Amalgamated Bank

Third Quarter 2020 Earnings Presentation

October 28, 2020

amalgamated bank

Safe Harbor Statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. any statement that does not describe historical or current facts is a forward-looking statement. These statements generally can be identified by forward-looking terminology, such as "plan," "seek to," "outlook," "guidance," "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "initiatives," and "intend," as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, statements related to future loss/income of solar tax equity investments, our intentions to book more tax-equity transactions, our non-interest income trend, our expected savings as a result of branch closures and expected potential political deposit runoff. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, many of which are beyond our control and any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

- negative economic and political conditions (including the 2020 election) that adversely affect the general economy, housing prices, the real estate market, the job market, consumer confidence, the financial condition of our borrowers and consumer spending habits, which may affect, among other things, the level of non-performing assets, charge-offs and provision expense;
- the rate of growth (or lack thereof) in the economy and employment levels, as well as general business and economic conditions, coupled with the risk that adverse conditions may be greater than anticipated in the markets that we serve;
- the COVID-19 pandemic and its effects on the economic and business environments in which we operate;
- continuation of the historically low short-term interest rate environment;
- fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve;
- the inability of Amalgamated Bank to maintain the historical growth rate of its loan portfolio;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments either as they currently exist or as they may be affected by conditions associated with the COVID-19 pandemic;
- the impact of competition with other financial institutions, many of which are larger and have greater resources, as well as changes in the competitive environment;
- our ability to meet heightened regulatory and supervisory requirements;
- our ability to grow and retain low-cost core deposits and retain large, uninsured deposits;
- any matter that would cause Amalgamated Bank to conclude that there was impairment of any asset, including intangible assets;
- inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies, required capital maintenance levels or regulatory requests or directives;
- risks associated with litigation, including the applicability of insurance coverage;
- the risk of not achieving anticipated cost savings related to reduction in salaries and benefits, professional fees and other expense areas;
- a failure in or breach of our operational or security systems or infrastructure, or those of third party vendors or other service providers, including as a result of unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches, the risk of any of which could be exacerbated by employees and others working remotely as a result of the effects of the COVID-19 pandemic;
- volatile credit and financial markets both domestic and foreign;
- the risk that the preliminary financial information reported herein and our current preliminary analysis could be different when our review is finalized;
- our inability to timely identify a new Chief Executive Officer in light of, among other things, competition for experienced executives in the banking industry; and
- unexpected challenges related to our Chief Executive Officer's transition.

Additional factors which could affect the forward-looking statements can be found in Amalgamated's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the FDIC and available on the FDIC's website at https://efr.fdic.gov/fcxweb/efr/index.html. Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. Amalgamated Bank disclaims any obligation to update or revise any forward-looking statements contained in this presentation, which speak only as of the date hereof, or to update the reasons why actual results could differ from those contained in or implied by such statements, whether as a result of new information, future events or otherwise, except as required by law.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures including, without limitation, "Core Operating Revenue," "Core Non-interest Expense," "Tangible Common Equity," "Average Tangible Common Equity," "Core Efficiency Ratio," "Core Net Income," "Core ROAA," and "Core ROATCE."

We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP. Specifically, we believe these non-GAAP financial measures (a) allow management and investors to better assess our performance by removing volatility that is associated with discrete items that are unrelated to our core business, and (b) enable a more complete understanding of factors and trends affecting our business.

Non-GAAP financial measures, however, have inherent limitations, are not required to be uniformly applied, and are not audited. Accordingly, these non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and we strongly encourage investors to review the GAAP financial measures included in this presentation and not to place undue reliance on any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures presented in this presentation with other companies' non-GAAP financial measures having the same or similar names. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. Reconciliations of non-GAAP financial disclosures to what we believe to be the most directly comparable GAAP measures found in this presentation are set forth in the final pages of this presentation and also may be viewed on the bank's website, amalgamatedbank.com.

You should assume that all numbers presented are unaudited unless otherwise noted.

Third Quarter 2020

HIGHLIGHTS

- GAAP net income of $0.40 per diluted share; core net income of $0.54 per diluted share[1]
- Pre-tax, pre-provision income[2] of $20.1 million compared to $22.0 million in 2Q20
- Core pre-tax, pre-provision income of $25.9 million compared to $22.3 million in 2Q20
- Efficiency ratio of 65.3%, core efficiency ratio of 54.8% in 3Q20, compared to 58.5% and 57.7%, respectively in 2Q20

- Average deposit growth of $459.0 million, or 33.6% annualized, compared to 2Q20
- Loans declined by $83.3 million primarily due to residential and commercial real-estate prepayments; property assessed clean energy (“PACE”) growth of $44.0 million

- Provision build of $3.4 million compared to $8.2 million in 2Q20
- Loan deferrals of $201 million or 6% of loans as of 10/24/2020, compared to $465 million or 13% on 6/30/20, with continued improvement expected in the fourth quarter

- Capital ratios remained strong with CET1 of 12.76% and Tier 1 Leverage of 7.39%
- Tangible book value of $16.22 compared to $15.61 as of 2Q20
- Kroll rating established for the Bank at BBB+/BBB for senior and subordinated debt, respectively

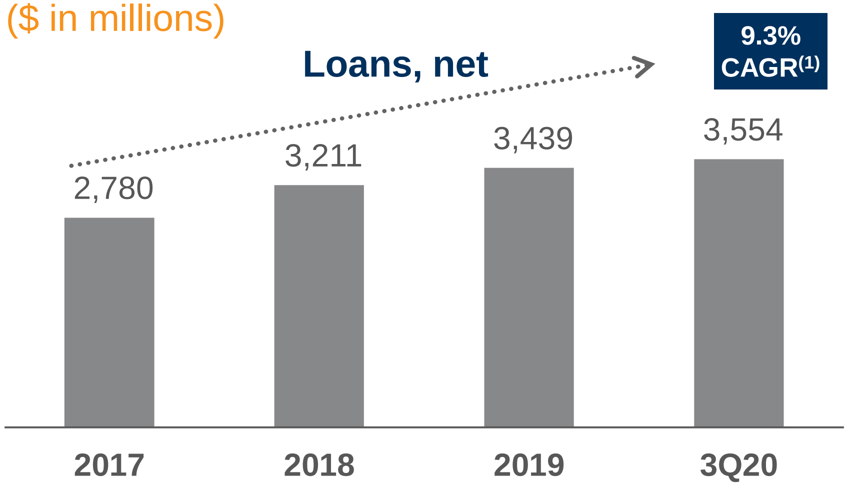
[1] See non-GAAP disclosures on pages 21-22
[2] Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

Trends

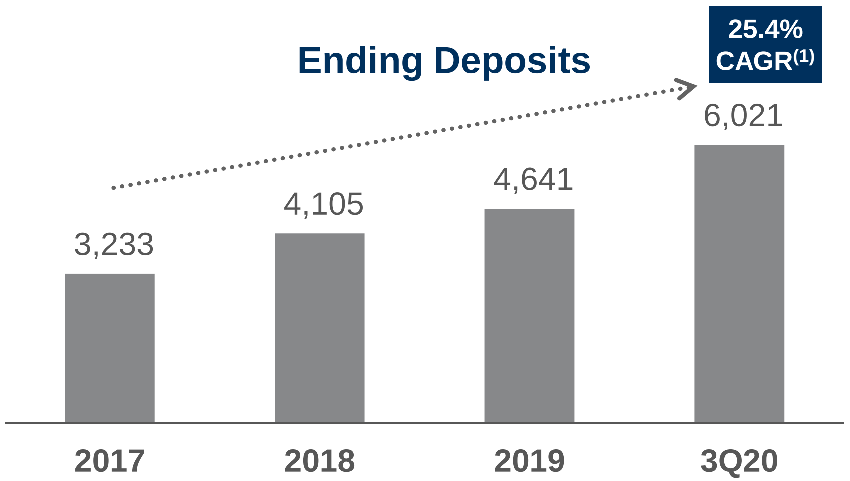
KEY FINANCIAL TRENDS THROUGH 3Q20

($ in millions)

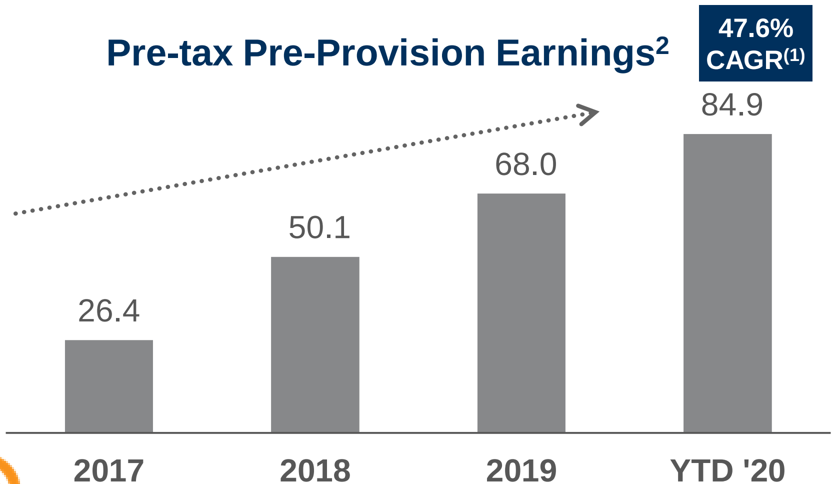
Loans, net



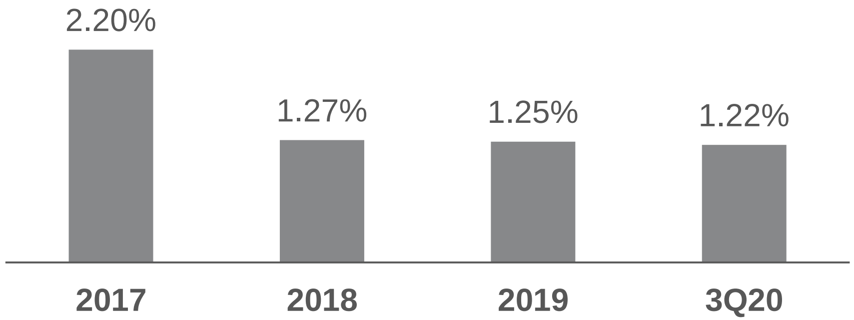
Ending Deposits



Pre-tax Pre-Provision Earnings[2]



NPA / Total Assets



(1) Compounded Annual Growth Rate (“CAGR”)

(2) September YTD Pre-tax Pre-Provision annualized

Environmental, Social and Governance (ESG)

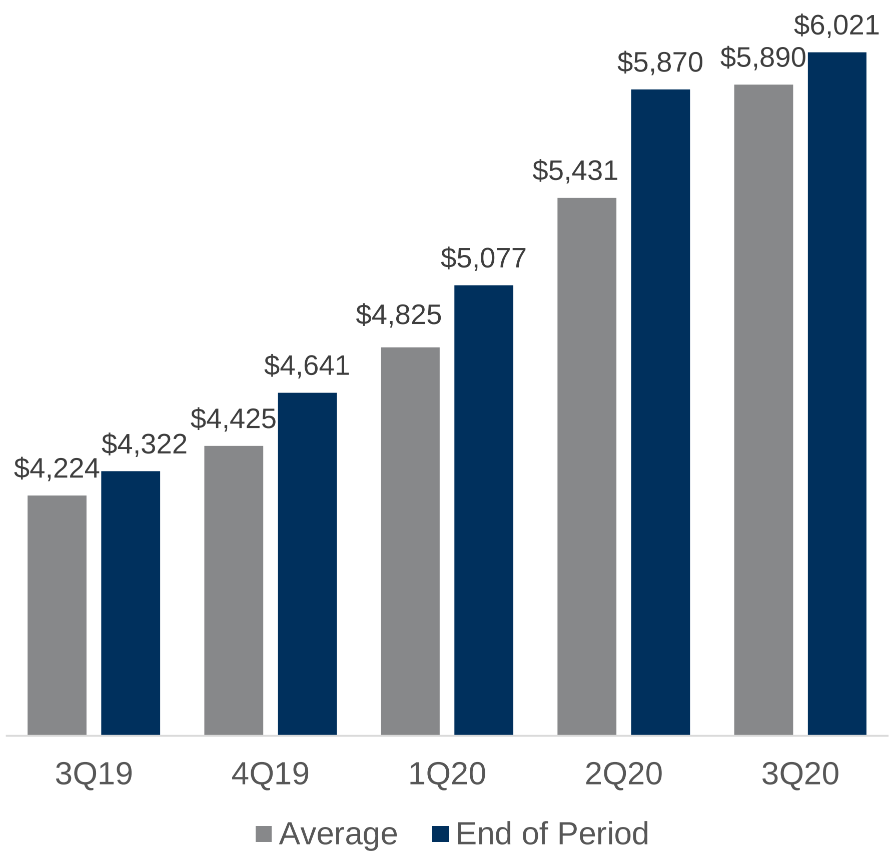
3Q20 MISSION ALIGNED INITIATIVES AND ACCOMPLISHMENTS

- Conducted the first round PCAF (Partnership for Carbon Accounting Financials) calculation to measure our financed emissions. Report coming in November 2020.
- Provided additional policy summary disclosure on our Corporate Social Responsibility (CSR) website for information technology, cyber security, bribery, and money laundering
- Updated employee code of conduct with several CSR focused policies
    - Diversity & Inclusion
    - Telework
    - Gender Transition
- Recognized by Motley Fool as one of five banks that have joined the fight against climate change
- Amalgamated ESG ratings have been improved by every major analyst

Deposit Portfolio

TOTAL DEPOSITS

($ in millions)



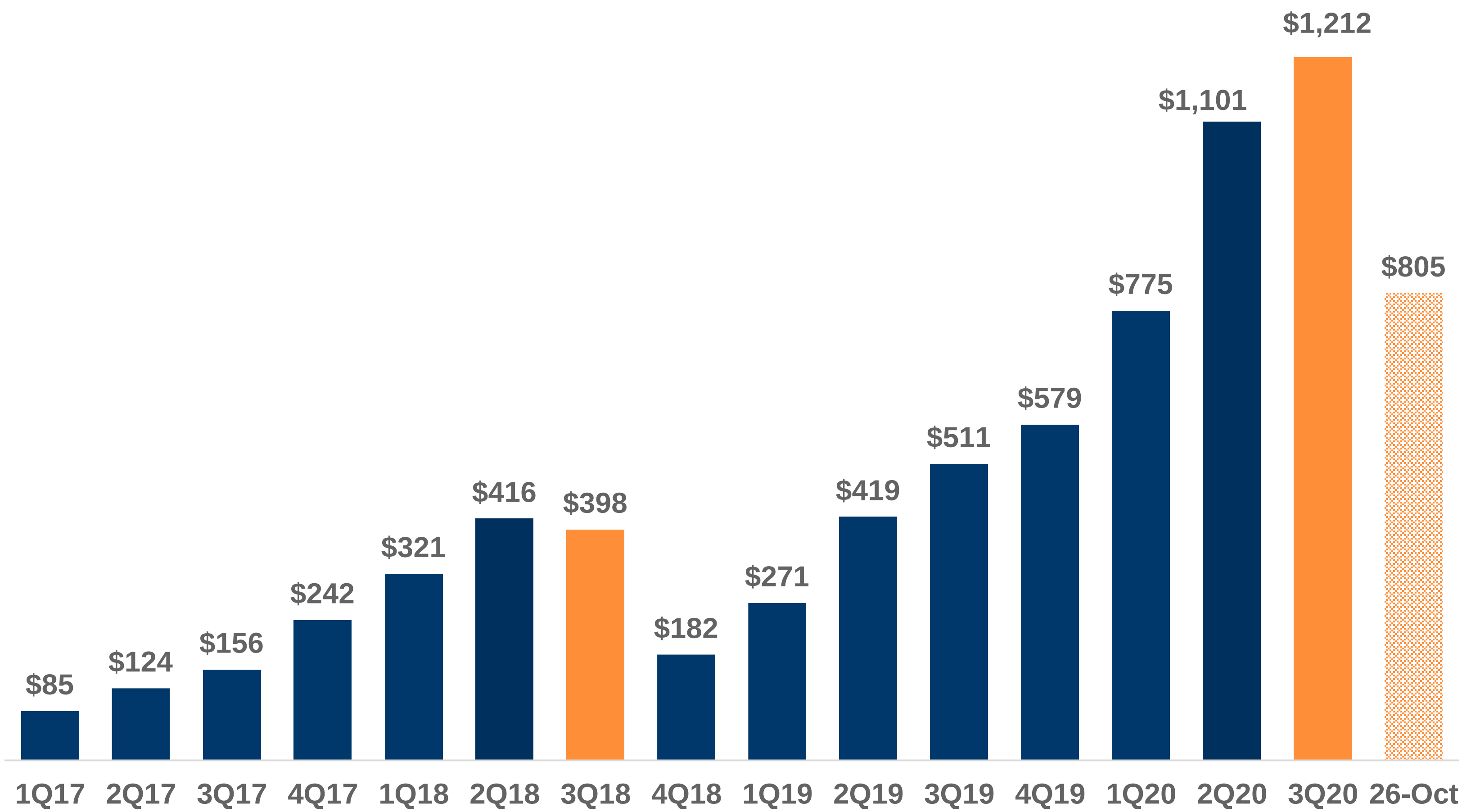
3Q20 HIGHLIGHTS

- Total ending deposits increased $150.7 million, or 10.3% annualized, compared to 2Q20
- Total average deposits increased $459.0 million, or 33.8% annualized, compared to 2Q20
- $445.3 million of average non-interest bearing deposit growth, compared to 2Q20
- Non-interest-bearing deposits represented 56% of ending deposits in 3Q20, compared to 53% in 2Q20

Political Deposits

HISTORICAL TREND

($ in millions)



Liquidity Sources

LIQUIDITY SOURCES AMOUNT TO $3.6B AS OF SEPTEMBER 30, 2020

- Capacity to borrow from Federal Home Loan Bank (FHLB) presents largest source of balance sheet funding
- Ability to borrow based on existing balance sheet assets as collateral, primarily mortgage (commercial and multi-family)

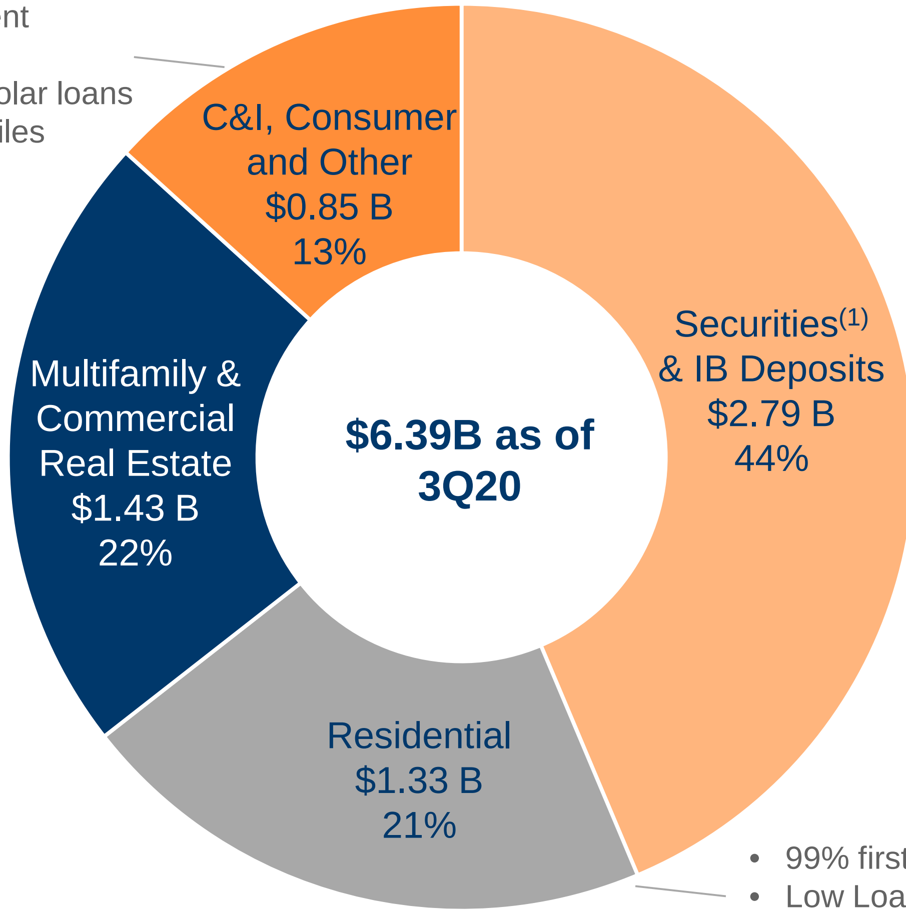
Key Sources of Liquidity	Timing	Balance 3Q20	% of Deposits
Cash	Immediate	$740	12%
FHLB Borrowing Potential	Immediate	$1,690	28%
Potential Political Deposit Runoff	Months	($710)	-12%
Immediate Core Liquidity		**$1,720**	**29%**
Saleable Non-Pledge-able Securities	Days	$600	10%
Est. Wholesale Borrowings Capacity	Weeks	$740	12%
Apx. Saleable Non-Pledge-able Loans	Months	$550	9%
Total		**$3,610**	**60%**

Interest Earning Assets

INTEREST EARNING ASSETS OF $6.4B AS OF SEPTEMBER 30, 2020

We maintain a diverse, low risk profile of interest earning assets

- No fossil fuel exposure
- $217mm of government guaranteed loans
- $132mm residential solar loans with strong credit profiles



- Predominantly NYC based properties with low LTV
- MF LTV = 56%
- CRE LTV = 53%

- $829mm agency securities
- $751mm of non-agency securities; 84% are AAA rated
- $367mm of PACE securities with low LTV
- All non-agency securities are top of the capital structure
- $736mm of cash deposits in Banks

- 99% first lien mortgages
- Low Loan to Original Value = 53%
- First lien mortgages average FICO of 763

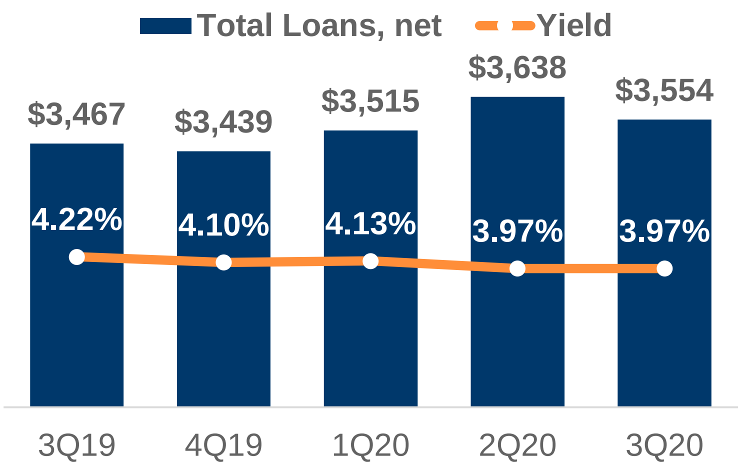
(1) Securities include Federal Home Loan Bank stock and resell agreements of $103.2mm

* LTV shown are as of March 2020

Loan and Held-to-Maturity Securities

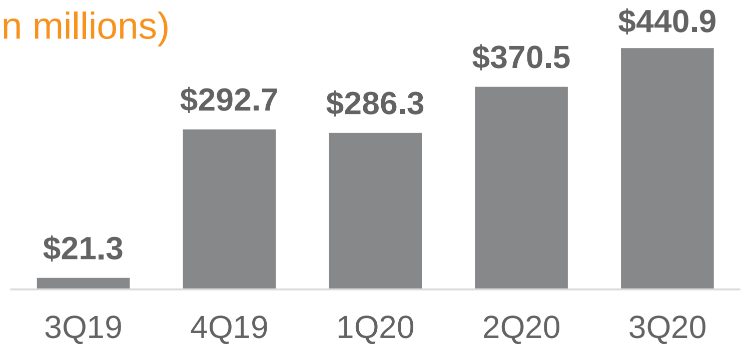
TOTAL LOANS, NET[1]

($ in millions)



HELD-TO-MATURITY SECURITIES

($ in millions)



3Q20 HIGHLIGHTS

- Total loans decreased $83.3 million, or 9.2% annualized, compared to 2Q20
- 3Q20 Yield of 3.97%; flat to 2Q20 and a decrease of 25 bps compared to 3Q19
- Held-to-maturity securities increased $70.5 million compared to 2Q20
  - PACE securities increased $44.0 million in 3Q20 due primarily to investment in PACE Funding Group, LLC ("PFG")

(1) Loan balances in the third quarter of 2019 includes $86.3 million in PACE assessments, that are presented in held-to-maturity securities starting in 4Q19

COVID-19 Deferrals – Post Quarter Update

COVID-19 LOAN DEFERRALS(1)

($ millions)

	Total Loans 9/30/20	Deferrals as of: 10/24/20	9/30/20	6/30/20	% of Portfolio(2)
Multifamily	$ 975	$ 96	$ 124	$ 192	10%
CRE + Construction	450	34	97	124	8%
C&I	661	13	5	36	2%
Residential	1,329	54	63	103	4%
Consumer & Student	180	4	4	10	2%
Total	**$ 3,595**	**$ 201**	**$ 293**	**$ 465**	**6%**

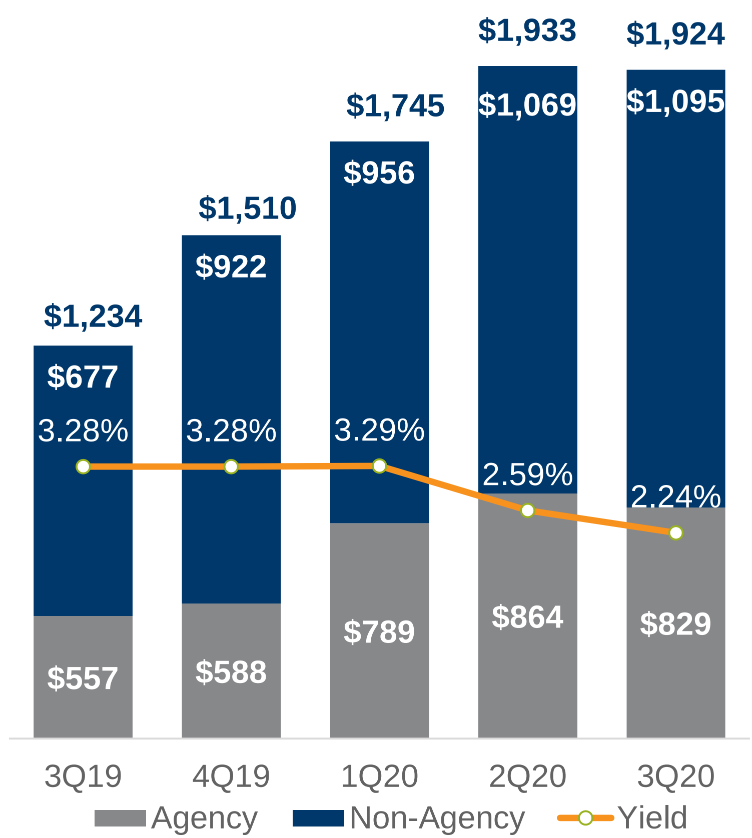
- Current deferrals are down by $264 million since the end of the second quarter
- Inflow of new requests are close to zero
- Only $3 million in residential loans have moved to a third deferral
- Of Commercial loans currently in deferral, we expect a minimal amount of loans to not resume payment, but outcome is dependent on the economy continuing to improve

(1) Loan deferrals for purchased portfolio are as of 8/31/2020 and represent $21.0 million of the deferred loan balances
(2) Loan portfolio % is for deferral balances as of 10/24

Cash and Investment Securities

SECURITIES – BOOK VALUE[1]

($ In millions)



3Q20 HIGHLIGHTS

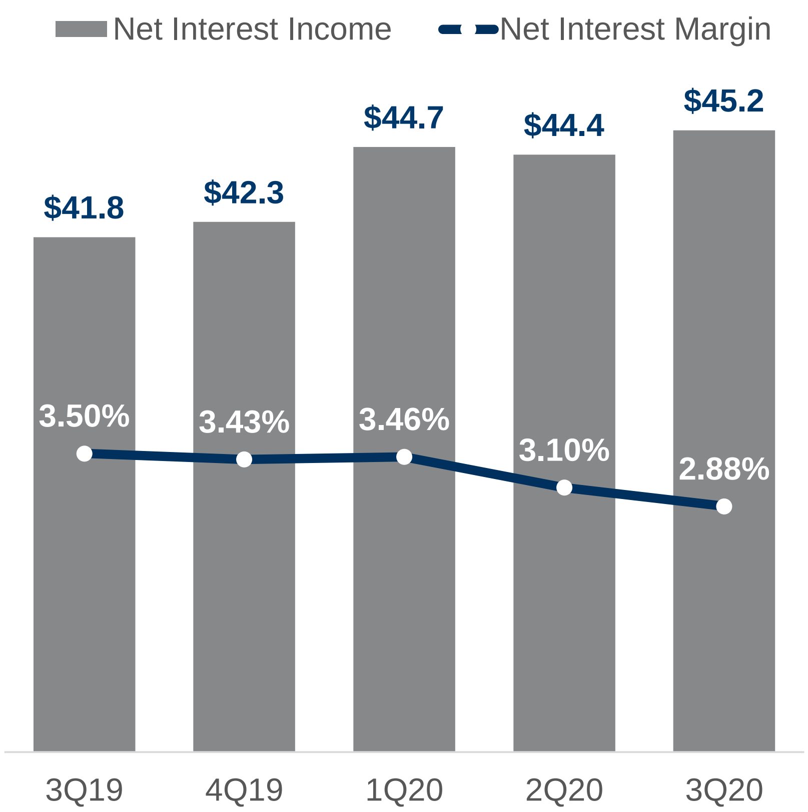
- Investment Securities totaled $1.9 billion book value for 3Q20
- Securities are approximately even to 2Q20 with slight increase in mix toward non-agency due to PACE
    - Non-agency securities in 3Q20 include $367.4 million of PACE assessments, which are non-rated
- 84% of all non-agency MBS/ABS securities are AAA rated and 99.95% are A rated or higher[2]; **all CLO's are AAA rated**
- As of 3Q20 average subordination for the C&I CLOs is 42%

(1) Securities book value excludes unrealized Available for Sale (AFS) gain / loss on sale
(2) Excludes non-rated securities, e.g. PACE assessments

Net Interest Income and Margin

NET INTEREST INCOME & MARGIN

($ in millions)



3Q20 HIGHLIGHTS

- Net interest income is $45.2 million, compared to $44.4 million in 2Q20
- 3Q20 NIM at 2.88%; a decrease of 22 bps and 62 bps, compared to 2Q20 and 3Q19, respectively
- NIM is negatively impacted by approximately 31 bps due to the high-level of deposits deployed into cash

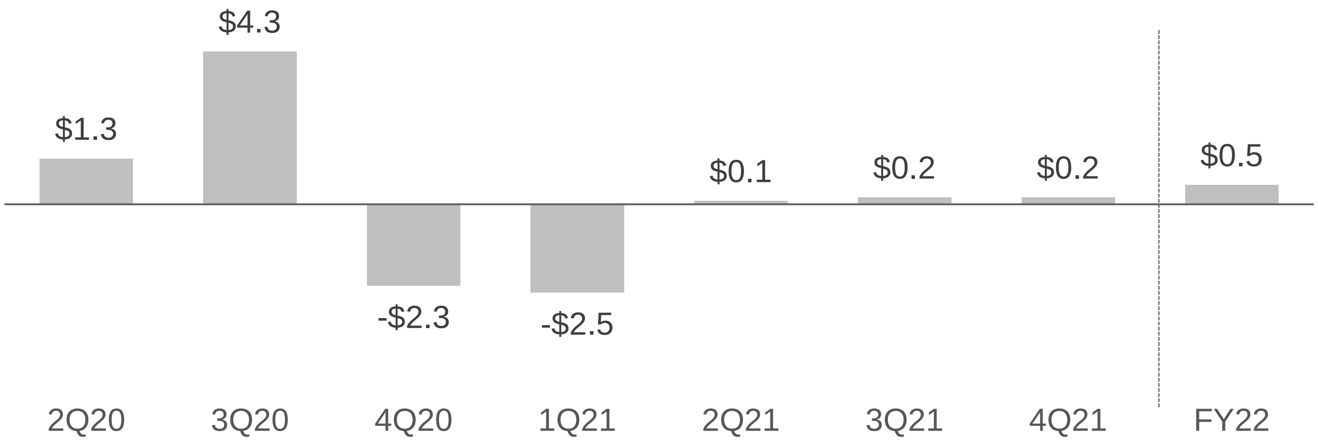
Solar Tax-Equity Investments

OVERVIEW OF SOLAR TAX EQUITY INVESTMENTS

- Realization of tax benefits in the project life and subsequent write-down of investment creates volatility in the earnings stream
- Current projects are expected to generate losses in the next two quarters and then a small stream of income in future quarters (see below)
- We expect to book more tax-equity deals over the next several quarters (not included below)

PROJECTED NON-INTEREST INCOME TREND

$ millions

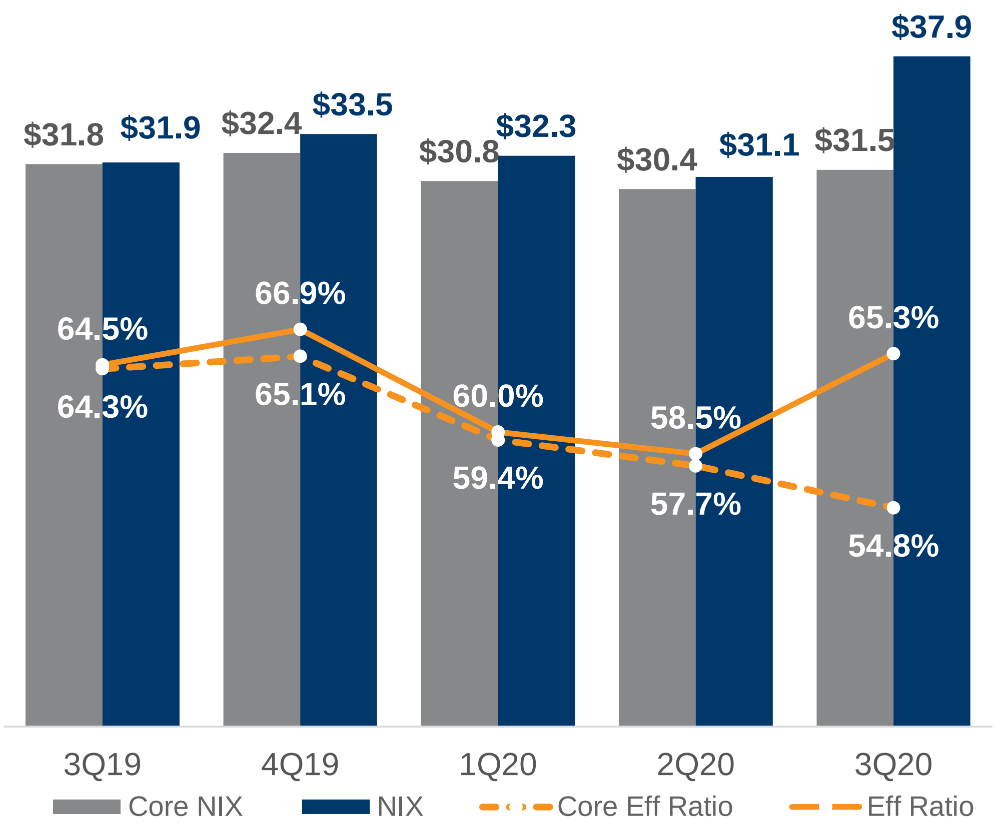


Total income $1.8 million

Non-Interest Expense and Efficiency

NON-INTEREST EXPENSE

($ in millions)



3Q20 HIGHLIGHTS

- Efficiency ratio of 65.3% for 3Q20
- Core efficiency ratio of 54.8% for 3Q20(1)
- Non-interest expense for 3Q20 is $37.9 million
- Core non-interest expense for 3Q20 is $31.5 million, a increase of $1.1 million compared to 2Q20(1)

OTHER UPDATES

- Additional six branch closures expected to result in approximately $4.0 million in annualized expense savings when fully phased in
- 3Q20 core expenses(1) exclude: branch closure and severance expenses of $6.4 million

(1) See non-GAAP disclosures on pages 21-22

Allowance for Loan Losses

ALLOWANCE FOR LOAN LOSSES (ALLL) CHANGE FROM 4Q19 TO 3Q20

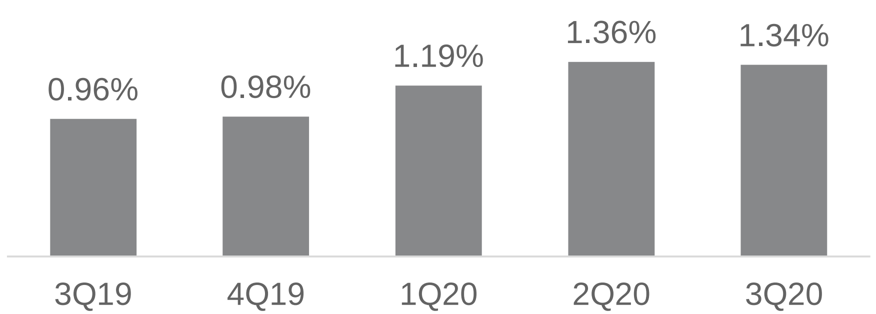
($ in millions)

4Q19 ALLL	**33.8**
Indirect C&I	3.4
COVID-19 factors	3.0
Growth / other	2.1
1Q20 ALLL	**42.3**
COVID-19 factors	3.2
Hotel specific reserve	2.7
Downgrades / other	1.8
2Q20 ALLL	**50.0**
Indirect C&I	1.3
Other	0.1
Construction payoff	(0.8)
Hotel C/O and release	(2.5)
3Q20 ALLL	**48.1**

3Q20 HIGHLIGHTS

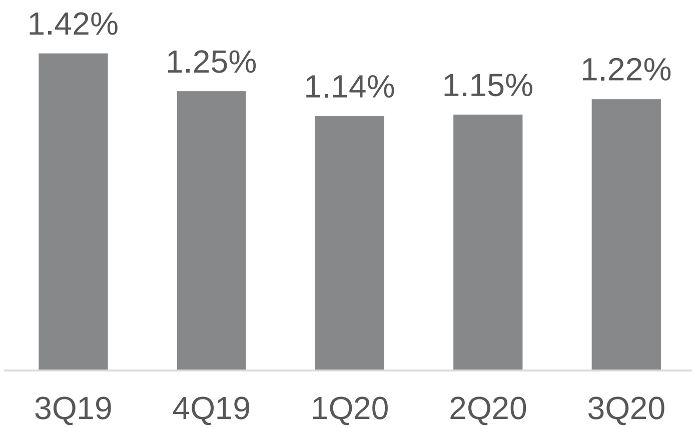
- Allowance for loan losses totals $48.1 million in 3Q20
- $3.7 million specific charge-off for a legacy loan to a hotel in Ohio that had been partially reserved for in previous quarters

ALLOWANCE FOR LOAN LOSSES / TOTAL LOANS



Credit Quality Portfolio

NPA / TOTAL ASSETS

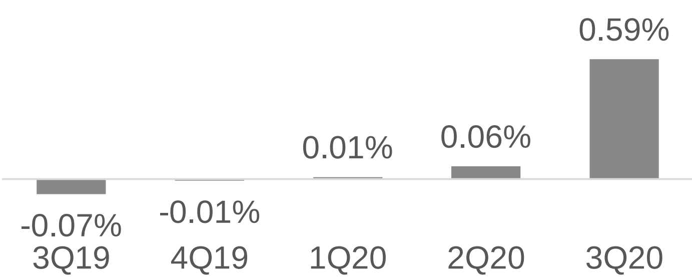


NONPERFORMING LOANS BY PORTFOLIO

(excl. 90 days past due and accruing)

($ millions)	3Q20 EOP Loans (1)	Total NPL	% of Balance
Run-off (2)	$ 126	$ 41	32.1%
Non run-off	3,428	30	0.9%
Total	**$ 3,554**	**$ 71**	**2.3%**

NCO / AVERAGE LOANS (3)



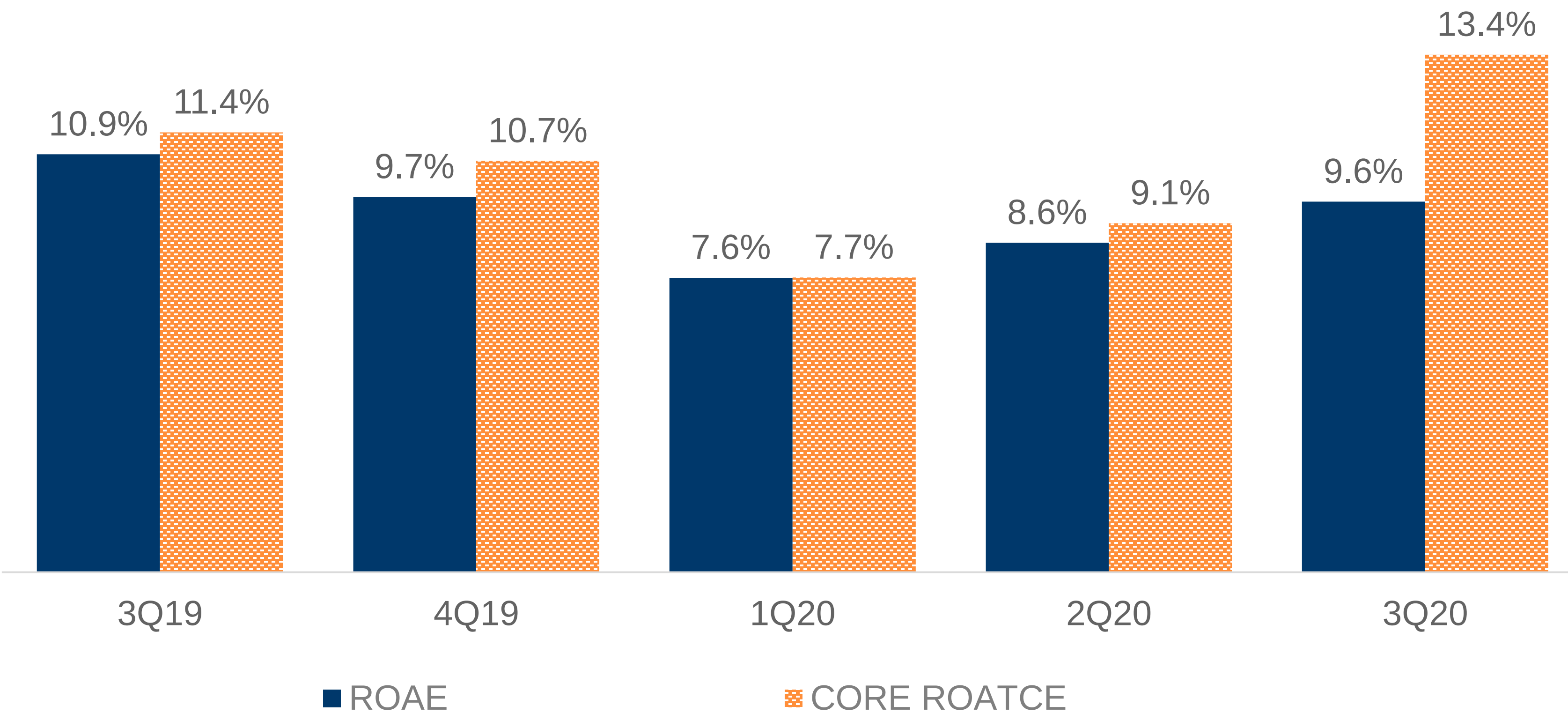
3Q20 HIGHLIGHTS

- Nonperforming assets are $80.6 million as of 3Q20, compared to $74.3 million in 2Q20
- $5.1 million increase in non-accruing loans primarily related to downgrade of one construction loan
- Majority of NPAs are in run-off portfolio
- Charge-off in 3Q20 primarily related to hotel loan originated in 2005

(1) 3Q20 EOP total gross loans, excluding available for sale residential loans
(2) Run-off portfolio includes indirect C&I loans and residential loans purchased prior to 2010
(3) Annualized

Returns

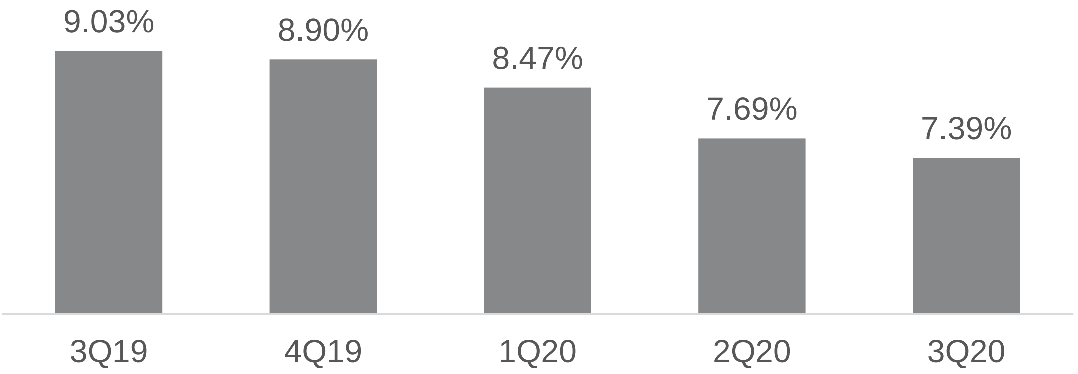
ROAE & CORE ROATCE (1)



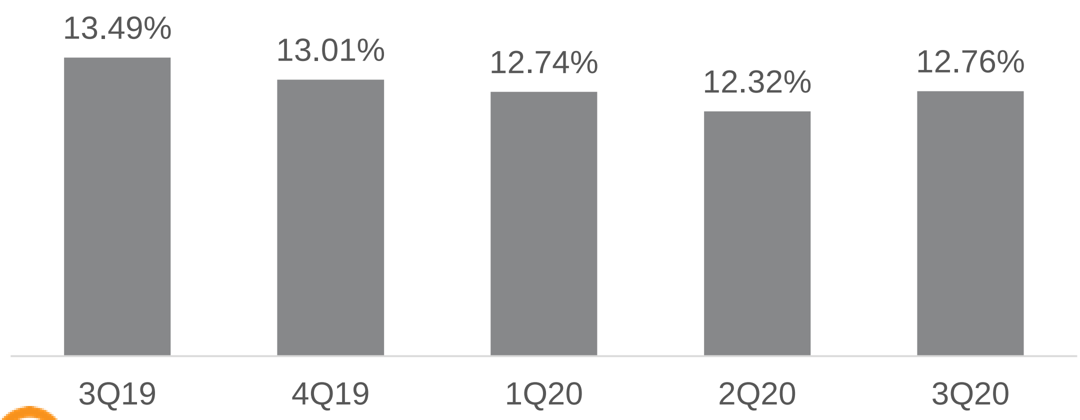
(1) See non-GAAP disclosures on pages 21-22

Capital

TIER 1 LEVERAGE RATIO



COMMON EQUITY TIER 1 RATIO



3Q20 HIGHLIGHTS

- Regulatory capital ratios remain strong
    - Tier 1 leverage ratio of 7.39% as of 3Q20
    - Common Equity Tier 1 Capital of 12.76%
- Tier 1 leverage ratio was lower by 73bps due to approximately $600 million in excess cash from strong deposit growth. Impact will reverse with outflow of political deposits in 4Q20

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Nine Months Ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Core operating revenue					
Net interest income (GAAP)	$ 45,234	$ 44,439	$ 41,757	$ 134,361	$ 124,387
Non interest income (GAAP)	12,776	8,671	7,659	30,565	21,425
Less: Branch sale loss (gain)[1]	-	34	-	(1,394)	-
Less: Securities loss (gain)	(619)	(486)	50	(1,605)	135
Core operating revenue (non-GAAP)	$ 57,391	$ 52,658	$ 49,466	$ 161,927	$ 145,947
Core non-interest expenses					
Non-interest expense (GAAP)	$ 37,877	$ 31,068	$ 31,886	$ 101,216	$ 94,336
Less: Branch closure expense[2]	(6,279)	(695)	(51)	(8,330)	(51)
Less: Severance [3]	(125)	-	(47)	(201)	(318)
Core non-interest expense (non-GAAP)	$ 31,473	$ 30,373	$ 31,788	$ 92,685	$ 93,967
Core net income					
Net Income (GAAP)	$ 12,480	$ 10,374	$ 13,195	$ 32,399	$ 35,194
Less: Branch sale (gain)[1]	-	34	-	(1,394)	-
Less: Securities loss (gain)	(619)	(486)	50	(1,605)	135
Add: Branch closure expense[2]	6,279	695	51	8,330	51
Add: Severance [3]	125	-	47	201	318
Less: Tax on notable items	(1,472)	(61)	(40)	(1,412)	(132)
Core net income (non-GAAP)	$ 16,793	$ 10,556	$ 13,303	$ 36,519	$ 35,566

(1) Fixed Asset branch sale in March 2020

(2) Occupancy and other expense related to closure of branches during our branch rationalization

(3) Salary and COBRA reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Nine Months Ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Tangible common equity					
Stockholders' Equity (GAAP)	$ 522,497	$ 503,702	$ 486,312	$ 522,497	$ 486,312
Less: Minority Interest (GAAP)	(133)	(134)	(134)	(133)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,701)	(6,043)	(7,072)	(5,701)	(7,072)
Tangible common equity (non-GAAP)	$ 503,727	$ 484,589	$ 466,170	$ 503,727	$ 466,170
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 515,906	$ 487,531	$ 482,208	$ 501,824	$ 464,656
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,868)	(6,210)	(7,240)	(6,209)	(7,570)
Average tangible common equity (non-GAAP)	$ 496,968	$ 468,250	$ 461,898	$ 482,545	$ 444,015
Core return on average assets					
Core net income (numerator) (non-GAAP)	16,793	10,556	13,303	36,519	35,566
Divided: Total average assets (denominator) (GAAP)	6,490,299	6,070,392	4,965,971	5,997,656	4,869,926
Core return on average assets (non-GAAP)	1.03%	0.70%	1.06%	0.81%	0.98%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	16,793	10,556	13,303	36,519	35,566
Divided: Average tangible common equity (denominator) (non-GAAP)	496,968	468,250	461,898	482,545	444,015
Core return on average tangible common equity (non-GAAP)	13.44%	9.07%	11.43%	10.11%	10.71%
Core efficiency ratio					
Core non-interest expense (numerator) (non-GAAP)	31,473	30,373	31,788	92,685	93,967
Core operating revenue (denominator) (non-GAAP)	57,391	52,658	49,466	161,927	145,947
Core efficiency ratio (non-GAAP)	54.84%	57.68%	64.26%	57.24%	64.38%

Thank You