AMALGAMATED BANK

Fourth Quarter 2019 Earnings Presentation

January 31, 2020

amalgamatedbank.com
Member FDIC

SAFE HARBOR STATEMENTS

FORWARD-LOOKING STATEMENTS

Statements included in this presentation that are not historical in nature are intended to be, and are hereby identified as, forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. The words "plan," "seek to," "outlook," "guidance," "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "may" "initiatives," and "intend," as well as other similar words and expressions of the future, are intended to identify forward-looking statements, but other statements not based on historical information may also be considered forward-looking statements. These forward-looking statements include, but are not limited to, statements related to our business strategy, statements regarding our FY 2020 outlook, including our 2020 guidance and related assumptions and statements regarding our 2020 initiatives. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, 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: (i) changes in assumptions underlying our FY 2020 guidance; (ii) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (iii) continuation of the historically low short-term interest rate environment; (iv) the inability of Amalgamated Bank to maintain the historical growth rate of its loan portfolio; (v) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (vi) effectiveness of Amalgamated Bank's asset management activities in improving, resolving or liquidating lower-quality assets; (vii) the impact of competition with other financial institutions, including pricing pressures (including those resulting from the Tax Cuts and Jobs Act) and the resulting impact on Amalgamated Bank's results, including as a result of compression to net interest margin; (viii) greater than anticipated adverse conditions in the national or local economies including in Amalgamated Bank's core markets (ix) fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve; (x) the results of regulatory examinations; (xi) the ability to grow and retain low-cost core deposits and retain large, uninsured deposits; (xii) a merger or acquisition; (xiii) risks of expansion into new geographic or product markets; (xiv) any matter that would cause Amalgamated Bank to conclude that there was impairment of any asset, including intangible assets; (xv) 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; (xvi) risks associated with litigation, including the applicability of insurance coverage; (xvii) the risk of not achieving anticipated cost savings related to [ ]; (xviii) the vulnerability of Amalgamated Bank's network and online banking portals, and the systems of parties with whom Amalgamated Bank contracts, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (xix) the possibility of increased compliance costs resulting from increased regulatory oversight as a result of Amalgamated Bank becoming a publicly traded company; (xx) volatile credit and financial markets both domestic and foreign; (xxi) potential deterioration in real estate values and (xxii) the risk that the preliminary financial information reported herein and our current preliminary analysis will be different when our review is finalized. 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. 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, 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.

FOURTH QUARTER HIGHLIGHTS

4Q19 Highlights

- ✓ GAAP net income of $0.37 per diluted share
- ✓ Core net income of $0.39 per diluted share(1)

- ✓ Average deposit growth of $200.9 million, or 19.0% annualized, compared to 3Q19
- ✓ Non-interest bearing deposits are 47% of ending deposits
- ✓ 36 bps cost of deposits

- ✓ Property Assessed Clean Energy (“PACE”) assessments (in held-to-maturity securities) growth of $177.5 million

FY19 Highlights

- ✓ Record net income in 2019 of $47.2 million
- ✓ Best year of net income in 97 year history of the bank
- ✓ Surpassed $5B in total assets

- ✓ GAAP net income of $1.47 per diluted share
- ✓ Core net income of $1.49 per diluted share(1)

- ✓ Average deposit growth of $445.0 million, or 11.9%, compared to 2018
- ✓ 35 bps cost of deposits

- ✓ Loan growth of $228.1 million, or 7.1%, compared to 2018
- ✓ PACE assessments (in held-to-maturity securities) growth of $263.8 million

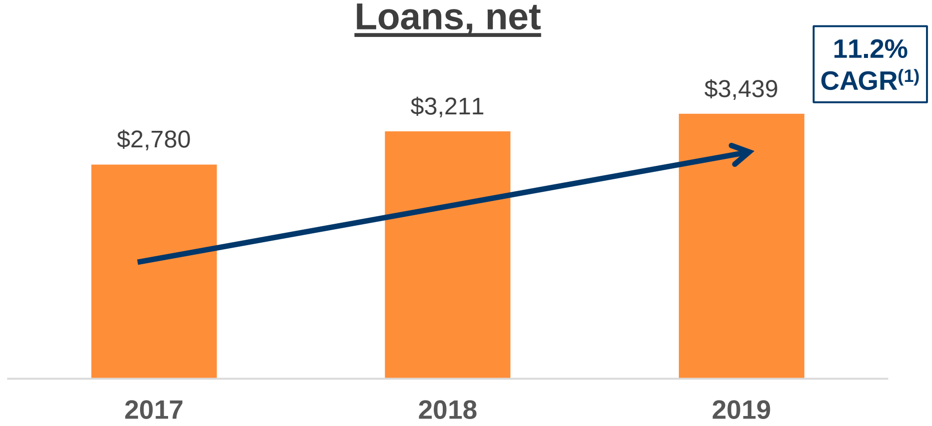
(1) See non-GAAP disclosures on pages 19-20

2019 HIGHLIGHTS

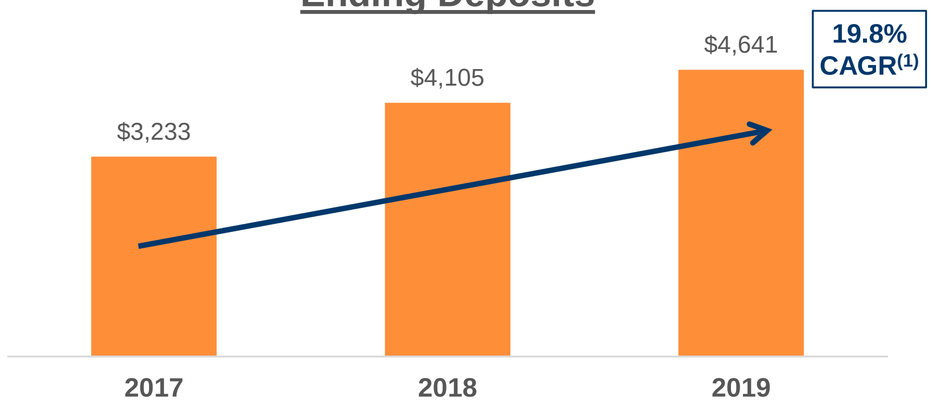
Annual Trends

($ in millions)

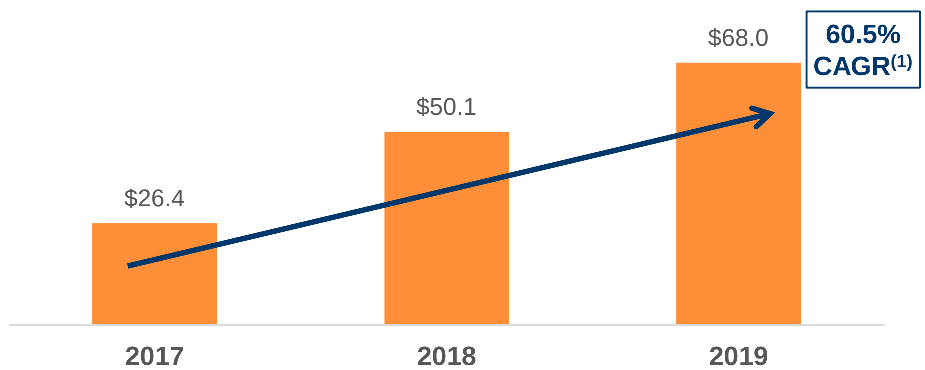
Loans, net



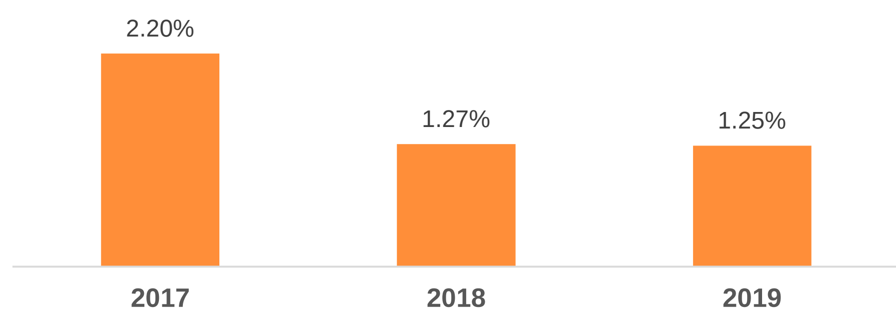
Ending Deposits



Pre-tax Pre-Provision Earnings



NPA / Total Assets



(1) Compounded Annual Growth Rate ("CAGR")

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

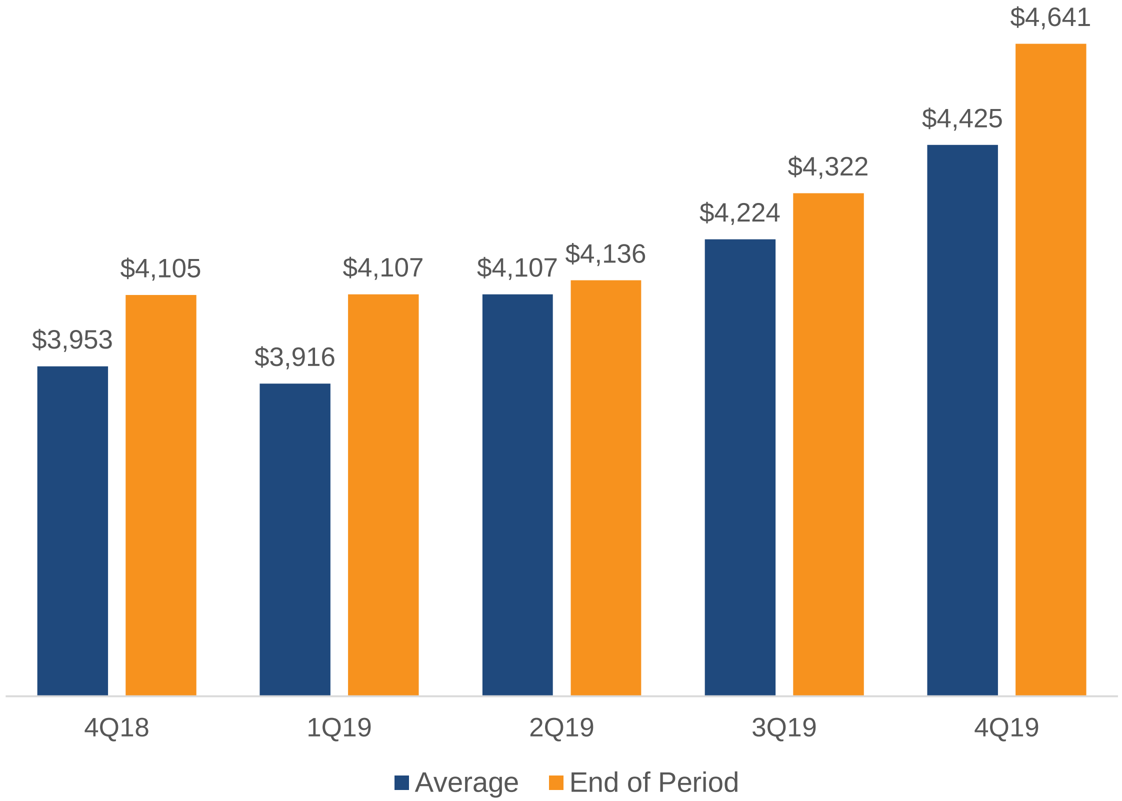
Q4 2019 Mission Aligned Initiatives and Accomplishments

- ✓ Created the Corporate Social Responsibility (CSR) Committee to assist in creating strategy for ESG goals and for developing, implementing and monitoring initiatives and policies to meet that strategy
- ✓ Established Board of Directors oversight of the CSR Committee
- ✓ Formalized and expanded various ESG-oriented policies
- ✓ Launched a dedicated CSR page on our corporate website where we plan to post regular updates on our CSR initiatives
- ✓ Partnered with New Columbia Solar to finance 100 solar projects in Washington, D.C. including low income commercial buildings, churches and small businesses

DEPOSIT PORTFOLIO

Total Deposits

($ in millions)

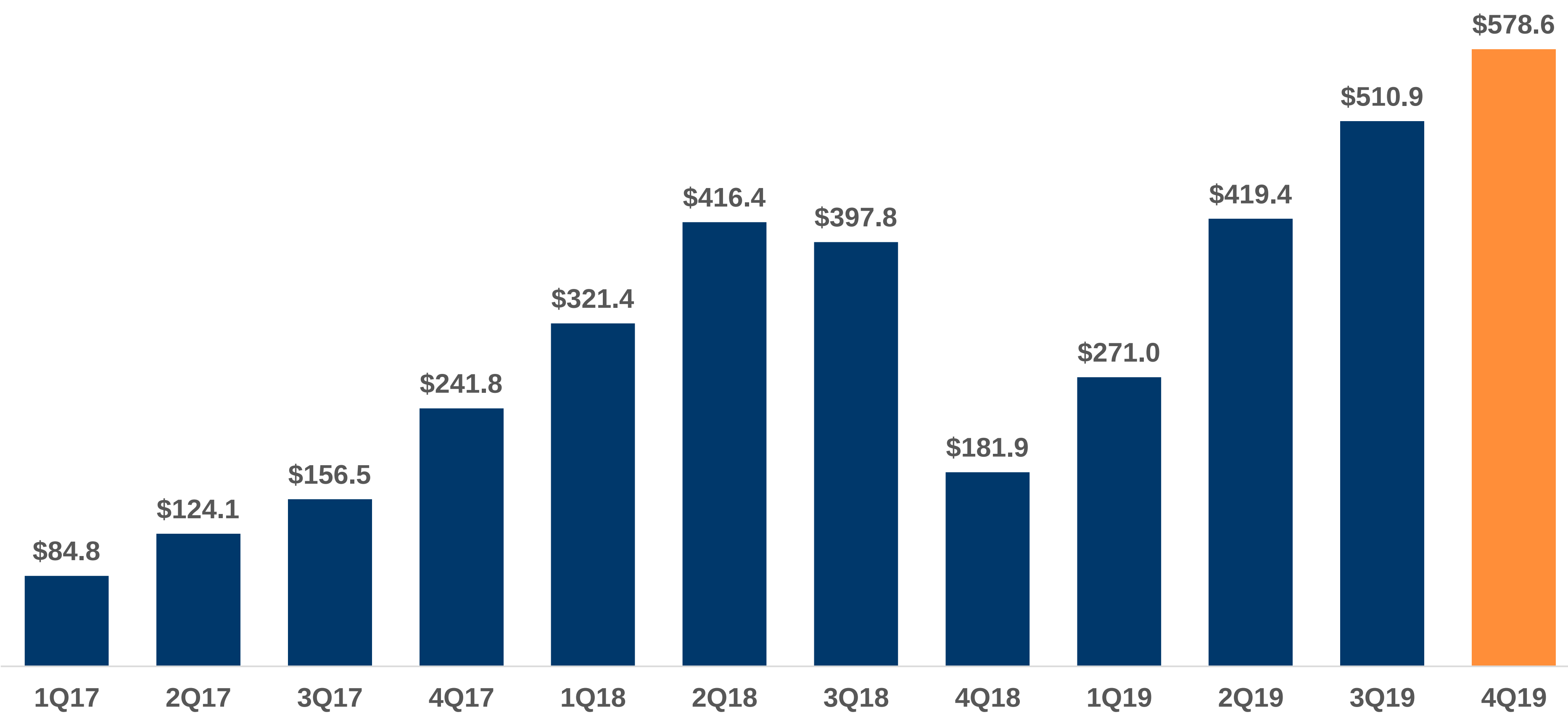


4Q19 Highlights

- ✓ Total ending deposits increased $318.6 million, or 29.5% annualized, compared to 3Q19
- ✓ Total average deposits increased $200.9 million, or 19.0% annualized, compared to 3Q19
- ✓ $87.6 million of average non-interest bearing deposit growth, compared to 3Q19
- ✓ Political deposits were $578.6 million, or $67.7 million higher than 3Q19
- ✓ Non-interest-bearing deposits represented 47% of ending deposits in 4Q19, compared to 45% in 3Q19

Political Deposits Historical Trend

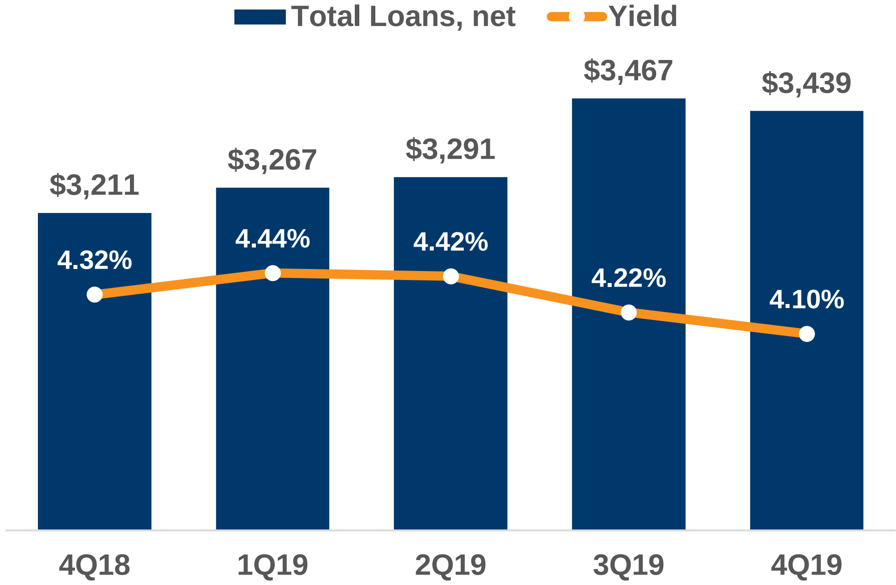
($ in millions)



LOAN AND HELD-TO-MATURITY SECURITIES

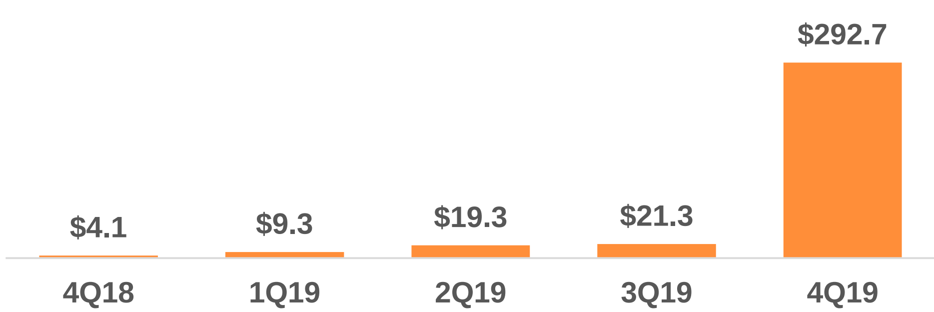
Total Loans, Net[1]

($ in millions)



Held-to-Maturity Securities

($ in millions)



(1) Loan balances in the first, second and third quarters of 2019 include $44.8 million, $72.7 million and $86.3 million in PACE assessments, respectively that are presented in held-to-maturity securities in 4Q19

4Q19 Highlights

- ✓ Total loans decreased slightly by $28.3 million, or 0.8% compared to 3Q19
- ✓ 4Q19 Yield at 4.13%; decrease of 9 bps and 19 bps compared to 3Q19 and 4Q18 respectively
- ✓ Held-to-maturity securities growth due to increase in Property Assessed Clean Energy ("PACE") assessments of $177.5 million, bringing our total PACE assessments to $263.8 million
    - ✓ Other (non-PACE) held-to-maturity securities of $28.9 million

Residential PACE Description

- ✓ Consumer financing for qualifying residential home improvements
- ✓ PACE assessment is recorded as a special tax assessment and is senior to any mortgages
- ✓ Municipalities administer remittance as part of its normal tax billing and collection process
- ✓ Assessment remains with the property, not with the property owner

PACE Update

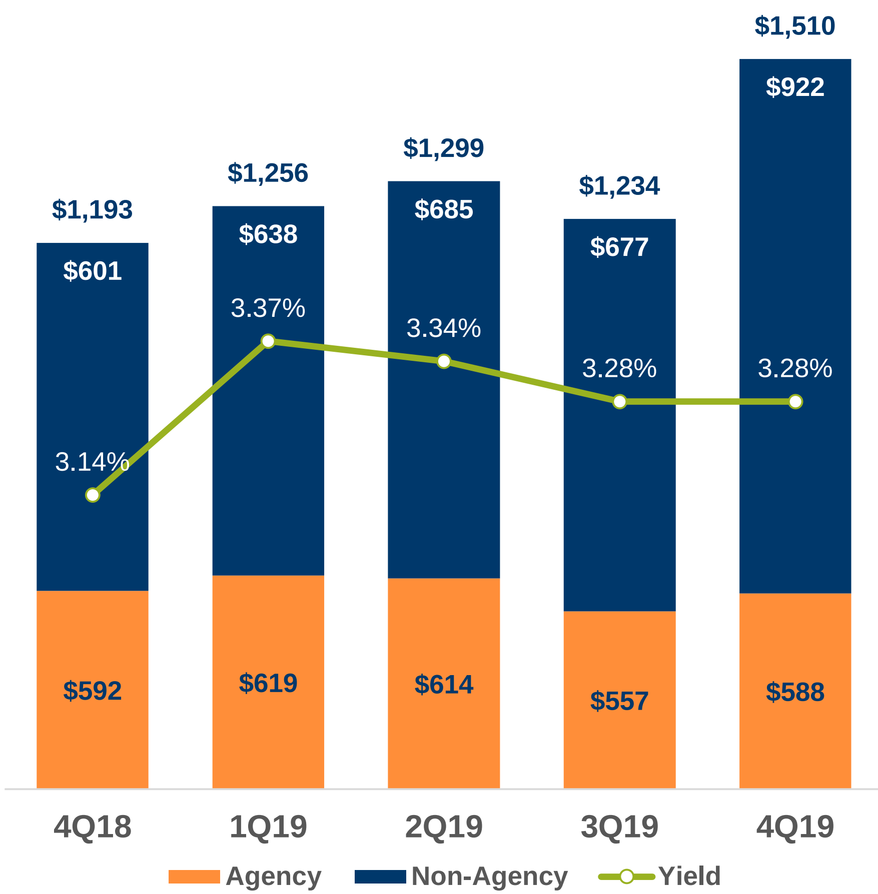
- ✓ Purchased $171 million of residential PACE at the end of November 2019
- ✓ Estimated yield in the low to mid 4%; purchased at a premium with yields expected to vary based on prepayments
- ✓ Average PACE assessment-to-value below 10%
- ✓ Reported in “Held-to-maturity” securities on balance sheet

- ✓ PACE assessments totaled $263.8 million at year end with a premium of less than 3%
- ✓ Actively working on collaborations to seek to continue growing PACE portfolio

CASH AND INVESTMENT SECURITIES

Securities – Book value[1]

($ in millions)



4Q19 Highlights

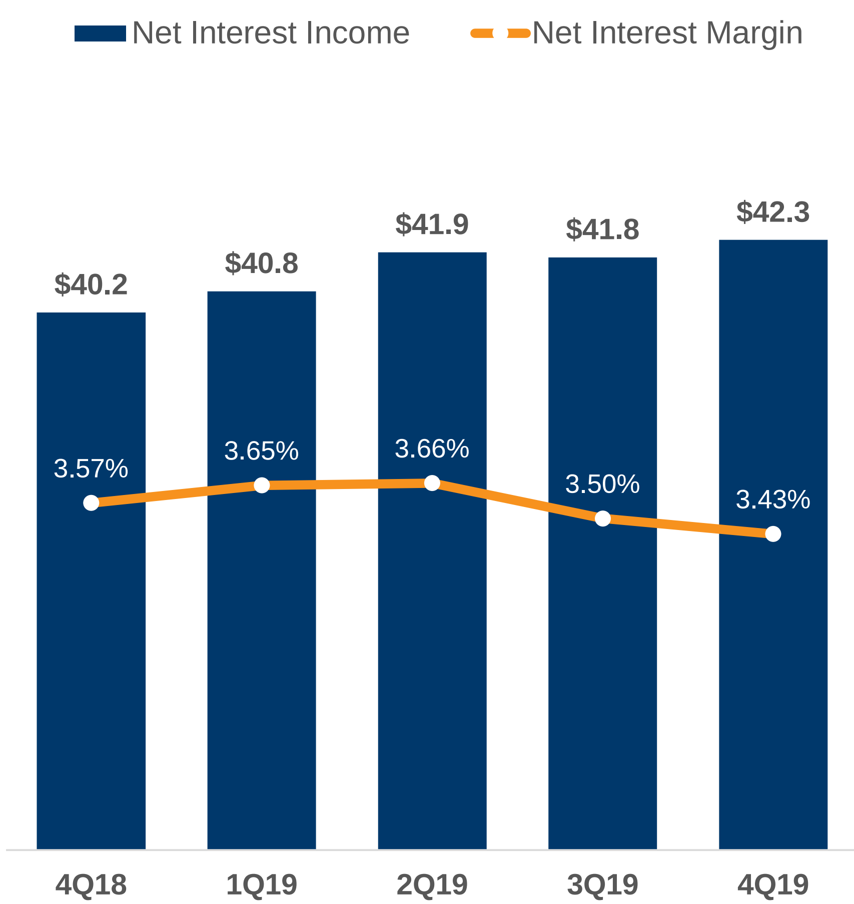
- ✓ Investment Securities totaled $1.5 billion book value for 4Q19
- ✓ Securities increase of $276 million from 3Q19 is primarily due to an increase in PACE assessments
- ✓ 87% of all non-agency MBS/ABS securities are AAA rated and 99% are A rated or higher; all CLO's are AAA rated
- ✓ As of 4Q19 average subordination for the C&I CLOs is 42%

(1) Non-agency securities in 4Q19 include $263.8 million in PACE assessments

NET INTEREST INCOME AND MARGIN

Net Interest Income & Margin

($ in millions)



4Q19 Highlights

- ✓ Net interest income was $42.3 million, compared to $41.8 million in 3Q19

  4Q19 vs. 4Q18 changes due to**:**

- ✓ Increases:
  - Average interest earning assets increased $162 million
  - Average noninterest-bearing deposits increased $88 million

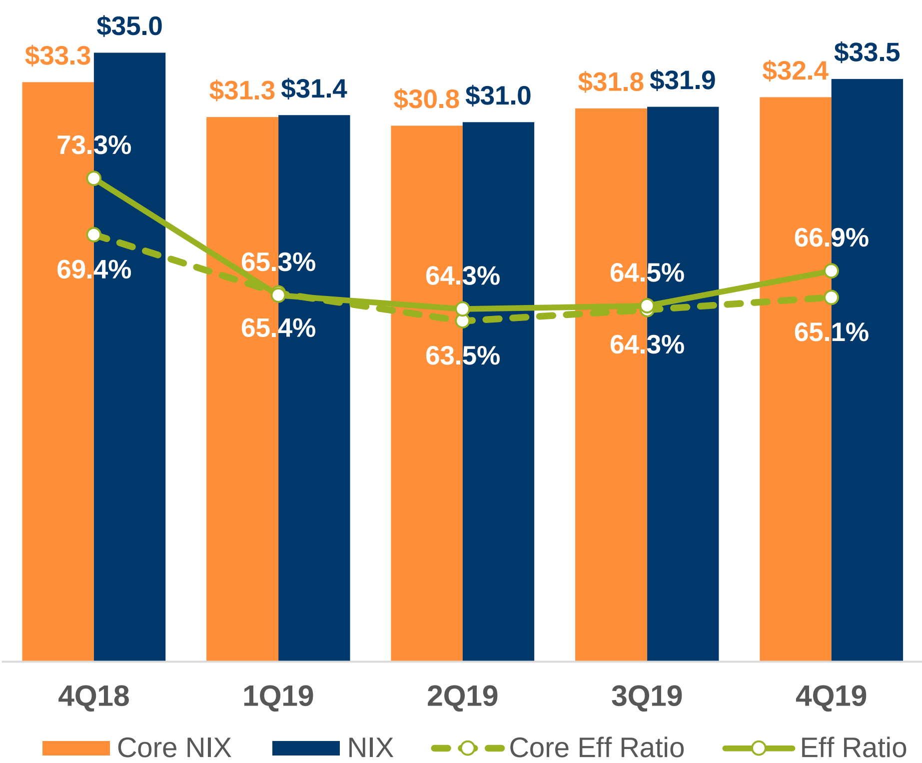
- ✓ Offsets:
  - Lower yield on interest earning assets

- ✓ 4Q19 NIM at 3.43%; a decrease of 7 bps and 14 bps, compared to 3Q19 and 4Q18, respectively

NON-INTEREST EXPENSE AND EFFICIENCY

Non-Interest Expense

($ in millions)



4Q19 Highlights

- ✓ Efficiency ratio of 66.9% for 4Q19
- ✓ Core efficiency ratio of 65.1% for 4Q19(1)
- ✓ Non-interest expense for the 4Q19 was $33.5 million
- ✓ Core non-interest expense for the 4Q19 was $32.4 million, a $0.6 million increase and a $0.9 million decrease, compared to 3Q19 and 4Q18, respectively(1)

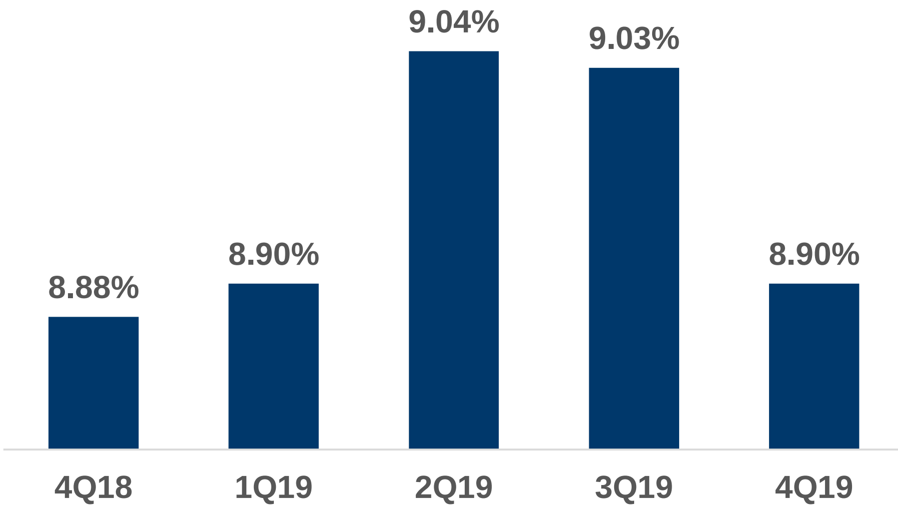
OTHER UPDATES

- ✓ Two NYC branch closures scheduled for Q1 2020 resulting in approximately $2 million in annualized expense savings
- ✓ 4Q19 core expenses effected by a few factors:
  - ✓ Strategic evaluation of Trust Department
  - ✓ SOX implementation

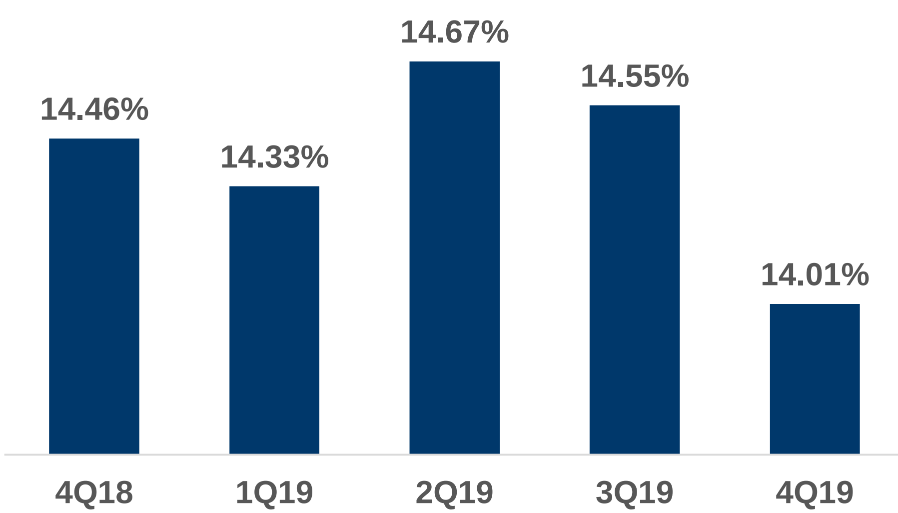
(1) See non-GAAP disclosures on pages 19-20

CAPITAL

Tier 1 Leverage Ratio



Total Risk Based Capital Ratio



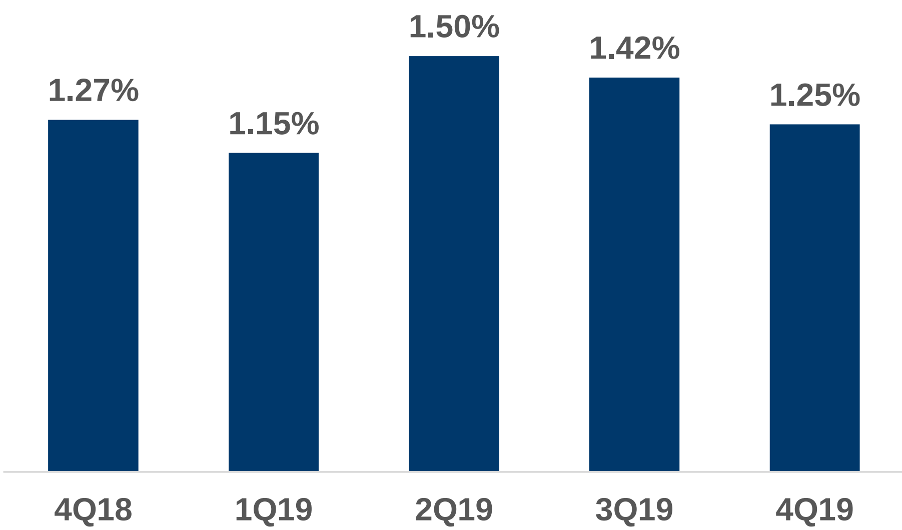
4Q19 Highlights

- ✓ Regulatory capital ratios remain well capitalized
  - ✓ Tier 1 leverage ratio of 8.90% as of 4Q19
  - ✓ Total Risk Based Capital of 14.01%
- ✓ Book value (GAAP) per share of $15.51 compared to $13.83 as of 4Q18; increase of 12.2%, or 14.9% adding back dividends and buybacks[1]
- ✓ Tangible book value (non-GAAP) per share of $14.89 compared to $13.17 as of 4Q18; increase of 13.1% or 15.9% adding back dividends and buybacks[1]

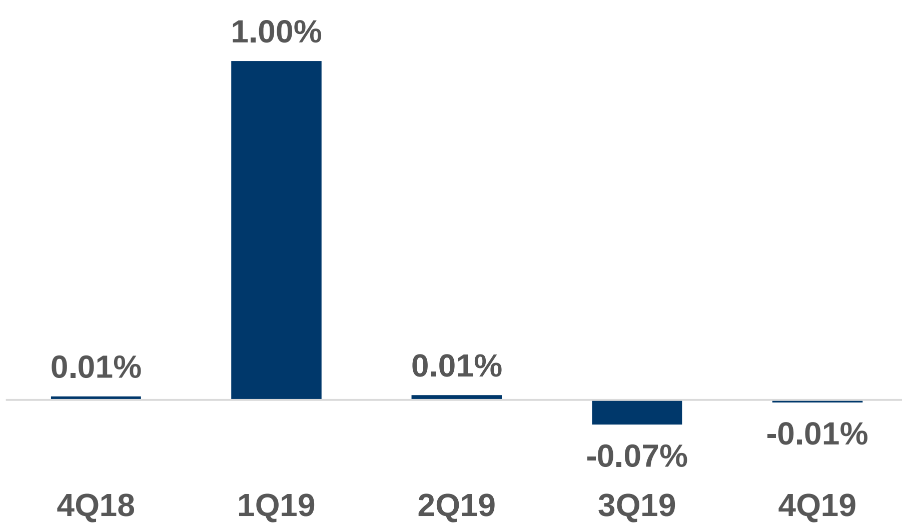
(1) adjusted BV per share includes add back of $8.3MM in dividends and $5.8MM in share buyback equity, divided by 2018 YE shares outstanding #; see non-GAAP disclosures on pages 19-20

CREDIT QUALITY PORTFOLIO

NPA / Total Assets



NCO / Average Loans[(1)]



(1) Annualized

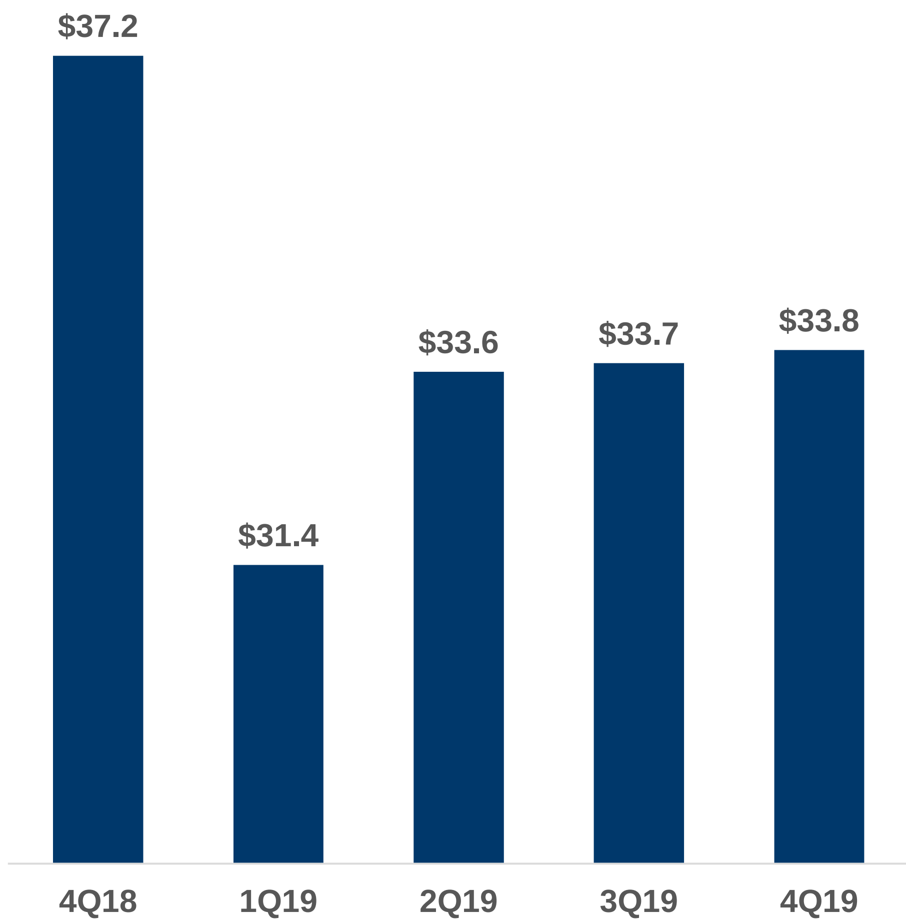
4Q19 Highlights

- ✓ Nonperforming assets were $66.7 million as of 4Q19, compared to $71.6 million in 3Q19
  - ✓ $18.2 million decrease in accruing restructured loans
  - ✓ $12.6 million increase in non-accruing loans
- ✓ Net charge-offs negligible with the exception of 1Q19
  - ✓ Increase in 1Q19 was due to the charge-off of one indirect C&I loan ($8.4 million) for which we had previously built-up specific reserves

ALLOWANCE FOR LOAN LOSSES

Allowance for Loan Losses

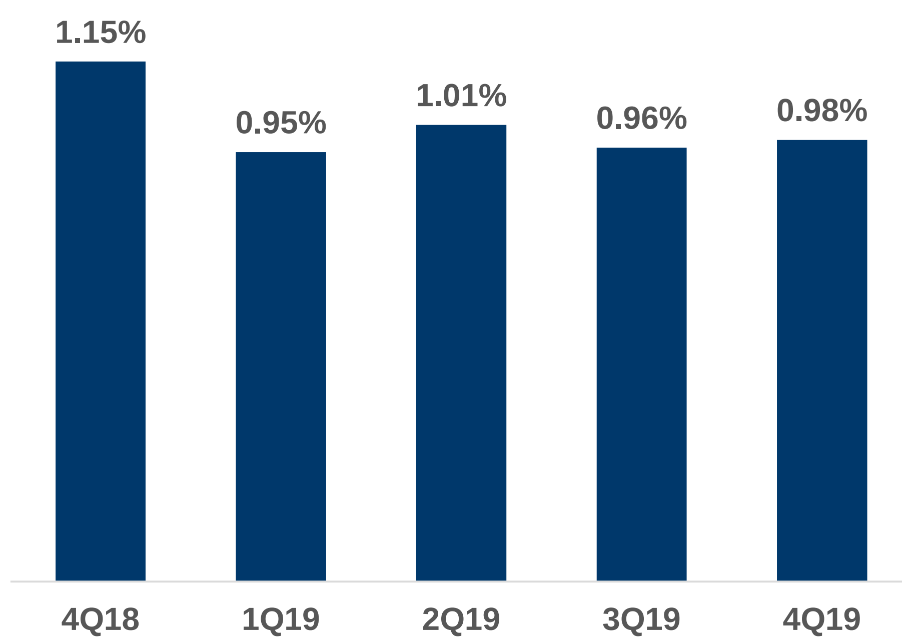
($ in millions)



4Q19 Highlights

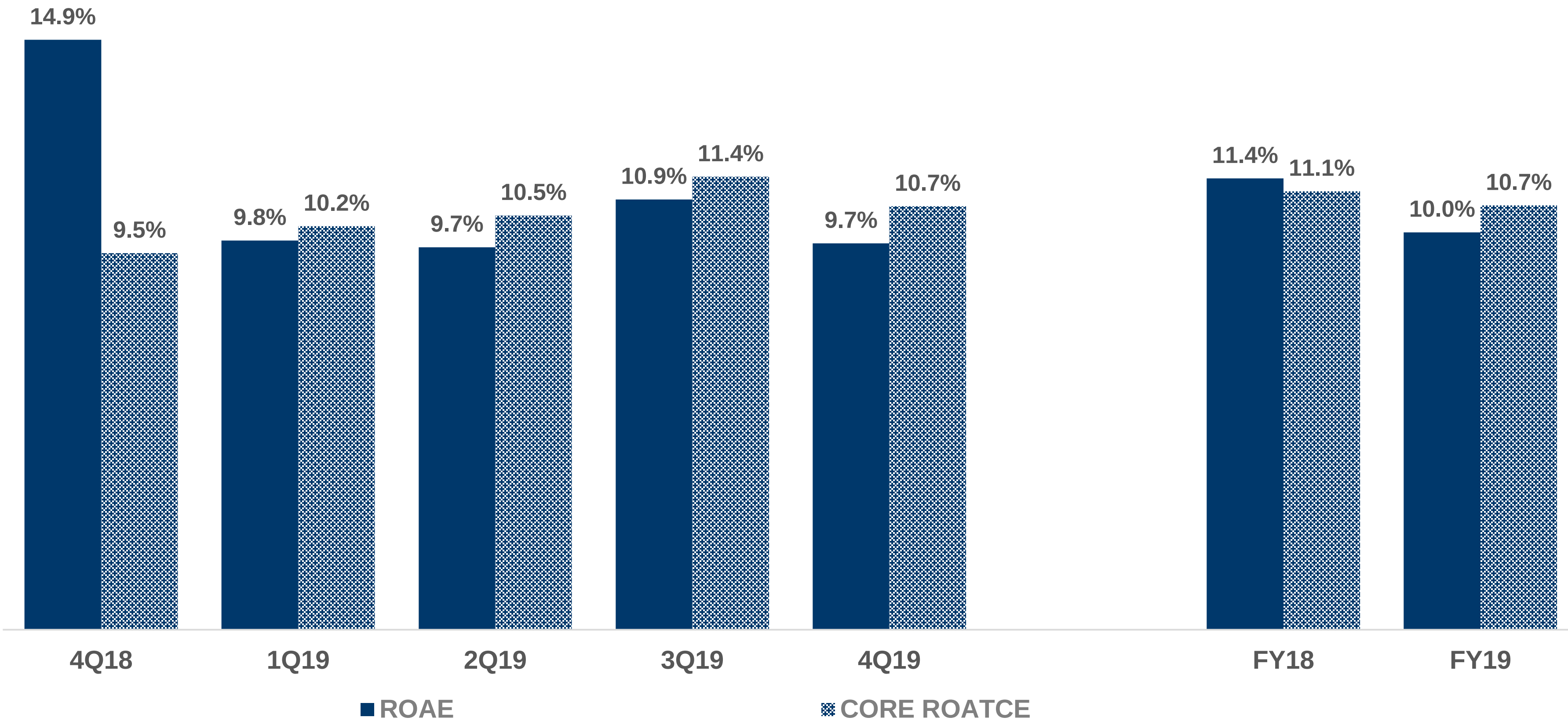
- ✓ Allowance for loan losses totaled $33.8 million
- ✓ Increase of $0.1 million from 3Q19

Allowance for Loan Losses / Total Loans



RETURNS

ROAE & Core ROATCE (1)



(1) See non-GAAP disclosures on pages 19-20

FY 2020 OUTLOOK

Guidance

✓ Pre-tax pre-provision earnings of $70 to $78 million

✓ Assumes:
  - ✓ Year-end 2019 yield curve with no change in Fed rate targets
  - ✓ 10% balance sheet growth
  - ✓ Core efficiency ratio of 64% or lower
  - ✓ Core expense run rate of approximately $32 million per quarter

2020 Initiatives

✓ De Novo expansion in Boston and Los Angeles

✓ Expansion into PACE assets

✓ Strategic repositioning of Trust and Asset Management

✓ Explore establishment of bank holding company

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	For the Three Months Ended December 31, 2019	For the Three Months Ended September 30, 2019	For the Three Months Ended December 31, 2018	For the Twelve Months Ended December 31, 2019	For the Twelve Months Ended December 31, 2018
Core operating revenue					
Net interest income (GAAP)	$ 42,250	$ 41,757	$ 40,205	$ 166,637	$ 149,745
Non interest income (GAAP)	7,776	7,659	7,555	29,201	28,318
Add: Securities loss (gain)	(218)	50	139	(83)	249
Core operating revenue (non-GAAP)	$ 49,808	$ 49,466	$ 47,899	$ 195,755	$ 178,304
Core non-interest expenses					
Non-interest expense (GAAP)	$ 33,490	$ 31,886	$ 35,025	$ 127,827	$ 128,003
Less: Prepayment fees on borrowings	-	-	-	-	(8)
Less: Branch closure expense[1]	(957)	(51)	-	(1,008)	-
Less: Acquisition cost[2]	-	-	(1,633)	-	(2,363)
Less: Initial public offering and follow on cost [3]	-	-	120	-	(3,316)
Less: Severance [4]	(101)	(47)	(257)	(419)	(235)
Core non-interest expense (non-GAAP)	$ 32,432	$ 31,788	$ 33,254	$ 126,400	$ 122,081
Core net income					
Net Income (GAAP)	$ 12,008	$ 13,195	$ 15,984	$ 47,202	$ 44,654
Add: Securities loss (gain)	(218)	50	139	(83)	249
Add: Prepayment fees on borrowings	-	-	-	-	8
Add: Branch closure expense[1]	957	51	-	1,008	-
Add: Acquisition cost[2]	-	-	1,633	-	2,363
Add: Initial public offering and follow on cost [3]	-	-	(120)	-	3,316
Add: Severance [4]	101	47	257	419	235
Less: Tax on notable items	(227)	(40)	(563)	(359)	(1,629)
Less: Deferred tax asset realization	-	-	(7,632)	-	(7,632)
Core net income (non-GAAP)	$ 12,621	$ 13,303	$ 9,698	$ 48,188	$ 41,564

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

(2) Expense related to New Resource Bank acquisition

(3) Costs related to initial public offering in Aug 2018 and follow on in Nov 2018

(4) Salary and COBRA reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	December 31, 2019	For the Three Months Ended September 30, 2019	December 31, 2018	For the Twelve Months Ended December 31, 2019	For the Twelve Months Ended December 31, 2018
Tangible common equity					
Stockholders Equity (GAAP)	$ 490,544	$ 486,312	$ 439,371	$ 490,544	$ 439,371
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)	(6,728)	(7,072)	(8,102)	(6,728)	(8,102)
Tangible common equity (non-GAAP)	$ 470,746	$ 466,170	$ 418,198	$ 470,747	$ 418,198
Average tangible common equity					
Average Stockholders Equity (GAAP)	$ 488,744	$ 482,208	$ 426,290	$ 470,727	$ 392,255
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Preferred Stock (GAAP)	-	-	-	-	(2,753)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(8,421)
Less: Core deposit intangible (GAAP)	(6,895)	(7,240)	(8,291)	(7,400)	(5,187)
Average tangible common equity (non-GAAP)	$ 468,778	$ 461,898	$ 404,928	$ 450,258	$ 375,760
Core return on average assets					
Core net income (numerator) (non-GAAP)	12,621	13,303	9,698	48,188	41,564
Divided: Total average assets (denominator) (GAAP)	5,139,701	4,965,971	4,680,235	4,937,924	4,413,328
Core return on average assets (non-GAAP)	0.97%	1.06%	0.82%	0.98%	0.94%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	12,621	13,303	9,698	48,188	41,564
Divided: Average tangible common equity (denominator) (non-GAAP)	468,778	461,898	404,929	450,258	375,760
Core return on average tangible common equity (non-GAAP)	10.68%	11.43%	9.50%	10.70%	11.06%
Core efficiency ratio					
Core non-interest expense (numerator) (non-GAAP)	32,432	31,788	33,254	126,400	122,081
Core operating revenue (denominator) (non-GAAP)	49,808	49,466	47,899	195,755	178,304
Core efficiency ratio (non-GAAP)	65.11%	64.26%	69.43%	64.57%	68.47%

Thank You

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