UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from_____to_____

Commission File Number: 001-40136

Amalgamated Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware	**85-2757101**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

275 Seventh Avenue, New York, NY 10001
(Address of principal executive offices) (Zip Code)

(212) 255-6200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	AMAL	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b–2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒		
Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

As of May 6, 2022, the registrant had 30,853,979 shares of common stock outstanding at $0.01 par value per share.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless the context indicates otherwise, references to “we,” “us,” “our” and the “Company” refer to Amalgamated Financial Corp. and Amalgamated Bank. References to the “Bank” refer to Amalgamated Bank.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are not statements of historical or current fact nor are they assurances of future performance and generally can be identified by the use of forward-looking terminology, such as “may,” “will,” “anticipate,” “intend,” “could,” “should,” “would,” “believe,” “project,” “plan,” “goal,” “target,” “potential,” “pro-forma,” “seek,” “contemplate,” “expect,” “estimate,” and “continue,” or the negative thereof as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, statements related to our projected growth, anticipated future financial performance, and management’s long-term performance goals, as well as statements relating to the anticipated effects on results of operations and financial condition from expected developments or events, or business and growth strategies, including anticipated internal growth.

Forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict as to timing, extent, likelihood and degree of occurrence, which could cause our actual results to differ materially from those anticipated in or by such statements. Potential risks and uncertainties include, but are not limited to, the following:

- our ability to maintain our reputation;
- our ability to attract customers based on shared values or mission alignment;
- inaccuracy of the assumptions and estimates we make and policies that we implement in establishing our allowance for loan losses, including future changes in the allowance for loan losses resulting from the future adoption and implementation of the Current Expected Credit Loss (“CECL”) methodology;
- potential deterioration in the financial condition of borrowers resulting in significant increases in loan losses, provisions for those losses that exceed our current allowance for loan losses and higher loan charge-offs;
- time and effort necessary to resolve nonperforming assets;
- any matter that could cause us to conclude that there was impairment of any asset, including intangible assets;
- limitations on our ability to declare and pay dividends;
- the availability of and access to capital, and our ability to allocate capital prudently, effectively and profitably;
- restrictions or conditions imposed by our regulators on our operations or the operations of banks we acquire may make it more difficult for us to achieve our goals;
- legislative or regulatory changes, including changes in tax laws, accounting standards and compliance requirements, whether of general applicability or specific to us and our subsidiaries;
- the costs, effects and outcomes of litigation, regulatory proceedings, examinations, investigations, or similar matters, or adverse facts and developments related thereto;
- our ability to attract and retain key personnel considering, among other things, competition for experienced employees and executives in the banking industry;
- adverse effects of failures by our vendors to provide agreed upon services in the manner and at the cost agreed, particularly our information technology vendors and those vendors performing a service on our behalf;
- cybersecurity risks and the vulnerability of our network and online banking portals, and the systems of parties with whom we contract, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches that could adversely affect or disrupt our business and financial performance or reputation;
- the continuing impact of COVID-19 and its variants, on our business, including the impact of the actions taken by governmental authorities to try and contain the virus or address the impact of the virus on the United States economy and the resulting effect of these items on our operations, liquidity and capital position, and on the financial condition of our borrowers and other customers;
- the composition of our loan portfolio, including any concentration in industries or sectors that may experience unanticipated or anticipated adverse conditions greater than other industries or sectors in the national or local economies in which we operate;
- general economic conditions may be less favorable than expected, which could result in, among other things, fluctuations in the values of our assets and liabilities and off-balance sheet exposures, a deterioration in credit quality, a reduction in demand for credit, and a decline in real estate values;
- the general decline in the real estate and lending markets, particularly in our market areas, including the effects of the enactment of or changes to rent-control and other similar regulations on multi-family housing;
- interest rate volatility resulting in fluctuating net interest margins and/or the volumes or values of the loans made or held as well as the value of other financial assets;

- our lack of geographic diversification and any unanticipated or greater than anticipated adverse conditions (including the possibility of earthquakes, wildfires, and other natural disasters) affecting the markets in which we operate;
- economic, governmental or other factors may affect the projected population, residential and commercial growth in the markets in which we operate;
- war or terrorist activities causing further deterioration in the economy or causing instability in credit markets;
- our ability to achieve organic loan and deposit growth and the composition of such growth;
- competitive pressures among depository and other financial institutions, including non-bank financial technology providers, and our ability to attract customers from other financial institutions;
- potential adverse reactions or changes to business or employee relationships, including those resulting from the termination of the Merger Agreement with Amalgamated Investments Company ("AIC") and Amalgamated Bank of Chicago ("ABOC");
- the outcome of any legal proceedings that may be instituted against us in connection with the termination of the Merger Agreement with AIC and ABOC;
- the adverse effects of events beyond our control that may have a destabilizing effect on financial markets and the economy, such as epidemics and pandemics, war or terrorist activities, essential utility outages, deterioration in the global economy, instability in the credit markets, disruptions in our customers' supply chains or disruption in transportation; and
- descriptions of assumptions underlying or relating to any of the foregoing.

We caution readers that the foregoing list of factors is not exclusive, is not necessarily in order of importance and readers should not place undue reliance on any forward-looking statements, which should be read in conjunction with the other cautionary statements that are included elsewhere in this report. Additional factors that may cause actual results to differ materially from those contemplated by any forward-looking statements may be found in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC and available at the SEC's website at https://sec.gov. Further, any forward-looking statement speaks only as of the date on which it is made and we do not intend to and, except as required by law, disclaim any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, unless required to do so under the federal securities laws.

Part I
Item 1. – Financial Statements
Consolidated Statements of Financial Condition
(Dollars in thousands except for per share amounts)

	March 31, 2022	December 31, 2021
Assets	(unaudited)	
Cash and due from banks	$ 9,085	$ 8,622
Interest-bearing deposits in banks	364,958	321,863
Total cash and cash equivalents	374,043	330,485
Securities:		
Available for sale, at fair value (amortized cost of $2,474,572 and $2,103,049, respectively)	2,421,064	2,113,410
Held-to-maturity (fair value of $921,395 and $849,704, respectively)	946,347	843,569
Loans held for sale	2,490	3,279
Loans receivable, net of deferred loan origination costs (fees)	3,470,174	3,312,224
Allowance for loan losses	(37,542)	(35,866)
Loans receivable, net	3,432,632	3,276,358
Resell agreements	180,150	229,018
Accrued interest and dividends receivable	27,409	28,820
Premises and equipment, net	11,654	11,735
Bank-owned life insurance	106,975	107,266
Right-of-use lease asset	33,449	33,115
Deferred tax asset	46,149	26,719
Goodwill	12,936	12,936
Other intangible assets	3,890	4,151
Equity investments	7,102	6,856
Other assets	47,041	50,159
Total assets	$ 7,653,331	$ 7,077,876
Liabilities		
Deposits	$ 6,973,473	$ 6,356,255
Subordinated Debt	83,870	83,831
Operating leases	47,883	48,160
Other liabilities	21,343	25,755
Total liabilities	7,126,569	6,514,001
Stockholders’ equity		
Common stock, par value $0.01 per share (70,000,000 shares authorized; 30,995,271 and 31,130,143 shares issued and outstanding, respectively)	310	311
Additional paid-in capital	295,443	297,975
Retained earnings	271,722	260,047
Accumulated other comprehensive income (loss), net of income taxes	(40,846)	5,409
Total Amalgamated Financial Corp. stockholders' equity	526,629	563,742
Noncontrolling interests	133	133
Total stockholders' equity	526,762	563,875
Total liabilities and stockholders’ equity	$ 7,653,331	$ 7,077,876

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Income (unaudited)
(Dollars in thousands, except for per share amounts)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
INTEREST AND DIVIDEND INCOME		
Loans	$ 31,127	$ 31,109
Securities	19,115	12,170
Federal Home Loan Bank of New York stock	40	48
Interest-bearing deposits in banks	179	90
Total interest and dividend income	50,461	43,417
INTEREST EXPENSE		
Deposits	1,402	1,573
Borrowed funds	691	—
Total interest expense	2,093	1,573
NET INTEREST INCOME	48,368	41,844
Provision for (recovery of) loan losses	2,293	(3,261)
Net interest income after provision for loan losses	46,075	45,105
NON-INTEREST INCOME		
Trust Department fees	3,491	3,827
Service charges on deposit accounts	2,447	2,178
Bank-owned life insurance	814	788
Gain (loss) on sale of securities	162	21
Gain (loss) on sale of loans, net	(157)	707
Equity method investments	432	(3,682)
Other	233	161
Total non-interest income	7,422	4,000
NON-INTEREST EXPENSE		
Compensation and employee benefits	17,669	18,039
Occupancy and depreciation	3,440	3,501
Professional fees	2,815	3,661
Data processing	5,184	3,005
Office maintenance and depreciation	725	655
Amortization of intangible assets	262	302
Advertising and promotion	854	597
Other	3,448	3,033
Total non-interest expense	34,397	32,793
Income before income taxes	19,100	16,312
Income tax expense (benefit)	4,935	4,123
Net income	14,165	12,189
Net income attributable to Amalgamated Financial Corp.	$ 14,165	$ 12,189
Earnings per common share - basic	$ 0.46	$ 0.39
Earnings per common share - diluted	$ 0.45	$ 0.39

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Net income	$ 14,165	$ 12,189
Other comprehensive income (loss), net of taxes:		
Change in total obligation for postretirement benefits, prior service credit, and other benefits	59	(357)
Net unrealized gains (losses) on securities available for sale:		
Unrealized holding gains (losses)	(63,704)	(5,436)
Reclassification adjustment for losses (gains) realized in income	(165)	(18)
Net unrealized gains (losses) on securities available for sale	(63,869)	(5,454)
Other comprehensive income (loss), before tax	(63,810)	(5,811)
Income tax benefit (expense)	17,555	1,446
Total other comprehensive income (loss), net of taxes	(46,255)	(4,365)
Total comprehensive income (loss), net of taxes	$ (32,090)	$ 7,824

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Changes in Stockholders’ Equity (unaudited)
(Dollars in thousands)

	Three Months Ended March 31, 2022						
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2021	$ 311	$ 297,975	$ 260,047	$ 5,409	$ 563,742	$ 133	$ 563,875
Net income	—	—	14,165	—	14,165	—	14,165
Common stock issued	—	52	—	—	52	—	52
Dividends, $0.08 per share	—		(2,490)	—	(2,490)	—	(2,490)
Repurchase of common stock	(1)	(2,940)	—	—	(2,941)	—	(2,941)
Exercise of stock options	—	(305)	—	—	(305)	—	(305)
Stock-based compensation expense	—	661	—	—	661	—	661
Other comprehensive income (loss), net of taxes	—	—	—	(46,255)	(46,255)	—	(46,255)
Balance at March 31, 2022	$ 310	$ 295,443	$ 271,722	$ (40,846)	$ 526,629	$ 133	$ 526,762

	Three Months Ended March 31, 2021						
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2020	$ 310	$ 300,989	$ 217,213	$ 17,176	$ 535,688	$ 133	$ 535,821
Net income	—	—	12,189	—	12,189	—	12,189
Dividends, $0.08 per share	—	—	(2,515)	—	(2,515)	—	(2,515)
Repurchase of shares	—	(420)	—	—	(420)	—	(420)
Exercise of stock options, net of repurchases	2	(988)	—	—	(986)	—	(986)
Restricted stock unit vesting, net of repurchases	—	(90)	—	—	(90)	—	(90)
Stock-based compensation expense	—	588	—	—	588	—	588
Other comprehensive income (loss), net of taxes	—	—	—	(4,365)	(4,365)	—	(4,365)
Balance at March 31, 2021	$ 312	$ 300,079	$ 226,887	$ 12,811	$ 540,089	$ 133	$ 540,222

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Cash Flows (unaudited)
(Dollars in thousands)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 14,165	$ 12,189
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	899	854
Amortization of intangible assets	262	302
Deferred income tax expense (benefit)	(1,876)	3,234
Provision for (recovery of) loan losses	2,293	(3,261)
Stock-based compensation expense	661	588
Net amortization (accretion) on loan fees, costs, premiums, and discounts	285	684
Net amortization on securities	1,175	751
OTTI loss (gain) recognized in earnings	(3)	3
Net loss (income) from equity method investments	(432)	3,682
Net loss (gain) on sale of securities available for sale	(162)	(21)
Net loss (gain) on sale of loans	157	(707)
Net (gain) on redemption of bank-owned life insurance	(313)	(266)
Proceeds from sales of loans held for sale	5,913	39,037
Originations of loans held for sale	(5,298)	(43,777)
Decrease (increase) in cash surrender value of bank-owned life insurance	(501)	(522)
Decrease (increase) in accrued interest and dividends receivable	1,411	2,505
Decrease (increase) in other assets (1)	2,784	9,723
Increase (decrease) in accrued expenses and other liabilities (2)	(4,591)	(12,856)
Net cash provided by operating activities	16,829	12,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in loans	(158,836)	224,323
Purchase of securities available for sale	(448,390)	(212,959)
Purchase of securities held to maturity	(146,276)	(58,907)
Proceeds from sales of securities available for sale	162	14,431
Maturities, principal payments and redemptions of securities available for sale	76,842	85,482
Maturities, principal payments and redemptions of securities held to maturity	42,352	21,372
Decrease (increase) in resell agreements	48,868	2,511
Purchase of equity method investments	186	220
Purchases of premises and equipment	(818)	(847)
Proceeds from redemption of bank-owned life insurance	1,105	1,010
Proceeds from sale of other real estate owned	—	—
Net cash (used in) provided by investing activities	(584,805)	76,636
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in deposits	617,218	381,356
Issuance of common stock	52	2
Repurchase of shares	(2,941)	(420)
Dividends paid	(2,490)	(2,484)
Exercise of stock options, net	(305)	(1,079)
Restricted stock unit vesting, net	—	1
Net cash provided by financing activities	611,534	377,376

Increase (decrease) in cash, cash equivalents, and restricted cash	43,558	466,154
Cash, cash equivalents, and restricted cash at beginning of year	330,485	38,769
Cash, cash equivalents, and restricted cash at end period	$ 374,043	$ 504,923
Supplemental disclosures of cash flow information:		
Interest paid during the period	$ 1,388	$ 1,696
Income taxes paid during the period	115	9,823
Supplemental non-cash investing activities:		
Right-of-use assets obtained in exchange for lease liabilities	$ —	$ 777
Loans transferred to held-for-sale	2,490	—
Loans transferred to other real estate owned	—	2,682
Purchase (sale) of securities available for sale, net not settled	—	53,573

(1) Includes $0.3 million and $1.7 million of right of use asset amortization for the respective periods
(2) Includes $1.4 million and $0.4 million accretion of operating lease liabilities for the respective periods

See accompanying notes to consolidated financial statements (unaudited)

1. BASIS OF PRESENTATION AND CONSOLIDATION

Holding Company Reorganization

On March 1, 2021 (the "Effective Date"), Amalgamated Financial Corp., a Delaware public benefit corporation (the "Company") acquired all of the outstanding stock of Amalgamated Bank, a New York state-chartered bank (the "Bank"), in a statutory share exchange transaction (the "Reorganization") effected under New York law and in accordance with the terms of a Plan of Acquisition dated September 4, 2020 (the "Agreement"). Pursuant to the Reorganization, the Bank became the sole subsidiary of the Company, the Company became the holding company for the Bank and the stockholders of the Bank became stockholders of the Company. Prior to the Effective Date of the Reorganization, the Company conducted no operations other than obtaining regulatory approval for the Reorganization.

In this discussion, 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.

Segment Information

Public companies are required to report certain financial information about significant revenue-producing segments of the business for which such information is available and utilized by the chief operating decision maker. Substantially all of our operations occur through the Bank and involve the delivery of loan and deposit products to customers. Management makes operating decisions and assesses performance based on an ongoing review of its banking operation, which constitutes our only operating segment for financial reporting purposes. We do not consider our trust and investment management business as a separate segment.

Basis of Accounting and Changes in Significant Accounting Policies

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, or GAAP and predominant practices within the banking industry. The Company uses the accrual basis of accounting for financial statement purposes.

The accompanying unaudited consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and its majority-owned subsidiaries and have been prepared in accordance with instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with GAAP. All significant inter-company transactions and balances are eliminated in consolidation. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial position and the results of operations as of the dates and for the interim periods presented have been included. A more detailed description of our accounting policies is included in the Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 Annual Report"). There have been no significant changes to our accounting policies, or the estimates made pursuant to those policies as described in our 2021 Annual Report. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes appearing in the 2021 Annual Report.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation, however such reclassifications did not change stockholder equity or net income.

2. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The Company records unrealized gains and losses, net of taxes, on securities available for sale in other comprehensive income (loss) in the Consolidated Statements of Changes in Stockholders' Equity. Gains and losses on securities available for sale are reclassified to operations as the gains or losses are recognized. Other-than-temporary impairment ("OTTI") losses on debt securities are reflected in earnings as realized losses to the extent the impairment is related to credit losses. The amount of the impairment related to other factors is recognized in other comprehensive income (loss). The Company also recognizes as a component of other comprehensive income (loss) the actuarial gains or losses as well as the prior service costs or credits that arise during the period from post-retirement benefit plans.

Other comprehensive income (loss) components and related income tax effects were as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
(In thousands)		
Change in obligation for postretirement benefits and for prior service credit	$ 51	$ 54
Change in obligation for other benefits	8	(411)
Change in total obligation for postretirement benefits and for prior service credit and for other benefits	$ 59	$ (357)
Income tax effect	(16)	(43)
Net change in total obligation for postretirement benefits and prior service credit and for other benefits	43	(400)
Unrealized holding gains (losses) on available for sale securities	$ (63,704)	$ (5,436)
Reclassification adjustment for losses (gains) realized in income	(165)	(18)
Change in unrealized gains (losses) on available for sale securities	(63,869)	(5,454)
Income tax effect	17,571	1,489
Net change in unrealized gains (losses) on available for sale securities	(46,298)	(3,965)
Total	$ (46,255)	$ (4,365)

The following is a summary of the accumulated other comprehensive income (loss) balances, net of income taxes:

(In thousands)	Balance as of January 1, 2022	Current Period Change	Income Tax Effect	Balance as of March 31, 2022
Unrealized gains (losses) on benefits plans	$ (2,102)	$ 59	$ (16)	$ (2,059)
Unrealized gains (losses) on available for sale securities	7,511	(63,869)	17,571	(38,787)
Total	$ 5,409	$ (63,810)	$ 17,555	$ (40,846)

(In thousands)	Balance as of Balance as of January 1, 2021	Current Period Change	Income Tax Effect	Balance as of March 31, 2021
Unrealized gains (losses) on benefits plans	$ (2,056)	$ (357)	$ (43)	$ (2,456)
Unrealized gains (losses) on available for sale securities	19,232	(5,454)	1,489	15,267
Total	$ 17,176	$ (5,811)	$ 1,446	$ 12,811

The following represents the reclassifications out of accumulated other comprehensive income (loss):

(In thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Affected Line Item in the Consolidated Statements of Income
Realized gains (losses) on sale of available for sale securities	$ 162	$ 21	Gain (loss) on sale of securities
Recognized gains (losses) on OTTI securities	3	(3)	Non-Interest Income - other
Income tax expense (benefit)	46	5	Income tax expense (benefit)
Total reclassifications, net of income tax	$ 119	$ 13	
Prior service credit on pension plans and other postretirement benefits	$ 7	$ 7	Compensation and employee benefits
Income tax expense (benefit)	(2)	(2)	Income tax expense (benefit)
Total reclassifications, net of income tax	$ 5	$ 5	
Total reclassifications, net of income tax	$ 124	$ 18	

3. INVESTMENT SECURITIES

The amortized cost and fair value of investment securities available for sale and held to maturity as of March 31, 2022 are as follows:

	March 31, 2022			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Mortgage-related:				
GSE residential certificates	$ 3,504	$ —	$ (54)	$ 3,450
GSE residential CMOs	496,866	1,100	(15,501)	482,465
GSE commercial certificates & CMO	394,320	934	(5,254)	390,000
Non-GSE residential certificates	150,209	6	(6,065)	144,150
Non-GSE commercial certificates	135,652	3	(5,624)	130,031
	1,180,551	2,043	(32,498)	1,150,096
Other debt:				
U.S. Treasury	198	—	(3)	195
ABS	1,152,180	298	(18,024)	1,134,454
Trust preferred	14,632	—	(647)	13,985
Corporate	127,011	102	(4,779)	122,334
	1,294,021	400	(23,453)	1,270,968
Total available for sale	$ 2,474,572	$ 2,443	$ (55,951)	$ 2,421,064
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 30,654	$ —	$ (3,502)	$ 27,152
GSE residential certificates	439	4	—	443
Non GSE commercial certificates	10,307	—	(1,011)	9,296
Non GSE residential certificates	30,419	—	(1,124)	29,295
	71,819	4	(5,637)	66,186
Other debt:				
ABS	75,800	—	(812)	74,988
PACE	723,646	—	(10,942)	712,704
Municipal	71,982	107	(7,670)	64,419
Other	3,100	—	(2)	3,098
	874,528	107	(19,426)	855,209
Total held to maturity	$ 946,347	$ 111	$ (25,063)	$ 921,395

As of March 31, 2022, available for sale securities with a fair value of $903.4 million were pledged with $140.5 million held-to-maturity securities being pledged. The majority of the securities were pledged to the Federal Home Loan Bank of New York ("FHLB") to secure outstanding advances, letters of credit and to provide additional borrowing potential. In addition, securities were pledged to provide capacity to borrow from the Federal Reserve Bank and to collateralize municipal deposits.

The amortized cost and fair value of investment securities available for sale and held to maturity as of December 31, 2021 are as follows:

	December 31, 2021			
(In thousands)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Available for sale:				
Mortgage-related:				
GSE residential certificates	$ 3,838	$ 129	$ —	$ 3,967
GSE residential CMOs	460,571	5,697	(2,385)	463,883
GSE commercial certificates & CMO	364,274	6,855	(765)	370,364
Non-GSE residential certificates	66,756	29	(646)	66,139
Non-GSE commercial certificates	81,705	12	(616)	81,101
	977,144	12,722	(4,412)	985,454
Other debt:				
U.S. Treasury	200	—	—	200
ABS	988,061	3,351	(2,224)	989,188
Trust preferred	14,631	—	(484)	14,147
Corporate	123,013	1,681	(273)	124,421
	1,125,905	5,032	(2,981)	1,127,956
Total available for sale	$ 2,103,049	$ 17,754	$ (7,393)	$ 2,113,410
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 30,742	$ —	$ (489)	$ 30,253
GSE residential certificates	442	19	—	461
Non GSE commercial certificates	10,333	13	(288)	10,058
Non GSE residential certificates	10,796	5	—	10,801
	52,313 —	37 —	(777) —	51,573
Other debt:				
ABS	75,800	1	(50)	75,751
PACE	627,394	5,933	—	633,327
Municipal	84,962	2,045	(1,056)	85,951
Other	3,100	2	—	3,102
	791,256	7,981	(1,106)	798,131
Total held to maturity	$ 843,569	$ 8,018	$ (1,883)	$ 849,704

The following table summarizes the amortized cost and fair value of debt securities available for sale and held to maturity, exclusive of mortgage-backed securities, by their contractual maturity as of March 31, 2022. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty:

	Available for Sale		Held to Maturity	
(In thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ —	$ —	$ 3,100	$ 3,098
Due after one year through five years	75,007	72,542	—	—
Due after five years through ten years	436,182	430,963	—	—
Due after ten years	782,832	767,463	871,428	852,111
	$ 1,294,021	$ 1,270,968	$ 874,528	$ 855,209

Proceeds received and gains and losses realized on sales of securities are summarized below:

	Three Months Ended,	
(In thousands)	March 31, 2022	March 31, 2021
Proceeds	$ 162	$ 14,431
Realized gains	$ 162	$ 72
Realized losses	—	(51)
Net realized gains (losses)	$ 162	$ 21

The Company controls and monitors inherent credit risk in its securities portfolio through due diligence, diversification, concentration limits, periodic securities reviews, and by investing in low risk securities. This includes high quality Non Agency Securities, low LTV PACE Bonds and a significant portion of the securities portfolio in U.S. Government sponsored entity ("GSE") obligations. GSEs include the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA") and the Small Business Administration ("SBA"). GNMA is a wholly owned U.S. Government corporation whereas FHLMC and FNMA are private. Mortgage-related securities may include mortgage pass-through certificates, participation certificates and collateralized mortgage obligations ("CMOs").

The following summarizes the fair value and unrealized losses for those available for sale and held to maturity securities as of March 31, 2022 and December 31, 2021, respectively, segregated between securities that have been in an unrealized loss position for less than twelve months and those that have been in a continuous unrealized loss position for twelve months or longer at the respective dates:

	March 31, 2022					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Mortgage-related:						
GSE residential certificates	$ 3,450	$ (54)	$ —	$ —	$ 3,450	$ (54)
GSE residential CMOs	338,902	(14,013)	20,906	(1,488)	359,808	(15,501)
GSE commercial certificates & CMO	126,878	(4,103)	158,640	(1,151)	285,518	(5,254)
Non-GSE residential certificates	134,465	(5,404)	8,968	(661)	143,433	(6,065)
Non-GSE commercial certificates	92,166	(4,035)	29,406	(1,589)	121,572	(5,624)
Other debt:					—	
ABS	1,006,027	(17,017)	85,340	(1,007)	1,091,367	(18,024)
Trust preferred	—	—	13,985	(647)	13,985	(647)
Corporate	107,448	(4,562)	5,783	(217)	113,231	(4,779)
US Treasury	195	(3)	—	—	195	(3)
Total available for sale	$ 1,809,531	$ (49,191)	$ 323,028	$ (6,760)	$ 2,132,559	$ (55,951)
Held to maturity:						
Mortgage-related:						
GSE commercial certificates	$ 27,152	$ (3,502)	$ —	$ —	$ 27,152	$ (3,502)
GSE residential certificates	—	—	—	—	—	—
Non GSE commercial certificates	9,117	(1,011)	—	—	9,117	(1,011)
NON GSE residential certificates	29,295	(1,124)	—	—	29,295	(1,124)
Other debt:						
ABS	74,988	(812)	—	—	74,988	(812)
PACE	712,704	(10,942)	—	—	712,704	(10,942)
Municipal	56,036	(6,896)	3,305	(774)	59,341	(7,670)
Other	3,098	(2)	—	—	3,098	(2)
Total held to maturity	$ 912,390	$ (24,289)	$ 3,305	$ (774)	$ 915,695	$ (25,063)

	December 31, 2021					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Mortgage-related:						
GSE residential CMOs	$ 222,825	$ (2,385)	$ —	$ —	$ 222,825	$ (2,385)
GSE commercial certificates & CMO	28,695	(271)	159,681	(494)	188,376	(765)
Non-GSE residential certificates	55,284	(646)	—	—	55,284	(646)
Non-GSE commercial certificates	42,530	(247)	23,124	(369)	65,654	(616)
Other debt:					—	
ABS	374,241	(1,903)	71,746	(321)	445,987	(2,224)
Trust preferred	—	—	14,147	(484)	14,147	(484)
Corporate	48,743	(273)	—	—	48,743	(273)
Total available for sale	$ 772,318	$ (5,725)	$ 268,698	$ (1,668)	$ 1,041,016	$ (7,393)
Held to maturity:						
Mortgage-related:						
GSE commercial certificates	$ 30,253	$ (489)	$ —	$ —	$ 30,253	$ (489)
Non GSE commercial certificates	9,857	(288)	—	—	9,857	(288)
Other debt:						
ABS	26,951	(50)	—	—	26,951	(50)
Municipal	38,468	(852)	3,876	(204)	42,344	(1,056)
Total held to maturity	$ 105,529	$ (1,679)	$ 3,876	$ (204)	$ 109,405	$ (1,883)

The temporary impairment of fixed income securities is primarily attributable to changes in overall market interest rates and/or changes in credit spreads since the investments were acquired. In general, as market interest rates rise and/or credit spreads widen, the fair value of fixed rate securities will decrease, as market interest rates fall and/or credit spreads tighten, the fair value of fixed rate securities will increase. Management considers that the temporary impairment of the Company's investments in trust preferred securities ("TruPs") as of March 31, 2022 is primarily due to a widening of credit spreads since the time these investments were acquired, as well as market uncertainty for this class of investments. All of the TruPs were rated investment grade by not less than three nationally recognized statistical rating organization's ("NRSROs"). All of the issues are current as to their dividend payments and management is not aware of a decision of any trust preferred issuer to exercise its option to defer dividend payments.

As of March 31, 2022, excluding GSE and U.S. Treasury securities and TruPs, discussed above, temporarily impaired securities totaled $2.4 billion with an unrealized loss of $56.0 million. With the exception of PACE securities, which are generally not rated, these securities were rated investment grade by at least one NRSRO with no ratings below investment grade. All issues were current as to their interest payments. We have had no losses on any PACE bonds that we have invested in and are not aware of any losses in the sector given the low LTV position. Management considers that the temporary impairment of these investments as of March 31, 2022 is primarily due to an increase in interest rates since the time these investments were acquired.

With respect to the Company's security investments that are temporarily impaired as of March 31, 2022, management does not intend to sell these investments and does not believe it will be necessary to do so before anticipated recovery. The Company expects to collect all amounts due according to the contractual terms of these investments. Therefore, the Company does not consider these securities to be other-than-temporarily impaired at March 31, 2022. None of these positions or other securities held in the portfolio or sold during the year were purchased with the intent of selling them or would otherwise be classified as trading securities under ASC No. 320, Investments – Debt Securities.

For the three months ended March 31, 2022, the Company recaptured $3.1 thousand of OTTI, compared to a $2.7 thousand OTTI loss for the same period in 2021.

Events which may cause material declines in the fair value of debt investments may include, but are not limited to, deterioration of credit metrics, higher incidences of default, worsening liquidity, worsening global or domestic economic conditions or adverse regulatory action. Management does not believe that there are any cases of unrecorded OTTI as of March 31, 2022; however, it is possible that the Company may recognize OTTI in future periods.

4. LOANS RECEIVABLE, NET

Loans receivable are summarized as follows:

(In thousands)	March 31, 2022	December 31, 2021
Commercial and industrial	$ 724,177	$ 729,385
Multifamily	813,702	821,801
Commercial real estate	354,174	369,429
Construction and land development	40,242	31,539
Total commercial portfolio	1,932,295	1,952,154
Residential real estate lending	1,143,175	1,063,682
Consumer and other	389,452	291,818
Total retail portfolio	1,532,627	1,355,500
Total loans receivable	3,464,922	3,307,654
Net deferred loan origination costs (fees)	5,252	4,570
Total loans receivable, net of deferred loan origination costs (fees)	3,470,174	3,312,224
Allowance for loan losses	(37,542)	(35,866)
Total loans receivable, net	$ 3,432,632	$ 3,276,358

The following table presents information regarding the quality of the Company's loans as of March 31, 2022:

(In thousands)	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due	Current and Not Accruing Interest	Current	Total Loans Receivable
Commercial and industrial	$ 3,421	$ 8,099	$ —	$ 11,520	$ —	$ 712,657	$ 724,177
Multifamily	11,776	3,537	—	15,313	—	798,389	813,702
Commercial real estate	53,386	3,988	7,608	64,982	—	289,192	354,174
Construction and land development	—	5,053	—	5,053	—	35,189	40,242
Total commercial portfolio	68,583	20,677	7,608	96,868	—	1,835,427	1,932,295
Residential real estate lending	4,722	7,404	—	12,126	—	1,131,049	1,143,175
Consumer and other	2,235	861	—	3,096	—	386,356	389,452
Total retail portfolio	6,957	8,265	—	15,222	—	1,517,405	1,532,627
Total	$ 75,540	$ 28,942	$ 7,608	$ 112,090	$ —	$ 3,352,832	$ 3,464,922

The following table presents information regarding the quality of the Company's loans as of December 31, 2021:

(In thousands)	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due	Current and Not Accruing Interest	Current	Total Loans Receivable
Commercial and industrial	$ —	$ 8,313	$ —	$ 8,313	$ —	$ 721,072	$ 729,385
Multifamily	13,537	2,907	—	16,444	—	805,357	821,801
Commercial real estate	21,599	4,054	—	25,653	—	343,776	369,429
Construction and land development	26,482	—	—	26,482	—	5,057	31,539
Total commercial portfolio	61,618	15,274	—	76,892	—	1,875,262	1,952,154
Residential real estate lending	4,811	12,525	—	17,336	—	1,046,346	1,063,682
Consumer and other	1,590	420	—	2,010	—	289,808	291,818
Total retail portfolio	6,401	12,945	—	19,346	—	1,336,154	1,355,500
Total	$ 68,019	$ 28,219	$ —	$ 96,238	$ —	$ 3,211,416	$ 3,307,654

For a loan modification to be considered a troubled debt restructuring ("TDR") in accordance with ASC 310-40, both of the following conditions must be met: the borrower is experiencing financial difficulty, and the creditor has granted a concession (except for an "insignificant delay in payment", defined as six months or less). Loans modified as TDRs are placed on non-accrual status until the Company determines that future collection of principal and interest is reasonably assured, which generally requires that the borrower demonstrate performance according to the restructured terms for a period of at least six months. The Company's TDRs primarily involve rate reductions, forbearance of arrears or extension of maturity. TDRs are included in total impaired loans as of the respective date.

On March 22, 2020, federal banking regulators issued an interagency statement that included guidance on their approach for the accounting of loan modifications in light of the economic impact of the COVID-19 pandemic. The guidance interpreted then-current accounting standards and indicated that a lender could conclude that a borrower was not experiencing financial difficulty if short-term modifications were made in response to COVID-19, such as payment deferrals, fee waivers, extensions of repayment terms, or other delays in payment that were insignificant related to the loans in which the borrower is less than 30 days past due on its contractual payments at the time a modification program was implemented. The agencies confirmed in working with the staff of the FASB that short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief were not TDRs.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was enacted to help the nation's economy recover from the COVID-19 pandemic. The CARES Act provided $2.2 trillion of economy-wide financial stimulus in the form of financial aid to individuals, businesses, nonprofit entities, states, and municipalities. Under Section 4022 of the CARES Act, a borrower with a federally backed mortgage loan that was experiencing a financial hardship due to COVID-19 could request a forbearance (i.e., payment deferral), regardless of delinquency status, for up to 180 days, which could be extended for an additional 180 days at the borrower's request. Before this relief was set to expire on December 31, 2020, the Consolidated Appropriations Act was signed into law, which extended the relief granted under the CARES act to the earlier of January 1, 2022 or 60 days after the national emergency is terminated. During this relief period, no fees, penalties, or interest beyond those scheduled or calculated as if the borrower had made all contractual payments on time and in full could accrue. In addition, Section 4013 of the CARES Act provided temporary relief from the accounting and reporting requirements for TDRs regarding certain loan modifications related to COVID-19. Specifically, the CARES Act provided that a financial institution could elect to suspend the requirements under GAAP for certain loan modifications that would otherwise be categorized as a TDR. Modifications that qualify for this exception included a forbearance arrangement, an interest rate modification, a repayment plan, or any other similar arrangement that deferred or delayed the payment of principal or interest, that occurred for a loan that was not more than 30 days past due as of December 31, 2019. In accordance with interagency guidance and the CARES Act, which in pertinent part expired on January 1, 2022, short term deferrals granted due to the COVID-19 pandemic were not considered TDRs unless the borrower was experiencing financial difficulty prior to the pandemic.

As of March 31, 2022, the Company had no loans remaining on a payment deferral program and still accruing interest.

The following tables present information regarding the Company's TDRs as of March 31, 2022 and December 31, 2021:

	March 31, 2022			December 31, 2021		
(In thousands)	Accruing	Non-Accrual	Total	Accruing	Non-Accrual	Total
Commercial and industrial	$ 3,715	$ 8,099	$ 11,814	$ 4,052	$ 8,313	$ 12,365
Multifamily	10,483	—	10,483	—	—	—
Commercial real estate	—	3,101	3,101	0	3,166	3,166
Construction and land development	2,424	5,053	7,477	7,476	—	7,476
Residential real estate lending	12,637	1,854	14,491	13,469	2,018	15,487
Total loans	$ 29,259	$ 18,107	$ 47,366	$ 24,997	$ 13,497	$ 38,494

The following tables present loans that were classified as TDRs during the three months ended March 31, 2022 and 2021. The pre-modification balances represent the recorded investment immediately prior to the modification, and the post-modification balances represent the recorded investment as of the dates indicated.

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
(In thousands)	Number of Loans	Pre-Modification Balance	Post-Modification Balance	Number of Loans	Pre-Modification Balance	Post-Modification Balance
Commercial real estate	2	$ 10,000	$ 10,483	—	$ —	$ —
Total loans	2	$ 10,000	$ 10,483	—	$ —	$ —

The following table summarizes the Company's loan portfolio by credit quality indicator as of March 31, 2022:

(In thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 691,834	$ 7,221	$ 25,122	$ —	$ 724,177
Multifamily	745,349	32,737	35,616	—	813,702
Commercial real estate	291,320	2,899	59,955	—	354,174
Construction and land development	32,766	—	7,476	—	40,242
Residential real estate lending	1,135,481	290	7,404	—	1,143,175
Consumer and other	388,907	—	545	—	389,452
Total loans	$ 3,285,657	$ 43,147	$ 136,118	$ —	$ 3,464,922

The following table summarizes the Company's loan portfolio by credit quality indicator as of December 31, 2021:

(In thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 693,312	$ 10,165	$ 25,908	$ —	$ 729,385
Multifamily	721,869	48,804	51,128	—	821,801
Commercial real estate	295,261	13,947	60,221	—	369,429
Construction and land development	24,063	—	7,476	—	31,539
Residential real estate lending	1,050,865	292	12,525	—	1,063,682
Consumer and other	291,398	—	420	—	291,818
Total loans	$ 3,076,768	$ 73,208	$ 157,678	$ —	$ 3,307,654

The above classifications follow regulatory guidelines and can be generally described as follows:

- pass loans are of satisfactory quality;
- special mention loans have a potential weakness or risk that may result in the deterioration of future repayment;
- substandard loans are inadequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged (these loans have a well-defined weakness, and there is a distinct possibility that the Company will sustain some loss); and
- doubtful loans, based on existing circumstances, have weaknesses that make collection or liquidation in full highly questionable and improbable.

In addition, residential loans are classified utilizing an inter-agency methodology that incorporates the extent of delinquency. Assigned risk rating grades are continuously updated as new information is obtained.

The following table provides information regarding the methods used to evaluate the Company's loans for impairment by portfolio, and the Company's allowance by portfolio based upon the method of evaluating loan impairment as of March 31, 2022:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Loans:							
Individually evaluated for impairment	$ 12,675	$ 14,020	$ 3,988	$ 7,477	$ 20,041	$ —	$ 58,201
Collectively evaluated for impairment	711,502	799,682	350,186	32,765	1,123,134	389,452	3,406,721
Total loans	$ 724,177	$ 813,702	$ 354,174	$ 40,242	$ 1,143,175	$ 389,452	$ 3,464,922
Allowance for loan losses:							
Individually evaluated for impairment	$ 3,972	$ 31	$ —	$ —	$ 621	$ —	$ 4,624
Collectively evaluated for impairment	8,197	4,201	6,840	654	8,715	4,311	32,918
Total allowance for loan losses	$ 12,169	$ 4,232	$ 6,840	$ 654	$ 9,336	$ 4,311	$ 37,542

The following table provides information regarding the methods used to evaluate the Company's loans for impairment by portfolio, and the Company's allowance by portfolio based upon the method of evaluating loan impairment as of December 31, 2021:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Loans:							
Individually evaluated for impairment	$ 12,785	$ 2,907	$ 4,054	$ 7,476	$ 25,994	$ —	$ 53,216
Collectively evaluated for impairment	716,600	818,894	365,375	24,063	1,037,688	291,818	3,254,438
Total loans	$ 729,385	$ 821,801	$ 369,429	$ 31,539	$ 1,063,682	$ 291,818	$ 3,307,654
Allowance for loan losses:							
Individually evaluated for impairment	$ 4,350	$ —	$ —	$ —	$ 755	$ —	$ 5,105
Collectively evaluated for impairment	6,302	4,760	7,273	405	8,253	3,768	30,761
Total allowance for loan losses	$ 10,652	$ 4,760	$ 7,273	$ 405	$ 9,008	$ 3,768	$ 35,866

The activities in the allowance by portfolio for the three months ended March 31, 2022 are as follows:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Allowance for loan losses:							
Beginning balance	$ 10,652	$ 4,760	$ 7,273	$ 405	$ 9,008	$ 3,768	$ 35,866
Provision for (recovery of) loan losses	1,511	$ (112)	$ (433)	$ 248	$ (284)	$ 1,363	$ 2,293
Charge-offs	—	$ (416)	$ —	$ —	$ (39)	$ (868)	$ (1,323)
Recoveries	6	$ —	$ —	$ 1	$ 651	$ 48	$ 706
Ending Balance	$ 12,169	$ 4,232	$ 6,840	$ 654	$ 9,336	$ 4,311	$ 37,542

The activities in the allowance by portfolio for the three months ended March 31, 2021 are as follows:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Allowance for loan losses:							
Beginning balance	$ 9,065	$ 10,324	$ 6,213	$ 2,077	$ 12,330	$ 1,580	$ 41,589
Provision for (recovery of) loan losses	(577)	(2,291)	2,251	(687)	(1,937)	(20)	(3,261)
Charge-offs	—	(1,908)	—	—	(141)	(340)	(2,389)
Recoveries	204	—	—	1	495	23	723
Ending Balance	$ 8,692	$ 6,125	$ 8,464	$ 1,391	$ 10,747	$ 1,243	$ 36,662

The following is additional information regarding the Company's individually impaired loans and the allowance related to such loans as of and for the year ended March 31, 2022 and December 31, 2021:

	March 31, 2022			
(In thousands)	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
Loans without a related allowance:				
Residential real estate lending	$ 5,550	$ 8,029	$ 6,623	$ —
Multifamily	—	—	10,647	—
Construction and land development	7,477	7,477	7,476	—
Commercial real estate	3,988	4,021	4,965	—
	17,015	19,527	29,711	—
Loans with a related allowance:				
Residential real estate lending	14,491	14,988	17,951	621
Multifamily	14,020	8,464	17,114	31
Commercial and industrial	12,675	12,730	13,226	3,972
	41,186	36,182	48,291	4,624
Total individually impaired loans:				
Residential real estate lending	20,041	23,017	24,574	621
Multifamily	14,020	8,464	27,761	31
Construction and land development	7,477	7,477	7,476	—
Commercial real estate	3,988	4,021	4,965	—
Commercial and industrial	12,675	12,730	13,226	3,972
	$ 58,201	$ 55,709	$ 78,002	$ 4,624

	December 31, 2021			
(In thousands)	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
Loans without a related allowance:				
Residential real estate lending	$ 10,507	$ 15,666	$ 11,896	$ —
Construction and land development	7,476	9,330	7,476	—
Commercial real estate	4,054	3,744	4,953	—
	22,037	28,740	24,325	—
Loans with a related allowance:				
Residential real estate lending	15,487	18,120	19,306	755
Multifamily	2,907	6,241	8,024	—
Commercial and industrial	12,785	13,746	13,207	4,350
	31,179	38,107	40,537	5,105
Total individually impaired loans:				
Residential real estate lending	25,994	33,786	31,202	755
Multifamily	2,907	6,241	8,024	—
Construction and land development	7,476	9,330	7,476	—
Commercial real estate	4,054	3,744	4,953	—
Commercial and industrial	12,785	13,746	13,207	4,350
	$ 53,216	$ 66,847	$ 64,862	$ 5,105

As of March 31, 2022 and December 31, 2021, mortgage loans with an unpaid principal balance of $0.9 billion and $1.1 billion respectively, are pledged to the FHLB to secure outstanding advances and letters of credit.

There were $0.5 million in related party loans outstanding as of March 31, 2022 compared to $0.5 million related party loans for December 31, 2021.

5. DEPOSITS

Deposits are summarized as follows:

	March 31, 2022		December 31, 2021	
(In thousands)	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Non-interest bearing demand deposit accounts	$ 3,759,349	0.00 %	$ 3,335,005	0.00 %
NOW accounts	212,550	0.08 %	210,844	0.08 %
Money market deposit accounts	2,416,201	0.12 %	2,227,953	0.12 %
Savings accounts	386,253	0.11 %	375,301	0.11 %
Time deposits	199,120	0.29 %	207,152	0.32 %
	$ 6,973,473	0.06 %	$ 6,356,255	0.06 %

The scheduled maturities of time deposits as of March 31, 2022 are as follows:

(In thousands)	
2022	$ 152,279
2023	34,248
2024	6,521
2025	4,240
2026	1,764
Thereafter	68
	$ 199,120

Time deposits of $250,000 or more totaled $47.8 million as of March 31, 2022 and $43.7 million as of December 31, 2021.

From time to time the Bank will issue time deposits through the Certificate of Deposit Account Registry Service (“CDARS”) for the purpose of providing FDIC insurance to bank customers with balances in excess of FDIC insurance limits. CDARS deposits totaled approximately $49.7 million and $56.0 million as of March 31, 2022 and December 31, 2021, respectively, and are included in Time deposits above.

Our total deposits included deposits from related parties including Workers United and its related entities in the amounts of $92.5 million as of March 31, 2022 and $99.9 million as of December 31, 2021.

Included in total deposits are state and municipal deposits totaling $61.6 million and $65.5 million as of March 31, 2022 and December 31, 2021, respectively. Such deposits are secured by letters of credit issued by the FHLB or by securities pledged with the FHLB.

6. BORROWED FUNDS

On November 8, 2021, the Company completed a public offering of $85.0 million of aggregated principal amount of 3.250% Fixed-to-Floating Rate subordinated notes due 2031 (the "Notes"). The fixed rate period is defined from and including November 8, 2021 to, but excluding, November 15, 2026, or the date of earlier redemption. The floating rate period is defined from and including November 15, 2026 to, but excluding, November 15, 2031, or the date of earlier redemption. The floating rate per annum is equal to three-month term SOFR (the "benchmark rate") plus a spread of 230 basis points for each quarterly interest period during the floating rate period, provided however, that if the benchmark rate is less than zero, the benchmark rate shall be deemed to be zero. The subordinated notes will mature on November 15, 2031.

The Company may, at its option, beginning with the interest payment date of November 15, 2026, and on any interest payment date thereafter, redeem the Notes, in whole or in part, from time to time, subject to obtaining prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to the extent such approval is then required under the capital adequacy rules of the Federal Reserve Board, at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption.

FHLB advances are collateralized by the FHLB stock owned by the Bank plus a pledge of other eligible assets comprised of securities and mortgage loans. Assets are pledged to collateral capacity. As of March 31, 2022, the value of the other eligible assets had an estimated market value net of haircut totaling $1.5 billion (comprised of securities of $776.3 million and mortgage loans of $731.0 million). The fair value of assets pledged to the FHLB is required to be not less than 110% of the outstanding advances. There were no outstanding FHLB advances as of March 31, 2022 or December 31, 2021.

7. EARNINGS PER SHARE

Under the two-class method, earnings available to common stockholders for the period are allocated between common stockholders and participating securities according to participation rights in undistributed earnings. Our time-based and performance-based restricted stock units are not considered participating securities as they do not receive dividend distributions until satisfaction of the related vesting requirements. As of March 31, 2022 and March 31, 2021, we had 0.2 million and 0.4 million anti-dilutive shares, respectively.

Following is a table setting forth the factors used in the earnings per share computation follow:

	Three Months Ended March 31,	
(In thousands, except per share amounts)	**2022**	**2021**
Net income attributable to Amalgamated Financial Corp.	$ 14,165	$ 12,189
Dividends paid on preferred stock	—	—
Income attributable to common stock	$ 14,165	$ 12,189
Weighted average common shares outstanding, basic	31,107	31,082
Basic earnings per common share	**$ 0.46**	**$ 0.39**
Income attributable to common stock	$ 14,165	$ 12,189
Weighted average common shares outstanding, basic	31,107	31,082
Incremental shares from assumed conversion of options and RSUs	349	442
Weighted average common shares outstanding, diluted	31,456	31,524
Diluted earnings per common share	**$ 0.45**	**$ 0.39**

8. EMPLOYEE BENEFIT PLANS

Long Term Incentive Plans

Stock Options:

The Company does not currently maintain an active stock option plan that is available for issuing new options. As of January 1, 2021, all options are fully vested and the Company will not incur any further expense related to stock options.
A summary of the status of the Company's stock options as of March 31, 2022 follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Intrinsic Value *(in thousands)*
Outstanding, December 31, 2021	847,560	$ 13.19	4.3 years	
Granted	—	—	—	
Forfeited/ Expired	—	—	—	
Exercised	(63,680)	13.91	—	
Outstanding, March 31, 2022	783,880	13.13	3.9 years	$ 3,794
Vested and Exercisable, March 31, 2022	783,880	$ 13.13	3.9 years	$ 3,794

The range of exercise prices is $11.00 to $14.65 per share.

As noted above, there was no compensation cost attributable to the options for the three months ended March 31, 2022 and for the three months ended March 31, 2021.

Restricted Stock Units:

The Amalgamated Financial Corp. 2022 Equity Incentive Plan (the "Equity Plan") provides for the grant of stock-based incentive awards to employees and directors of the Company. The number of shares of common stock of the Company available for stock-based awards in the Equity Plan is 1,250,000 of which 450,853 shares were available for issuance as of March 31, 2022.

During the three months ended March 31, 2022, the Company granted 152,795 restricted stock units ("RSUs") to employees under the Equity Plan and reserved 182,764 shares for issuance upon vesting assuming the Company's employees achieve the maximum share payout.

Of the 152,795 RSUs granted to employees, 92,857 RSUs time-vest ratably over three years and were granted at a fair value of $17.34 per share and 59,938 RSUs were performance-based and are more fully described below:

- The Company granted 29,972 performance-based RSUs at a fair value of $17.34 per share which vest subject to the achievement of the Company's corporate goal for the three-year period from January 1, 2022 to December 31, 2024. The corporate goal is based on the Company achieving a target increase in Tangible Book Value, adjusted for certain factors. The minimum and maximum awards that are achievable are 0 and 44,958 shares, respectively.

- The Company granted 29,966 market-based RSUs at a fair value of $17.91 per share which vest subject to the Bank's relative total shareholder return compared to a group of peer banks over a three-year period from February 15, 2022 to February 15, 2025. The minimum and maximum awards that are achievable are 0 and 44,949 shares, respectively.

A summary of the status of the Company’s employee RSUs as of March 31, 2022 follows:

	Shares	Grant Date Fair Value
Unvested, December 31, 2021	401,585	$ 16.50
Awarded	152,795	17.34
Forfeited/Expired	(21,985)	14.48
Vested	(40,336)	15.78
Unvested, March 31, 2022	492,059	$ 16.91

Of the 492,059 unvested RSUs on March 31, 2022, the minimum units that will vest, solely due to a service test, are 354,715. The maximum units that will vest, assuming the highest payout on performance and market-based units, are 589,441.

Compensation expense attributable to the employee RSUs was $0.5 million and $0.6 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, there was $4.4 million of total unrecognized compensation cost related to the non-vested RSUs granted to employees. This expense may increase or decrease depending on the expected number of performance-based shares to be issued. This expense is expected to be recognized over 2.2 years.

During the three months ended March 31, 2022, the Company did not grant RSUs to directors under the Equity Plan. The Company recorded an expense of $0.1 million and $0.1 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, there was no unrecognized cost related to the non-vested RSUs granted to directors.

Employee Stock Purchase Plan

On April 28, 2021, the Company's stockholders approved the Amalgamated Financial Corp. Employee Stock Purchase Plan (the "ESPP"). The aggregate number of shares of common stock that may be purchased under the ESPP will not exceed 500,000 shares. Under the terms of the plan, employees may authorize the withholding of up to 15% of their eligible compensation to purchase our shares of common stock, not to exceed $25,000 of the fair market value of such common stock for any calendar year. The purchase price per shares acquired under the ESPP will never be less than 85% of the fair market value of our common stock on the last day of the offering period. Our Board of Directors in its discretion may terminate the ESPP at any time with respect to any shares for which options have not been granted.

The Compensation Committee of our Board of Directors (the "Committee") has the right to amend the ESPP without the approval of our stockholders; provided, that no such change may impair the rights of a participant with respect to any outstanding offering period without the consent of such participant, other than a change determined by the Committee to be necessary to comply with applicable law. A participant may not dispose of shares acquired under the ESPP until six months following the grant date of such shares, or any earlier date as of which the Committee has determined that the participant would qualify for a hardship distribution from the Company’s 401(k) Plan. Accordingly, the fair value award associated with their discounted purchase price is expensed at the time of purchase. During the first quarter of 2022, there were 2,905 shares purchased under the plan.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. A description of the disclosure hierarchy and the types of financial instruments recorded at fair value that management believes would generally qualify for each category are as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities. Accordingly, valuation of these assets and liabilities does not entail a significant degree of judgment. Examples include most U.S. Government securities and exchange-traded equity securities.

Level 2 - Valuations are based on either quoted prices in markets that are not considered to be active or significant inputs to the methodology that are observable, either directly or indirectly. Financial instruments in this level would generally include mortgage-related securities and other debt issued by GSEs, non-GSE mortgage-related securities, corporate debt, certain redeemable fund investments and certain trust preferred securities.

Level 3 - Valuations are based on inputs to the methodology that are unobservable and significant to the fair value measurement. These inputs reflect management's own judgments about the assumptions that market participants would use in pricing the assets and liabilities.

The following summarizes those financial instruments measured at fair value in the Consolidated Statements of Financial Condition categorized by the relevant class of investment and level of the fair value hierarchy:

	March 31, 2022			
(In thousands)	Level 1	Level 2	Level 3	Total
Available for sale securities:				
Mortgage-related:				
GSE residential certificates	$ —	$ 3,450	$ —	$ 3,450
GSE residential CMOs	—	482,465	—	482,465
GSE commercial certificates & CMO	—	390,000	—	390,000
Non-GSE residential certificates	—	144,150	—	144,150
Non-GSE commercial certificates	—	130,031	—	130,031
Other debt:				
U.S. Treasury	195	—	—	195
ABS	—	1,134,454	—	1,134,454
Trust preferred	—	13,985	—	13,985
Corporate	—	122,334	—	122,334
Total assets carried at fair value	$ 195	$ 2,420,869	$ —	$ 2,421,064

(In thousands)	December 31, 2021 Level 1	Level 2	Level 3	Total
Available for sale securities:				
Mortgage-related:				
GSE residential certificates	$ —	$ 3,967	$ —	$ 3,967
GSE residential CMOs	—	463,883	—	463,883
GSE commercial certificates & CMO	—	370,364	—	370,364
Non-GSE residential certificates	—	66,139	—	66,139
Non-GSE commercial certificates	—	81,101	—	81,101
Other debt:				
U.S. Treasury	200	—	—	200
ABS	—	989,188	—	989,188
Trust preferred	—	14,147	—	14,147
Corporate	—	124,421	—	124,421
Total assets carried at fair value	$ 200	$ 2,113,210	$ —	$ 2,113,410

The following tables summarize assets measured at fair value on a non-recurring basis:

(In thousands)	March 31, 2022 Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Fair Value Measurements:					
Impaired loans	$ 53,577	$ —	$ —	$ 53,577	$ 53,577
Other real estate owned	307	—	—	373	373
	$ 53,884	$ —	$ —	$ 53,950	$ 53,950

(In thousands)	December 31, 2021 Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Fair Value Measurements:					
Impaired loans	$ 48,111	$ —	$ —	$ 48,111	$ 48,111
Other real estate owned	307	—	—	335	335
	$ 48,418	$ —	$ —	$ 48,446	$ 48,446

The following table summarizes the financial statement basis and estimated fair values for significant categories of financial instruments:

	March 31, 2022				
(In thousands)	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Financial assets:					
Cash and cash equivalents	$ 374,043	$ 374,043	$ —	$ —	$ 374,043
Available for sale securities	2,421,064	195	2,420,869	—	2,421,064
Held to maturity securities	946,347	—	208,691	712,704	921,395
Loans held for sale	2,490	—	—	2,490	2,490
Loans receivable, net	3,432,632	—	—	3,316,115	3,316,115
Resell agreements	180,150	—	—	180,150	180,150
Accrued interest and dividends receivable	27,409	—	27,409	—	27,409
Financial liabilities:					
Deposits payable on demand	6,774,353	—	6,774,353	—	6,774,353
Time deposits	199,120	—	199,311	—	199,311
Subordinated Debt	83,870	—	83,031	—	83,031
Accrued interest payable	1,274	—	1,274	—	1,274

	December 31, 2021				
(In thousands)	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Financial assets:					
Cash and cash equivalents	$ 330,485	$ 330,485	$ —	$ —	$ 330,485
Available for sale securities	2,113,410	200	2,113,210	—	2,113,410
Held to maturity securities	843,569	—	216,377	633,327	849,704
Loans held for sale	3,279	—	—	3,279	3,279
Loans receivable, net	3,276,358	—	—	3,291,377	3,291,377
Resell agreements	229,018	—	—	229,018	229,018
Accrued interest and dividends receivable	28,820	—	28,820	—	28,820
Financial liabilities:					
Deposits payable on demand	6,149,103	—	6,149,103	—	6,149,103
Time deposits	207,152	—	207,369	—	207,369
Subordinated Debt	83,831	—	85,000	—	85,000
Accrued interest payable	569	—	569	—	569

10. COMMITMENTS, CONTINGENCIES AND OFF BALANCE SHEET RISK

Credit Commitments

The Company is party to various credit related financial instruments with off balance sheet risk. The Company, in the normal course of business, issues such financial instruments in order to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated statements of financial condition.

The following financial instruments were outstanding whose contract amounts represent credit risk as of the related periods:

(In thousands)	March 31, 2022	December 31, 2021
Commitments to extend credit	$ 928,527	$ 927,428
Standby letters of credit	18,261	18,752
Total	$ 946,788	$ 946,180

Commitments to extend credit are contracts to lend to a customer as long as there is no violation of any condition established in the contract. These commitments have fixed expiration dates and other termination clauses and generally require the payment of nonrefundable fees. Since a portion of the commitments are expected to expire without being drawn upon, the contractual principal amounts do not necessarily represent future cash requirements. The Company's maximum exposure to credit risk is represented by the contractual amount of these instruments. These instruments represent ultimate exposure to credit risk only to the extent they are subsequently drawn upon by customers.

Standby letters of credit are conditional lending commitments issued by the Company to guarantee the financial performance of a customer to a third party. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers. The balance sheet carrying value of standby letters of credit approximates any nonrefundable fees received but not yet recorded as income. The Company considers this carrying value, which is not material, to approximate the estimated fair value of these financial instruments.

The Company reserves for the credit risk inherent in off balance sheet credit commitments. This reserve, which is included in other liabilities, amounted to approximately $1.7 million as of March 31, 2022 and $1.5 million as of December 31, 2021.

Other Commitments and Contingencies

In the ordinary course of business, there are various legal proceedings pending against the Company. Based on the opinion of counsel, management believes that the aggregate liabilities, if any, arising from such actions would not have a material adverse effect on the consolidated financial position or results of operations of the Company.

Investment Obligations

We are a party to agreements with Pace Funding Group LLC, which operates Home Run Financing, for the purchase of property assessed clean energy, or PACE, assessment securities until the end of 2022. These investments are to be held in our held-to-maturity investment portfolio. As of March 31, 2022, we had purchased $344.1 million of these obligations and had an estimated remaining commitment of $132.6 million. The PACE assessments have equal-lien priority with property taxes and generally rank senior to first lien mortgages. We anticipate these commitments will be funded by means of normal cash flows, will be funded by a reduction in cash and cash equivalents, or by pay-downs and maturities of loans and other investments.

11. LEASES

The Bank as a lessee has operating leases primarily consisting of real estate arrangements where the Company operates its headquarters, branches and business production offices. All leases identified as in scope are accounted for as operating leases as of March 31, 2022. These leases are typically long-term leases and generally are not complicated arrangements or structures. Several of the leases contain renewal options at a rate comparable to the fair market value based on comparable analysis to similar properties in the Bank's geographies.

Real estate operating leases are presented as a right-of-use ("ROU") asset and a related operating lease liability on the Consolidated Statements of Financial Condition. The ROU asset represents the Company's right to use the underlying asset for the lease term and the operating lease liabilities represent the obligation to make lease payments arising from the lease. The Company applied its incremental borrowing rate ("IBR") as the discount rate to the remaining lease payments to derive a present value calculation for initial measurement of the operating lease liability. The IBR reflects the interest rate the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. Lease expense is recognized on a straight-line basis over the lease term.

The following table summarizes our lease cost and other operating lease information:

(In thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating lease cost	$ 2,251	$ 2,237
Cash paid for amounts included in the measurement of Operating leases liability	$ 2,630	$ 2,514
Weighted average remaining lease term on operating leases (in years)	4.6	5.5
Weighted average discount rate used for operating leases liability	3.25 %	3.27 %

Note: Sublease income and variable income or expense considered immaterial

The following table presents the remaining commitments for operating lease payments for the next five years and thereafter, as well as a reconciliation to the discounted operating leases liability recorded in the Consolidated Statements of Financial Condition as of March 31, 2022:

(In thousands)	
As of March 31, 2022	
2022 remaining	$ 8,115
2023	11,285
2024	11,310
2025	10,574
2026	9,176
Thereafter	955
Total undiscounted operating lease payments	51,415
Less: present value adjustment	3,532
Total Operating leases liability	$ 47,883

12. GOODWILL AND INTANGIBLE ASSETS

Goodwill

In accordance with GAAP, the Company performs an annual test as of June 30 to identify potential impairment of goodwill, or more frequently if events or circumstances indicate a potential impairment may exist. If the carrying amount of the Company, as a sole reporting unit, including goodwill, exceeds its fair value, an impairment loss is recognized in an amount equal to that excess up to the amount of the recorded goodwill.

The Company performed its annual test based upon market data as of June 30, 2021 and estimates and assumptions that the Company believes most appropriate for the analysis. Based on the qualitative analysis performed in accordance with ASC 350, the Company determined it more likely than not that goodwill was not impaired as of June 30, 2021. Changes in certain assumptions used in the Company's assessment could result in significant differences in the results of the impairment test. Should market conditions or management's assumptions change significantly in the future, an impairment to goodwill is possible.

At March 31, 2022 and December 31, 2021, the carrying amount of goodwill was $12.9 million.

Intangible Assets

The following table reflects the estimated amortization expense, comprised entirely by the Company's core deposit intangible asset, for the next five years and thereafter:

(In thousands)

2022	$	785
2023		888
2024		730
2025		574
2026		419
Thereafter		494
Total	$	3,890

Accumulated amortization of the core deposit intangible was $5.2 million as of March 31, 2022.

13. VARIABLE INTEREST ENTITIES

Tax Credit Investments

The Company makes investments in unconsolidated entities that construct, own and operate solar generation facilities. An unrelated third party is the managing member and has control over the significant activities of the variable interest entities ("VIE"). The Company generates a return through the receipt of tax credits allocated to the projects, as well as operational distributions. The primary risk of loss is generally mitigated by policies requiring that the project qualify for the expected tax credits prior to the Company making its investment. Any loans to the VIE are secured. As of March 31, 2022, the Company's maximum exposure to loss is $54.5 million.

(In thousands)	March 31, 2022	December 31, 2021
Unconsolidated Variable Interest Entities		
Tax credit investments included in equity investments	$ 1,872	$ 1,681
Loans and letters of credit commitments	52,654	52,813
Funded portion of loans and letters of credit commitments	15,352	15,512

The following table summarizes the tax benefits conveyed by the Company's solar generation VIE investments:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Tax credits and other tax benefits recognized	$ 668	$ 343

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Holding Company Reorganization

Amalgamated Financial Corp., a Delaware public benefit corporation, was formed on August 25, 2020 to serve as the holding company for Amalgamated Bank and is a bank holding company registered with the Federal Reserve. On March 1, 2021 (the “Effective Date”), the Company acquired all of the outstanding stock of Amalgamated Bank, a New York state-chartered commercial bank in a statutory share exchange transaction (the “Reorganization”) effected under New York law and in accordance with the terms of a Plan of Acquisition dated September 4, 2020 (the “Agreement”). Pursuant to the Reorganization, the Bank became the sole subsidiary of the Company, the Company became the holding company for the Bank and the stockholders of the Bank became stockholders of the Company.

In this discussion, 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.

General

The following is a discussion of our consolidated financial condition as of March 31, 2022, as compared to December 31, 2021, and our results of operations for the three month periods ended March 31, 2022 and March 31, 2021. The purpose of this discussion is to focus on information about our financial condition and results of operations which is not otherwise apparent from our consolidated financial statements and is intended to provide insight into our results of operations and financial condition. This discussion and analysis is best read in conjunction with our unaudited consolidated financial statements and related notes as well as the financial and statistical data appearing elsewhere in this report and our Annual Report on Form 10-K for the year ended December 31, 2021 (the “2021 Annual Report”), filed with the Securities and Exchange Commission on March 11, 2022. Historical results of operations and the percentage relationships among any amounts included, and any trends that may appear, may not indicate results of operations for any future periods.

In addition to historical information, this discussion includes certain forward-looking statements regarding business matters and events and trends that may affect our future results. For additional information regarding forward-looking statements and our related cautionary disclosures, see the “*Cautionary Note Regarding Forward-Looking Statements*” beginning on page ii of this report.

Overview

Our business

The Company was formed on August 25, 2020 to serve as the holding company for the Bank, which was formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America, one of the country’s oldest labor unions. Although we are no longer majority union-owned, The Amalgamated Clothing Workers of America’s successor, Workers United, an affiliate of the Service Employees International Union that represents workers in the textile, distribution, food service and gaming industries, remains a significant stockholder, holding approximately 40% of our equity as of March 31, 2022. As of March 31, 2022, our total assets were $7.7 billion, our total loans, net of deferred fees and allowance were $3.4 billion, our total deposits were $7.0 billion, and our stockholders' equity was $526.8 million. As of March 31, 2022, our trust business held $39.7 billion in assets under custody and $15.1 billion in assets under management.

We offer a complete suite of commercial and retail banking, investment management and trust and custody services. Our commercial banking and trust businesses are national in scope and we also offer a full range of products and services to both commercial and retail customers through our three branch offices across New York City, one branch office in Washington, D.C., one branch office in San Francisco, one commercial office in Boston and our digital banking platform. Our corporate divisions include Commercial Banking, Trust and Investment Management and Consumer Banking. Our product line includes residential mortgage loans, C&I loans, CRE loans, multifamily mortgages, and a variety of commercial and consumer deposit products, including non-interest bearing accounts, interest-bearing demand products, savings accounts, money market accounts and certificates of deposit. We also offer online banking and bill payment services, treasury management products, safe deposit box rentals, debit card and ATM card services and the availability of a nationwide network of ATMs for our customers.

We currently offer a wide range of trust, custody and investment management services, including asset safekeeping, corporate actions, income collections, proxy services, account transition, asset transfers, and conversion management. We also offer a broad range of investment products, including both index and actively-managed funds spanning equity, fixed-income, real estate and alternative investment strategies to meet the needs of our clients. Our products and services are tailored to our target customer base that prefers a financial partner that is socially responsible, values-oriented and committed to creating positive change in the world. These customers include advocacy-based non-profits, social welfare organizations, national labor unions, political organizations, foundations, socially responsible businesses, and other for-profit companies that seek to balance their profit-making activities with activities that benefit their other stakeholders, as well as the members and stakeholders of these commercial customers. Our goal is to be the go-to financial partner for people and organizations who strive to make a meaningful impact in our society and who care about their communities, the environment, and social justice. The Company has obtained B Corporation™ certification, a distinction earned after being evaluated under rigorous standards of social and environmental performance, accountability, and transparency. The Company is also the largest of twelve commercial financial institutions in the United States that are members of the Global Alliance for Banking on Values, a network of banking leaders from around the world committed to advancing positive change in the banking sector.

Recent Developments

On September 21, 2021, we entered into a Merger Agreement to acquire AIC and ABOC, subject to customary closing conditions, including approval by our regulators. On February 25, 2022, we announced that we had withdrawn our applications for regulatory approval to merge with AIC and ABOC, due to an inability to obtain such approval. As a result, we are no longer proceeding with the transaction. On March 15, 2022, the Company received a letter from AIC in which AIC declared the Merger Agreement terminated.

Subordinated Debt Issuance

On November 8, 2021, the Company completed a public offering of $85.0 million of aggregated principal amount of 3.250% Fixed-to-Floating Rate subordinated notes due 2031. The subordinated notes will mature on November 15, 2031. We are deploying the net proceeds from this offering for general business purposes, including ongoing working capital needs.

Continued impact of the COVID-19 pandemic on our business

The COVID-19 pandemic continues to create disruptions to the global economy and financial markets and to businesses and the lives of individuals throughout the world. The impact of the COVID-19 pandemic and its related variants is fluid and continues to evolve, adversely affecting many of our clients. Our business, financial condition and results of operations generally rely upon the ability of our borrowers to repay their loans, the value of collateral underlying our secured loans, and demand for loans and other products and services we offer, which are highly dependent on the business environment in our primary markets where we operate and in the United States as a whole. While vaccine availability and uptake has increased, the longer-term macro-economic effects on global supply chains, inflation, labor shortages and wage increases continue to impact many industries. The ultimate extent of the impact of the COVID-19 pandemic on our business, financial condition and results of operations is currently uncertain and will depend on various developments and other factors, including increases in new COVID-19 cases, hospitalizations and deaths leading to additional government imposed restrictions; refusals to receive the vaccines along with concerns related to new strains of the virus; supply chain issues remaining unresolved longer than anticipated; labor shortages; decreases in consumer confidence and spending; and rising geopolitical tensions. In addition, it is reasonably possible that certain significant estimates made in our financial statements could be materially and adversely affected in the near term as a result of these conditions.

As a result of these events, we have seen the following continuing impacts to our business since the start of the pandemic:

Impacts on our operations

In response to the pandemic, we took a wide range of actions to help protect our employees and customers and to ensure the operational continuity of our business, while continuing to provide core banking services to our consumer and commercial clients. The majority of our employees continue to work remotely with the exception of essential branch and facility staff. As the pandemic subsides, we expect more of our employees to return to the office. There may be risks inherent in providing safe, effective working environments for our staff, including transport, building logistics, and working conditions.

Impacts on our loan portfolio

The disruption in economic activity across the United States, and particularly in New York, caused stress in the financial condition of both our consumer and commercial clients. As a result, we established programs offering payment deferrals for customers that needed assistance. In accordance with interagency guidance and the CARES Act, short term deferrals granted due to the COVID-19 pandemic are not considered troubled debt restructurings (“TDRs”) unless the borrower was experiencing financial difficulty prior to the pandemic. The CARES Act provided temporary relief from the accounting and reporting requirements for TDRs regarding certain loan modifications related to COVID-19. In addition, under the terms of these deferral agreements, the loans will not be reported as past due or as non-accrual for the agreed upon term of the deferral, unless additional information becomes available that indicates the loan will not perform as expected when the deferral is complete. Interest will continue to accrue during the deferral period. In general, the interest and principal originally due during the deferral period will be due at the contractual end of the loan. If the loan does not exit deferral and does not continue to pay according to contractual terms, the loan will then be considered as any other loan that is past due or not in agreement with contractual terms, and additional allowance and reversal of related accrued interest will likely be required for these loans.

Other impacts on our results of operation and financial condition

In addition to the factors above, we believe the following factors may impact our earnings, though we are unable to quantify the impacts at this time:

- Increased allowance related to loans that continue to be impacted by the economy after the payment deferral periods end
- Lower loan originations as the credit worthiness of borrowers and loan demand may be impacted by the current economic environment
- Turnover due to the "great resignation" resulting in additional expenses to replace talent

As of March 31, 2022, we had $12.9 million of goodwill. During the second quarter of 2021, we performed our annual impairment analysis and determined no goodwill impairment was required. However, we will continue to monitor the COVID-19 pandemic and the related economic fallout, including changes in our stock price and other business and market considerations, which may require us to reevaluate our goodwill impairment analysis. Any goodwill impairment charges we incur could have a material adverse effect on our earnings, but would not impact our cash flow or regulatory capital levels.

These factors, together or in combination with other events or occurrences that may not yet be known or anticipated, may materially and adversely affect our business, financial condition and results of operations.

Critical and Significant Accounting Policies and Estimates

Our consolidated financial statements are prepared based on the application of accounting policies generally accepted in the United States, or GAAP, and conform to general practices within the banking industry. Our significant accounting policies are more fully described in Note 1 of our audited consolidated financial statements included in our 2021 Annual Report and our critical accounting policies are more fully described under “Critical Accounting Policies and Estimates” included in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2021 Annual Report. There have been no significant changes to our critical and significant accounting policies, or the estimates made pursuant to those policies as described in our 2021 Annual Report.

Recent Accounting Pronouncements

Accounting Standards Effective in 2022 and onward

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments.” ASU 2016-13 significantly changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model and provides for recording credit losses on available for sale debt securities through an allowance account. ASU 2016-13 also requires certain incremental disclosures. In October 2019, the FASB voted to extend the adoption date for entities eligible to be smaller reporting companies, public business entities ("PBEs") that are not SEC filers, and entities that are not PBEs from January 1, 2020 to January 1, 2023. Based on our election as an Emerging Growth Company under the Jumpstart Our Business Startups Act to use the extended transition period for complying with any new or revised financial accounting standards, we will adopt the standard on January 1, 2023.

The standard requires a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which it is effective. A prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date. The Company established a Management Committee comprised of executives and senior leadership from applicable departments to evaluate the impact of this standard and monitor our progress towards adoption. The Management Committee's focus is to evaluate the impact to the Company, monitor status, as well as to assess and mitigate risks to the implementation of the standard. Currently, management is liaising with its vendors to finalize model development through input testing as well as assessment of the model outputs. The Company expects to conduct multiple full production parallel tests with the current and future-state credit loss estimation process beginning in the late second quarter and through the second half of 2022 to ensure the Company is prepared for adoption of the standard as of January 1, 2023.

The CECL model represents a significant departure from current GAAP and may result in significant changes to the Company's accounting for financial instruments. The Company is currently in the process of evaluating the quantitative and qualitative effect of the standard on our estimated credit losses under the standard, and while adoption could have a material impact on the Company's operating results and financial condition depending on the characteristics of our loan portfolio, as well as the current and forecasted economic conditions as of the date of adoption, management currently does not expect it to have a material impact.

On January 7, 2021, the FASB has issued Accounting Standards Update ("ASU") No. 2021-01, Reference Rate Reform (Topic 848): Scope. The new guidance amends the scope of ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which was aimed at easing the potential accounting burden expected when global capital markets move away from the London Interbank Offered Rate ("LIBOR") (the benchmark interest rate banks use to make short-term loans to each other) and provided temporary, optional expedients and exceptions for applying accounting guidance to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. As the majority of our securities tied to LIBOR are expected to transition to the Secured Overnight Financing Rate ("SOFR") or pay off before the transition date and given that we do not have a substantial amount of commercial loans or any derivative transactions tied to LIBOR, the Adoption of ASU 2021-01 is not expected to have a material impact on our operating results or financial condition.

Results of Operations

General

Our results of operations depend substantially on net interest income, which is the difference between interest income on interest-earning assets, consisting primarily of interest income on loans, investment securities and other short-term investments and interest expense on interest-bearing liabilities, consisting primarily of interest expense on deposits and borrowings. Our results of operations are also dependent on non-interest income, consisting primarily of income from Trust Department fees, service charges on deposit accounts, net gains on sales of investment securities and income from bank-owned life insurance (“BOLI”). Other factors contributing to our results of operations include our provisions for loan losses, income taxes, and non-interest expenses, such as salaries and employee benefits, occupancy and depreciation expenses, professional fees, data processing fees and other miscellaneous operating costs.

Net income for the first quarter of 2022 was $14.2 million, or $0.45 per diluted share, compared to $12.2 million, or $0.39 per diluted share, for the first quarter of 2021.

The $2.0 million increase was primarily due to a $7.1 million increase in total interest and dividend income which was mainly driven by an increase of interest income on securities. The increase was partially offset by a $2.3 million provision for loan loss compared to a $3.3 million recovery of provision for loan loss for the same period in 2021, as well as a $1.6 million increase in non-interest expense primarily driven by an increase in data processing expense related to the modernization of our Trust Department, offset by decreases in professional fees.

Net Interest Income

Net interest income, representing interest income less interest expense, is a significant contributor to our revenues and earnings. We generate interest income from interest, dividends and prepayment fees on interest-earning assets, including loans, investment securities and other short-term investments. We incur interest expense from interest paid on interest-bearing liabilities, including interest-bearing deposits, FHLB advances and other borrowings. To evaluate net interest income, we measure and monitor (i) yields on our loans and other interest-earning assets, (ii) the costs of our deposits and other funding sources, (iii) our net interest spread and (iv) our net interest margin. Net interest spread is equal to the difference between rates earned on interest-earning assets and rates paid on interest-bearing liabilities. Net interest margin is equal to the annualized net interest income divided by average interest-earning assets. Because non-interest-bearing sources of funds, such as non-interest-bearing deposits and stockholders' equity, also fund interest-earning assets, net interest margin includes the benefit of these non-interest-bearing sources.

Changes in the market interest rates and interest rates we earn on interest-earning assets or pay on interest-bearing liabilities, as well as the volume and types of interest-earning assets, interest-bearing and non-interest-bearing liabilities, are usually the largest drivers of periodic changes in net interest spread, net interest margin and net interest income.

The following table sets forth information related to our average balance sheet, average yields on assets, and average costs of liabilities for the periods indicated:

(In thousands)	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest earning assets:						
Interest-bearing deposits in banks	$ 423,878	$ 179	0.17 %	$ 380,390	$ 90	0.10 %
Securities and FHLB stock	3,192,642	18,435	2.34 %	2,116,952	11,798	2.26 %
Resell Agreements	219,221	720	1.33 %	154,266	420	1.10 %
Total loans, net [(1)(2)]	3,280,115	31,127	3.85 %	3,293,775	31,109	3.83 %
Total interest earning assets	7,115,856	50,461	2.88 %	5,945,383	43,417	2.96 %
Non-interest earning assets:						
Cash and due from banks	9,226			7,307		
Other assets	267,689			279,308		
Total assets	$ 7,392,771			$ 6,231,998		
Interest bearing liabilities:						
Savings, NOW and money market deposits	$ 2,896,086	$ 1,247	0.17 %	$ 2,512,892	$ 1,222	0.20 %
Time deposits	199,340	155	0.32 %	280,057	351	0.51 %
Total deposits	3,095,426	1,402	0.18 %	2,792,949	1,573	0.23 %
Federal Home Loan Bank advances	—	—	0.00 %	495	—	0.00 %
Other Borrowings	84,597	$ 691	3.31 %	—	$ —	0.00 %
Total interest bearing liabilities	3,180,023	2,093	0.27 %	2,793,444	1,573	0.23 %
Non-interest bearing liabilities:						
Demand and transaction deposits	3,549,483			2,786,581		
Other liabilities	102,874			109,420		
Total liabilities	6,832,380			5,689,445		
Stockholders' equity	560,391			542,553		
Total liabilities and stockholders' equity	$ 7,392,771			$ 6,231,998		
Net interest income / interest rate spread		$ 48,368	2.61 %		$ 41,844	2.73 %
Net interest earning assets / net interest margin	$ 3,935,833		2.76 %	$ 3,151,939		2.85 %
Total Cost of Deposits			0.09 %			0.11 %

(1) Amounts are net of deferred origination costs (fees) and the allowance for loan losses and includes loans held for sale

(2) Income and yield includes prepayment penalty income in 1Q2022 and 1Q2021 of $399 thousand and $642 thousand, respectively

Net interest income was $48.4 million for the first quarter of 2022 and $41.8 million for the first quarter of 2021. The $6.6 million increase from the first quarter of 2021 reflected higher income on securities.

Our net interest spread was 2.61% for the three months ended March 31, 2022, compared to 2.73% for the same period in 2021, a decrease of 12 basis points. Our net interest margin was 2.76% for the first quarter of 2022, a decrease of nine basis points from 2.85% in the first quarter of 2021.

The yield on average earning assets was 2.88% for the three months ended March 31, 2022, compared to 2.96% for the same period in 2021, a decrease of eight basis points. This decrease was the result of deploying our strong deposit growth during the quarter into investment securities at a higher pace than loans.

The average rate on interest-bearing liabilities was 0.27% for the three months ended March 31, 2022, an increase of four basis points from the same period in 2021, which was primarily due to the increase in other borrowings expense with the issuance of subordinated debt partially offset by the decrease in the rates paid on interest-bearing deposits. Noninterest-bearing deposits represented 53% of average deposits for the three months ended March 31, 2022, contributing to a total cost of deposits of nine basis points in the first quarter of 2022.

Rate-Volume Analysis

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in weighted average interest rates. The table below presents the effect of volume and rate changes on interest income and expense. Changes in volume are changes in the average balance multiplied by the previous period's average rate. Changes in rate are changes in the average rate multiplied by the average balance from the previous period. The net changes attributable to the combined impact of both rate and volume have been allocated proportionately to the changes due to volume and the changes due to rate:

	Three Months Ended March 31, 2022 over March 31, 2021		
	Changes Due To		
(In thousands)	Volume	Rate	Net Change
Interest earning assets:			
Interest-bearing deposits in banks	$ 18	$ 71	$ 89
Securities and FHLB stock	6,025	612	6,637
Resell Agreements	190	110	300
Total loans, net	(139)	157	18
Total interest income	6,094	950	7,044
Interest bearing liabilities:			
Savings, NOW and money market deposits	198	(173)	25
Time deposits	(80)	(116)	(196)
Total deposits	118	(289)	(171)
Federal Home Loan Bank advances	(27)	27	—
Other Borrowings	691	—	691
Total borrowings	664	27	691
Total interest expense	782	(262)	520
Change in net interest income	$ 5,312	$ 1,212	$ 6,524

Provision for Loan Losses

We establish an allowance for loan losses through a provision for loan losses charged as an expense in our Consolidated Statements of Income. The provision for loan losses is the amount of expense that, based on our judgment, is required to maintain the allowance at an adequate level to absorb probable incurred losses inherent in the loan portfolio at the balance sheet date and that, in management's judgment, is appropriate under GAAP. Our determination of the amount of the allowance and corresponding provision for loan losses considers ongoing evaluations of the credit quality and level of credit risk inherent in our loan portfolio, levels of nonperforming loans and charge-offs, statistical trends and economic and other relevant factors. The allowance is increased by provisions charged to expense and decreased by recoveries of provisions released from expense or by actual charge-offs, net of recoveries on prior loan charge-offs. In accordance with accounting guidance for business combinations, we recorded all loans acquired in the NRB acquisition at their estimated fair value at the date of acquisition with no carryover of the related allowance.

Our provision for loan losses totaled an expense of $2.3 million for the first quarter of 2022 compared to a recovery of $3.3 million for the same period in 2021. The expense in the first quarter of 2022 was primarily driven by higher loan balances, and a $0.4 million charge-off related to a loan that was transferred to held for sale, partially offset by improved credit quality.

For a further discussion of the allowance, see "*Allowance for Loan Losses*" below.

Non-Interest Income

Our non-interest income includes Trust Department fees, which consist of fees received in connection with investment advisory and custodial management services of investment accounts, service fees charged on deposit accounts, income on BOLI, gain or loss on sales of securities, sales of loans, and other real estate owned, income from equity method investments, and other income.

The following table presents our non-interest income for the periods indicated:

	Three Months Ended March 31,	
(In thousands)	2022	2021
Trust Department fees	$ 3,491	$ 3,827
Service charges on deposit accounts	2,447	2,178
Bank-owned life insurance	814	788
Gain (loss) on sale of investment securities available for sale, net	162	21
Gain (loss) on sale of loans, net	(157)	707
Equity method investments	432	(3,682)
Other income	233	161
Total non-interest income	$ 7,422	$ 4,000

Non-interest income was $7.4 million for the first quarter of 2022, compared to $4.0 million for the first quarter in 2021. The increase of $3.4 million in the first quarter of 2022 compared to the corresponding quarter in 2021 was primarily due to a gain of $0.4 million related to equity investments in solar initiatives in the first quarter of 2022 compared to a $3.8 million loss in the first quarter in 2021. This is due to the timing of tax credits and subsequent losses generated before reaching a steady flow of income. These impacts do not include any benefits of new solar equity investments that we may make in the future. This is slightly offset by a $0.9 million decrease in gain on sale of loans as we incurred a $0.2 million loss on sale of loans during the quarter compared to a $0.7 million gain on sale during first quarter of 2021.

Trust Department fees consist of fees we receive in connection with our investment advisory and custodial management services of investment accounts. Our Trust Department fees were $3.5 million in the first quarter of 2022, a decrease of $0.3 million, or 8.8%, from same period in 2021. The decrease is primarily attributed to the run-off of the ULTRA real estate fund, which ceased earning revenues in 2020.

Non-Interest Expense

Non-interest expense includes compensation and employee benefits, occupancy and depreciation expense, professional fees (including legal, accounting and other professional services), data processing, office maintenance and depreciation, amortization of intangible assets, advertising and promotion, and other expenses. The following table presents non-interest expense for the periods indicated:

(In thousands)	Three Months Ended March 31, 2022	2021
Compensation and employee benefits, net	$ 17,669	$ 18,039
Occupancy and depreciation	3,440	3,501
Professional fees	2,815	3,661
Data processing	5,184	3,005
Office maintenance and depreciation	725	655
Amortization of intangible assets	262	302
Advertising and promotion	854	597
Other	3,448	3,033
Total non-interest expense	$ 34,397	$ 32,793

Non-interest expense for the first quarter of 2022 was $34.4 million, an increase of $1.6 million from the first quarter of 2021. The increase of $1.6 million from the first quarter of 2021 is primarily driven by a $2.2 million increase in data processing related to the modernization of our Trust Department, offset by decreases in professional fees.

Income Taxes

We had a provision for income tax expense of $4.9 million for the first quarter of 2022, compared to $4.1 million for the first quarter of 2021. Our effective tax rate for the first quarter of 2022 was 25.8%, compared to 25.4% for the first quarter of 2021.

Financial Condition

Balance Sheet

Our total assets were $7.7 billion at March 31, 2022, compared to $7.1 billion at December 31, 2021. The increase of $0.6 billion was driven primarily by a $43.6 million increase in cash and cash equivalents, a $410.4 million increase in investment securities, of which $96.2 million was from PACE assessments, as well as a $158.0 million increase in loans receivable, net.

Investment Securities

The primary goal of our securities portfolio is to maintain an available source of liquidity and an efficient investment return on excess capital, while maintaining a low-risk profile. We also use our securities portfolio to manage interest rate risk, meet Community Reinvestment Act ("CRA") goals and to provide collateral for certain types of deposits or borrowings. An Investment Committee chaired by our Chief Financial Officer manages our investment securities portfolio according to written investment policies approved by our Board of Directors. Investments in our securities portfolio may change over time based on management's objectives and market conditions.

We seek to minimize credit risk in our securities portfolio through diversification, concentration limits, restrictions on high risk investments (such as subordinated positions), comprehensive pre-purchase analysis and stress testing, ongoing monitoring and by investing a significant portion of our securities portfolio in U.S. Government sponsored entity ("GSE") obligations. GSEs include the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA") and the Small Business Administration ("SBA"). GNMA is a wholly-owned U.S. Government corporation whereas FHLMC and FNMA are private. Mortgage-related securities may include mortgage pass-through certificates, participation certificates and collateralized mortgage obligations ("CMOs"). We invest in non-GSE securities, including property assessed clean energy, or PACE, bonds, in order to generate higher returns, improve portfolio diversification and reduce interest rate and prepayment risk. With the exception of small legacy CRA investments, Trust Preferred securities, and certain corporate bonds, all of our non-GSE securities are senior positions that are the top of the capital structure.
Our investment securities portfolio consists of securities classified as available for sale and held to maturity. There were no trading securities in our investment portfolio at March 31, 2022 or at December 31, 2021. All available for sale securities are carried at fair value and may be used for liquidity purposes should management consider it to be in our best interest.

At March 31, 2022 and December 31, 2021, we had available for sale securities of $2.4 billion and $2.1 billion, respectively. The $307.7 million increase was primarily from the purchase of asset-backed securities ("ABS") and mortgage-related securities.

At March 31, 2022, our held to maturity securities portfolio primarily consisted of PACE bonds, tax-exempt municipal securities, ABS GSE and Non GSE debt, and other debt. We carry these securities at amortized cost. We had held to maturity securities of $946.3 million at March 31, 2022, and $843.6 million at December 31, 2021.

Certain securities have fair values less than amortized cost and, therefore, contain unrealized losses. At March 31, 2022, we evaluated those securities which had an unrealized loss for OTTI, and determined all of the decline in value to be temporary. There were $3.1 billion of investment securities with unrealized losses at March 31, 2022 of which none had a continuous unrealized loss position for 12 consecutive months or longer that was greater than 5% of amortized cost. We anticipate full recovery of amortized cost with respect to these securities by the time that these securities mature, or sooner in the case that a more favorable market interest rate environment causes their fair value to increase. We do not intend to sell these securities and we believe it is more likely than not that we will be required to sell them before full recovery of their amortized cost basis, which may be at the time of their maturity.

The following table is a summary of our investment portfolio, using market value for available for sale securities and amortized cost for held to maturity securities, as of the dates indicated.

	March 31, 2022		December 31, 2021	
(In thousands)	Amount	% of Portfolio	Amount	% of Portfolio
Available for sale:				
Mortgage-related:				
GSE residential certificates	$ 3,450	0.1 %	$ 3,967	0.1 %
GSE residential CMOs	482,465	14.3 %	463,883	15.7 %
GSE commercial certificates & CMO	390,000	11.6 %	370,364	12.5 %
Non-GSE residential certificates	144,150	4.3 %	66,139	2.3 %
Non-GSE commercial certificates	130,031	3.9 %	81,101	2.7 %
Other debt:				
U.S. Treasury	195	0.0 %	200	0.0 %
ABS	1,134,454	33.7 %	989,188	33.5 %
Trust preferred	13,985	0.4 %	14,147	0.5 %
Corporate	122,334	3.6 %	124,421	4.2 %
Total available for sale	2,421,064	71.9 %	2,113,410	71.5 %
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 30,654	0.9 %	$ 30,742	1.0 %
GSE residential certificates	439	0.0 %	442	0.0 %
Non GSE commercial certificates	10,307	0.3 %	10,333	0.3 %
Non GSE residential certificates	30,419	0.9 %	10,796	0.4 %
Other debt:				
ABS	75,800	2.3 %	75,800	2.6 %
PACE	723,646	21.5 %	627,394	21.2 %
Municipal	71,982	2.1 %	84,962	2.9 %
Other	3,100	0.1 %	3,100	0.1 %
Total held to maturity	946,347	28.1 %	843,569	28.5 %
Total securities	$ 3,367,411	100.0 %	$ 2,956,979	100.0 %

The following table show contractual maturities and yields for the available-for sale and held-to-maturity securities portfolios:

	Contractual Maturity as of March 31, 2022							
	One Year or Less		One to Five Years		Five to Ten Years		Due after Ten Years	
(In thousands)	Amortized Cost	Weighted Average Yield [1]	Amortized Cost	Weighted Average Yield [1]	Amortized Cost	Weighted Average Yield [1]	Amortized Cost	Weighted Average Yield [1]
Available for sale:								
Mortgage-related:								
GSE residential certificates	$ —	0.0 %	$ —	0.0 %	$ —	0.0 %	$ 3,504	2.6 %
GSE residential CMOs	—	0.0 %	—	0.0 %	41,343	1.6 %	455,523	1.6 %
GSE commercial certificates & CMO	552	1.8 %	16,834	2.5 %	278,988	1.4 %	97,946	2.3 %
Non-GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	150,209	2.3 %
Non-GSE commercial certificates	—	0.0 %	—	0.0 %	—	0.0 %	135,652	1.9 %
Other debt:								
U.S. Treasury	—	0.0 %	198	1.3 %	—	0.0 %	—	0.0 %
ABS	—	0.0 %	23,826	2.1 %	345,522	2.3 %	782,832	2.2 %
Trust preferred	—	0.0 %	7,989	1.6 %	6,643	1.6 %	—	0.0 %
Corporate	—	0.0 %	42,994	4.1 %	84,017	3.6 %	—	0.0 %
Held to maturity:								
Mortgage-related:								
GSE commercial certificates	—	0.0 %	—	0.0 %	—	0.0 %	30,654	1.9 %
GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	439	3.8 %
Non GSE commercial certificates	—	0.0 %	—	0.0 %	—	0.0 %	10,307	2.0 %
Non GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	30,419	3.0 %
Other debt:								
ABS	—	0.0 %	—	0.0 %	—	0.0 %	75,800	2.5 %
PACE	—	0.0 %	—	0.0 %	—	0.0 %	723,646	4.1 %
Municipal	—	0.0 %	—	0.0 %	—	0.0 %	71,982	2.3 %
Other	3,100	3.3 %	—	0.0 %	—	0.0 %	—	0.0 %
Total securities	$ 3,652	3.1 %	$ 91,841	3.1 %	$ 756,513	2.1 %	$ 2,568,913	2.7 %

[1] Estimated yield based on book price (amortized cost divided by par) using estimated prepayments and no change in interest rates.

The following table shows a breakdown of our asset backed securities by sector and ratings as of March 31, 2022:

(In thousands)	Amount	%	Expected Avg. Life in Years	% Floating	Credit Ratings *Highest Rating if split rated* % AAA	% AA	% A	% BBB	%Not Rated	Total
CLO Commercial & Industrial	$ 681,307	56 %	3.5	100 %	100 %	0 %	0 %	0 %	0 %	100 %
Consumer	221,067	18 %	4.3	0 %	22 %	26 %	49 %	3 %	0 %	100 %
Mortgage	208,345	17 %	2.9	100 %	100 %	0 %	0 %	0 %	0 %	100 %
Student	99,535	9 %	4.3	67 %	100 %	0 %	0 %	0 %	0 %	100 %
Total Securities:	$ 1,210,254	100 %	3.6	79 %	85 %	5 %	9 %	1 %	0 %	100 %

Loans

Lending-related income is the most important component of our net interest income and is the main driver of our results of operations. Total loans, net of deferred origination fees and allowance for loan losses, were $3.4 billion as of March 31, 2022 compared to $3.3 billion as of December 31, 2021. Within our commercial loan portfolio, our primary focus has been on C&I, multifamily and CRE lending. Within our retail loan portfolio, our primary focus has been on residential 1-4 family (1st lien) mortgages. We intend to focus any organic growth in our loan portfolio on these lending areas as part of our strategic plan.

In the first quarter of 2022, we purchased $3.0 million of commercial solar loans, $28.4 million of residential loans, $20.0 million of home improvement loans, $90.7 million of consumer solar loans and $20.0 million of commercial loans that are unconditionally guaranteed by the United States government.

The following table sets forth the composition of our loan portfolio, as of March 31, 2022 and December 31, 2021:

(In thousands)	March 31, 2022		December 31, 2021	
	Amount	**% of total loans**	**Amount**	**% of total loans**
Commercial portfolio:				
Commercial and industrial	$ 724,177	20.9 %	$ 729,385	22.0 %
Multifamily	813,702	23.5 %	821,801	24.8 %
Commercial real estate	354,174	10.2 %	369,429	11.2 %
Construction and land development	40,242	1.2 %	31,539	1.0 %
Total commercial portfolio	1,932,295	55.8 %	1,952,154	59.0 %
Retail portfolio:				
Residential real estate lending	1,143,175	33.0 %	1,063,682	32.2 %
Consumer and other	389,452	11.2 %	291,818	8.8 %
Total retail	1,532,627	44.2 %	1,355,500	41.0 %
Total loans held for investment	3,464,922	100.0 %	3,307,654	100.0 %
Net deferred loan origination costs (fees)	5,252		4,570	
Allowance for loan losses	(37,542)		(35,866)	
Total loans, net	$ 3,432,632		$ 3,276,358	

Commercial loan portfolio

Our commercial loan portfolio comprised 55.8% of our total loan portfolio at March 31, 2022 and 59.0% of our total loan portfolio at December 31, 2021. The major categories of our commercial loan portfolio are discussed below:

C&I. Our C&I loans are generally made to small and medium-sized manufacturers and wholesale, retail and service-based businesses to provide either working capital or to finance major capital expenditures. The primary source of repayment for C&I loans is generally operating cash flows of the business. We also seek to minimize risks related to these loans by requiring such loans to be collateralized by various business assets (including inventory, equipment and accounts receivable). The average size of our C&I loans at March 31, 2022 by exposure was $4.1 million with a median size of $1.0 million. We have shifted our lending strategy to focus on developing full customer relationships including deposits, cash management, and lending. The businesses that we focus on are generally mission aligned with our core values, including organic and natural products, sustainable companies, clean energy, nonprofits, and B Corporations ™.

Our C&I loans totaled $724.2 million at March 31, 2022, which comprised 20.9% of our total loan portfolio. During the three months ended March 31, 2022, the C&I loan portfolio decreased by 0.7% from $729.4 million at December 31, 2021.

Multifamily. Our multifamily loans are generally used to purchase or refinance apartment buildings of five units or more, which collateralize the loan, in major metropolitan areas within our markets. Multifamily loans have 80% of their exposure in New York City—our largest geographic concentration. Our multifamily loans have been underwritten under stringent guidelines on loan-to-value and debt service coverage ratios that are designed to mitigate credit and concentration risk in this loan category.

Our multifamily loans totaled $813.7 million at March 31, 2022, which comprised 23.5% of our total loan portfolio. During the three months ended March 31, 2022, the multifamily loan portfolio decreased by 1.0% from $821.8 million at December 31, 2021.

CRE. Our CRE loans are used to purchase or refinance office buildings, retail centers, industrial facilities, medical facilities and mixed-used buildings. Included in this total are 21 borrowers financing owner-occupied buildings which account for an aggregate total of $43.6 million in loans as of March 31, 2022.

Our CRE loans totaled $354.2 million at March 31, 2022, which comprised 10.2% of our total loan portfolio. During the three months ended March 31, 2022, the CRE loan portfolio decreased by 4.1% from $369.4 million at December 31, 2021.

Retail loan portfolio

Our retail loan portfolio comprised 44.2% of our total loan portfolio at March 31, 2022 and 41.0% of our loan portfolio at December 31, 2021. The major categories of our retail loan portfolio are discussed below.

Residential real estate lending. Our residential 1-4 family mortgage loans are residential mortgages that are primarily secured by single-family homes, which can be owner occupied or investor owned. These loans are either originated by our loan officers or purchased from other originators with the servicing retained by such originators. Our residential real estate lending portfolio is 99% first mortgage loans and 1% second mortgage loans. As of March 31, 2022, 82% of our residential 1-4 family mortgage loans were either originated by our loan officers since 2012 or were acquired in our acquisition of NRB, 14% were purchased from two third parties on or after July 2014, and 4% were purchased by us from other originators before 2010. Our residential real estate lending loans totaled $1.14 billion at March 31, 2022, which comprised 74.6% of our retail loan portfolio and 33.0% of our total loan portfolio. In March 31, 2022, our residential real estate lending loans increased by 7.5% from $1.06 billion at December 31, 2021.

Consumer and other. Our consumer and other portfolio is comprised of purchased student loans, residential solar loans, unsecured consumer loans and overdraft lines. Our consumer and other loans totaled $389.5 million at March 31, 2022, which comprised 11.2% of our total loan portfolio, compared to $291.8 million, or 8.8% of our total loan portfolio, at December 31, 2021.

Maturities and Sensitivity of Loans to Changes in Interest Rates

The information in the following table is based on the contractual maturities of individual loans, including loans that may be subject to renewal at their contractual maturity. Renewal of these loans is subject to review and credit approval, as well as modification of terms upon maturity. Actual repayments of loans may differ from the maturities reflected below because borrowers have the right to prepay obligations with or without prepayment penalties. The following tables summarize the loan maturity distribution by type and related interest rate characteristics at March 31, 2022 and December 31, 2021:

(In thousands)	One year or less	After one but within five years	After 5 years	Total
March 31, 2022:				
Commercial Portfolio:				
Commercial and industrial	$ 96,385	$ 222,414	$ 405,378	$ 724,177
Multifamily	102,822	433,636	277,244	813,702
Commercial real estate	93,140	208,188	52,846	354,174
Construction and land development	29,873	10,369	—	40,242
Retail Portfolio:				
Residential real estate lending	397	1,897	1,140,881	1,143,175
Consumer and other	893	1,050	387,509	389,452
Total Loans	$ 323,510	$ 877,554	$ 2,263,858	$ 3,464,922

(In thousands)	After one but within five years	After 5 years	Total
Gross loan maturing after one year with:			
Fixed interest rates	$ 692,877	$ 1,682,778	$ 2,375,655
Floating or adjustable interest rates	184,677	581,080	765,757
Total Loans	$ 877,554	$ 2,263,858	$ 3,141,412

(In thousands)	One year or less	After one but within five years	After 5 years	Total
December 31, 2021:				
Commercial Portfolio:				
Commercial and industrial	$ 89,499	$ 241,432	$ 398,454	$ 729,385
Multifamily	147,340	429,126	245,335	821,801
Commercial real estate	88,506	222,843	58,080	369,429
Construction and land development	29,264	2,275	—	31,539
Retail Portfolio:				
Residential real estate lending	399	1,836	1,061,447	1,063,682
Consumer and other	1,327	1,151	289,340	291,818
Total Loans	$ 356,335	$ 898,663	$ 2,052,656	$ 3,307,654

(In thousands)	After one but within five years	After 5 years	Total
Gross loan maturing after one year with:			
Fixed interest rates	$ 709,569	$ 1,456,484	$ 2,166,053
Floating or adjustable interest rates	189,094	596,172	785,266
Total Loans	$ 898,663	$ 2,052,656	$ 2,951,319

Allowance for Loan Losses

We maintain the allowance at a level we believe is sufficient to absorb probable incurred losses in our loan portfolio given the conditions at the time. Management determines the adequacy of the allowance based on periodic evaluations of the loan portfolio and other factors, including end-of-period loan levels and portfolio composition, observable trends in nonperforming loans, our historical loan losses, known and inherent risks in the portfolio, underwriting practices, adverse situations that may impact a borrower's ability to repay, the estimated value and sufficiency of any underlying collateral, credit risk grade assessments, loan impairment and economic conditions. These evaluations are inherently subjective as they require management to make material estimates, all of which may be susceptible to significant change. The allowance is increased by provisions for loan losses charged to expense and decreased by actual charge-offs, net of recoveries.

The allowance consists of specific allowances for loans that are individually classified as impaired and general components. Impaired loans include loans placed on nonaccrual status and TDRs. Loans are considered impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due in accordance with the original contractual terms of the loan agreements. When determining if we will be unable to collect all principal and interest payments due in accordance with the original contractual terms of the loan agreement, we consider the borrower's overall financial condition, resources and payment record, support from guarantors, and the realized value of any collateral. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Impaired loans are individually identified and evaluated for impairment based on a combination of internally assigned risk ratings and a defined dollar threshold. If a loan is impaired, a specific reserve is applied to the loan so that the loan is reported, net, at the discounted expected future cash flows or at the fair value of collateral if repayment is collateral dependent. Impaired loans which do not meet the criteria for individual evaluation are evaluated in homogeneous pools of loans with similar risk characteristics. In accordance with the accounting guidance for business combinations, there was no allowance brought forward on any of the loans we acquired in our acquisition of NRB. For purchased non-credit impaired loans, credit discounts representing the principal losses expected over the life of the loan are a component of the initial fair value and the discount is accreted to interest income over the life of the loan. Subsequent to the acquisition date, the method used to evaluate the sufficiency of the credit discount is similar to organic loans, and if necessary, additional reserves are recognized in the allowance. At the close of the NRB acquisition, there were no purchase credit impaired loans. As of March 31, 2022, the remaining mark is $1.1 million. In addition, the allowance includes $1.1 million on-balance-sheet and $31 thousand off-balance-sheet reserves for loan downgrades, increases in usage of lines of credit, construction disbursements and reclassifications of product types subsequent to the acquisition.

The following tables presents, by loan type, the changes in the allowance for the periods indicated:

	Three Months Ended March 31,	
(In thousands)	**2022**	**2021**
Balance at beginning of period	$ 35,866	$ 41,589
Loan charge-offs:		
Commercial portfolio:		
Commercial and industrial	—	—
Multifamily	416	1,908
Commercial real estate	—	—
Construction and land development	—	—
Retail portfolio:		
Residential real estate lending	39	141
Consumer and other	868	340
Total loan charge-offs	1,323	2,389
Recoveries of loans previously charged-off:		
Commercial portfolio:		
Commercial and industrial	6	204
Multifamily	—	—
Commercial real estate	—	—
Construction and land development	1	1
Retail portfolio:		
Residential real estate lending	651	495
Consumer and other	48	23
Total loan recoveries	706	723
Net (recoveries) charge-offs	617	1,666
Provision for (recovery of) loan losses	2,293	(3,261)
Balance at end of period	$ 37,542	$ 36,662

The allowance increased $1.6 million to $37.5 million at March 31, 2022 from $35.9 million at December 31, 2021. The increase was primarily due to an increase in loan balances. At March 31, 2022, we had $58.2 million of impaired loans for which a specific allowance of $4.6 million was made, compared to $53.2 million of impaired loans at December 31, 2021 for which a specific allowance of $5.1 million was made. The ratio of allowance to total loans was 1.08% for March 31, 2022 and 1.08% for December 31, 2021.

Allocation of Allowance for Loan Losses

The following table presents the allocation of the allowance and the percentage of the total amount of loans in each loan category listed as of the dates indicated:

(In thousands)	At March 31, 2022 Amount	At March 31, 2022 % of total loans	At December 31, 2021 Amount	At December 31, 2021 % of total loans
Commercial Portfolio:				
Commercial and industrial	$ 12,169	20.9 %	$ 10,652	22.0 %
Multifamily	4,232	23.5 %	4,760	24.8 %
Commercial real estate	6,840	10.2 %	7,273	11.2 %
Construction and land development	654	1.2 %	405	1.0 %
Total commercial portfolio	$ 23,895	55.8 %	$ 23,090	59.0 %
Retail Portfolio:				
Residential real estate lending	9,336	33.0 %	9,008	32.2 %
Consumer and other	4,311	11.2 %	3,768	8.8 %
Total retail portfolio	$ 13,647	44.2 %	$ 12,776	41.0 %
Total allowance for loan losses	$ 37,542		$ 35,866	

Nonperforming Assets

Nonperforming assets include all loans categorized as nonaccrual or restructured, other real estate owned and other repossessed assets. The accrual of interest on loans is discontinued, or the loan is placed on nonaccrual, when the full collection of principal and interest is in doubt. We generally do not accrue interest on loans that are 90 days or more past due (unless we are in the process of collection or an extension and determine that the customer is not in financial difficulty). When a loan is placed on nonaccrual, previously accrued but unpaid interest is reversed and charged against interest income and future accruals of interest are discontinued. Payments by borrowers for loans on nonaccrual are applied to loan principal. Loans are returned to accrual status when, in our judgment, the borrower's ability to satisfy principal and interest obligations under the loan agreement has improved sufficiently to reasonably assure recovery of principal and the borrower has demonstrated a sustained period of repayment performance.

A loan is identified as a troubled debt restructuring, or TDR, when we, for economic or legal reasons related to the borrower's financial difficulties, grant a concession to the borrower. The concessions may be granted in various forms, including interest rate reductions, principal forgiveness, extension of maturity date, waiver or deferral of payments and other actions intended to minimize potential losses. A loan that has been restructured as a TDR may not be disclosed as a TDR in years subsequent to the restructuring if certain conditions are met. Generally, a nonaccrual loan that is restructured remains on nonaccrual status for a period no less than six months to demonstrate that the borrower can meet the restructured terms. However, the borrower's performance prior to the restructuring or other significant events at the time of restructuring may be considered in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual status after a shorter performance period. If the borrower's performance under the new terms is not reasonably assured, the loan remains classified as a nonaccrual loan.

As a result of the COVID-19 pandemic, we have experienced a significant increase in the number of requests for temporary loan modifications. As of March 31, 2022, we had no COVID-19 related loan payment deferrals remaining. We have granted these borrowers short-term concessions of three to six months in the form of payment deferrals. According to the interagency guidance and the CARES Act, loans modified during the COVID-19 pandemic are not considered TDRs as long as the borrower was not experiencing financial difficulty before the pandemic and the reason for the deferral is temporary in nature and the loans are expected to continue performing after the COVID-19 pandemic.

The following table sets forth our nonperforming assets as of March 31, 2022 and December 31, 2021:

(In thousands)	March 31, 2022	December 31, 2021
Loans 90 days past due and accruing	$ —	$ —
Nonaccrual loans held for sale	2,490	1,000
Nonaccrual loans excluding held for sale loans and restructured loans	10,835	14,722
Troubled debt restructured loans - nonaccrual	18,107	13,497
Troubled debt restructured loans - accruing	29,259	24,997
Other real estate owned	307	307
Impaired securities	59	63
Total nonperforming assets	$ 61,057	$ 54,586
Nonaccrual loans:		
Commercial and industrial	$ 8,099	$ 8,313
Multifamily	3,537	2,907
Commercial real estate	3,988	4,054
Construction and land development	5,053	—
Total commercial portfolio	20,677	15,274
Residential real estate lending	7,404	12,525
Consumer and other	861	420
Total retail portfolio	8,265	12,945
Total nonaccrual loans	$ 28,942	$ 28,219
Nonperforming assets to total assets	0.80 %	0.77 %
Nonaccrual assets to total assets	0.41 %	0.42 %
Nonaccrual loans to total loans	0.84 %	0.85 %
Allowance for loan losses to nonaccrual loans	129.71 %	127.10 %
Allowance for loan losses to total loans	1.08 %	1.08 %
Annualized net charge-offs (recoveries) to average loans	0.08 %	0.44 %

Nonperforming assets totaled $61.1 million, or 0.80% of period-end total assets at March 31, 2022, a increase of $6.5 million, compared with $54.6 million, or 0.77% of period-end total assets at December 31, 2021. The increase in non-performing assets at March 31, 2022 compared to December 31, 2021 was primarily driven by a multi-loan new troubled debt restructuring totaling $10.5 million from the same borrower relationship, offset by a $5.1 million decrease in residential nonaccrual loans.

Potential problem loans are loans which management has doubts as to the ability of the borrowers to comply with the present loan repayment terms. Potential problem loans are performing loans and include our special mention and substandard-accruing commercial loans and/or loans 30-89 days past due. Potential problem loans are not included in the nonperforming assets table above and totaled $164.6 million, or 2.1% of total assets, at March 31, 2022, as follows: $136.5 million are commercial loans currently in workout that management expects will be rehabilitated; $58.2 million are commercial loans that are current on payments and are reported as 30-89 days past due, in renewal or extension negotiations, and inclusive of workouts; $4.8 million are residential 1-4 family or retail loans, with $3.3 million at 30 days delinquent, and $1.5 million at 60 days delinquent.

Resell Agreements

As of March 31, 2022, we have entered into $180.2 million of short term investments of resell agreements backed by government guaranteed loans, with a weighted interest rate of 1.39%. As of December 31, 2021, we have entered into $229.0 million of short term investments of resell agreements backed by government guaranteed loans, with a weighted interest rate of 1.21%.

Deferred Tax Asset

We had a deferred tax asset, net of deferred tax liabilities, of $46.1 million at March 31, 2022 and $26.7 million at December 31, 2021. As of March 31, 2022, our deferred tax assets were fully realizable with no valuation allowance held against the balance. Our management concluded that it was more-likely-than-not that the entire amount will be realized.

We will evaluate the recoverability of our net deferred tax asset on a periodic basis and record decreases (increases) as a deferred tax provision (benefit) in the Consolidated Statements of Income as appropriate.

Deposits

Deposits represent our primary source of funds. We are focused on growing our core deposits through relationship-based banking with our business and consumer clients. Total deposits were $7.0 billion at March 31, 2022, compared to $6.4 billion at December 31, 2021. We believe that our strong deposit franchise is attributable to our mission-based strategy of developing and maintaining relationships with our clients who share similar values and through maintaining a high level of service.

We gather deposits through each of our three branch locations across New York City, our one branch in Washington, D.C., our one branch in San Francisco and through the efforts of our commercial banking team including our Boston group which focuses nationally on business growth. Through our branch network, online, mobile and direct banking channels, we offer a variety of deposit products including demand deposit accounts, money market deposits, NOW accounts, savings and certificates of deposit. We bank politically active customers, such as campaigns, PACs, and state and national party committees, which we refer to as political deposits. These deposits exhibit seasonality based on election cycles. As of March 31, 2022 and December 31, 2021, we had approximately $1.1 billion and $989.6 million, respectively, in political deposits which are primarily in demand deposits.

Maturities of time certificates of deposit and other time deposits of $100,000 or more outstanding at March 31, 2022 are summarized as follows:

Maturities as of March 31, 2022		
(In thousands)		
Within three months	$	45,823
After three but within six months		46,023
After six months but within twelve months		26,706
After twelve months		10,337
	$	128,889

Evaluation of Interest Rate Risk

Our simulation models incorporate various assumptions, which we believe are reasonable but which may have a significant impact on results such as: (1) the timing of changes in interest rates, (2) shifts or rotations in the yield curve, (3) loan and securities prepayment speeds for different interest rate scenarios, (4) interest rates and balances of indeterminate-maturity deposits for different scenarios, and (5) new volume and yield assumptions for loans, securities and deposits. Because of limitations inherent in any approach used to measure interest rate risk, simulation results are not intended as a forecast of the actual effect of a change in market interest rates on our results but rather to better plan and execute appropriate asset-liability management strategies and manage our interest rate risk.

Potential changes to our net interest income and economic value of equity in hypothetical rising and declining rate scenarios calculated as of March 31, 2022 are presented in the following table. The projections assume immediate, parallel shifts downward of the yield curve of 100 basis points and immediate, parallel shifts upward of the yield curve of 100, 200, 300 and 400 basis points. In the current interest rate environment, a downward shift of the yield curve of 200, 300 and 400 basis points does not provide us with meaningful results and, therefore, is not shown.

The results of this simulation analysis are hypothetical and should not be relied on as indicative of expected operating results. A variety of factors might cause actual results to differ substantially from what is depicted. For example, if the timing and magnitude of interest rate changes differ from those projected, our net interest income might vary significantly. Non-parallel yield curve shifts such as a flattening or steepening of the yield curve or changes in interest rate spreads, would also cause our net interest income to be different from that depicted. An increasing interest rate environment could reduce projected net interest income if deposits and other short-term liabilities re-price faster than expected or faster than our assets re-price. Actual results could differ from those projected if we grow assets and liabilities faster or slower than estimated, if we experience a net outflow of deposit liabilities or if our mix of assets and liabilities otherwise changes. Actual results could also differ from those projected if we experience substantially different repayment speeds in our loan portfolio than those assumed in the simulation model. Finally, these simulation results do not contemplate all the actions that we may undertake in response to potential or actual changes in interest rates, such as changes to our loan, investment, deposit, funding or hedging strategies.

Change in Market Interest Rates as of March 31, 2022	**Estimated Increase (Decrease) in:**			
Immediate Shift	Economic Value of Equity	Economic Value of Equity ($)	Year 1 Net Interest Income	Year 1 Net Interest Income ($)
+400 basis points	-3.9%	(53,232)	19.9%	48,743
+300 basis points	1.6%	21,971	19.3%	47,213
+200 basis points	4.8%	64,207	15.9%	38,806
+100 basis points	4.4%	59,422	8.7%	21,260
-100 basis points	-10.7%	(143,837)	-10.0%	(24,359)

Liquidity

Liquidity refers to our ability to maintain cash flow that is adequate to fund our operations, support asset growth, maintain reserve requirements and meet present and future obligations of deposit withdrawals, lending obligations and other contractual obligations through either the sale or maturity of existing assets or by obtaining additional funding through liability management. Our liquidity risk management policy provides the framework that we use to maintain adequate liquidity and sources of available liquidity at levels that enable us to meet all reasonably foreseeable short-term, long-term and strategic liquidity demands. The Asset and Liability Management Committee is responsible for oversight of liquidity risk management activities in accordance with the provisions of our liquidity risk policy and applicable bank regulatory capital and liquidity laws and regulations. Our liquidity risk management process includes (i) ongoing analysis and monitoring of our funding requirements under various balance sheet and economic scenarios, (ii) review and monitoring of lenders, depositors, brokers and other liability holders to ensure appropriate diversification of funding sources and (iii) liquidity contingency planning to address liquidity needs in the event of unforeseen market disruption impacting a wide range of variables. We continuously monitor our liquidity position in order for our assets and liabilities to be managed in a manner that will meet our immediate and long-term funding requirements. We manage our liquidity position to meet the daily cash flow needs of customers, while maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives of our stockholders. We also monitor our liquidity requirements in light of interest rate trends, changes in the economy, and the scheduled maturity and interest rate sensitivity of our securities and loan portfolios and deposits. Liquidity management is made more complicated because different balance sheet components are subject to varying degrees of management control. For example, the timing of maturities of our investment portfolio is fairly predictable and subject to a high degree of control when we make investment decisions. Net deposit inflows and outflows, however, are far less predictable and are not subject to the same degree of certainty.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our short-term and long-term liquidity requirements are primarily to fund on-going operations, including payment of interest on deposits and debt, extensions of credit to borrowers and capital expenditures. These liquidity requirements are met primarily through our deposits, FHLB advances and the principal and interest payments we receive on loans and investment securities. Cash, interest-bearing deposits in third-party banks, securities available for sale and maturing or prepaying balances in our investment and loan portfolios are our most liquid assets. Other sources of liquidity that are available to us include the sale of loans we hold for investment, the ability to acquire additional national market non-core deposits, borrowings through the Federal Reserve's discount window and the issuance of debt or equity securities. We believe that the sources of available liquidity are adequate to meet our current and reasonably foreseeable future liquidity needs.

At March 31, 2022, our cash and equivalents, which consist of cash and amounts due from banks and interest-bearing deposits in other financial institutions, amounted to $374.0 million, or 4.9% of total assets, compared to $330.5 million, or 4.7% of total assets at December 31, 2021. Our available for sale securities at March 31, 2022 were $2.4 billion, or 31.6% of total assets, compared to $2.1 billion, or 29.9% of total assets at December 31, 2021. Investment securities with an aggregate fair value of $86.5 million at March 31, 2022 were pledged to secure public deposits and repurchase agreements.

The liability portion of the balance sheet serves as our primary source of liquidity. We plan to meet our future cash needs through the generation of deposits. Customer deposits have historically provided a sizeable source of relatively stable and low-cost funds. We are also a member of the FHLB, from which we can borrow for leverage or liquidity purposes. The FHLB requires that securities and qualifying loans be pledged to secure any advances. At March 31, 2022, we had no advances from the FHLB and a remaining credit availability of $1.5 billion. In addition, we maintain borrowing capacity of approximately $69.6 million with the Federal Reserve's discount window that is secured by certain securities from our portfolio which are not pledged for other purposes.

Capital Resources

Total stockholders' equity at March 31, 2022 was $526.8 million, compared to $563.9 million at December 31, 2021, a decrease of $37.1 million. The decrease was primarily driven by a $46.3 million decrease in accumulated other comprehensive income due to the mark to market on our securities portfolio and a $2.5 million decrease in additional paid-in capital, which was primarily driven by $2.9 million of common stock that was purchased as part of our share repurchase program in the first quarter of 2022. Also attributing to this decrease was $2.5 million of dividends paid. This decrease was partially offset by $14.2 million of net income.

We are subject to various regulatory capital requirements administered by federal banking regulators. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by federal banking regulators that, if undertaken, could have a direct material effect on our financial statements.

Regulatory capital rules adopted in July 2013 and fully phased in as of January 1, 2019, which are referred to as the Basel III rules, impose minimum capital requirements for bank holding companies and banks. The Basel III rules apply to all national and state banks and savings associations regardless of size and bank holding companies and savings and loan holding companies with consolidated assets of more than $3 billion. In order to avoid restrictions on capital distributions or discretionary bonus payments to executives, a covered banking organization must maintain the fully phased in "capital conservation buffer" of 2.5% on top of its minimum risk-based capital requirements. This buffer must consist solely of common equity Tier 1 risk-based capital, but the buffer applies to all three measurements (common equity Tier 1 risk-based capital, Tier 1 capital and total capital). The capital conservation is equal to 2.5% of risk-weighted assets.

The following table shows the regulatory capital ratios for the Bank and the Company at the dates indicated:

	Actual		For Capital Adequacy Purposes[(1)]		To Be Considered Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(In thousands)						
March 31, 2022						
Consolidated:						
Total capital to risk weighted assets	$ 666,792	15.16 %	$ 351,897	8.00 %	$ 439,872	10.00 %
Tier 1 capital to risk weighted assets	543,636	12.36 %	263,923	6.00 %	351,897	8.00 %
Tier 1 capital to average assets	543,636	7.34 %	296,260	4.00 %	370,325	5.00 %
Common equity tier 1 to risk weighted assets	543,636	12.36 %	197,942	4.50 %	285,917	6.50 %
Bank:						
Total capital to risk weighted assets	$ 630,290	14.33 %	$ 351,885	8.00 %	$ 439,856	10.00 %
Tier I capital to risk weighted assets	591,004	13.44 %	263,914	6.00 %	351,885	8.00 %
Tier I capital to average assets	591,004	8.03 %	294,518	4.00 %	368,147	5.00 %
Common equity tier 1 to risk weighted assets	591,004	13.44 %	197,935	4.50 %	285,907	6.50 %
December 31, 2021						
Consolidated:						
Total capital to risk weighted assets	$ 656,719	15.95 %	$ 329,471	8.00 %	$ 411,839	10.00 %
Tier 1 capital to risk weighted assets	534,381	12.98 %	247,103	6.00 %	329,471	8.00 %
Tier 1 capital to average assets	534,381	7.62 %	280,454	4.00 %	350,567	5.00 %
Common equity tier 1 to risk weighted assets	534,381	12.98 %	185,327	4.50 %	267,695	6.50 %
Bank:						
Total capital to risk weighted assets	$ 613,030	14.89 %	329,376	8.00 %	411,720	10.00 %
Tier 1 capital to risk weighted assets	575,692	13.98 %	247,032	6.00 %	329,376	8.00 %
Tier 1 capital to average assets	575,692	8.21 %	280,433	4.00 %	205,860	5.00 %
Common equity tier 1 to risk weighted assets	575,692	13.98 %	185,274	4.50 %	267,618	6.50 %

(1) Amounts are shown exclusive of the capital conservation buffer of 2.50%.

As of March 31, 2022, the Company and the Bank were categorized as "well capitalized" under the prompt corrective action measures and met the capital conservation buffer requirements.

Contractual Obligations

We have entered into contractual obligations in the normal course of business that involve elements of credit risk, interest rate risk and liquidity risk. The following table summarizes these relations as of March 31, 2022 and December 31, 2021:

March 31, 2022

(In thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Subordinated Debt	$ 83,870	$ —	$ —	$ —	$ 83,870
Operating Leases	51,415	8,115	22,595	19,750	955
Purchase Obligations	30,169	4,612	9,224	7,883	8,450
Certificates of Deposit	199,120	152,279	40,769	6,004	68
Total	$ 364,574	$ 165,006	$ 72,588	$ 33,637	$ 93,343

December 31, 2021

(In thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Subordinated Debt	$ 83,831	$ —	$ —	$ —	$ 83,831
Operating Leases	51,824	10,955	21,420	18,923	526
Purchase Obligations	31,322	4,612	9,224	8,386	9,100
Certificates of Deposit	207,152	182,654	18,784	5,714	—
Total	$ 374,129	$ 198,221	$ 49,428	$ 33,023	$ 93,457

Investment Obligations

The Company is party to agreements with Pace Funding Group LLC, which operates Home Run Financing, for the purchase of property assessed clean energy, or PACE, assessment securities until the end of 2022. These investments are to be held in the Company's held-to-maturity investment portfolio. As of March 31, 2022, we had purchased $344.1 million of these obligations and had an estimated remaining commitment of $132.6 million. The PACE assessments have equal-lien priority with property taxes and generally rank senior to first lien mortgages. The Company anticipates these commitments will be funded by means of normal cash flows, will be funded by a reduction in cash and cash equivalents, or by pay-downs and maturities of loans and other investments.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes in our market risk as of March 31, 2022 from that presented in the 2021 Annual Report. Our interest rate sensitivity position at March 31, 2022 is set forth in the table labeled "Evaluation of Interest Rate Risk" in Management's Discussion and Analysis of Financial Condition and Results of Operation of this Quarterly Report on Form 10-Q and incorporated herein by this reference.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e), as of March 31, 2022. Based on such evaluations, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during the quarter ended March 31, 2022 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

We are subject to certain pending and threatened legal proceedings that arise out of the ordinary course of business. Additionally, we, like all banking organizations, are subject to regulatory examinations and investigations. Based upon management's current knowledge, following consultation with legal counsel, in the opinion of management, there is no pending or threatened legal matter that would result in a material adverse effect on our consolidated financial condition or results of operation, either individually or in the aggregate.

Item 1A. Risk Factors.

Investing in shares of our common stock involves certain risks, including those identified and described in Item 1A. of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as filed with the SEC on March 11, 2022, as well as cautionary statements contained in this report, including those under the caption "*Cautionary Note Regarding Forward-Looking Statements*," risks and matters described elsewhere in this report and in our other filings with the SEC.

We are providing this additional risk factor to supplement the risk factors contained in Item 1A. of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

The recently terminated Merger Agreement with AIC and ABOC could have a material adverse effect on our business, results of operations and financial condition.

On September 22, 2021, we entered into a definitive agreement to acquire AIC and ABOC. We originally targeted completion of the merger by the end of 2021, however the target date for completion was delayed due to our inability to obtain regulatory approval. On March 15, 2022, the Company received a letter from AIC in which AIC declared the Merger Agreement terminated. We believe that our inability to obtain regulatory approval resulting in termination of the Merger Agreement may materially and adversely affect our business, results of operations and financial condition, due to the following:

- we may become subject to litigation related to the terminated Merger Agreement or to proceedings commenced against us in relation to the Merger Agreement, which could cause us to incur substantial costs and may materially distract our management;
- we may experience negative media attention, which may adversely affect our reputation;
- we may experience negative reactions from the financial markets, which could cause the market price of our common stock to decline; and
- we may experience negative reactions from our customers and personnel.

The occurrence of any of these events individually or in combination could materially and adversely affect our business, results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table contains information regarding purchases of our common stock during the three months ended March 31, 2022 by or on behalf of the Company or any "affiliate purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act:

	Issuer Purchases of Equity Securities			
Period (Settlement Date)	**Total number of shares purchased** (1)	**Average price paid per share**	**Total number of shares purchased as part of publicly announced plans or programs**	**Approximate dollar value that may yet be purchased under plans or programs** (2)
January 1 through January 31, 2022	—	—	—	7,499,476
February 1 through February 29, 2022	34,016	$ 16.87	34,016	40,000,000
March 1 through March 31, 2022	140,576	17.33	136,556	37,634,150
Total	**167,572**	**$ 17.26**	**163,552**	

(1) Includes shares withheld by the Company to pay the taxes associated with the vesting of stock options. There were 4,020 shares withheld for taxes during the quarter.

(2) Effective February 25, 2022, the Company's Board of Directors approved an increase to the share repurchase program authorizing the repurchase of an aggregate amount up to $40 million of the Company's outstanding common stock. The authorization did not require the Company to acquire any specified number of shares and can be suspended or discontinued without prior notice. Under this authorization, $2.9 million of common stock was purchased during the first quarter of 2022.

Item 6. Exhibits.

Exhibit No.	Description of Exhibit
2.1	Agreement and Plan of Merger, dated September 21, 2021, by and among Amalgamated Financial Corp., Amalgamated Merger Subsidiary, Inc., and Amalgamated Investments Company (incorporated by reference to Exhibit 2.1 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on September 22, 2021).
2.2	Termination of a Material Definitive Agreement with Amalgamated Investments Company ("AIC"), the holding company for Amalgamated Bank of Chicago (the "Merger Agreement") (incorporated by reference to Exhibit 3.1 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on March 21, 2022).
3.1	Certificate of Incorporation of Amalgamated Financial Corp. (incorporated by reference to Exhibit 3.1 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on March 1, 2021).
3.2	Bylaws of Amalgamated Financial Corp. (incorporated by reference to Exhibit 3.2 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on March 1, 2021).
4.1	Pursuant to Item 601(b)(4)(iii)(A), other instruments that define the rights of holders of the long-term indebtedness of Amalgamated Financial Corp. and its subsidiaries that does not exceed 10% of its consolidated assets have not been filed; however, Amalgamated Financial Corp. agrees to furnish a copy of any such agreement to the SEC upon request.
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer
32.1	Section 1350 Certifications
101	Interactive data files for the Quarterly Report on Form 10-Q of Amalgamated Financial Corp. for the quarter ended March 31, 2022, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Statements of Financial Condition at March 31, 2022 and December 31, 2021, (ii) Consolidated Statements of Income for the quarters ended March 31, 2022 and 2021, (iii) Consolidated Statements of Comprehensive Income for the quarters ended March 31, 2022 and 2021, (iv) Consolidated Statements of Changes in Shareholders' Equity for the quarters ended March 31, 2022 and 2021, (v) Consolidated Statements of Cash Flows for the quarters ended March 31, 2022 and 2021 and (vi) Notes to Consolidated Financial Statements (unaudited).
104	The cover page of Amalgamated Financial Corp.'s Form 10-Q Report for the quarter ended March 31, 2022, formatted in iXBRL (included with the Exhibit 101 attachments).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMALGAMATED FINANCIAL CORP.

May 6, 2022	By:	/s/ Priscilla Sims Brown
		Priscilla Sims Brown President and Chief Executive Officer (*Principal Executive Officer*)
May 6, 2022	By:	/s/ Jason Darby
		Jason Darby Chief Financial Officer (*Principal Financial Officer)*
May 6, 2022	By:	/s/ Frank DeMaria
		Frank DeMaria Chief Accounting Officer (*Principal Accounting Officer)*

Exhibit 31.1

Rule 13a-14(a) Certification of the Chief Executive Officer

I, Priscilla Sims Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amalgamated Financial Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 6, 2022

/s/ Priscilla Sims Brown

Priscilla Sims Brown, President and Chief Executive Officer

Exhibit 31.2

Rule 13a-14(a) Certification of the Chief Financial Officer

I, Jason Darby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amalgamated Financial Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 6, 2022

/s/ Jason Darby
Jason Darby, Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amalgamated Financial Corp. (the "Company") on Form 10-Q for the period ended March 31, 2022 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Priscilla Sims Brown
Priscilla Brown
President and Chief Executive Officer
May 6, 2022

/s/ Jason Darby
Jason Darby
Chief Financial Officer
May 6, 2022