Amalgamated Bank

Fourth Quarter and Full Year 2020 Earnings Presentation

January 28, 2021

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. any statement that does not describe historical or current facts is a forward-looking statement. These statements generally can be identified by forward-looking terminology, such as “plan,” “seek to,” “outlook,” “guidance,” “may,” “will,” “anticipate,” “should,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “initiatives,” and “intend,” as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, our 2021 Guidance, statements related to future loss/income of solar tax equity investments, our intentions to book more tax-equity transactions, our non-interest income trend, our expected savings as a result of branch closures and expected potential political deposit runoff. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, many of which are beyond our control and any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

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

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

NON-GAAP FINANCIAL MEASURES

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

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

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

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

4Q20 Highlights

4Q20 HIGHLIGHTS

- GAAP net income of $0.44 per diluted share; core net income of $0.44 per diluted share[(1)]
- Pre-tax, pre-provision income[(2)] of $23.0 million compared to $20.1 million in 3Q20
- Core pre-tax, pre-provision income of $23.0 million compared to $25.9 million in 3Q20
- Efficiency ratio of 58.66%, core efficiency ratio of 58.66% in 4Q20, compared to 65.29% and 54.84%, respectively in 3Q20

- Deposit decrease of $682.3 million compared to 3Q20 due to the election cycle
- Loans declined by $107.0 million primarily due to residential and commercial real-estate prepayments; property assessed clean energy ("PACE") growth of $53.6 million
- Loan deferrals of $41 million or 1.2% of loans as of 12/31/20, compared to $201 million or 6% on 10/24/20

- Capital ratios remained strong with CET1 of 13.11% and Tier 1 Leverage of 7.97%
- Tangible book value of $16.66 compared to $16.22 as of 3Q20

(1) See non-GAAP disclosures on pages 23-24
(2) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

2020 Highlights

FY20 HIGHLIGHTS

- GAAP net income of $1.48 per diluted share; core net income of $1.61 per diluted share[(1)]
- Pre-tax, pre-provision income[(2)] of $86.7 million compared to $68.0 million in 2019
- Core pre-tax, pre-provision income of $92.3 million compared to $69.4 million in 2019
- Efficiency ratio of 60.69%, core efficiency ratio of 57.60% in 2020, compared to 65.27% and 64.57%, respectively in 2019

- Average deposit growth of $1.3 billion, or 30.3%, compared to 2019
- Cost of deposits of 19 bps in 2020 compared to 35 bps in 2019

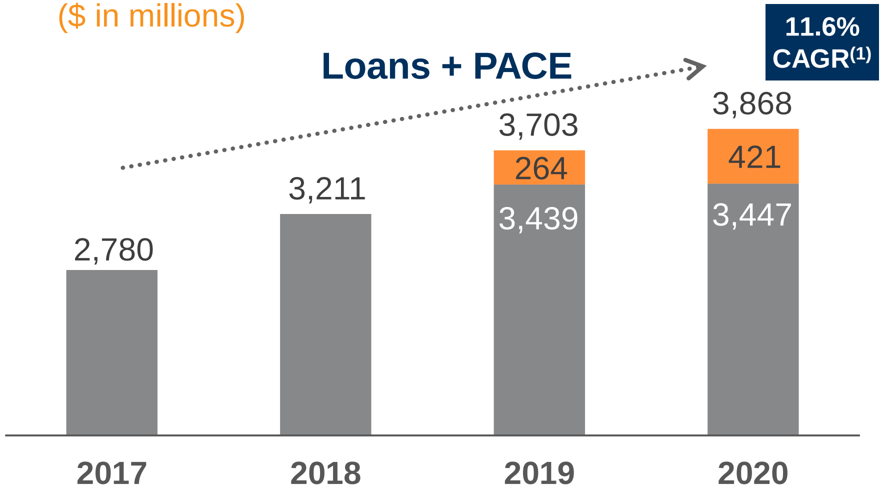
- PACE assessments (held-to-maturity securities) growth of $157.2 million or 59.6%

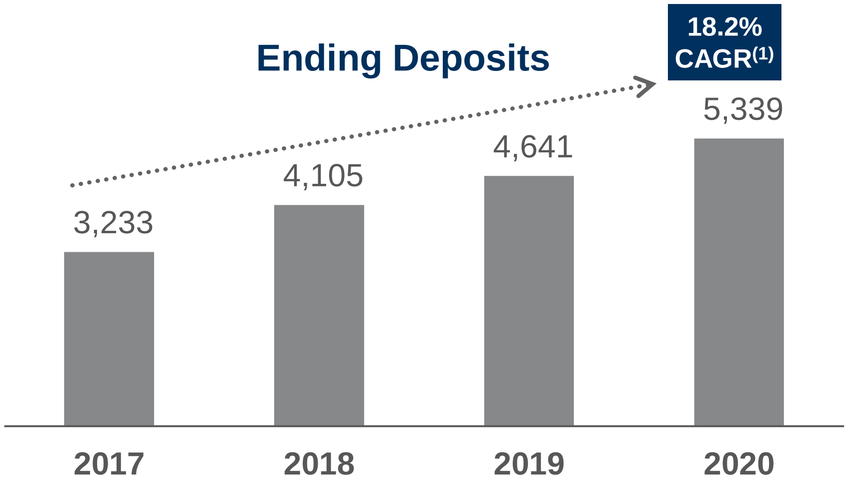
(1) See non-GAAP disclosures on pages 23-24
(2) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

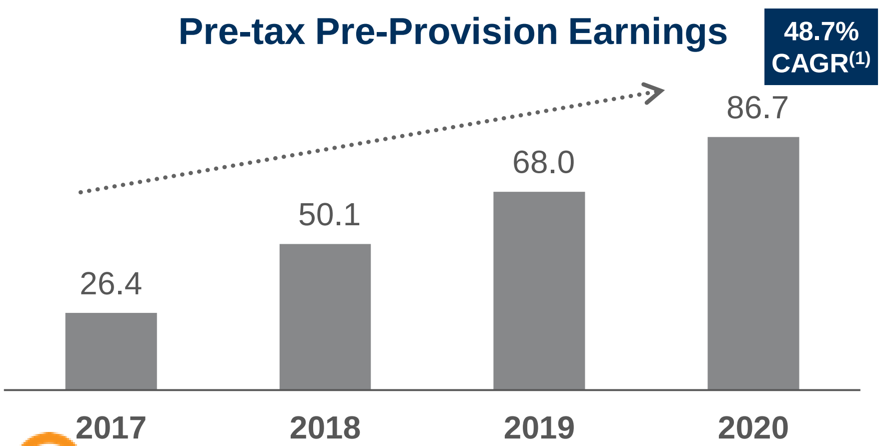
Trends

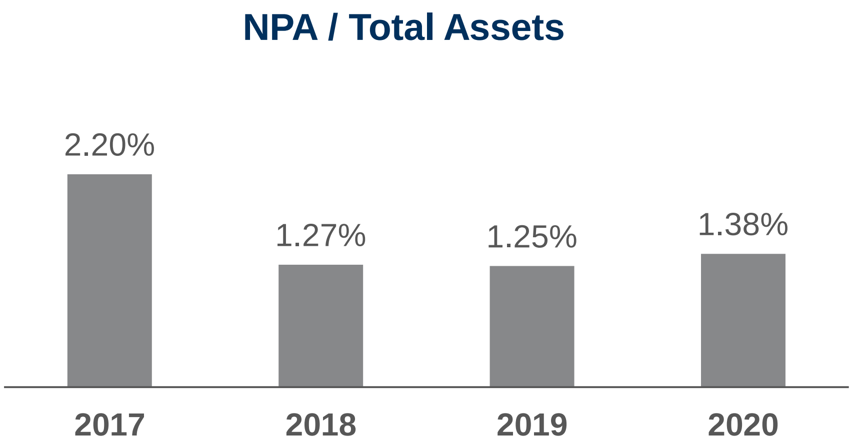
KEY FINANCIAL TRENDS THROUGH 2020

($ in millions)







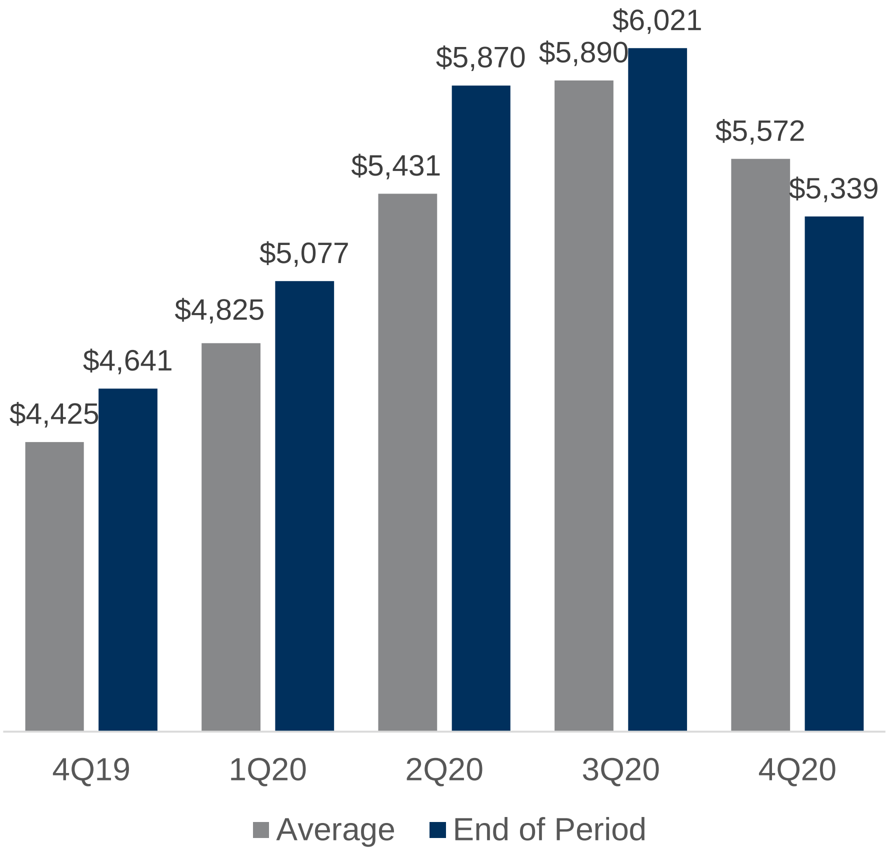


(1) Compounded Annual Growth Rate ("CAGR")

Deposit Portfolio

TOTAL DEPOSITS

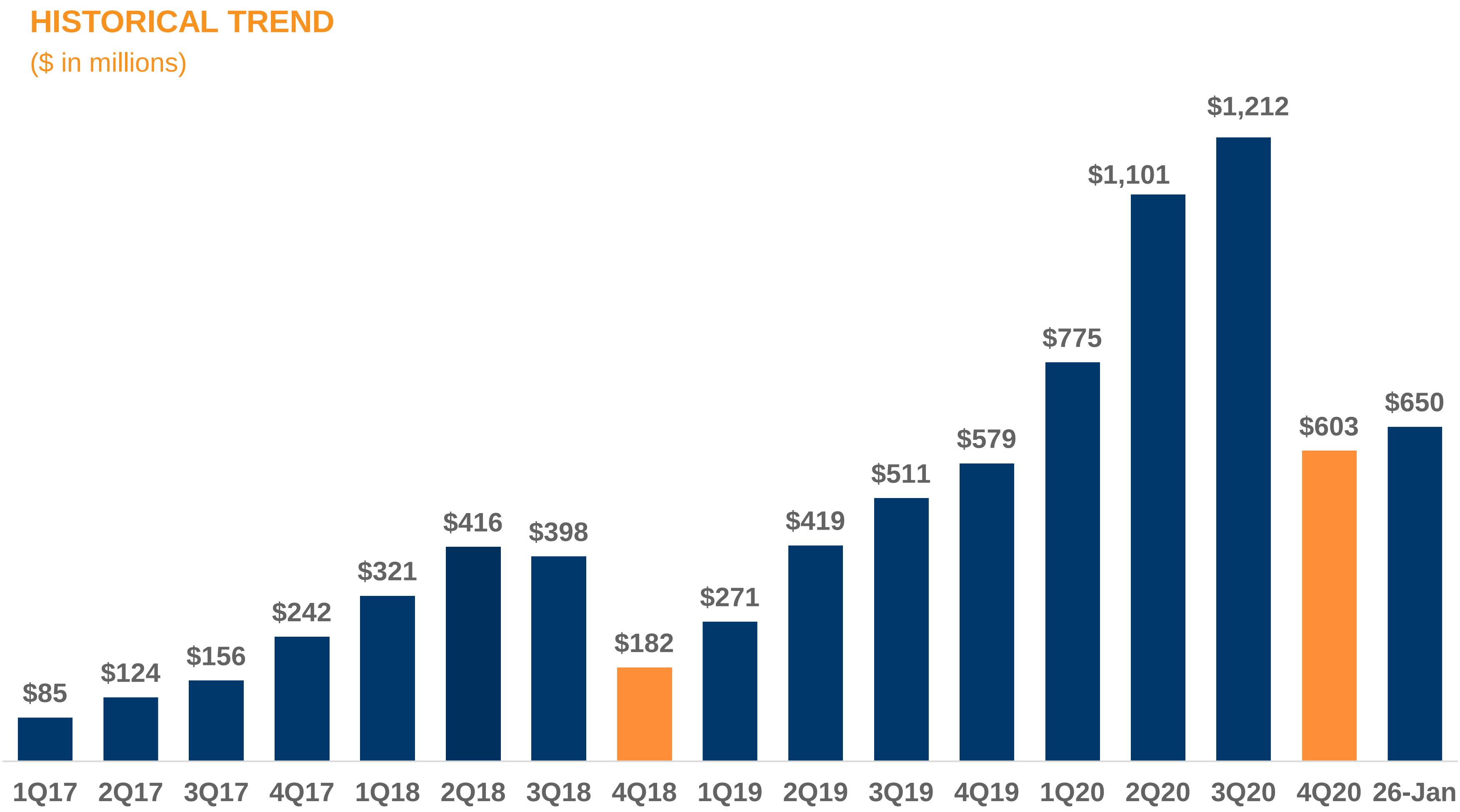
($ in millions)



4Q20 HIGHLIGHTS

- Total ending deposits decreased $682.3 million compared to 3Q20 due to the election cycle
  - Total average deposits decreased $318.1 million
- $244.8 million of average non-interest bearing deposit decrease, primarily due to expected political deposit decline
- Non-interest-bearing deposits represented 49% of ending deposits in 4Q20, compared to 56% in 3Q20

Political Deposits



Liquidity Sources

LIQUIDITY SOURCES AMOUNT TO $3.7B AS OF DECEMBER 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 multifamily)

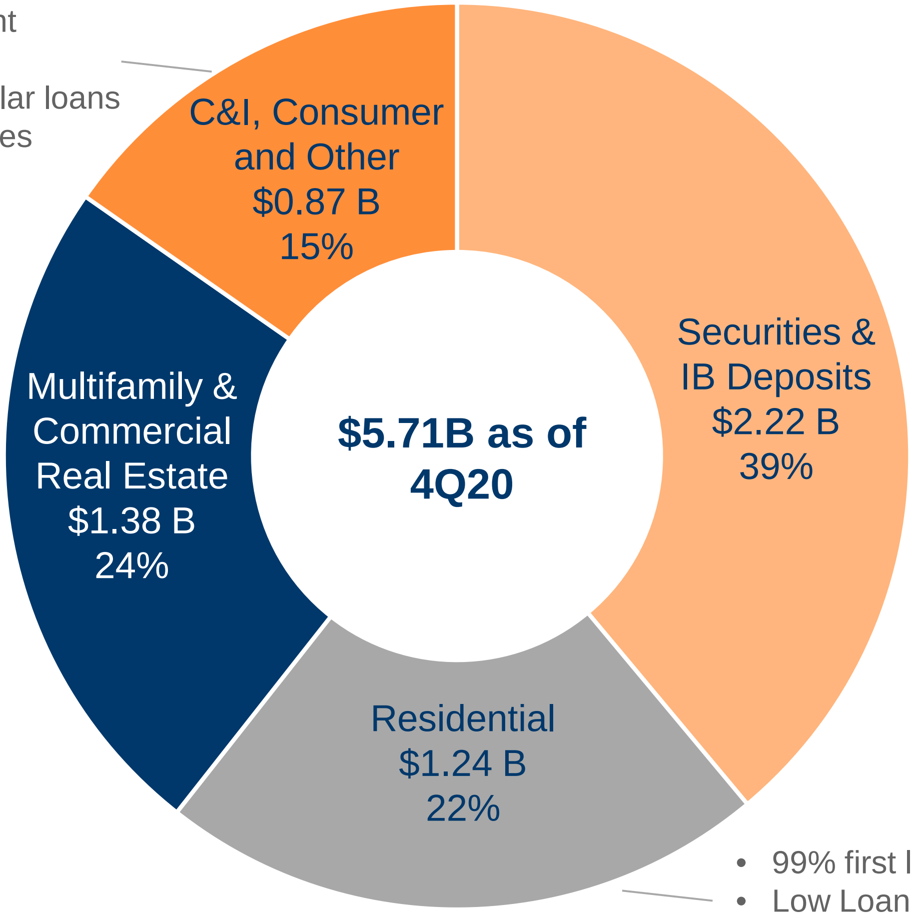
Key Sources of Liquidity	Timing	Balance 4Q20	% of Deposits
Cash	Immediate	$40	1%
FHLB Borrowing Potential	Immediate	$1,600	30%
Immediate Core Liquidity		**$1,640**	**31%**
Saleable Non-Pledge-able Securities	Days	$630	12%
Est. Wholesale Borrowings Capacity	Weeks	$790	15%
Apx. Saleable Non-Pledge-able Loans	Months	$660	12%
Total		**$3,720**	**70%**

Interest Earning Assets

INTEREST EARNING ASSETS OF $5.7B AS OF DECEMBER 31, 2020

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

- No fossil fuel exposure
- $220mm of government guaranteed loans
- $150mm residential solar loans with strong credit profiles



- $832mm agency securities
- $755mm of non-agency securities; 83% are AAA rated
- $421mm of PACE securities with low LTV
- All non-agency securities are top of the capital structure
- $185mm of resell agreements and other
- $31mm of cash deposits in Banks

- Predominantly NYC properties with low LTV

Loan to Value (LTV)

	Pre-COVID	4Q20[1]
MF	56%	66%
CRE	43%	62%

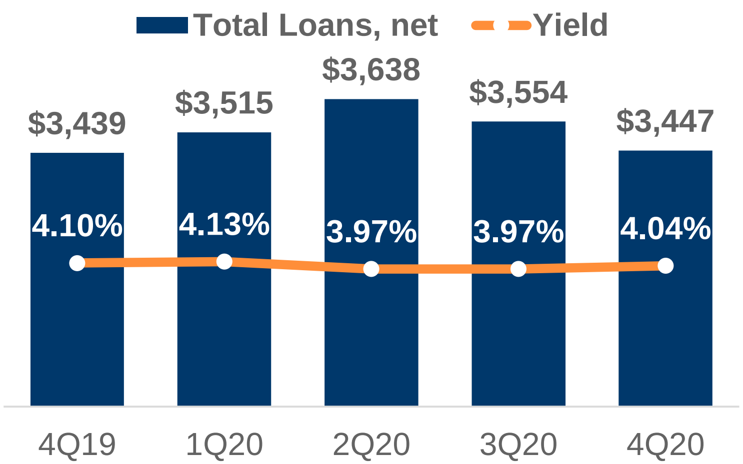
- 99% first lien mortgages
- Low Loan to Original Value = 57%
- First lien mortgages average FICO of 763

(1) LTV estimate based on updated appraisals and statistical analysis

Loans and Held-to-Maturity Securities

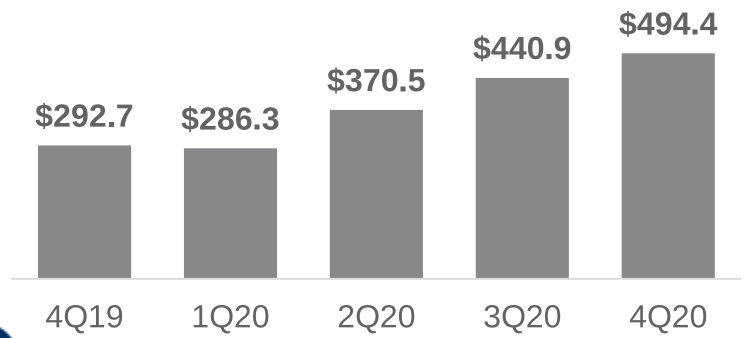
TOTAL LOANS, NET

($ in millions)



HELD-TO-MATURITY SECURITIES

($ in millions)



4Q20 HIGHLIGHTS

- Total loans decreased $107.1 million, or -12.0% annualized, compared to 3Q20 due to high prepayments in residential and CRE
- 4Q20 Yield of 4.04%; an increase of 7 bps compared to 3Q20 and a decrease of 6 bps compared to 4Q19
- Held-to-maturity securities increased $53.5 million compared to 3Q20
    - PACE securities increased $53.6 million in 4Q20 due primarily to purchases from PACE Funding Group

COVID-19 Deferrals

COVID-19 LOAN DEFERRALS

($ millions)

- Loan deferrals in 4Q20 have decreased by $252 million compared to 3Q20; represent 1.2% of portfolio

$ millions	Total Loans 12/31/20	Deferrals as of: 12/31/20	Deferrals as of: 9/30/20	% of Portfolio[1]
Multifamily	$ 947	$ 15	$ 124	1.5%
CRE & Construction	429	2	97	0.5%
C&I	677	4	5	0.6%
Residential	1,239	18	63	1.5%
Consumer & Student	191	2	4	1.0%
Total	**$ 3,483**	**$ 41**	**$ 293**	**1.2%**

CREDIT RISK RATING POST-EXIT OF DEFERRAL PERIOD

($ millions)

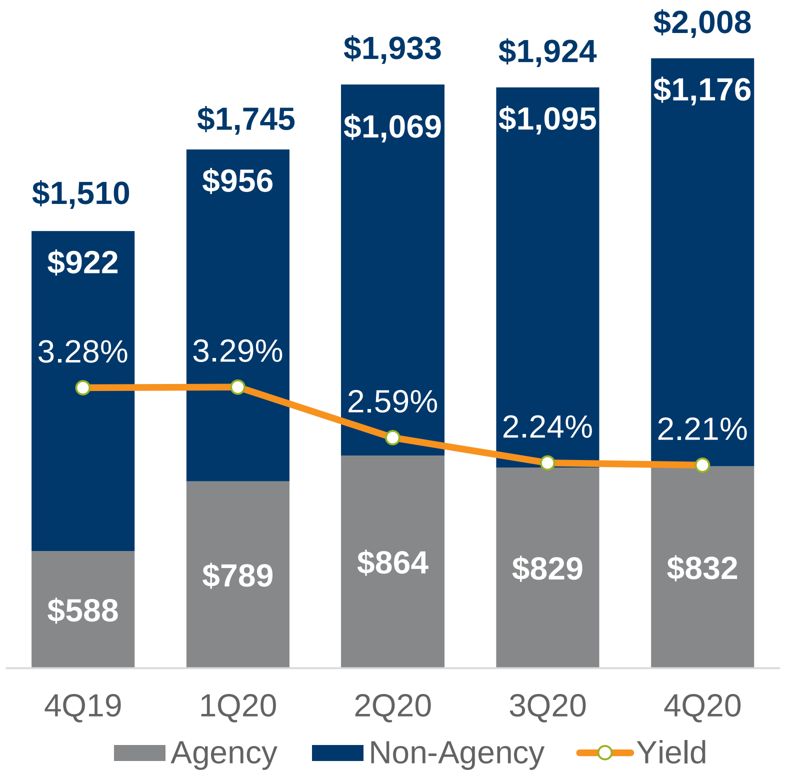
$ millions	Pass Rated	Special Mention	Substandard[2]	Total
Multifamily	$ 52	$ 109	$ 18	**$ 179**
CRE & Construction	30	39	49	**118**
C&I	10	15	3	**28**
Residential	87	-	16	**103**
Consumer & Student	-	-	-	**-**
Total	**$ 179**	**$ 163**	**$ 86**	**$ 428**

(1) Loan portfolio % is for deferral balances as of 12/31/2020
(2) Substandard loans include $16 million of residential and $4 million of multifamily loans that have been placed on non-accrual

Investment Securities

SECURITIES – BOOK VALUE[1]

($ millions)



4Q20 HIGHLIGHTS

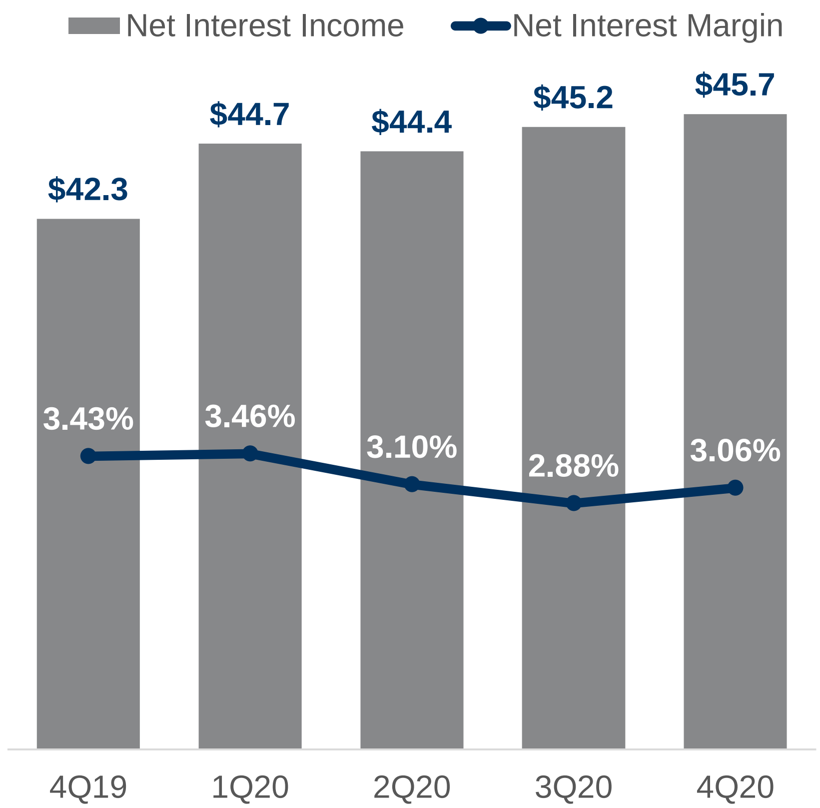
- Investment Securities totaled $2.0 billion book value for 4Q20
- Securities increased slightly in 4Q20 compared to 3Q20 with continued mix shift toward non-agency due to PACE assessments
  - Non-agency securities in 4Q20 include $421.0 million of PACE assessments, which are non-rated
- 83% of all non-agency MBS/ABS securities are AAA rated and 99.95% are A rated or higher[2]; **all CLO's are AAA rated**
- As of 4Q20 average subordination for the C&I CLOs is 42%

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

Net Interest Income and Margin

NET INTEREST INCOME & MARGIN

($ millions)



4Q20 HIGHLIGHTS

- Net interest income is $45.7 million, compared to $45.2 million in 3Q20
- 4Q20 NIM at 3.06%; an increase of 18 bps and a decrease of 37 bps, compared to 3Q20 and 4Q19, respectively
- NIM is negatively impacted by approximately 16 bps due to the high-level of cash on the balance sheet
- Loan prepayment penalties favorably impacted NIM by 13 bps in 4Q20, compared to 7 bps and 2 bps in 3Q20 and 4Q19, respectively

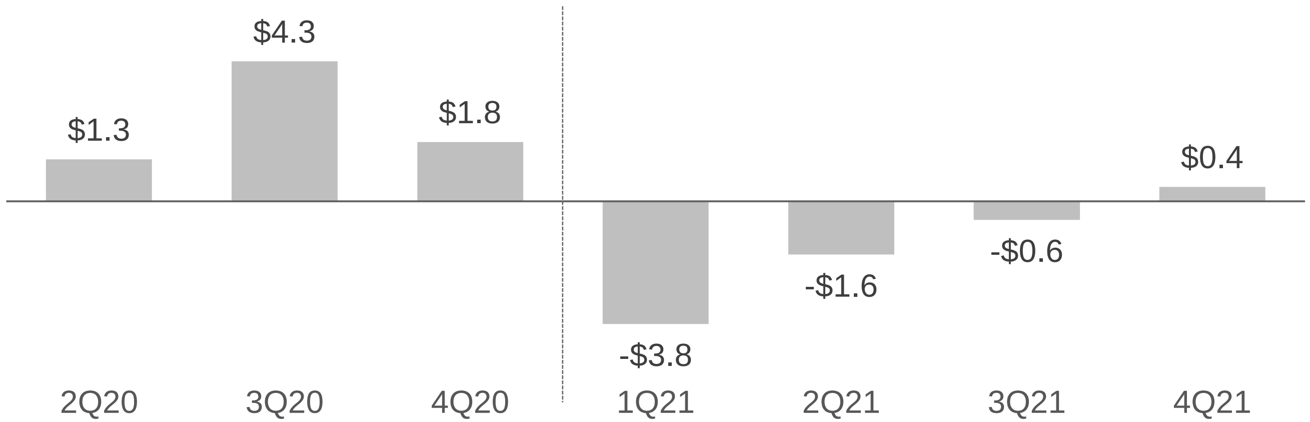
Solar Tax-Equity Investments

OVERVIEW OF SOLAR TAX EQUITY INVESTMENTS

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

PROJECTED NON-INTEREST INCOME TREND

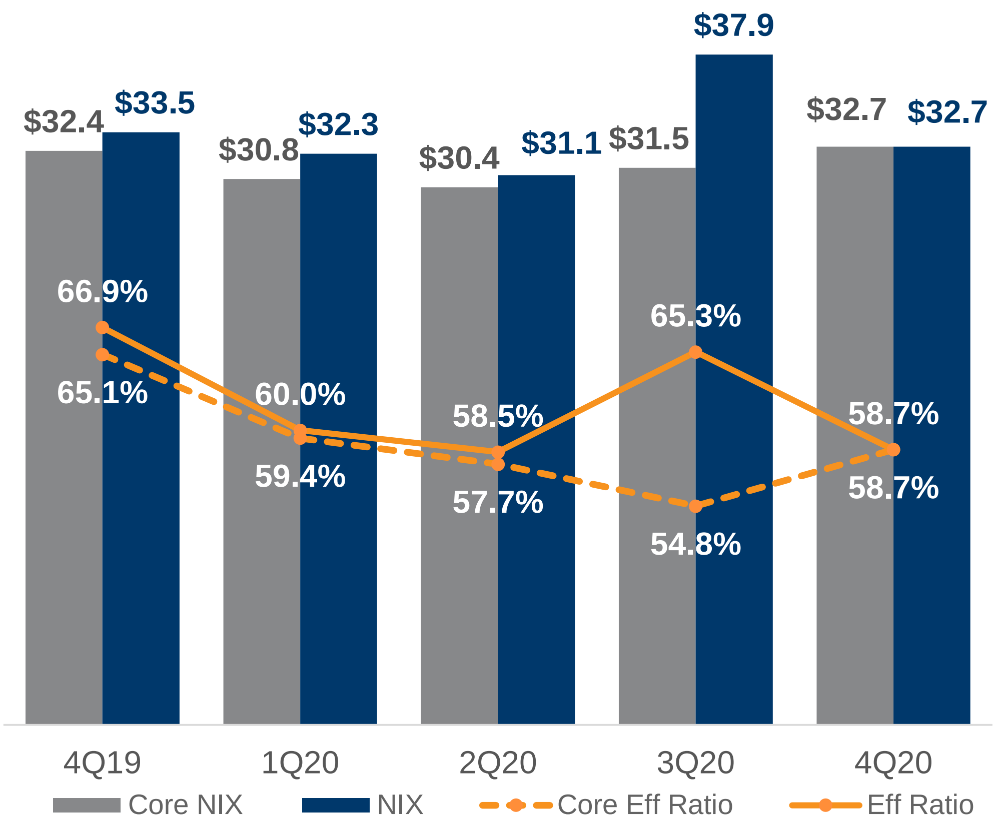
$ millions



Non-Interest Expense and Efficiency

NON-INTEREST EXPENSE

($ millions)



4Q20 HIGHLIGHTS

- Efficiency ratio of 58.7% for 4Q20
- Core efficiency ratio of 58.7% for 4Q20[(1)]

- Non-interest expense for 4Q20 is $32.7 million

- Non-interest expense for 4Q20 is $5.2 million lower compared to 3Q20 predominantly due to a $6.5 million decrease in expenses from six branch closures, partially offset by a $1.8 million increase in professional fees due to bank holding company formation, CEO transition and other projects

(1) See non-GAAP disclosures on pages 23-24

Allowance for Loan Losses

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

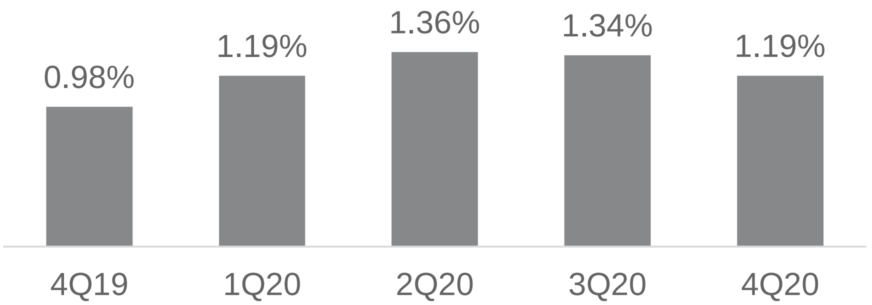
($ millions)

4Q19 ALLL	**33.8**
Indirect C&I	3.4
COVID-19 factors	3.0
Growth / other	2.1
1Q20 ALLL	**42.3**
COVID-19 factors	3.2
Hotel specific reserve	2.7
Downgrades / other	1.8
2Q20 ALLL	**50.0**
Indirect C&I	1.3
Construction payoff / Other	(0.7)
Hotel C/O and release	(2.5)
3Q20 ALLL	**48.1**
Other	1.1
Specific reserves	(6.5)
Loan balances	(1.1)
4Q20 ALLL	**41.6**

4Q20 HIGHLIGHTS

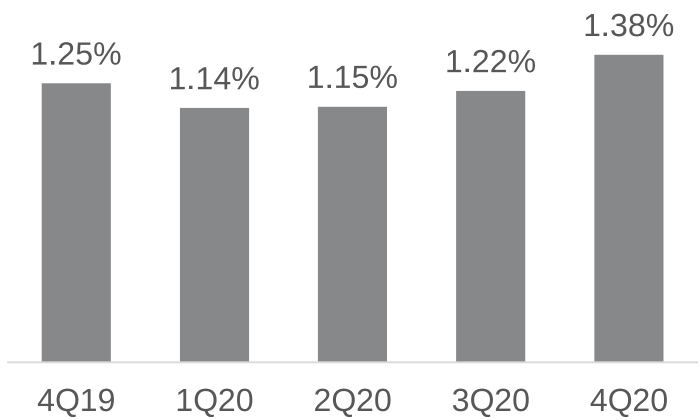
- Allowance for loan losses totals $41.6 million in 4Q20, or $6.5 million lower compared to 3Q20 due to specific reserves on multifamily loans
  - 4Q20 allowance is $7.8 million higher than 4Q19 due to FY20 provision of $24.8 million offset by $17.0 million in charge-offs related to hotel, construction and indirect C&I loans

ALLOWANCE FOR LOAN LOSSES / TOTAL LOANS



Credit Quality Portfolio

NPA / TOTAL ASSETS

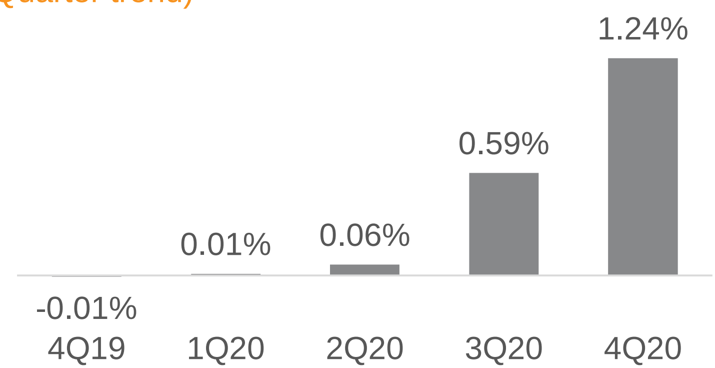


4Q20 HIGHLIGHTS

- Nonperforming assets are $82.2 million as of 4Q20, compared to $80.6 million in 3Q20
- Net charge-offs of 1.24% in 4Q20 is 65 bps higher than 3Q20 due to an $11.0 million charge-off related to an indirect C&I loan, of which $8.3 million was reserved for in previous quarters

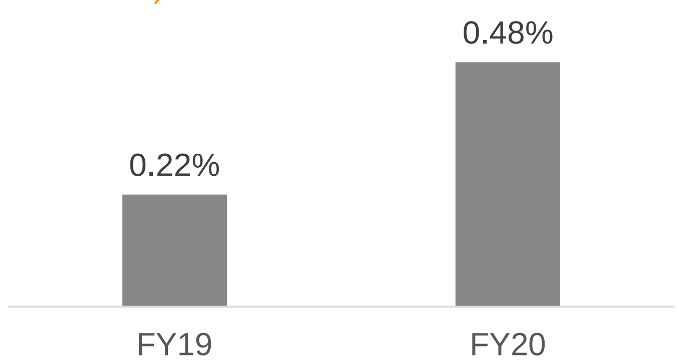
NCO / AVERAGE LOANS [(1)]

(Quarter trend)



NCO / AVERAGE LOANS

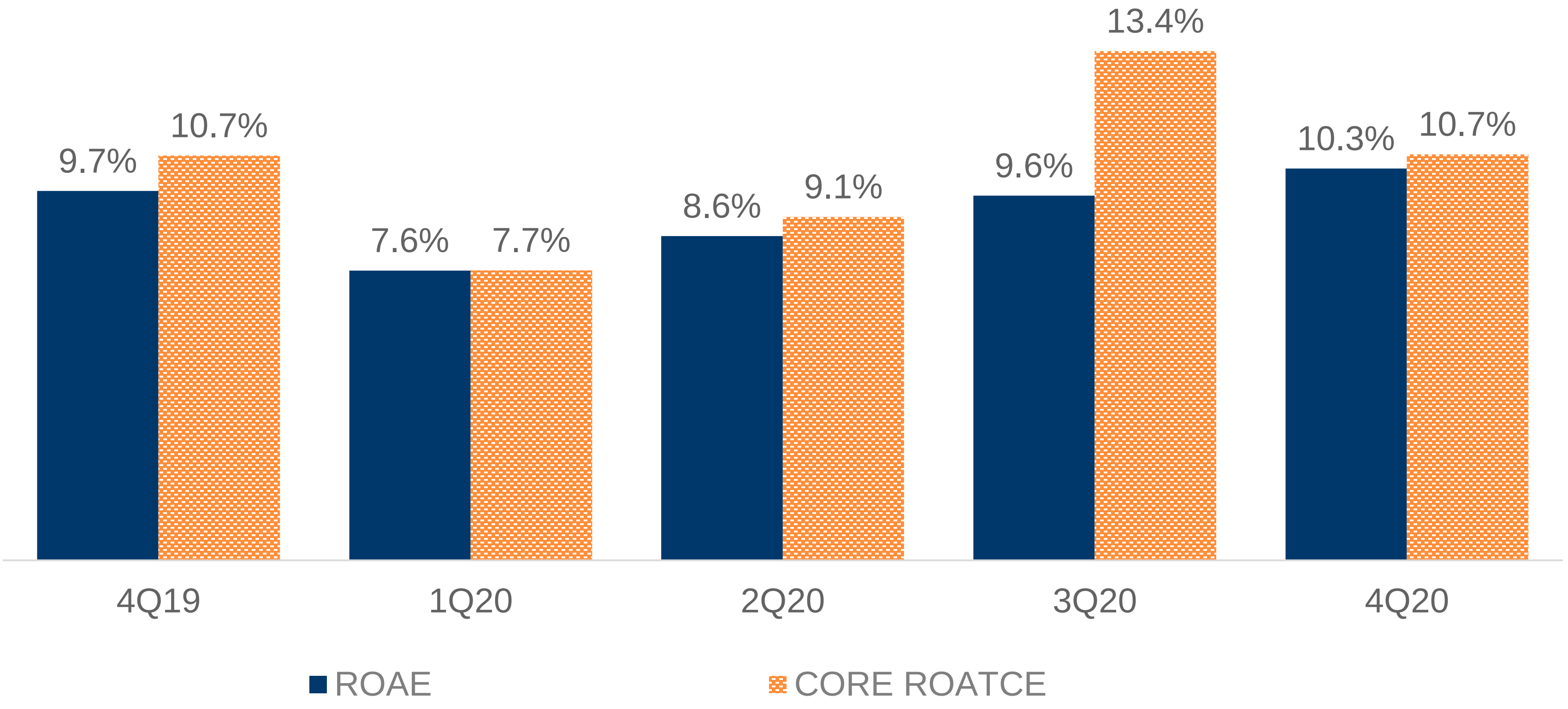
(Annual trend)



(1) Annualized

Returns

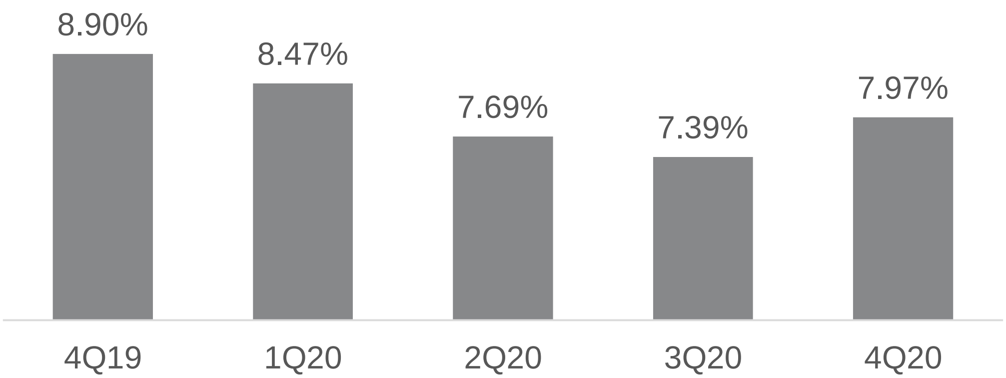
ROAE & CORE ROATCE [(1)]



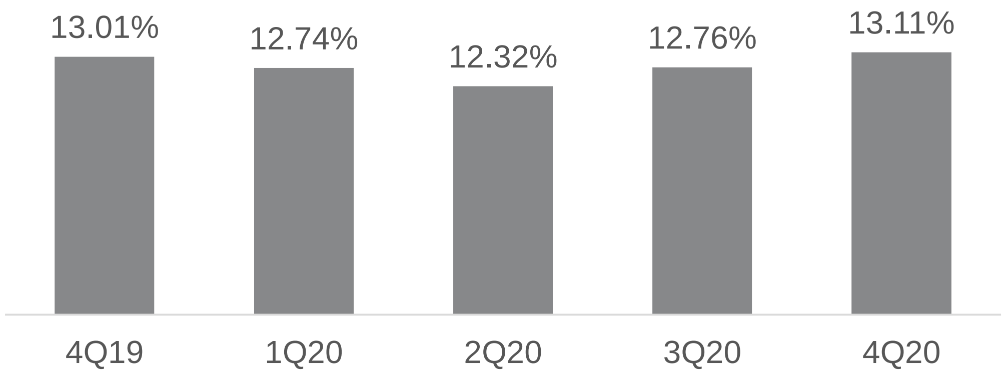
(1) See non-GAAP disclosures on pages 23-24

Capital

TIER 1 LEVERAGE RATIO



COMMON EQUITY TIER 1 RATIO



4Q20 HIGHLIGHTS

- Regulatory capital ratios remain strong
  - Tier 1 leverage ratio of 7.97% as of 4Q20
  - Common Equity Tier 1 Capital of 13.11%
- Tier 1 leverage ratio increased by 37bps due to approximately $600 million of political deposit outflow due to election cycle

FY 2020 Outlook - *Revisited*

GUIDANCE	2020 Actuals
✓ Core pre-tax pre-provision earnings of $70 to $78 million	$84.9mm[1]
Assumes:	
Year-end 2019 yield curve with no change in Fed rate targets	
✓ 10% balance sheet growth	12.3%
✓ Core efficiency ratio of 64% or lower	57.6%
✓ Core expense run rate of approximately $32 million per quarter	$31.3mm

2020 INITIATIVES

- De Novo expansion in ✓ Boston and Los Angeles
- ✓ Expansion into PACE assets
- ✓ Strategic repositioning of Trust and Asset Management
- ✓ Explore establishment of bank holding company

(1) Excludes Solar Equity Method Investments income of $7.4 million

2021 Guidance

2021 FINANCIAL OUTLOOK

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

2021 INITIATIVES

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

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Twelve Months Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Core operating revenue					
Net Interest income	$ 45,655	$ 45,234	$ 42,250	$ 180,016	$ 166,637
Non-interest income	10,040	12,776	7,776	40,604	29,201
Less: Branch sale loss (gain)(1)	-	-	-	(1,394)	-
Less: Securities gain, net	-	(619)	(218)	(1,605)	(83)
Core operating revenue	$ 55,695	$ 57,391	$ 49,808	$ 217,621	$ 195,755
Core non-interest expenses					
Non-interest expense	$ 32,670	$ 37,877	$ 33,490	$ 133,886	$ 127,827
Less: Branch closure expense(2)	-	(6,279)	(957)	(8,330)	(1,008)
Less: Severance(3)	-	(125)	(101)	(201)	(419)
Core non-interest expense	$ 32,670	$ 31,473	$ 32,432	$ 125,355	$ 126,400
Core net income					
Net Income (GAAP)	$ 13,790	$ 12,480	$ 12,008	$ 46,188	$ 47,202
Less: Branch sale (gain)(1)	-	-	-	(1,394)	-
Less: Securities loss (gain)	-	(619)	(218)	(1,605)	(83)
Add: Branch closure expense(2)	-	6,279	957	8,330	1,008
Add: Severance(3)	-	125	101	201	419
Less: Tax on notable items	-	(1,472)	(227)	(1,407)	(359)
Core net income (non-GAAP)	$ 13,790	$ 16,793	$ 12,621	$ 50,313	$ 48,187

(1) Fixed Asset branch sale in March 2020

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

(3) Salary and COBRA expense reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended December 31, 2020	September 30, 2020	December 31, 2019	As of and for the Twelve Months Ended December 31, 2020	2019
Tangible common equity					
Stockholders' Equity (GAAP)	$ 535,821	$ 522,497	$ 490,544	$ 535,821	$ 490,544
Less: Minority Interest (GAAP)	(133)	(133)	(134)	(133)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,358)	(5,701)	(6,728)	(5,358)	(6,728)
Tangible common equity (non-GAAP)	$ 517,394	$ 503,727	$ 470,746	$ 517,394	$ 470,746
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 530,352	$ 515,906	$ 488,744	$ 508,995	$ 470,727
Less: Minority Interest (GAAP)	(133)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(5,525)	(5,868)	(6,895)	(6,037)	(7,400)
Average tangible common equity (non-GAAP)	$ 511,758	$ 496,968	$ 468,779	$ 489,888	$ 450,257
Core return on average assets					
Core net income (numerator) (non-GAAP)	13,790	16,793	12,621	50,313	48,187
Divided: Total average assets (denominator) (GAAP)	6,182,989	6,490,299	5,139,701	6,044,242	4,937,924
Core return on average assets (non-GAAP)	0.89%	1.03%	0.97%	0.83%	0.98%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	13,790	16,793	12,621	50,313	48,187
Divided: Average tangible common equity (denominator) (GAAP)	511,758	496,968	468,779	489,888	450,257
Core return on average tangible common equity (non-GAAP)	10.72%	13.44%	10.68%	10.27%	10.70%
Core efficiency ratio					
Core non-interest expense (numerator)	32,670	31,473	32,432	125,355	126,400
Core operating revenue (denominator)	55,695	57,391	49,808	217,621	195,755
Core efficiency ratio	58.66%	54.84%	65.11%	57.60%	64.57%

Thank You