Amalgamated Financial Corp.

First Quarter 2021 Earnings Presentation

April 22, 2021

amalgamated FINANCIAL CORP.

amalgamatedbank.com
Member FDIC

Safe Harbor Statements

INTRODUCTION

On March 1, 2021 (the "Effective Date"), Amalgamated Financial Corp. (the "Company") completed its holding company reorganization and acquired all of the outstanding stock of Amalgamated Bank (the "Bank"). In this presentation, unless the context indicates otherwise, references to "we," "us," and "our" refer to the Company and the Bank. However, if the discussion relates to a period before the Effective Date, the terms refer only to the Bank.

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, our 2021 Guidance and, statements related to future loss/income of solar tax equity investments. 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 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;
- our inability 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 us 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 or Chief Financial Officer in light of, among other things, competition for experienced executives in the banking industry; and
- unexpected challenges related to our executive officer transitions.

Additional factors which could affect the forward-looking statements can be found in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC and available on the SEC's website at www.sec.gov/. Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. We disclaim 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.

Safe Harbor Statements cont.

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.

1Q21 Highlights

1Q21 HIGHLIGHTS

- GAAP net income of $0.39 per diluted share; core net income of $0.41 per diluted share(1)
- Pre-tax, pre-provision income(2) of $13.1 million compared to $23.0 million in 4Q20
- Core pre-tax, pre-provision income of $14.1 million compared to $23.0 million in 4Q20
- Efficiency ratio of 71.53%; core efficiency ratio of 69.18% in 1Q21, compared to 58.66% and 58.66%, respectively in 4Q20 (1)
    - Efficiency ratio impacted 5 pct pts in 1Q21 from equity method investments in solar initiatives

- Deposit increase of $381.4 million compared to 4Q20 primarily due to post-election rebound in political deposits and new relationships in core markets
- Loans decreased by $224.5 million primarily due to existing customer refinancing, and lower C&I from a large loan payoff; property assessed clean energy ("PACE") growth of $30.6 million to $451.6 million in 1Q21
- Loan deferrals of $8.5 million or 0.3% of loans as of 3/31/21, compared to $41.3 million or 1.2% on 12/31/20

- Capital ratios remained strong with CET1 of 13.70% and Tier 1 Leverage of 8.06%
- Tangible book value of $16.75 compared to $16.66 as of 4Q20

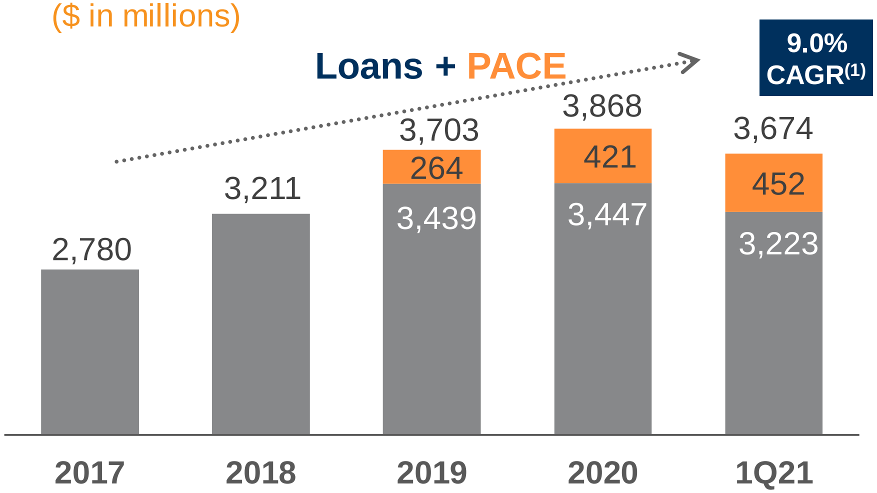
(1) See non-GAAP disclosures on pages 20-21
(2) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

Trends

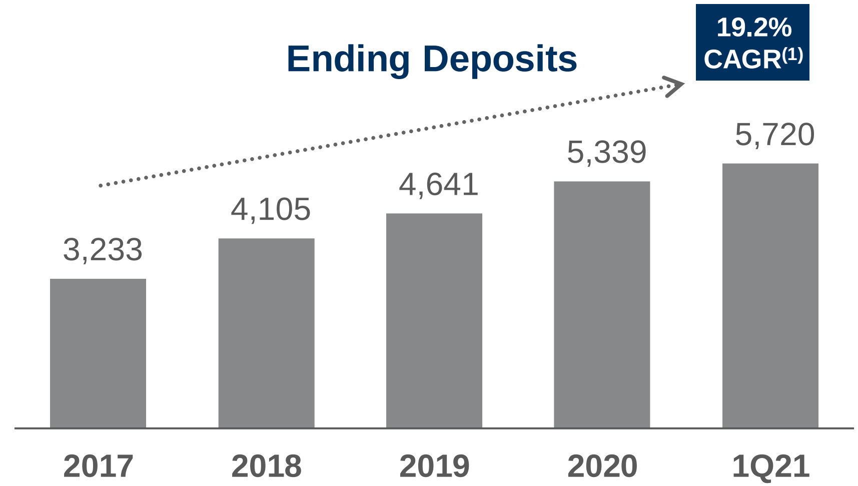
KEY FINANCIAL TRENDS THROUGH 1Q21

($ in millions)

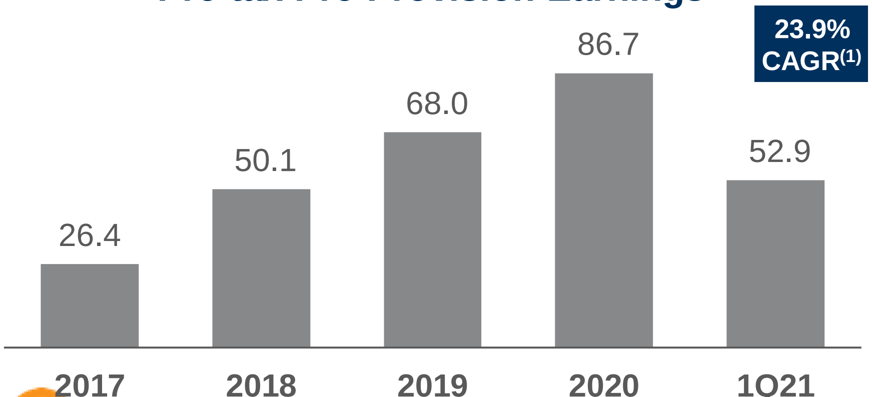
Loans + PACE



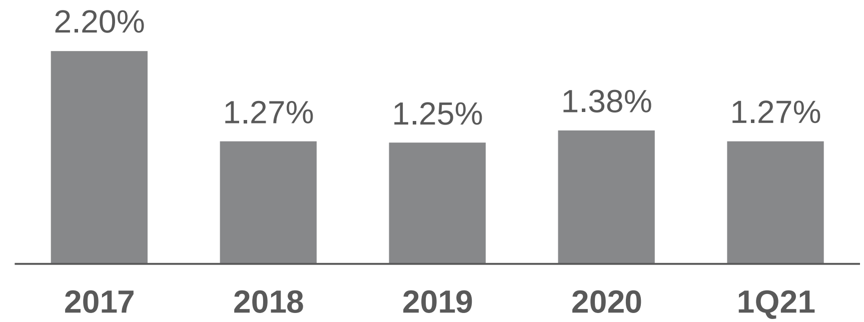
Ending Deposits



Pre-tax Pre-Provision Earnings[2]



NPA / Total Assets

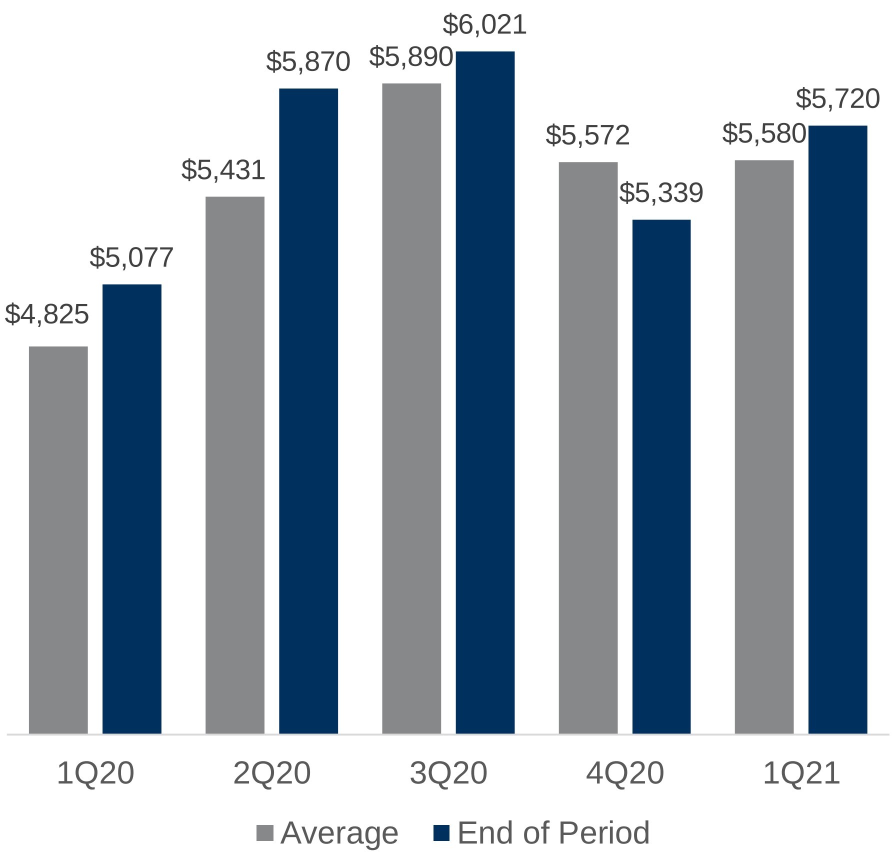


(1) Compounded Annual Growth Rate ("CAGR")
(2) 1Q21 Pre-tax Pre-Provision earnings are annualized

Deposit Portfolio

TOTAL DEPOSITS

($ in millions)



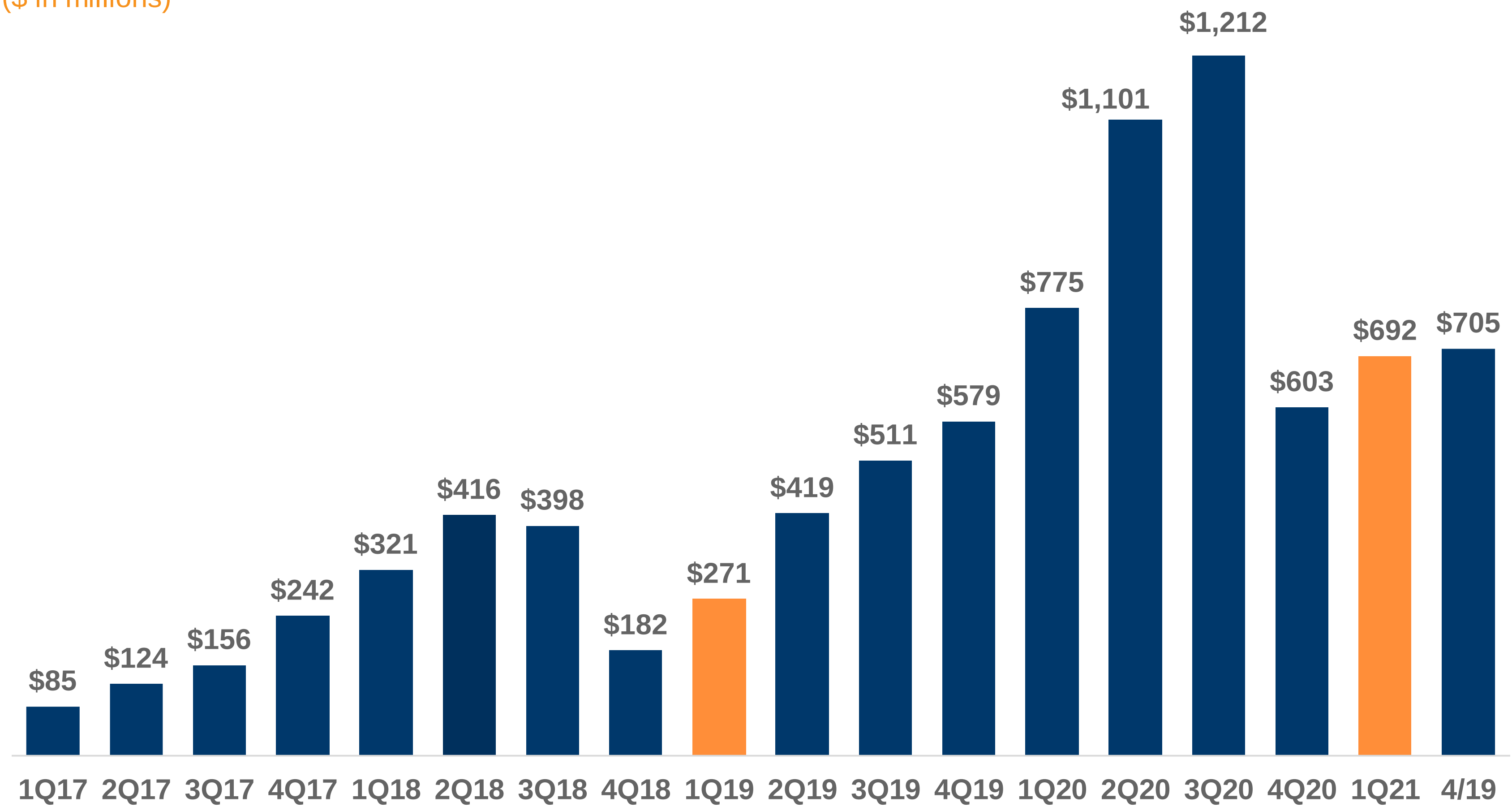
1Q21 HIGHLIGHTS

- Total ending deposits increased $381.4 million compared to 4Q20 due to post-election rebound in political deposits and new relationships in core markets
    - Total average deposits increased $7.4 million
- $160.5 million of average non-interest bearing deposit decrease, primarily due to expected political deposit decline in 4Q20
- Non-interest-bearing deposits represented 49% of ending deposits in 1Q21, compared to 49% in 4Q20

Political Deposits

HISTORICAL TREND

($ in millions)



Interest Earning Assets

INTEREST EARNING ASSETS OF $6.1B AS OF MARCH 31, 2021

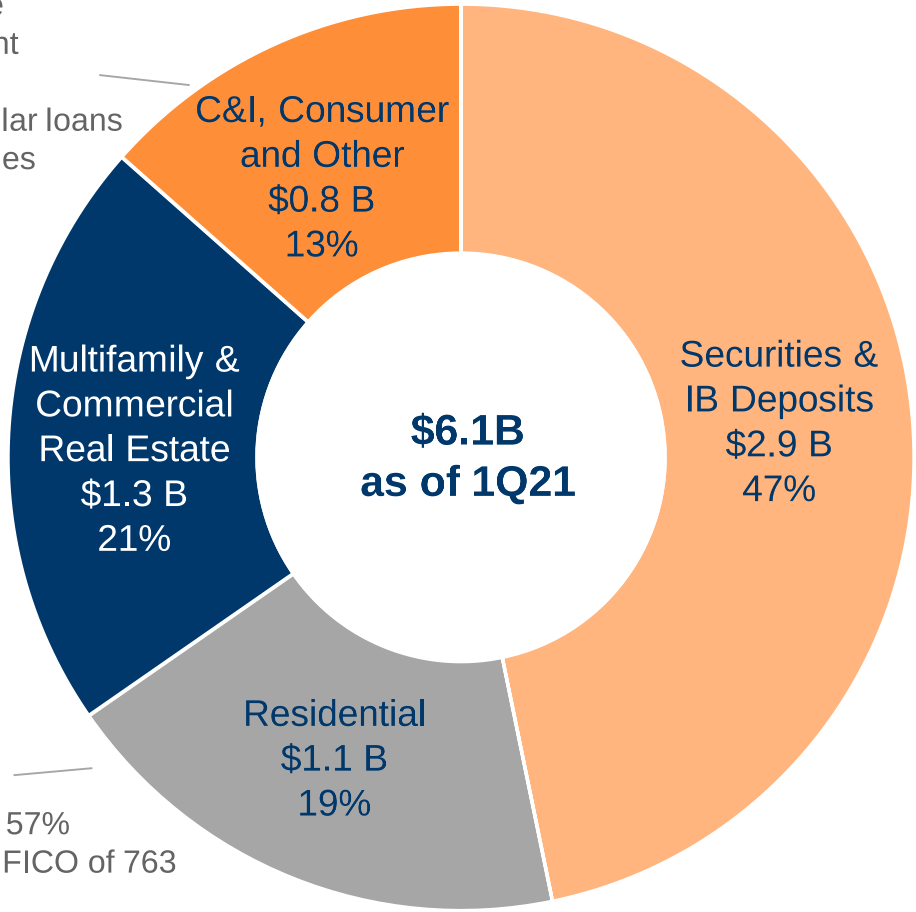
We maintain a diverse, low risk profile of interest earning assets

- No fossil fuel exposure
- $256mm of government guaranteed loans
- $174mm residential solar loans with strong credit profiles

- Predominantly NYC properties with low LTV

	Loan to Value (LTV)	
	Pre-COVID	**4Q20[1]**
MF	56%	66%
CRE	43%	62%

- 99% first lien mortgages
- Low Loan to Original Value = 57%
- First lien mortgages average FICO of 763



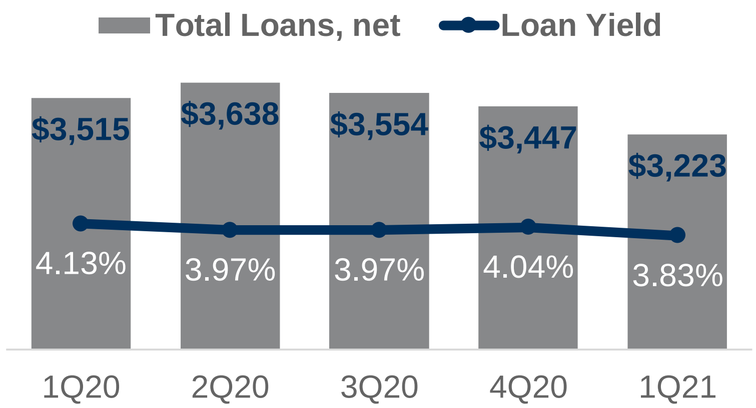
- $858mm agency securities
- $889mm of non-agency securities
- $452mm of PACE securities with low LTV
- All non-agency securities are top of the capital structure
- $177mm of resell agreements and other
- $498mm of cash deposits at Bank

(1) LTV estimate based on updated appraisals and statistical analysis as of Dec 2020

Loans and Held-to-Maturity Securities

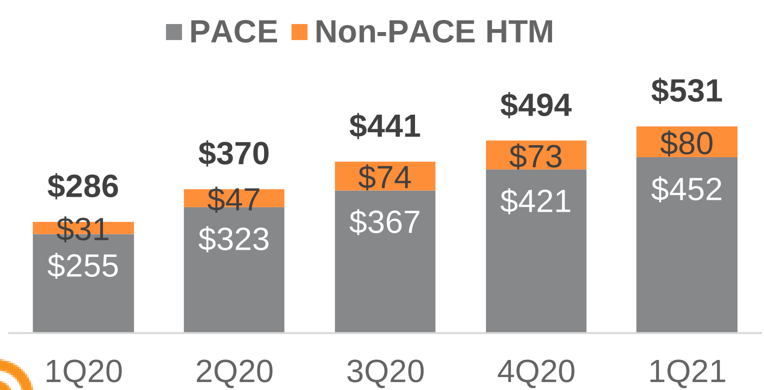
TOTAL LOANS AND PACE (HTM)

($ in millions)



HELD-TO-MATURITY SECURITIES

($ in millions)



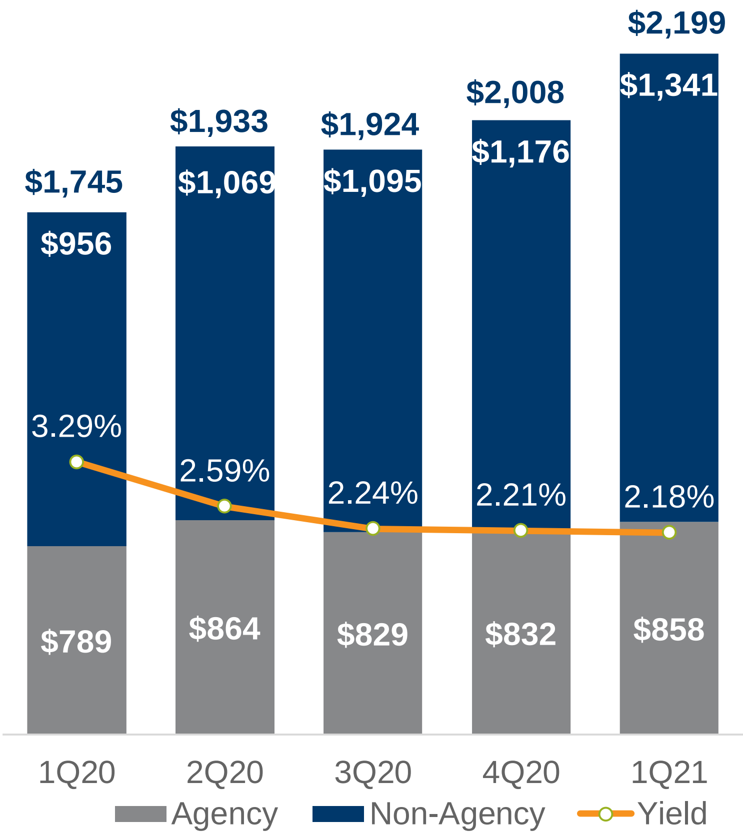
1Q21 HIGHLIGHTS

- Total loans decreased $224.5 million, or -26.4% annualized, compared to 4Q20 due to decrease from existing customer refinancing, and lower C&I due to a large loan payoff
- 1Q21 Yield of 3.83%; a decrease of 21 bps compared to 4Q20 and a decrease of 30 bps compared to 1Q20
- Held-to-maturity securities of $531.3 million increased $36.8 million from $494.4 million in 4Q20
    - PACE securities of $451.6 million increased $30.6 million from $421.0 million in 1Q21

Investment Securities

SECURITIES – BOOK VALUE(1)

($ millions)



1Q21 HIGHLIGHTS

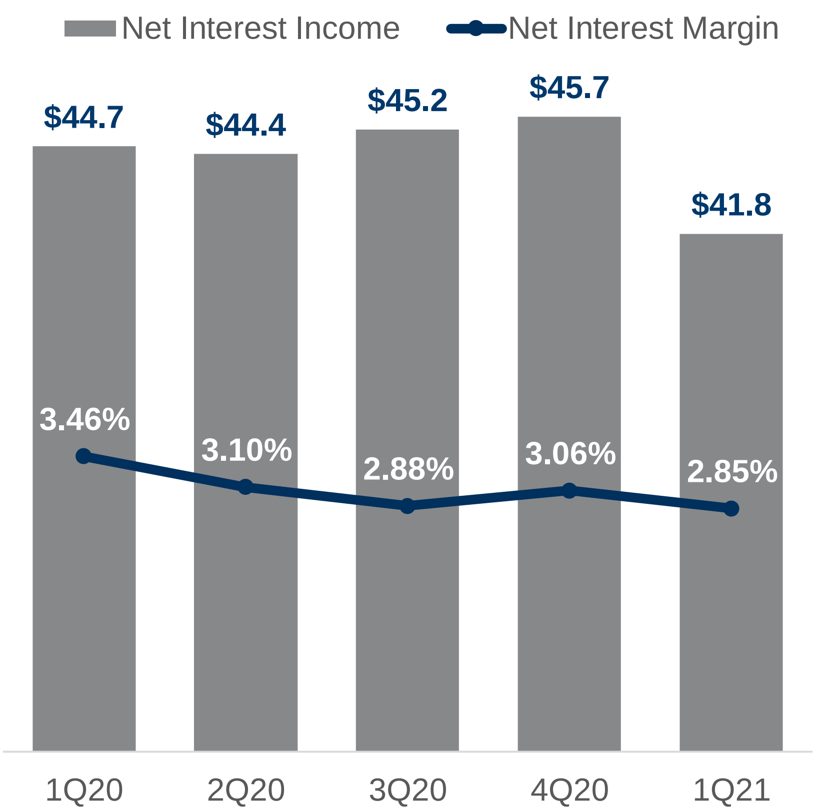
- Investment Securities totaled $2.2 billion book value for 1Q21
- Securities increased $191.0 million in 1Q21 compared to 4Q20 with continued mix shift toward non-agency due to PACE assessment growth
  - Non-agency securities in 1Q21 include $451.6 million of PACE assessments, which are non-rated
- 84.6% of all non-agency MBS/ABS securities are AAA rated and 99.96% are A rated or higher(2); **all CLO's are AAA rated**
- As of 1Q21 average subordination for the C&I CLOs is 43%

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

Net Interest Income and Margin

NET INTEREST INCOME & MARGIN

($ millions)



1Q21 HIGHLIGHTS

- Net interest income is $41.8 million, compared to $45.7 million in 4Q20
- 1Q21 NIM at 2.85%; a decrease of 21 bps and 61 bps, compared to 4Q20 and 1Q20, respectively
- NIM is negatively impacted by approximately 14 bps due to the high-level of cash on the balance sheet
- Loan prepayment penalties favorably impacted NIM by 4 bps in 1Q21, compared to 13 bps and 6 bps in 4Q20 and 1Q21, respectively

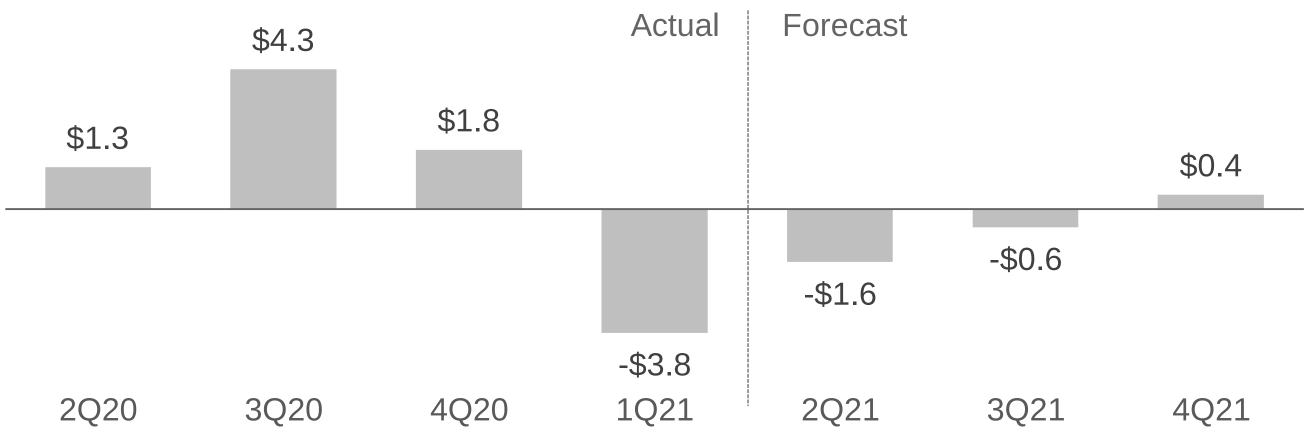
Solar Tax-Equity Investments

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 three quarters and then a stream of income in future quarters (see below); net accretive profitable over the life of investment
- We expect more tax-equity investment initiatives in the future (not included below)

PROJECTED NON-INTEREST INCOME TREND

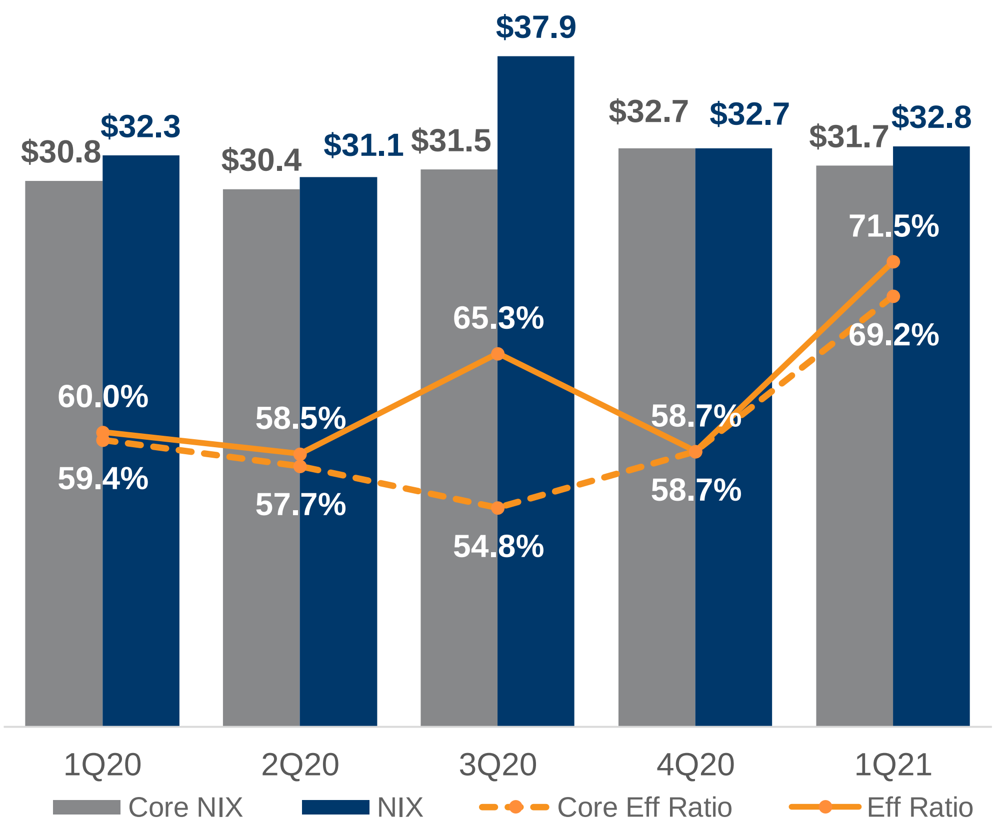
$ millions



Non-Interest Expense and Efficiency

NON-INTEREST EXPENSE

($ millions)



1Q21 HIGHLIGHTS

- Efficiency ratio of 71.5% for 1Q21
- Core efficiency ratio of 69.2% for 1Q21(1)
- Non-interest expense for 1Q21 is $32.8 million
- Non-interest expense for 1Q21 is $0.1 million higher compared to 4Q20 primarily due to a $1.1 million severance related to the modernization of our Trust Department, partially offset by lower advertising and professional service expenses
- Efficiency ratio excluding equity method investments in solar initiatives is 66.2% for 1Q21 and 60.6% for 4Q20

(1) See non-GAAP disclosures on pages 20-21

Allowance for Loan Losses

ALLOWANCE FOR LOAN LOSSES (ALLL) CHANGE FROM 4Q19 TO 1Q21

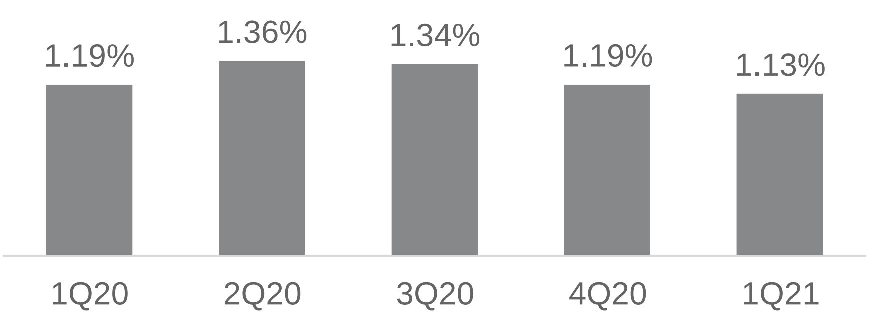
($ millions)

4Q19 ALLL	**33.8**
COVID-19 factors	6.2
Indirect C&I	4.7
Growth / other	3.3
Specific reserves	(6.5)
4Q20 ALLL	**41.6**
Loan balances	(2.4)
Changes in credit quality	(1.9)
Qualitative factors	(0.6)
1Q21 ALLL	**36.7**

1Q21 HIGHLIGHTS

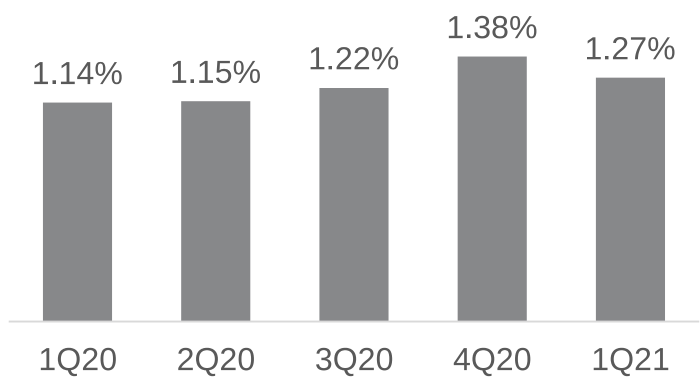
- Allowance for loan losses totals $36.7 million in 1Q21, or $4.9 million lower compared to 4Q20 due to lower loan balances and changes in credit quality
    - 1Q21 allowance is $5.7 million lower than 1Q20 due to release of specific reserves, partially offset by COVID-19 factors

ALLOWANCE FOR LOAN LOSSES / TOTAL LOANS



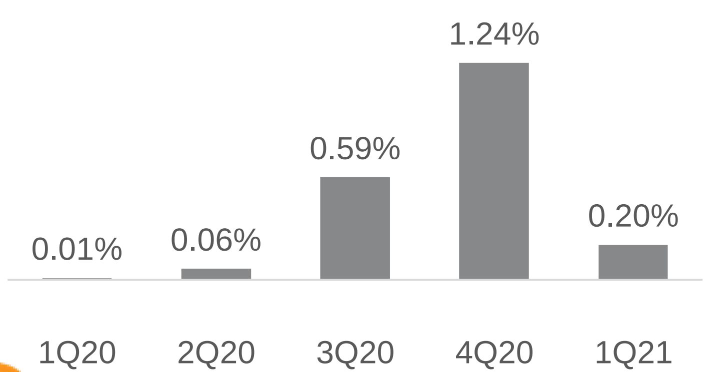
Credit Quality Portfolio

NPA / TOTAL ASSETS



NCO / AVERAGE LOANS [(1)]

(Quarter trend)



(1) Annualized

1Q21 HIGHLIGHTS

- Nonperforming assets are $81.0 million as of 1Q21, compared to $82.2 million in 4Q20
- Net charge-offs of 0.20% in 1Q21 is 104 bps lower than 4Q20 due to $6.0 million in charge-offs primarily related to hotel and construction loans
- Loan deferrals of $9 million represent 0.26% of portfolio

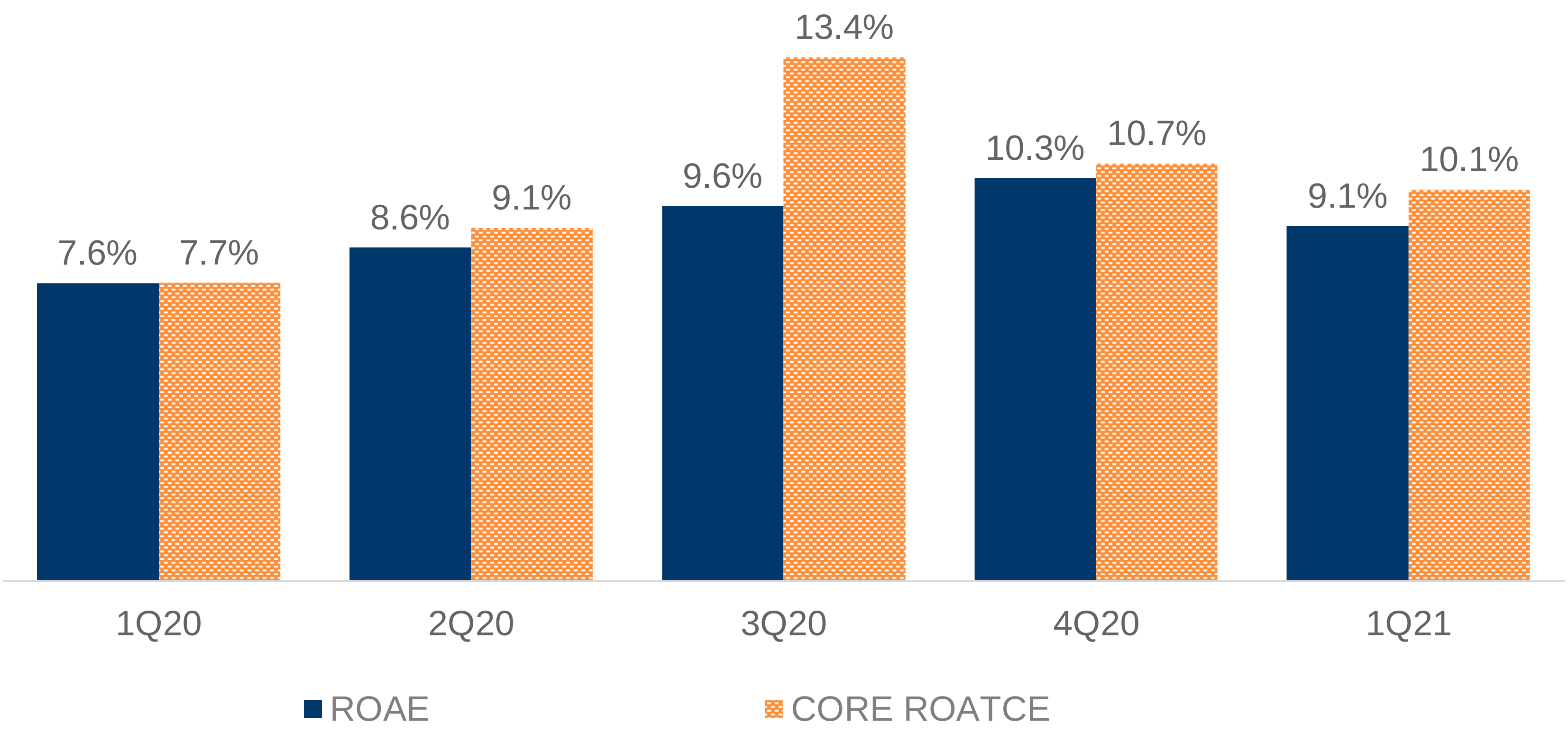
COVID-19 LOAN DEFERRALS

($ millions)

	as of 3/31/21:		% of
	Total Loans	**Deferrals**	**Portfolio**
Multifamily	$882	-	-%
CRE & Construction	415	-	-%
C&I	613	3	0.41%
Residential	1,138	5	0.43%
Consumer & Student	206	1	0.55%
Total	**$3,254**	**$9**	**0.26%**

Returns

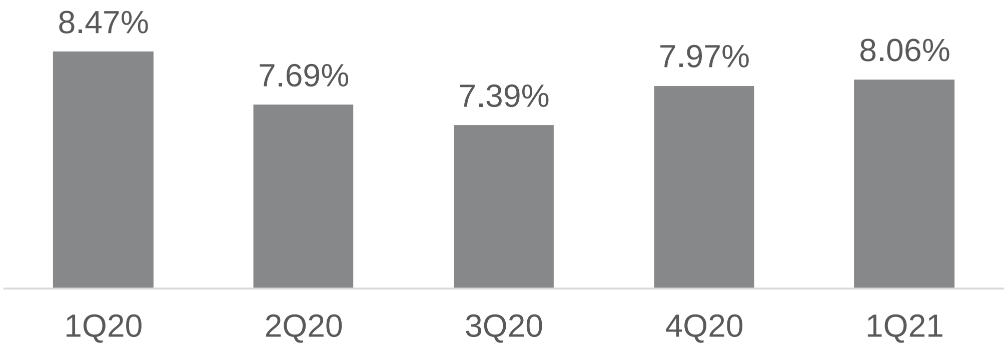
ROAE & CORE ROATCE (1)



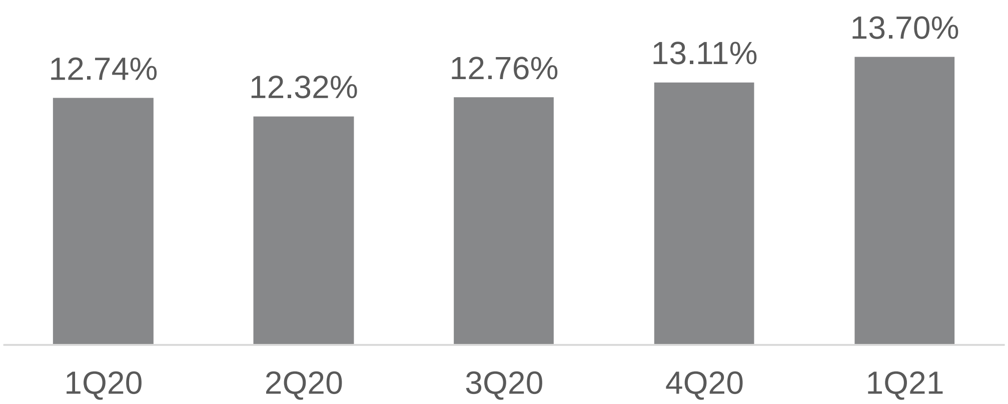
(1) See non-GAAP disclosures on pages 20-21

Capital

TIER 1 LEVERAGE RATIO



COMMON EQUITY TIER 1 RATIO



1Q21 HIGHLIGHTS

- Regulatory capital ratios remain strong
    - Tier 1 leverage ratio of 8.06% as of 1Q21
    - Common Equity Tier 1 Capital of 13.70%
- Tier 1 leverage ratio is 25 bps lower due to approximately $380 million in excess cash from strong deposit growth

2021 Guidance

NO CHANGE TO ANNUAL GUIDANCE - PREVIOUSLY PROVIDED

2021 FINANCIAL OUTLOOK

- Core Pre-tax pre-provision earnings of $72 to $88 million
    - Excludes impact of solar tax equity income/(loss) and any future non-core items
    - Year-end 2020 yield curve with no change in Fed rate targets
- Approximately 10% balance sheet growth, driven by deposits
- Core expenses expected to run higher in Q1 and Q2 due to strategic projects and investments and then lower in the second half of 2021

2021 INITIATIVES

- Strategic repositioning of custody services
- Launch of ESG ResponsiFunds (sub-advised by Invesco)
- CEO Transition
- Explore the opening of Los Angeles office in second half of 2021

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended March 31, 2021	December 31, 2020	March 31, 2020
Core operating revenue			
Net Interest income	$ 41,844	$ 45,655	$ 44,689
Non-interest income	4,000	10,040	9,118
Less: Branch sale loss (gain)[1]	-	-	(1,428)
Less: Securities gain, net	(18)	-	(499)
Core operating revenue	$ 45,826	$ 55,695	$ 51,880
Core non-interest expenses			
Non-interest expense	$ 32,793	$ 32,670	$ 32,270
Less: Branch closure expense[2]	-	-	(1,356)
Less: Severance[3]	(1,090)	-	(76)
Core non-interest expense	$ 31,703	$ 32,670	$ 30,838
Core net income			
Net Income (GAAP)	$ 12,189	$ 13,790	$ 9,545
Less: Branch sale (gain)[1]	-	-	(1,428)
Less: Securities loss (gain)	(18)	-	(499)
Add: Branch closure expense[2]	-	-	1,356
Add: Severance[3]	1,090	-	76
Less: Tax on notable items	(271)	-	130
Core net income (non-GAAP)	$ 12,990	$ 13,790	$ 9,180

(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 expense reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended March 31, 2021	December 31, 2020	March 31, 2020
Tangible common equity			
Stockholders' Equity (GAAP)	$ 540,222	$ 535,821	$ 473,269
Less: Minority Interest (GAAP)	(133)	(133)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,057)	(5,358)	(6,386)
Tangible common equity (non-GAAP)	$ 522,096	$ 517,394	$ 453,813
Average tangible common equity			
Average Stockholders' Equity (GAAP)	$ 542,553	$ 530,352	$ 501,881
Less: Minority Interest (GAAP)	(133)	(133)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,205)	(5,525)	(6,553)
Average tangible common equity (non-GAAP)	$ 524,279	$ 511,758	$ 482,258
Core return on average assets			
Core net income (numerator) (non-GAAP)	12,990	13,790	9,180
Divided: Total average assets (denominator) (GAAP)	6,231,998	6,182,989	5,426,863
Core return on average assets (non-GAAP)	0.85%	0.89%	0.68%
Core return on average tangible common equity			
Core net income (numerator) (non-GAAP)	12,990	13,790	9,180
Divided: Average tangible common equity (denominator) (GAAP)	524,279	511,758	482,258
Core return on average tangible common equity (non-GAAP)	10.05%	10.72%	7.66%
Core efficiency ratio			
Core non-interest expense (numerator)	31,703	32,670	30,838
Core operating revenue (denominator)	45,826	55,695	51,880
Core efficiency ratio	69.18%	58.66%	59.44%

Thank You

amalgamated FINANCIAL CORP.

Global Alliance for Banking on Values

Certified B Corporation