AMALGAMATED BANK

First Quarter 2020 Earnings Presentation

April 30, 2020

amalgamatedbank.com
Member FDIC

Safe Harbor Statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. Statements regarding the potential effects of the COVID-19 pandemic on our business, operations, financial performance and prospects are forward-looking statements. Also, any statement that does not describe historical or current facts is a forward-looking statement. These statements often include the words "plan," "seek to," "outlook," "guidance," "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "initiatives," and "intend," as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, statements related to our business strategy, statements regarding our FY 2020 outlook, including our updated 2020 guidance and related assumptions, statements regarding our ability to meet liquidity needs, statements regarding stock buybacks, expectation of increases in PACE securities and statements regarding continued payment deferral requests. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, many of which are beyond our control and any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

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

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

NON-GAAP FINANCIAL MEASURES

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

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

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

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

First Quarter 2020

Highlights

- ✓ GAAP net income of $0.30 per diluted share; core net income of $0.29 per diluted share[(1)]
  - ✓ Net income of $0.45 per diluted share excluding COVID loan provision build[(1)(2)]
- ✓ Pre-tax, pre-provision income[(3)] of $21.5mm compared to $16.5mm in 4Q19
  - ✓ Highest quarterly pre-tax, pre-provision income in history of the bank
- ✓ Efficiency ratio of 59.97%

- ✓ Average deposit growth of $400.3mm, or 36% annualized, compared to 4Q19
- ✓ Non-interest bearing deposits are 48% of ending deposits
- ✓ 33 bps cost of deposits

- ✓ Provision build of $8.6mm driven primarily by $3.4mm in indirect C&I portfolio and $3.0mm in qualitative factors; non-performing assets decreased slightly to $65.6 million, or 1.14% of total assets

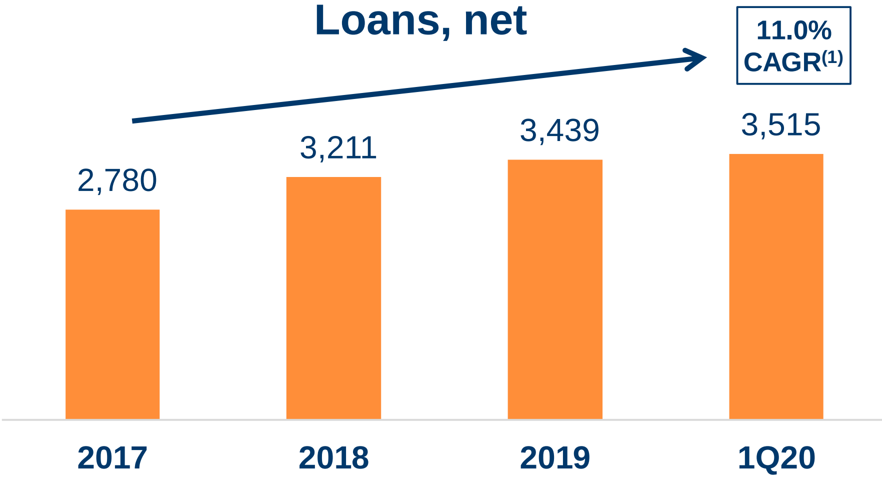
- ✓ Capital ratios remained strong with CET1 of 12.74% and Tier 1 Leverage of 8.47%
- ✓ $7.0mm of repurchased shares at $13.34 per share; buy-back program suspended indefinitely
- ✓ CECL adoption postponed until 2023

(1) See non-GAAP disclosures on pages 25-26
(2) COVID specific provision build of $6.4mm pre-tax, and $4.7mm after-tax
(3) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

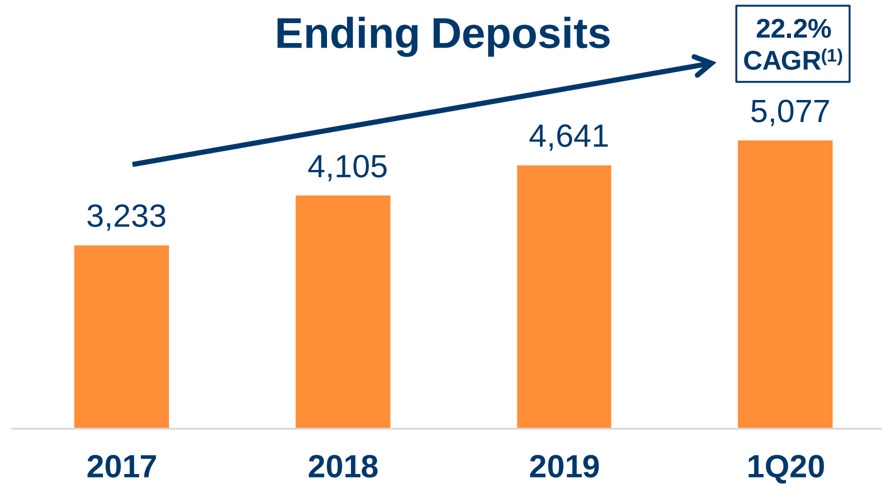
Key Financial Trends through 1Q20

($ in millions)

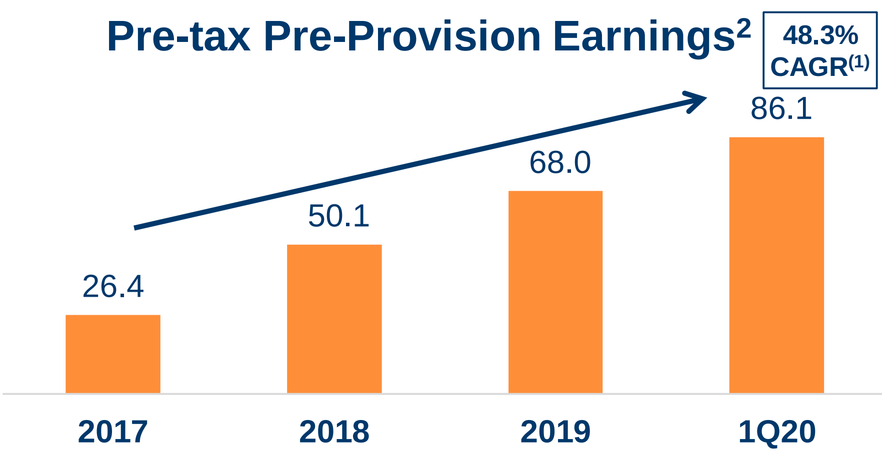
Loans, net



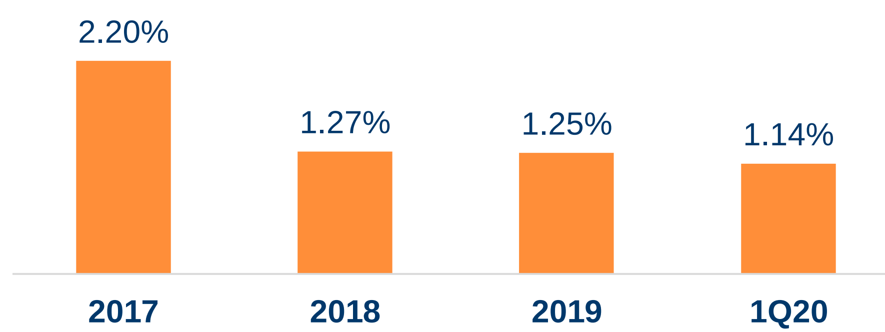
Ending Deposits



Pre-tax Pre-Provision Earnings[2]



NPA / Total Assets



(1) Compounded Annual Growth Rate ("CAGR")
(2) 1Q20 Pre-tax Pre-Provision annualized

Response to COVID-19

Our response during the COVID-19 pandemic has allowed us to take care of employees and customers while maintaining operational continuity

Employees and Community

- ✓ Rotational schedule and measures in place to ensure health and safety of employees still in branches
- ✓ All bank employees continue to be paid
- ✓ Launched Families and Workers Fund with initial commitment of $7.1mm
- ✓ 90%+ of bank employees working remotely
- ✓ Additional Paid Time Off, medical / family leave, as needed for those directly impacted

Consumer Clients

- ✓ Social distancing measures in branches to ensure safety of customers
- ✓ ATM vestibules remain open, in addition to 40,000 Allpoint ATMs
- ✓ Fee waivers for non-sufficient funds, overdrafts, ATM fees, and deposit CD breakage
- ✓ Client payment deferrals and rapid response funds for protection against extended hardship
- ✓ Channeling branch services to online solutions where possible

Commercial Clients

- ✓ More than 850 referrals of CARES Paycheck Protection Plan (PPP) to Newtek, an SBA originator
- ✓ Remote commercial servicing (loans, deposits), credit underwriting, origination operations
- ✓ Working with commercial clients on payment deferral requests to help with business disruption

Environmental, Social and Governance (ESG)

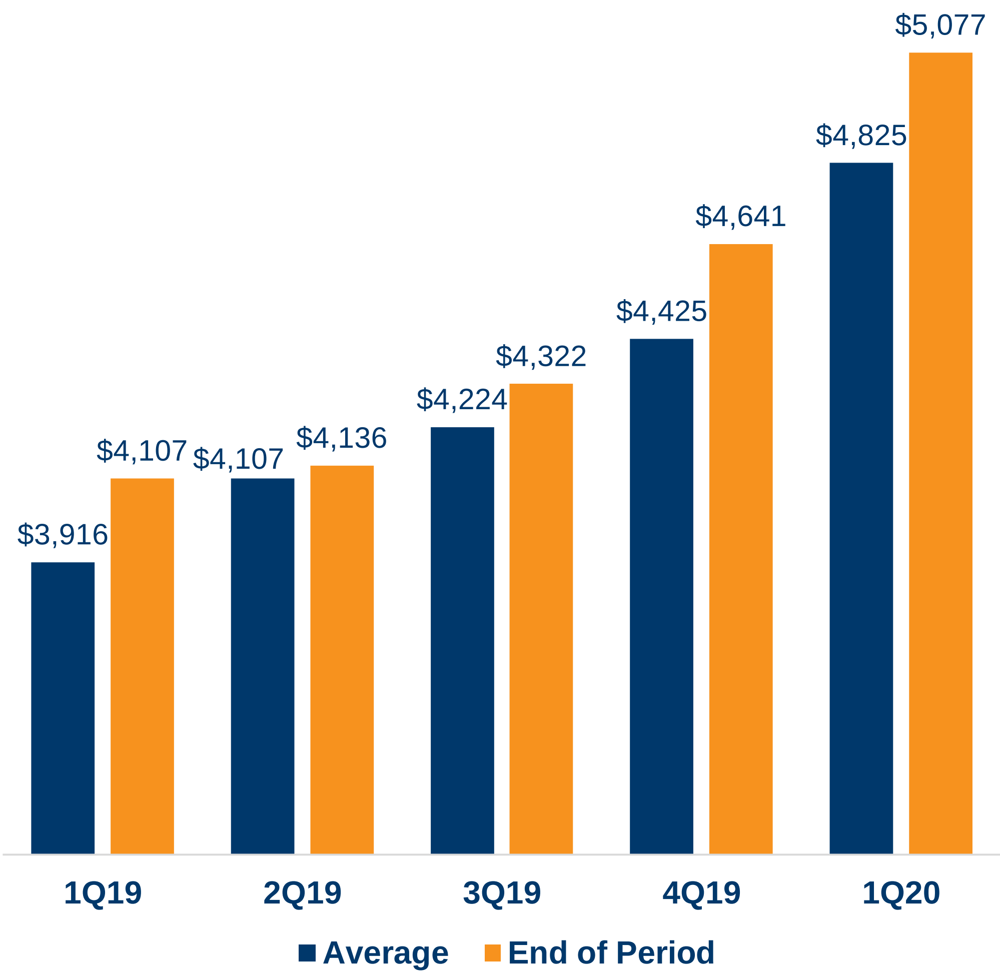
1Q20 Mission Aligned Initiatives and Accomplishments

- ✓ Frontline Workers Fund launched with Amalgamated Foundation to provide financial support to critical workers on the frontlines of the COVID-19 pandemic
- ✓ Amalgamated's MSCI ESG score improved to A from BBB
- ✓ Certified B Corporation score increased from 87 to 115
- ✓ Supplier Code of Conduct and Human Rights statement formalized and approved by our Board
- ✓ Released our 2019 Corporate Social Responsibility (CSR) Report
- ✓ Joined the Science-Based Targets Initiative
- ✓ Implemented ESG Questionnaire for suppliers
- ✓ Collaboration with Invesco is expected to provide our clients access to ESG investment options

Deposit Portfolio

Total Deposits

($ in millions)



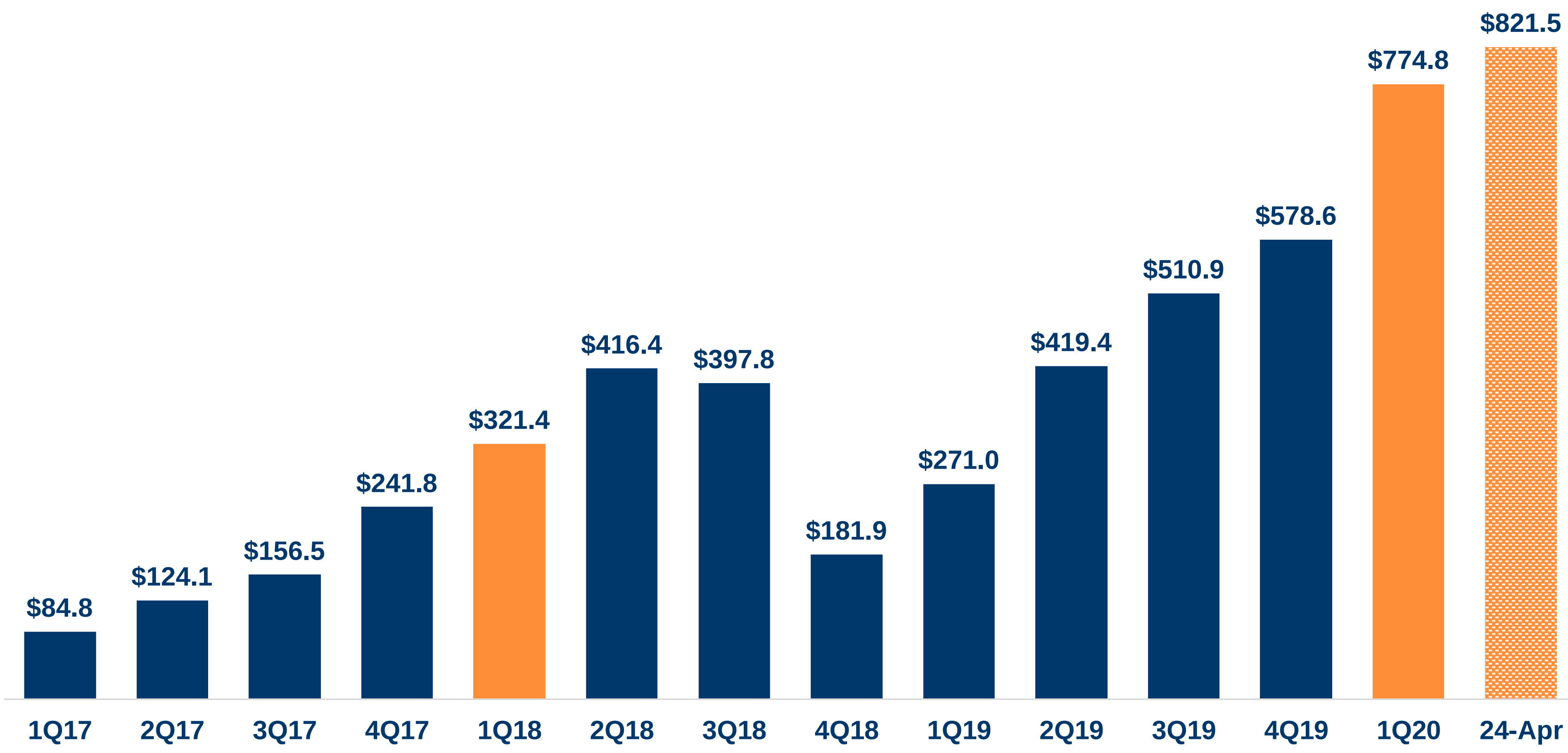
1Q20 Highlights

- ✓ Total ending deposits increased $435.6 million, or 37.5% annualized, compared to 4Q19
- ✓ Total average deposits increased $400.3 million, or 36.2% annualized, compared to 4Q19
- ✓ $276.5 million of average non-interest bearing deposit growth, compared to 4Q19
- ✓ Non-interest-bearing deposits represented 48% of ending deposits in 1Q20, compared to 47% in 4Q19
- ✓ Total deposits increased to $5,324 million as of April 24th, an increase of $247 million since quarter-end

Political Deposits

Political Deposits Historical Trend

($ in millions)



Liquidity Sources

Liquidity sources amount to $2.9B as of March 31, 2020

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

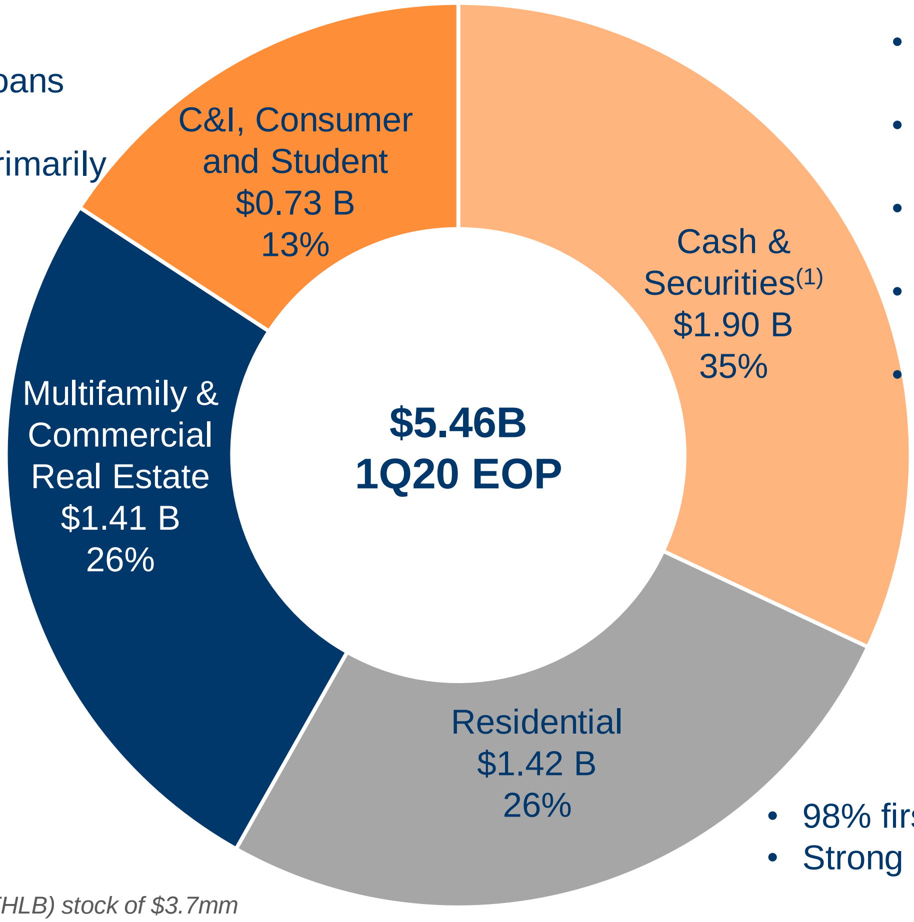
Key Sources of Liquidity	Timing	Amount ($MM) as of March 2020	% of Deposits
Cash	Immediate	$260	5%
FHLB Borrowing Potential	Immediate	$1,500	30%
Potential Political Deposit Runoff	Months	($500)	-10%
Immediate Core Liquidity		**$1,260**	**25%**
Saleable Non-Pledge-able Securities	Days	$510	10%
Est. Wholesale Borrowings Capacity	Weeks	$760	15%
Apx. Saleable Non-Pledge-able Loans	Months	$400	8%
Total		**$2,930**	**58%**

Interest Earning Assets

Interest Earning Assets of $5.5B as of March 31, 2020

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

- No fossil fuel exposure
- $147mm of government guaranteed loans
- $124mm residential solar loans with strong credit profiles
- $63mm of student loans, primarily to post-graduate students



- $789mm, agency securities
- $653mm of non-agency securities are AAA rated
- $255mm of PACE securities at low LTV
- $167mm of cash deposits at Bank
- All non-agency securities are top of the capital structure

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

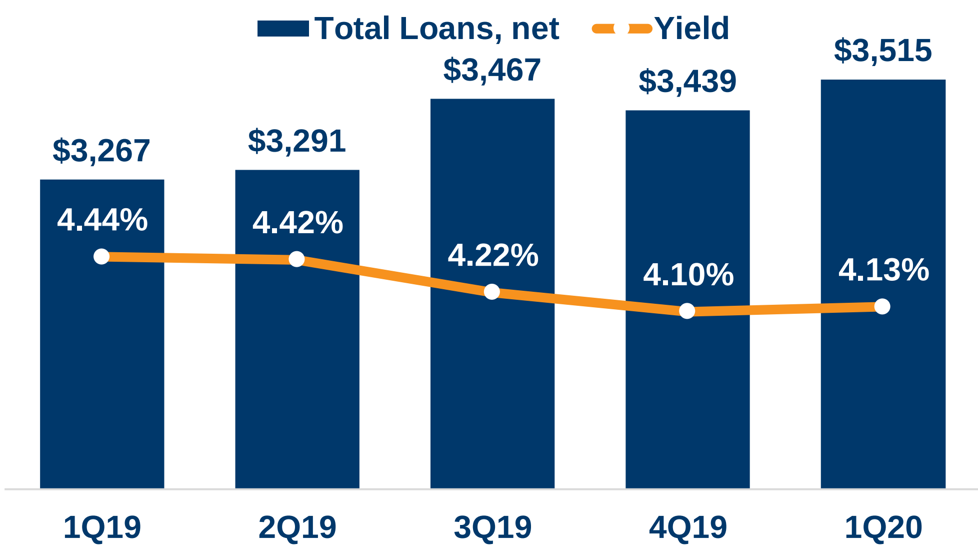
- 98% first lien mortgages
- Strong Loan to Original Value = 53%

(1) Securities include Federal Home Loan Bank (FHLB) stock of $3.7mm

Loan and Held-to-Maturity Securities

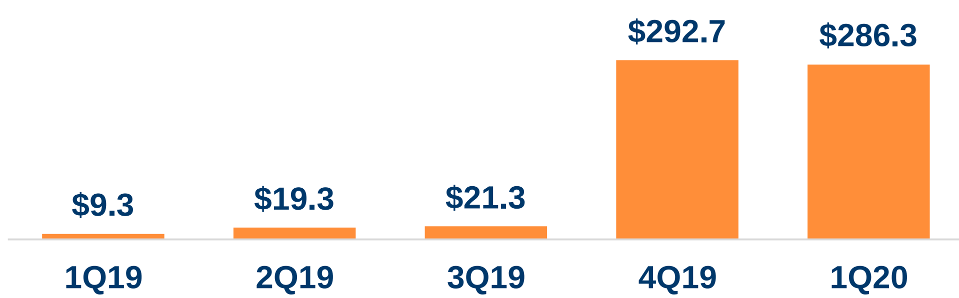
Total Loans, Net[1]

($ in millions)



Held-to-Maturity Securities

($ in millions)



1Q20 Highlights

- ✓ Total loans increased $76.2 million, or 8.9% annualized, compared to 4Q19
- ✓ 1Q20 Yield at 4.13%; increase of 3 bps and decrease of 31 bps compared to 4Q19 and 1Q19 respectively
- ✓ Held to Maturity Securities decreased $6.4 million compared to 4Q19
  - ✓ Property assessed clean energy (“PACE”) securities expected to increase starting in 2Q20 due to investment in PACE Funding Group

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

Property Assessed Clean Energy (PACE)

Investment in PACE Funding Group (PFG)

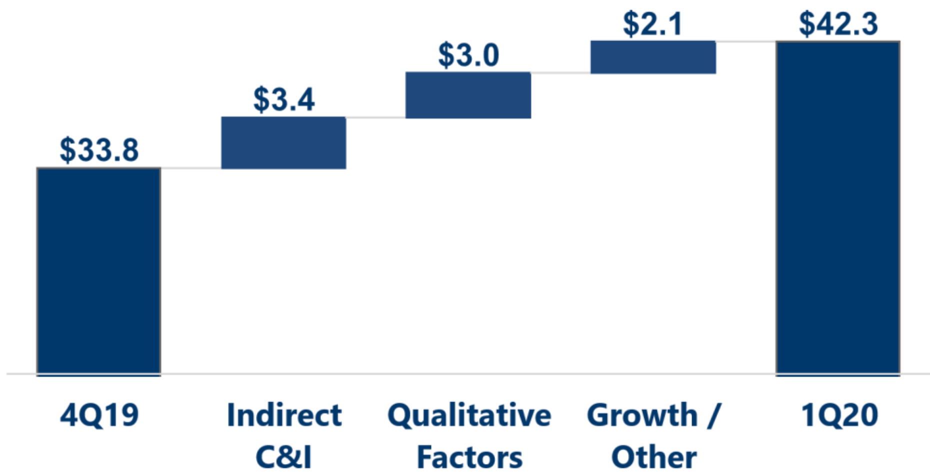
- ✓Strategic investment of $2.5 million with PFG where the Bank provided investment capital, and commitment to purchase PACE financing products
- ✓Will provide values-aligned financing for customers of PACE assessments
- ✓Working with PFG to expand into the New York market, though efforts now delayed due to COVID-19

PACE Portfolio at Amalgamated

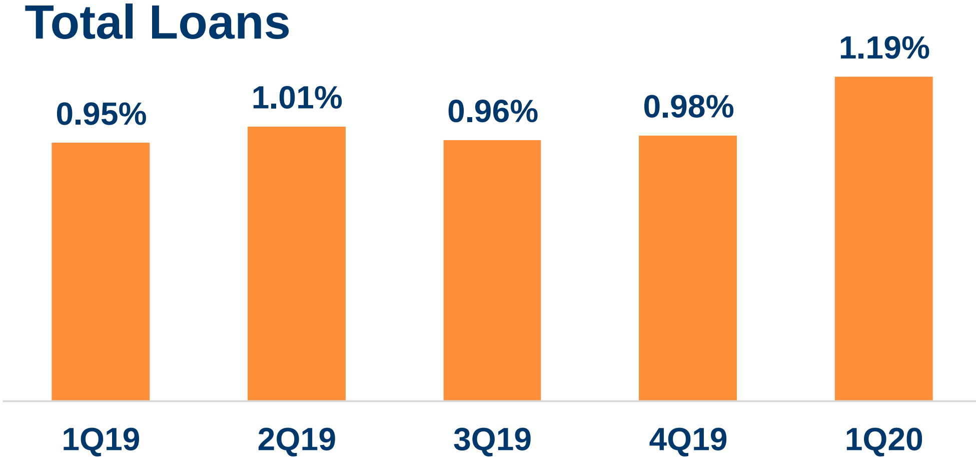
- ✓PACE assessments totaled $255.3 million at quarter-end 1Q20 with a premium of less than 3%
- ✓Estimated yield in the low to mid 4%; purchased at a premium with yields expected to vary based on prepayments
- ✓Average PACE assessment-to-value below 10%
- ✓Reported in Held-to-maturity securities on balance sheet

Allowance for Loan Losses

Allowance for Loan Losses Change from 4Q19 to 1Q20
($ in millions)



Allowance for Loan Losses / Total Loans



1Q20 Overview

- ✓ Allowance for loan losses totals $42.3 million in 1Q20
- ✓ Qualitative increases in 1Q20 are related to economic factors
  - ✓ We expect increases in qualitative factors for 2Q20 due to COVID-19 loan payment deferrals

COVID-19 Deferrals – Post Quarter Update

Current rate of payment deferrals is approximately 9% of loan balances, with an additional 3% likely to proceed to approval

		Data as of week ending 4/25/2020			
Loan Type	**3/31/20 Balance**	**Payment deferrals approved or in process**	**% of portfolio**	**Documents requests; not yet returned**	**% of portfolio**
C&I	$ 532	$ 30	5.6%	$ 33	6.1%
MF / CRE / Construction	1,411	155	11.0%	75	5.3%
Residential	1,417	114	8.0%	-	0.0%
Portfolio (excl. Consumer and Student)	**$ 3,360**	**$ 298**	**8.9%**	**$ 107**	**3.2%**
Consumer and Student	*$ 189*	*43% of balances reported with less than 1% deferral rate*			

Residential Lending – Post Quarter Update

Residential Payment Deferrals - as of April 24, 2020

Total deferrals are **$114 million**, or 8% of residential loans

- Deferrals are higher in NY/NJ/CT markets vs. other geographies
- Volumes increased rapidly after program was announced, but the pace of requests has slowed

Deferral is for 3 months with another 3 months available, if needed

- Loans are not reported as delinquent or restructured in our financial statements and no direct impact on provision while in deferral period, though there may be impact on qualitative factors
- Interest on loans continues to accrue

Residential Loan Balance and loan to original value as of 1Q20

Portfolios	Balance 1Q20	Loan-to-Value (LTV)[1]	Comments
Self Originated	$ 1,110	56%	
Purchased – post 2015	216	45%	Portfolios from two banks
Purchased – pre 2010	91	41%	Legacy portfolio in run-off
Total Residential	**$ 1,417**	**53%**	
Percent of total loans	*40%*		

(1) Loan-to-value is calculated as the existing book balance divided by the original appraisal value with no adjustments for home price index changes

Commercial Lending – Post Quarter Update

Commercial Payment Deferrals - as of April 24, 2020

Total deferrals approved or in process of **$185 million** with approximately $108 million in additional requests

- Majority of requests are in the multifamily, hotel or restaurant space for C&I
- We expect deferrals to increase for these loans
- Loans are not reported as delinquent or restructured in our financial statements and have no direct impact on provision due solely to deferrals; there may be an impact on qualitative factors

Commercial Loans in Impacted Industries

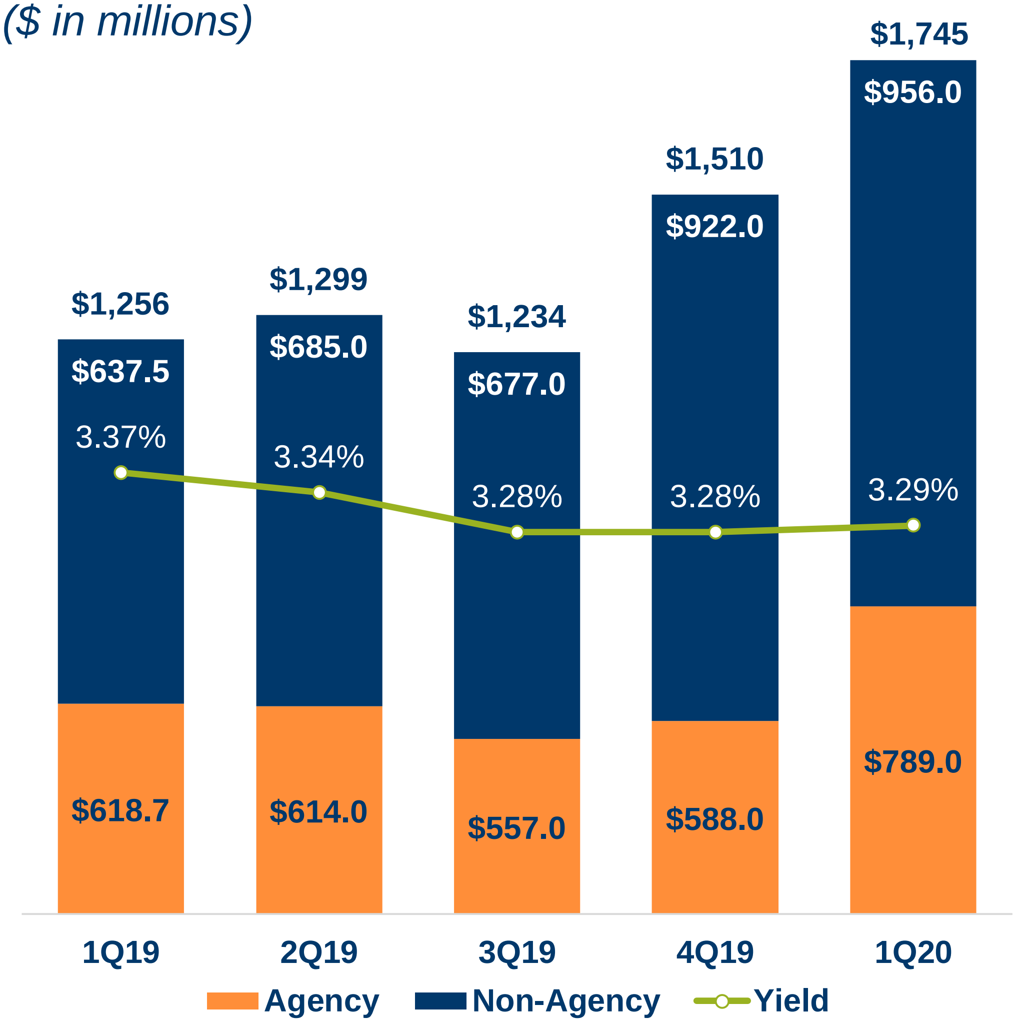
Portfolios	Balance 1Q20	% of Total Loans	Comments
Leveraged Loans	$ 52	1.5%	Indirect C&I portfolio in 'run-off' since early 2018
Hotels	30	0.8%	All LTVs below 70%
Schools / Places of Worship	17	0.5%	Most loans have strong LTVs or are supported by Govt grants
Restaurants[1]	14	0.4%	High-end establishments expected to rebound once reopened
Total Impacted C&I and Owner Occupied Real Estate	**$ 112**	**3.2%**	
Multifamily Real Estate	$ 936	26.4%	Approximately 80% of balances are in NYC; avg LTV is 56%
Commercial Real Estate	409	11.5%	Approximately 50% of balances are in NYC; avg LTV is 38%
Total MF and CRE	**$1,345**	**37.9%**	

[1] NYC area restaurant exposure does not include $36mm of pro-rate exposure in MF and CRE properties

Cash and Investment Securities

Securities – Book value[1]

($ in millions)



1Q20 Highlights

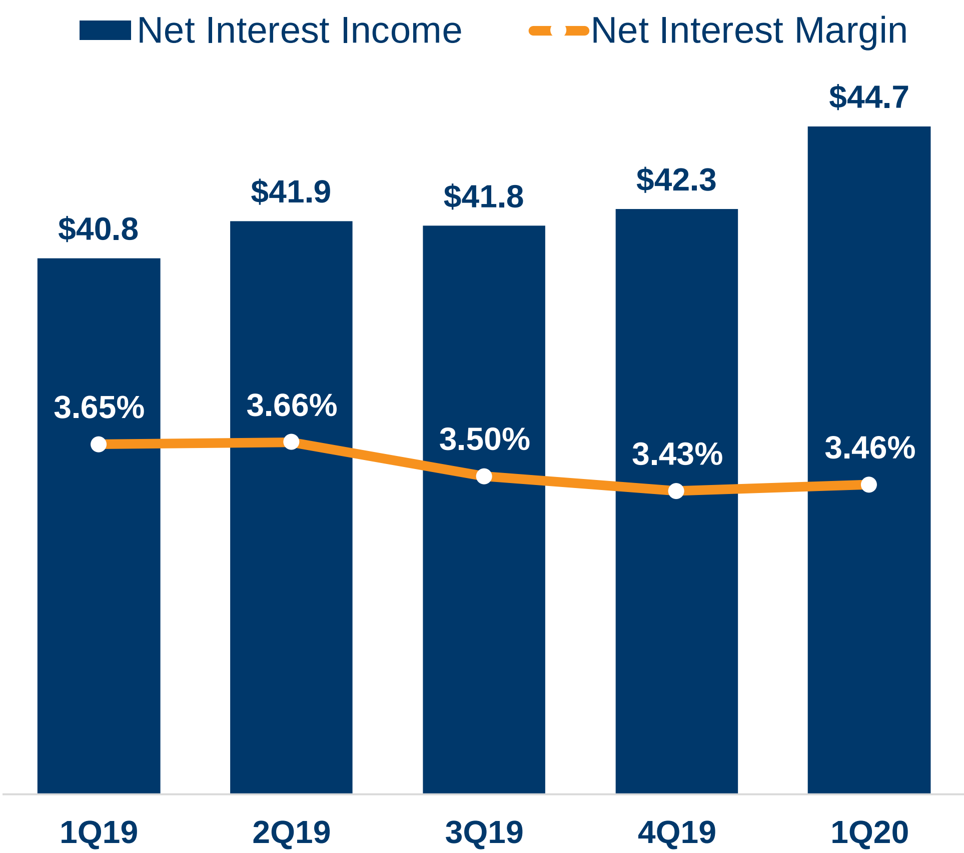
- ✓ Investment Securities totaled $1.7 billion book value for 1Q20
- ✓ Securities increase of $235 million from 4Q19 is primarily due to an increase in agency securities
- ✓ 85% of all non-agency MBS/ABS securities are AAA rated and 99% are A rated or higher; all CLO's are AAA rated
- ✓ As of 1Q20 average subordination for the C&I CLOs is 42%
- ✓ Non-agency securities in 1Q20 include $255.3 million of PACE assessments, which are non-rated

(1) *Securities book value excludes unrealized Available for Sale (AFS) gain / loss on sale*

Net Interest Income and Margin

Net Interest Income & Margin

($ in millions)



1Q20 Highlights

✓ Net interest income is $44.7 million, compared to $42.3 million in 4Q19

1Q20 vs. 4Q19 changes due to**:**

✓ Increases:
- Average interest earning assets increased $302 million
- Average noninterest-bearing deposits increased $276 million
- Prepayments accounted for 6bps of NIM in 1Q20, or 4bps higher than 4Q19

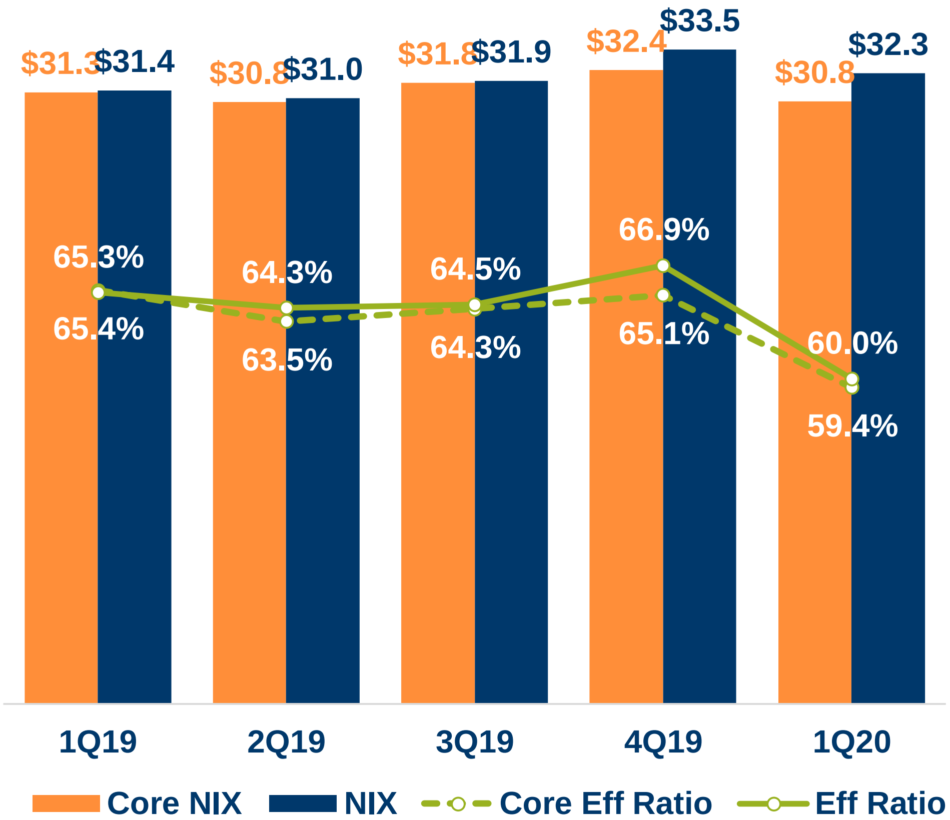
✓ Offsets:
- Lower yield on interest earning assets

✓ 1Q20 NIM at 3.46%; an increase of 3 bps and decrease of 19 bps, compared to 4Q19 and 1Q19, respectively

Non-Interest Expense and Efficiency

Non-Interest Expense

($ in millions)



(1) See non-GAAP disclosures on pages 25-26

1Q20 Highlights

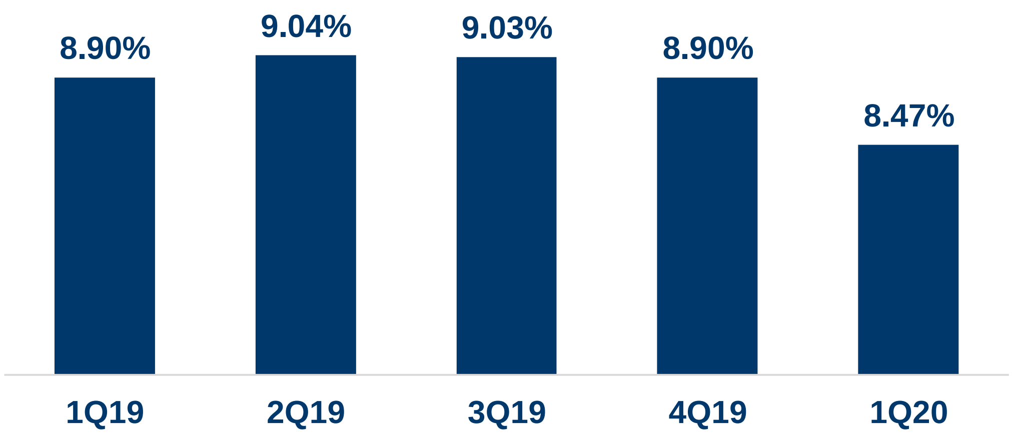
- ✓ Efficiency ratio of 60.0% for 1Q20
- ✓ Core efficiency ratio of 59.4% for 1Q20[(1)]
- ✓ Non-interest expense for the 4Q19 is $32.3 million
- ✓ Core non-interest expense for the 1Q20 is $30.8 million, a $1.6 million decrease and a $0.5 million decrease, compared to 4Q19 and 1Q19, respectively[(1)]

OTHER UPDATES

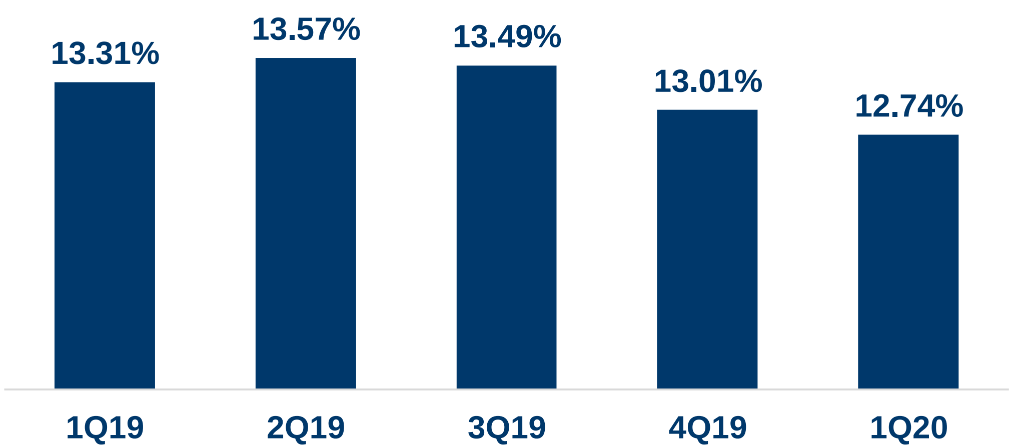
- ✓ Two NYC branch closures in Q1 2020 resulting in approximately $2 million in annualized expense savings
- ✓ 1Q20 core expenses[(1)] exclude:
  - ✓ Branch closure expenses of $1.4 million and severance of $0.1 million

Capital

Tier 1 Leverage Ratio



Common Equity Tier 1 Ratio

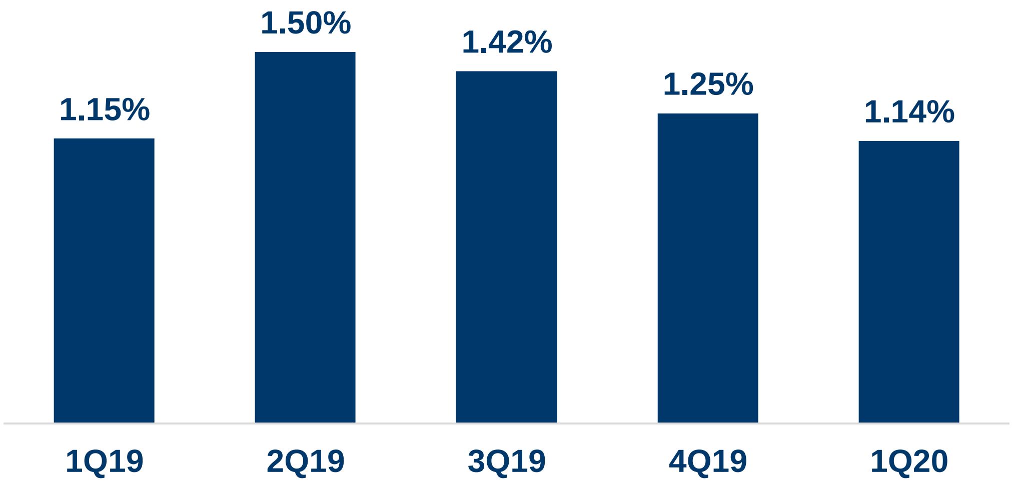


1Q20 Highlights

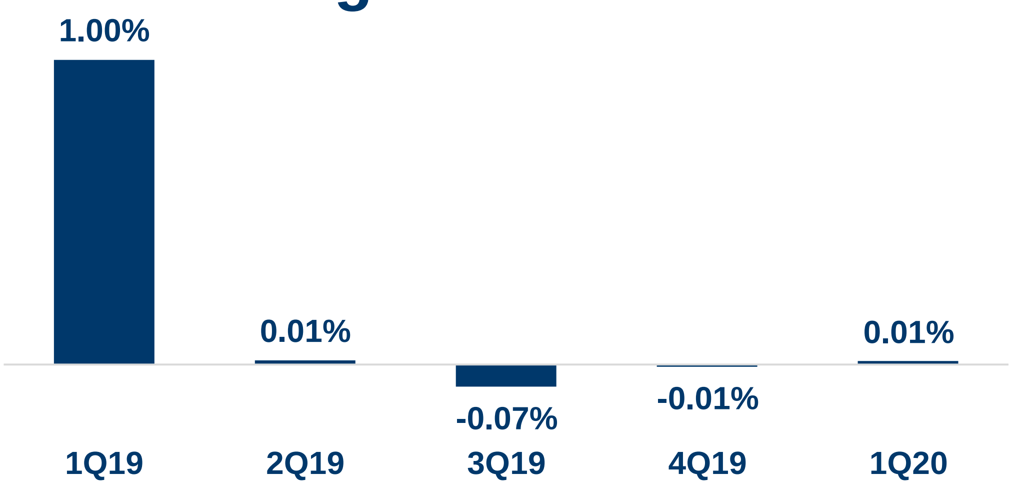
- ✓ Regulatory capital ratios remain well capitalized
  - ✓ Tier 1 leverage ratio of 8.47% as of 1Q20
  - ✓ Common Equity Tier 1 Capital of 12.74%
- ✓ Decrease in Tier 1 leverage ratio due to $283 million increase in average assets in 1Q20
- ✓ Decrease in Common Equity Tier 1 Capital due to $88 million increase in average risk-weighted assets in 1Q20

Credit Quality Portfolio

NPA / Total Assets



NCO / Average Loans(1)



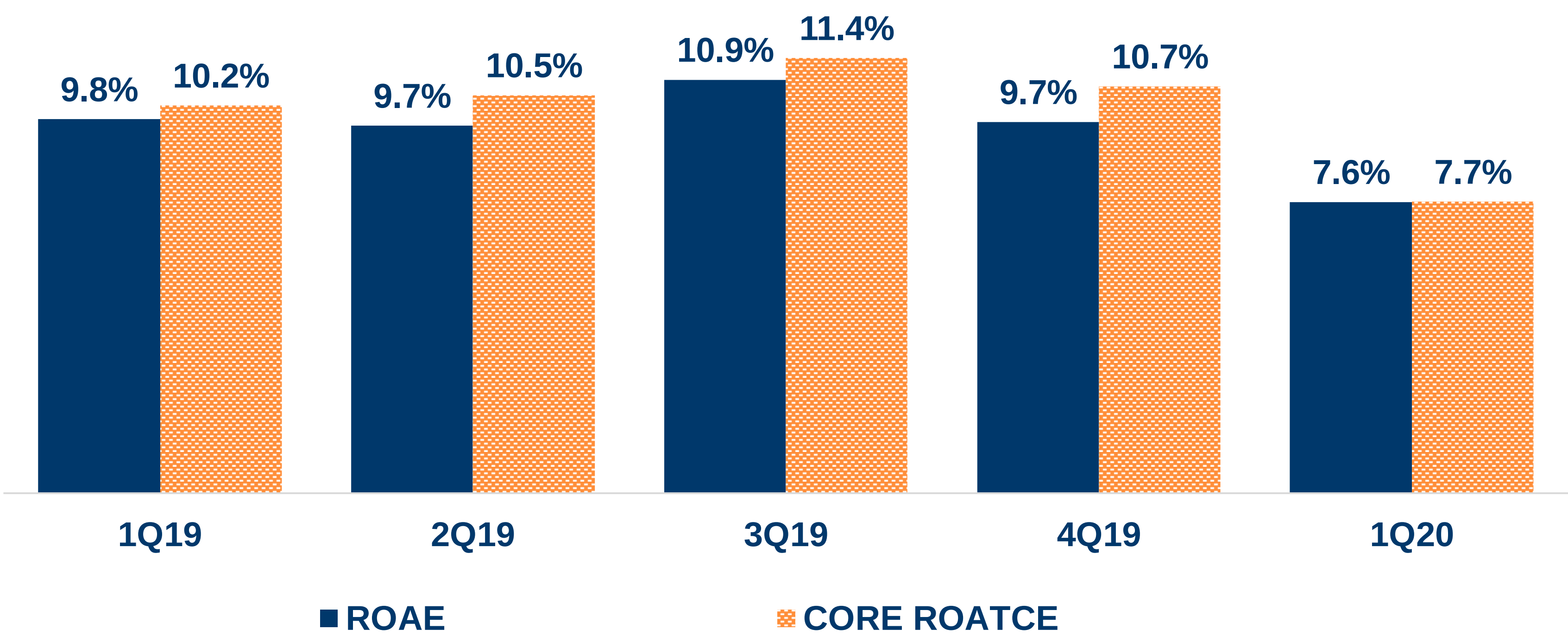
(1) Annualized

1Q20 Highlights

- ✓ Nonperforming assets are $65.6 million as of 1Q20, compared to $66.7 million in 4Q19
  - ✓ $7.4 million decrease in accruing restructured loans
  - ✓ $3.4 million increase in past-due accruing loans
  - ✓ $2.9 million increase in non-accruing loans
- ✓ Net charge-offs negligible with the exception of 1Q19
  - ✓ Increase in 1Q19 was due to the charge-off of one indirect C&I loan ($8.4 million) for which we had previously built-up specific reserves

Returns

ROAE & Core ROATCE (1)



(1) See non-GAAP disclosures on pages 25-26

FY 2020 Outlook

Previous Guidance on 1/31/2020

- ✓ Core pre-tax pre-provision[(1)] earnings of $70 to $78 million
- ✓ Assumed:
  - ✓ Year-end 2019 yield curve with no change in Fed rate targets
  - ✓ 10% balance sheet growth
  - ✓ Core efficiency ratio of 64% or lower
  - ✓ Core expense run rate of approximately $32 million per quarter

Update to 2020 Guidance

- ✓ We are removing the previous guidance due to coronavirus pandemic impact

  Headwinds
  - Interest rates have moved to "near zero"
  - Equity markets have declined, impacting Trust Department fees
  - Fee income temporarily impacted due to waiver of consumer fees

  Actions taken
  - Lowered deposit rates to all customers
  - Reduced planned expenses and delayed certain investments

(1) Core pre-tax pre-provision earnings defined as core operating revenue less core non-interest expense; See non-GAAP disclosures on pages 25-26

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	March 31, 2020	For the Three Months Ended December 31, 2019	March 31, 2019
Core operating revenue			
Net interest income (GAAP)	$ 44,689	$ 42,250	$ 40,773
Non interest income (GAAP)	9,118	7,776	7,417
Less: Branch sale (gain)(1)	(1,428)	-	-
Less: Securities loss (gain)	(499)	(218)	(292)
Core operating revenue (non-GAAP)	$ 51,880	$ 49,808	$ 47,898
Core non-interest expenses			
Non-interest expense (GAAP)	$ 32,270	$ 33,490	$ 31,448
Less: Branch closure expense(2)	(1,356)	(957)	-
Less: Severance (3)	(76)	(101)	(117)
Core non-interest expense (non-GAAP)	$ 30,838	$ 32,432	$ 31,331
Core net income			
Net Income (GAAP)	$ 9,545	$ 12,008	$ 10,813
Less: Branch sale (gain)(1)	(1,428)	-	-
Less: Securities loss (gain)	(499)	(218)	(292)
Add: Branch closure expense(2)	1,356	957	-
Add: Severance (3)	76	101	117
Less: Tax on notable items	130	(227)	45
Core net income (non-GAAP)	$ 9,180	$ 12,621	$ 10,683

(1) Fixed Asset branch sale in March 2020

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

(3) Salary and COBRA reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	March 31, 2020	For the Three Months Ended December 31, 2019	March 31, 2019
Tangible common equity			
Stockholders Equity (GAAP)	$ 473,269	$ 490,544	$ 455,480
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,386)	(6,728)	(7,713)
Tangible common equity (non-GAAP)	$ 453,813	$ 470,746	$ 418,198
Average tangible common equity			
Average Stockholders Equity (GAAP)	$ 501,881	$ 488,744	$ 446,464
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Preferred Stock (GAAP)	-	-	-
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,552)	(6,895)	(7,903)
Average tangible common equity (non-GAAP)	$ 482,258	$ 468,778	$ 425,490
Core return on average assets			
Core net income (numerator) (non-GAAP)	9,180	12,621	10,683
Divided: Total average assets (denominator) (GAAP)	5,426,863	5,139,701	4,787,874
Core return on average assets (non-GAAP)	0.68%	0.97%	0.90%
Core return on average tangible common equity			
Core net income (numerator) (non-GAAP)	9,180	12,621	10,683
Divided: Average tangible common equity (denominator) (non-GAAP)	482,258	468,778	425,490
Core return on average tangible common equity (non-GAAP)	7.66%	10.68%	10.18%
Core efficiency ratio			
Core non-interest expense (numerator) (non-GAAP)	30,838	32,432	31,331
Core operating revenue (denominator) (non-GAAP)	51,880	49,808	47,898
Core efficiency ratio (non-GAAP)	59.44%	65.11%	65.41%

Thank You

global alliance for banking on values

Certified B Corporation