%	6,447	2.0%	310,077	3.5%	1.9%
Total	**1,216**	**100.0%**	**211,799**	**100.0%**	**318,073**	**100.0%**	**8,761,060**	**100.0%**	**100.0%**
2016									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	77	8.5%	24,338	10.2%	24,884	7.4%	659,405	6.7%	7.2%
Moderate	145	15.9%	44,721	18.7%	63,222	18.9%	1,660,749	17.0%	19.1%
LMI	222	24.4%	69,059	28.9%	88,106	26.3%	2,320,154	23.7%	26.4%
Middle	401	44.1%	85,587	35.8%	108,737	32.4%	3,054,992	31.2%	32.7%
Upper	255	28.0%	82,030	34.3%	131,631	39.3%	4,069,929	41.6%	39.0%
Unknown	32	3.5%	2,561	1.1%	6,678	2.0%	330,932	3.4%	2.0%
Total	**910**	**100.0%**	**239,237**	**100.0%**	**335,152**	**100.0%**	**9,776,007**	**100.0%**	**100.0%**
2017									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	74	7.1%	27,208	8.3%	28,662	8.3%	747,421	7.2%	7.6%
Moderate	395	37.9%	88,723	27.0%	60,654	17.5%	1,646,307	15.9%	17.7%
LMI	469	45.1%	115,931	35.3%	89,316	25.8%	2,393,728	23.1%	25.3%
Middle	292	28.0%	114,779	34.9%	102,123	29.5%	2,910,254	28.1%	31.0%
Upper	266	25.6%	94,816	28.8%	148,859	43.1%	4,747,303	45.9%	41.8%
Unknown	14	1.3%	3,303	1.0%	5,458	1.6%	295,253	2.9%	1.9%
Total	**1,041**	**100.0%**	**328,829**	**100.0%**	**345,756**	**100.0%**	**10,346,538**	**100.0%**	**100.0%**
2018									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	58	6.1%	18,633	7.3%	29,364	7.9%	771,722	7.2%	7.6%
Moderate	178	18.8%	54,977	21.6%	65,243	17.5%	1,758,735	16.4%	17.7%
LMI	236	24.9%	73,610	28.9%	94,607	25.4%	2,530,457	23.6%	25.3%
Middle	466	49.3%	113,522	44.6%	110,661	29.7%	3,008,896	28.1%	30.7%
Upper	231	24.4%	63,989	25.1%	161,114	43.3%	4,860,881	45.4%	42.1%
Unknown	13	1.4%	3,491	1.4%	6,036	1.6%	313,556	2.9%	1.9%
Total	**946**	**100.0%**	**254,612**	**100.0%**	**372,418**	**100.0%**	**10,713,790**	**100.0%**	**100.0%**
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				
Income	#	%	$000's	%	#	%	$000's	%	
Low	268	6.5%	87,362	8.4%	107,562	7.8%	2,721,748	6.9%	
Moderate	962	23.4%	234,979	22.7%	250,966	18.3%	6,512,037	16.4%	
LMI	1,230	29.9%	322,341	31.2%	358,528	26.1%	9,233,785	23.3%	
Middle	1,778	43.2%	389,990	37.7%	424,065	30.9%	11,741,707	29.7%	
Upper	988	24.0%	304,697	29.5%	564,187	41.1%	17,372,085	43.9%	
Unknown	117	2.8%	17,449	1.7%	24,619	1.8%	1,249,818	3.2%	
Total	**4,113**	**100.0%**	**1,034,477**	**100.0%**	**1,371,399**	**100.0%**	**39,597,395**	**100.0%**	

Distribution by Borrower Characteristics: “Low Satisfactory”

Signature’s small business lending demonstrated an adequate distribution of loans among businesses of different revenue sizes.

As indicated in the scope of the lending test, DFS evaluated Signature’s distribution by borrower characteristics based solely on its small business lending activities. Signature’s lending activities were primarily in HMDA-reportable multifamily and CEMA multifamily loans where borrower income is not required for HMDA-reporting purposes.

Small Business Loans

Signature originated 21.1% by number of loans and 38.3% by dollar value to small businesses with revenue size of $1 million or less, trailing by 25.5% compared to the aggregate’s rate of 46.6% by number, while exceeding by 8.6% by dollar value compared to the aggregate’s rate of 29.7%.

The following table provides a summary of the distribution of Signature’s small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2015									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	125	10.3%	56,178	26.5%	155,250	48.8%	2,505,352	28.6%	78.1%
Rev. > $1MM	995	81.8%	138,862	65.6%					6.1%
Rev. Unknown	96	7.9%	16,759	7.9%					15.8%
Total	**1,216**	**100.0%**	**211,799**	**100.0%**	**318,073**		**8,761,060**		
2016									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	153	16.8%	66,235	27.7%	151,974	45.3%	2,734,863	28.0%	86.1%
Rev. > $1MM	657	72.2%	143,596	60.0%					7.0%
Rev. Unknown	100	11.0%	29,406	12.3%					6.9%
Total	**910**	**100.0%**	**239,237**	**100.0%**	**335,152**		**9,776,007**		
2017									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	325	31.2%	172,492	52.5%	177,339	51.3%	3,498,533	33.8%	86.3%
Rev. > $1MM	631	60.6%	137,663	41.9%					6.9%
Rev. Unknown	85	8.2%	18,674	5.7%					6.8%
Total	**1,041**		**328,829**		**345,756**		**10,346,538**		
2018									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	266	28.1%	101,683	39.9%	154,370	41.5%	3,031,184	28.3%	86.3%
Rev. > $1MM	593	62.7%	132,034	51.9%					6.9%
Rev. Unknown	87	9.2%	20,895	8.2%					6.8%
Total	**946**	**100.0%**	**254,612**	**100.0%**	**372,418**		**10,713,790**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				
	#	%	$000's	%	#	%	$000's	%	
Rev. < = $1MM	869	21.1%	396,588	38.3%	638,933	46.6%	11,769,932	29.7%	
Rev. > $1MM	2,876	69.9%	552,155	53.4%					
Rev. Unknown	368	8.9%	85,734	8.3%					
Total	**4,113**	**100.0%**	**1,034,477**	**100.0%**	**1,371,399**		**39,597,395**		

Community Development Lending: "High Satisfactory"

During the evaluation period, Signature originated $5.7 billion in community development loans, a 54.1% increase from $3.7 billion during the prior evaluation period. This demonstrated a more than reasonable level of community development lending.

Signature's community development loans consisted mainly of affordable housing projects, which made up 71.2% of the Bank's community development loans.

DFS considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions. Of the loans Signature submitted for CRA credit as affordable housing, DFS disqualified seven multifamily loans totaling $8 million. The properties had unacceptably high numbers of housing code violations, as reported to DFS by New York City's Department of Housing Preservation and Development and as reflected in high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database. These sources indicated that the financed properties were in significant physical or financial distress and thus not creditable for helping to promote or provide affordable housing.

Signature's community development loans also included credit extensions to finance commercial real estate properties leased and occupied by a range of business establishments, such as retail stores and other small businesses. These loans helped neighborhood revitalization in LMI communities and economic development by providing jobs to LMI individuals and providing services to the community. Loans for neighborhood revitalization and economic development were 27% of the Bank's total community development loans while those that qualified for community services made up the remaining 1.8%.

Community Development Loans				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	1,118	4,038,240		
Economic Development	328	1,446,338		
Community Services	24	99,827		
Other (Please Specify)	9	86,734		
Total	1,479	5,671,139	0	0

Below are highlights of Signature's community development lending.

Affordable Housing

Signature extended over $4 billion in commercial mortgages to finance various affordable housing multifamily properties for LMI individuals and families in the Bank's assessment area, including acquisition and refinancing of those properties, some of which are as follows:

- Signature extended a $97.5 million commercial mortgage to finance the acquisition of four interconnected residential towers containing 915 income restricted apartments in Queens County. The subject property entered into a 25-year regulatory agreement with the NYC Department of Housing Preservation and Development ("HPD") which provides housing for limited income households.

- Signature extended a $27 million commercial mortgage to refinance the existing mortgage on two eight-story apartment buildings consisting of 202 apartment units in Bronx County. A majority of the apartment units in the buildings provide affordable housing for LMI individuals and families.

Economic Development and Revitalization and Stabilization

- During the current evaluation period, Signature extended approximately $1.4 billion in commercial mortgages that supported creation or retention of jobs for LMI individuals and for LMI census tracts within the Bank's assessment area. Signature financed numerous commercial buildings that contained various local small business tenants such as restaurants, groceries, warehouses and clothing stores. Tenants on some of the commercial properties included bank branches, not-for-profit social service organizations, and medical and dental offices that offered a range of essential services and products to residents and adjoining neighborhoods supporting neighborhood revitalization of LMI census tracts.

- Signature extended and renewed three lines of credits totaling $5 million to two CDFIs and a New York based business development corporation that supports the generation of economic growth by providing financing opportunities to small businesses.

- Signature participated for $61.6 million in the financing of an energy management project for the New York City Housing Authority. The project encompasses 23 sites with over 16,800 units in Queens and Kings counties and provided energy efficiency improvements and repair needs caused by Super Storm Sandy.

Community Services

Signature extended approximately $75.7 million in commercial mortgages to finance the acquisition or refinancing of homeless shelters, transitional housing

and supportive housing facilities in the Bank's assessment area.

- Signature provided approximately $24.1 million in lines of credit to various not-for-profit organizations committed to providing social, legal, and human care services to LMI individuals and families and to a medical facility which derives a majority of its revenues from New York City, New York State, and federal grants.

Flexible and/or Innovative Lending Practices

In 2018, Signature made a $500,000 recoverable grant to five not-for-profit affordable housing organizations to finance building-wide or apartment unit improvements that will benefit low-to-moderate income tenants. The grant provided for a term of up to five-years to each organization with no payments for the first year, followed by quarterly payments of principal until completion of the facility. Repaid funds are used to support similar projects of not-for-profit real estate housing organizations.

INVESTMENT TEST: "High Satisfactory"

DFS evaluated Signature's investment performance pursuant to the following criteria:
(1) The dollar amount of qualified investments;
(2) The innovativeness or complexity of qualified investments; and
(3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.

Signature's community development investments were more than reasonable in light of the assessment area's credit needs.

Qualified Investments: "High Satisfactory"

During the evaluation period, Signature made $247.8 million in new community development investments. In addition, Signature made $8.3 million in community development grants. This demonstrated a more than reasonable level of qualified investments.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	17	237,939		
Economic Development	7	3,411		
Community Services	0	5,161		
Revitalize Stabilize	0	1,250		
Total	24	247,761	0	0
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	62	6,879		
Economic Development	45	99		
Community Services	302	1,365		
Revitalize Stabilize	3	2		
Total	412	8,345		

Below are highlights of Signature's community development investment and grants:

Signature primarily invested in Low Income Housing Tax Credit ("LIHTC") affordable housing projects. Investment in LIHTCs represented 96% of total investments during the evaluation period. The investments were made through proprietary and national funds supporting the creation, retention, and preservation of affordable housing units in New York State.

- Signature invested $221.3 million in LIHTC eligible multifamily projects in Queens, Bronx, Kings, and New York counties. The affordable housing units include Section 8 housing units and those designated permanently affordable under New York City's Housing Preservation and Development's ("HPD") Inclusionary Housing Program ("IHP"). IHP is designed to preserve and promote affordable housing within neighborhoods where zoning has been modified to encourage new development.

Community Development Grants

- Signature contributed $6.7 million to the Affordable Housing Program ("AHP") of the Federal Home Loan Bank of New York ("FHLBNY"). Each year, the FHLBNY sets aside 10% of its earnings to support the preservation and creation of housing for lower income families through the AHP. The $6.7 million was Signature's share of the earnings based on their membership shares in the FHLBNY.

- Signature donated $715,000 to a nonprofit corporation that provides food, health care, counselling, and assistance in obtaining healthcare insurance to low-income individuals.

- Signature contributed $45,000 to a nonprofit organization which provides a variety of services towards affordable housing for LMI families in several locations in New York by providing capital for affordable housing projects through its CDFI subsidiary and providing technical assistance to local developer partners.

Innovativeness of Community Development Investments

Signature did not make any innovative investment choices to support community development.

Responsiveness of Community Development Investments to Credit and Community Development Needs

Signature's community development investments exhibited a more than reasonable responsiveness to the assessment area's credit and community development needs.

SERVICE TEST: "High Satisfactory"

DFS evaluated Signature's retail service performance pursuant to the following criteria:
(1) The current distribution of the banking institution's branches;
(2) The institution's record of opening and closing branches;
(3) The availability and effectiveness of alternative systems for delivering retail services; and
(4) The range of services provided.

DFS evaluated Signature's community development service performance pursuant to the following criteria:
(1) The extent to which the banking institution provides community development services; and
(2) The innovativeness and responsiveness of community development services.

Retail Banking Services: "Low Satisfactory"

Signature's branch network, delivery systems, branch hours, services, and alternative delivery systems are adequate, particularly as they relate to LMI individuals.

Current distribution of the banking institution's branches

Signature has two branches located in moderate-income census tracts (one each in Kings and Queens counties) and one branch in a low-income census tract in Bronx County.

Considering Signature's business model and strategy of serving privately owned businesses, their owners and senior managers, and that a majority of the Bank's branches and ATMs are located in middle- and upper-income census tracts and are accessible by mass transit, particularly in New York County, the current distribution of branches provide adequate accessibility to a range of products and services to LMI

individuals and small businesses.

Signature operates twenty-nine full-service branches, two of which were opened during the evaluation period.

Distribution of Branches within the Assessment Area							
County	**NA**	**Low**	**Moderate**	**Middle**	**Upper**	**Total**	**LMI**
	#	**#**	**#**	**#**	**#**	**#**	**%**
New York	2		0		7	9	0%
Kings			1	2	1	4	25%
Queens			1	1	1	3	33%
Bronx		1				1	100%
Richmond				1	1	2	0%
Nassau				2	1	3	0%
Suffolk				3	2	5	0%
Westchester				1	1	2	0%
Total	**2**	**1**	**2**	**10**	**14**	**29**	10%

Record of opening and closing branches

Signature's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems for LMI geographies or LMI individuals.

Since the prior evaluation, Signature opened two branches and closed one branch. Of the two opened, one is located where MFI is zero or not available ("NA") in New York County and the other is in a middle-income census tract in Kings County. A branch in a New York County designated NA was closed.

Availability and effectiveness of alternative systems for delivering retail services

Signature's delivery systems are reasonably accessible to significant portions of the Bank's assessment area, including LMI geographies and individuals.

- Signature operates seventeen full-service ATMs at twelve branches. All ATMs are located in middle- and upper-income census tracts. Three ATMs offer 24/7 access; the rest operate with limited hours ranging from 6:00 AM to 12:00 AM. Of the seventeen ATMs, ten are in New York and Kings counties.

- Signature's Internet Banking offers 24/7 access to personal and business accounts, reflecting real-time balances on deposit accounts, credit line balances and pending transactions. Customers can also access their e-statements, pay bills and initiate transfers.

- Signature's Mobile Banking offers 24/7 account access to personal and business

clients who are also utilizing its Internet Banking facilities.

- Signature's branded debit cards are offered to all checking account holders. This card also can be used to make purchases anywhere Mastercard is accepted.

Range of services provided

Signature's retail services meet the convenience and accessibility needs of its assessment area.

Regular business hours for branch operations are 8:00 AM to 4:00 PM, Monday through Friday.

Signature offers a basic checking account, providing a low-cost consumer transaction account to New Yorkers.

Community Development Services: "High Satisfactory"

Signature provided a more than reasonable level of community development services. During the evaluation period, senior management and staff participated in a range of community development services. These services included serving as board members of nonprofit organizations involved in a range of community services. Signature was also involved in providing and sponsoring financial literacy education to LMI individuals.

Below are highlights of Signature's community development services:

- Bank officers provided their leadership and financial expertise by serving on boards and committees of government agencies and community-based organizations that provide services to LMI individuals and communities and small businesses:
    - A Signature director was Vice Chairman of the Board of NYCHA, a New York City government housing agency, created to provide affordable housing for LMI New Yorkers across the city's five boroughs.
    - The same director was also on the board of Empire State Development, a state agency tasked with promoting a vigorous and growing economy, by encouraging business investment and job creation, and supporting local economies across New York State.
    - The assistant director of community development at Signature served on the housing committee of a local nonprofit organization that provides economic opportunities to the community and residents of central Brooklyn, with a focus on LMI households.
    - A senior vice president served on the board of trustees of a nonprofit organization that provides community services on Long Island. The

organization provides programs and services for Long Island's most vulnerable children, families, seniors, and communities. Community services include: addiction treatment, youth services, children's mental health services, residential services for homeless youth and senior services for Long Island's aging population.

  - A vice president served on the board of a nonprofit community health center that provides health care and related services to New York's uninsured lesbian, gay, bisexual, and transgender communities and homeless teens.

- Signature conducted financial education classes throughout its assessment area through its First Time Investor Program ("FTIP"). The program is geared to LMI individuals seeking to educate themselves on the process of saving, investing, and growing their personal wealth. Participants are required to invest $750 of their own funds, and at completion of the course, Signature makes a matching $750 grant. The FTIP continues to be the anchor of Signature's community service program and since 2002 has benefitted 531 low-income individuals.

- Beginning in 2017, Signature offered a specific version of the FTIP for veterans. Thirty-seven veterans participated through Spring 2018 and were required to invest $500 of their own funds. At completion of the course, each one received a matching $1,000 grant. The course covered investment options such as stocks, bonds, mutual funds, IRAs, retirement plans and how to create a balanced portfolio.

- Signature provided financial literacy training sessions to LMI high school students, in partnership with a nonprofit organization dedicated to improving people's understanding and ability in managing their financial affairs.

- Signature provided financial literacy workshops in partnership with a nonprofit organization that provides college scholarships, mentoring, financial literacy and entrepreneurial opportunities to New York City young adults who have aged out of foster care. In 2018, Signature conducted financial literacy workshops for young women who were residents in transitional housing. Topics included budgeting, building credit, debt, and financial goals.

Additional Factors

The following factors were also considered in assessing Signature's record of performance.

The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA

Signature continues to implement a comprehensive CRA compliance program with ongoing senior management oversight. Signature's CRA, Fair Lending, and Consumer Compliance Committee is tasked with reviewing CRA activities. Among the committee members are the CEO, Vice Chairman of the Board, Chief Operating Officer, Chief Credit Officer, the Director and Assistant Director of Community Development, and other senior credit and compliance officers.

The CRA program is primarily administered by the community development department, which consists of the Director and Assistant Director. The Director reports directly to the Bank's Vice Chairman and Chief Operating Officer.

The Committee meets three times a year, in addition to completing an annual CRA Report submitted to the Bank's Board of Directors. In between these formal meetings, an open active line of communication exists between senior management, members of the committee and the Bank's community development team. Topics discussed range from new community credit needs, appropriate lending and investment, and potential contribution opportunities.

Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

  DFS examiners did not note evidence of practices by Signature intended to discourage applications for the types of credit offered by Signature.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

  DFS examiners did not note evidence of prohibited discriminatory or other illegal practices.

Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution*.

  The Bank maintains relationships with community based nonprofit organizations through sponsorships and volunteering their time and lending their financial expertise. The organizations are involved in affordable housing, economic development and financial literacy.

  Additional ascertainment efforts include participation in conferences and events hosted by affordable and fair housing advocates/organizations. Signature participates

in CRA roundtables to stay informed about trends and regulatory issues.

Signature also created a “Community Liaison” position to serve as the Bank’s primary contact for community and tenant organizations, to identify problems with landlords and buildings, and gather feedback regarding the Bank’s multifamily lending activities.

- *The extent of the banking institution’s marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.*

  Signature does no retail advertising or outreach for any of its retail or commercial products. Product information is posted on the Bank’s website.

Other factors that in the judgment of the Superintendent bear upon the extent to which SB is helping to meet the credit needs of its entire community

DFS noted no other factors.

GLOSSARY

Aggregate Lending

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

"Community development":

1. Affordable housing (including multifamily housing) for low- or moderate-income ("LMI") individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

Community Development Loan

A loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income ("LMI") persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

Service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - Serving on a loan review committee;
  - Developing loan application and underwriting standards;
  - Developing loan processing systems;
  - Developing secondary market vehicles or programs;
  - Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
  - Furnishing financial services training for staff and management;
  - Contributing accounting/bookkeeping services; and
  - Assisting in fund raising, including soliciting or arranging investments.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

Home Mortgage Disclosure Act ("HMDA")

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area ("MSA") or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

A small business loan is a loan less than or equal to $1 million.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;

- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.