

## The Personal Touch

An Interview with Joseph J. DePaolo,  
President and Chief Executive Officer, Signature Bank

**EDITORS' NOTE** *Joseph DePaolo also serves on the boards of directors of Signature Bank and Signature Securities Group, a U.S. retail broker dealer and wholly owned non-bank subsidiary of Signature Bank. Prior to co-founding Signature Bank, he was a Managing Director of Republic National Bank of New York. He also served as the Chairman of Republic Financial Services and Chairman of the Republic Insurance Agency. Before joining Republic in 1988, DePaolo spent seven years at KPMG. DePaolo is a C.P.A. and earned a bachelor of business administration degree in accounting from Iona College in New York.*



Joseph J. DePaolo

**COMPANY BRIEF** *With 24 offices throughout the New York metropolitan area, Signature Bank ([www.signatureny.com](http://www.signatureny.com)) is a full-service commercial bank focused on serving the needs of privately owned businesses, their owners, and senior managers. The bank offers a wide range of business and personal banking products and services as well as investment, brokerage, wealth management, and insurance products and services through its subsidiary, Signature Securities Group Corporation, a licensed broker-dealer and investment advisor.*

### How has the Signature Bank brand maintained such a strong position coming out of the downturn?

Since we don't advertise or conduct any marketing campaigns, the brand gets developed by our veteran Group Directors and our teams.

We've been fortunate to hire talented people during both good and bad economic times. They're the ones who are developing the business and have enabled us to grow the bank from \$50 million 10 years ago to \$13.1 billion as of June 30 of this year.

We also prepared a business plan that was designed to work in both stressful as well as good times, and we have adhered to that plan.

### In these difficult times, are clients looking for more personalized attention from their banks?

Yes, but I don't believe it's more so today than it was when we started the bank.

We target privately owned businesses. Whether it's a small five-person company or a 450-person company, if it's privately owned, those entrepreneurs need to spend their time running and growing their businesses, not on their banking needs – they want a qualified banker to take care of the banking for them and that is Signature Bank.

Privately owned businesses are the most underserved market.

Fortune 500 companies are always going to get the attention of

our major competitors because they're large and our competitors have many people within their organization handling those large client relationships.

Mass-market retail banking is based more on convenience than on personalized service, and you can provide that convenience through electronic and technological means.

The middle market of privately owned businesses is always underserved. They're just not receiving service at the big banks today. Actually, they were never getting quality service at the big banks. That has given and continues to afford us the opportunity to reach out to an even larger client base now that we've grown.

### Many believe that economic growth in the U.S. will come from entrepreneurs, but there is concern that those entrepreneurs are finding it challenging to get money to support their growth needs. Is there merit to that concern?

Clearly, times have changed in the lending arena due to the recent economic landscape. At Signature Bank, as a commercial financial institution, we are focused on serving privately owned businesses, their owners, and senior managers. We are very prudent in our lending approaches and carefully and cautiously conduct our activities in this regard. We always strive to ensure that our underwriting is of the highest standards because the quality of our portfolio and assets is very important to shareholders, employees, clients, and to regulators.

In general, banks often get vilified because they are supposed to help the public while remaining prudent in their underwriting standards. These two objectives can often compete with one another rather than work in concert.

### How engaged are you with your teams and with day-to-day operations? Has that changed as the bank has grown?

I spend most of my time speaking with and helping our teams to develop business. I'm an obstacle remover for them and someone with whom to exchange ideas.

When we first started the bank, I spoke with the teams about every aspect of the business, including operations. We've since restructured the bank from an operational standpoint. If teams now have a question or problem with operations, they can go directly to other senior management members. As the Bank has grown significantly larger, there would be a logjam if they still came to me for most things.

I primarily work with our teams on business development and this allows me to spend time focusing on other functions required of the CEO of a highly regulated financial organization.

It helps having a senior management team that has been together since Signature Bank's inception. That enables me to devote time to speaking with clients and developing business.

### Are there challenges in growing so quickly, and how were you able to manage the growth and not lose the personal feel?

On the business development and support sides, our key people all came from large organizations; therefore we were well prepared for the growth. We didn't expect to grow this large this quickly – which we are extremely proud of – but we hoped we would and knew we had to be ready for it.

As we've grown, that personal touch has not gone away – you just have to be more efficient with your time and stay focused on providing excellent client service.

We have more room to grow and feel comfortable we can handle the growth based on what we've done in our previous roles.

### How critical is community engagement to the culture of the company?

It is very important to the communities we serve. We view this from a bottom-up perspective because we want to be committed to the communities where we conduct business. Our clients are involved in their communities and we want to support their endeavors. Our teams understand that their and the bank's involvement is what leads to success. ●