AMALGAMATED BANK

Second Quarter 2020 Earnings Presentation

July 28, 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. 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, statements related to potential political deposit runoff, estimated yield on our PACE portfolio and possible future branch closures. 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.

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.

Second Quarter 2020

Highlights

- ✓ GAAP net income of $0.33 per diluted share; core net income of $0.34 per diluted share[(1)]
- ✓ Pre-tax, pre-provision income[(2)] of $22.0 million compared to $21.5 million in 1Q20
  - ✓ Highest quarterly pre-tax, pre-provision income in history of the Bank
- ✓ Efficiency ratio of 58.50%, compared to 59.97% in 1Q20

- ✓ Average deposit growth of $606.0 million, or 50.5% annualized, compared to 1Q20
- ✓ Loan growth of $123.0 million (includes $51 million PPP) and property assessed clean energy ("PACE") growth of $68.1 million

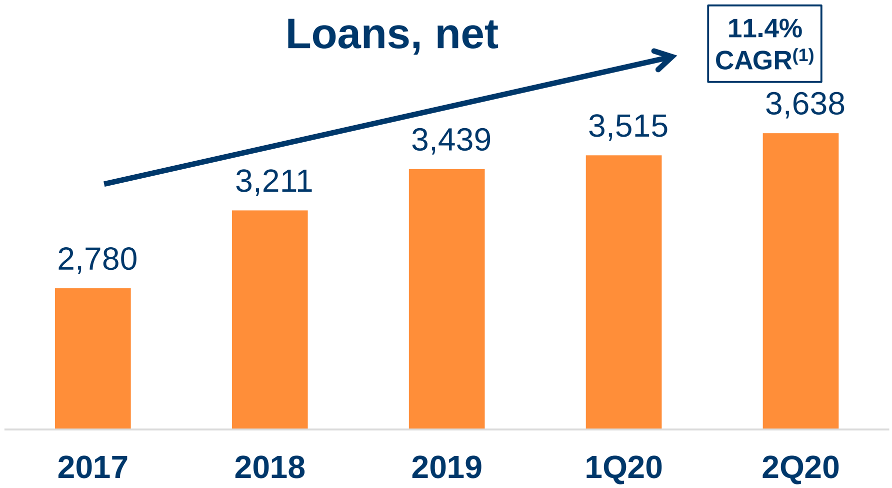
- ✓ Provision build of $8.2 million including $3.2 million in allowance on loan deferrals
- ✓ Loan deferrals of $433 million or 12% of loans as of 7/24/2020, compared to $512 million or 14% on 6/20/20

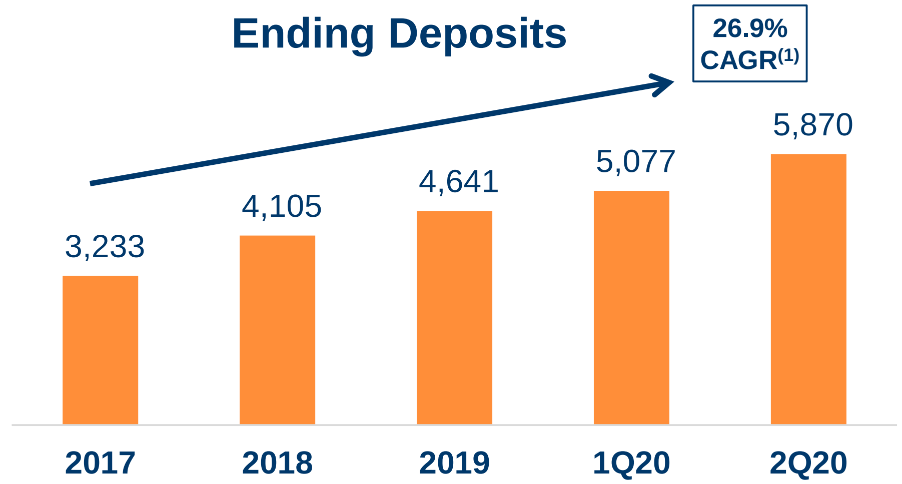
- ✓ Capital ratios remained strong with CET1 of 12.29% and Tier 1 Leverage of 7.69%
- ✓ Tangible book value of $15.61 compared to $14.64 as of 1Q20

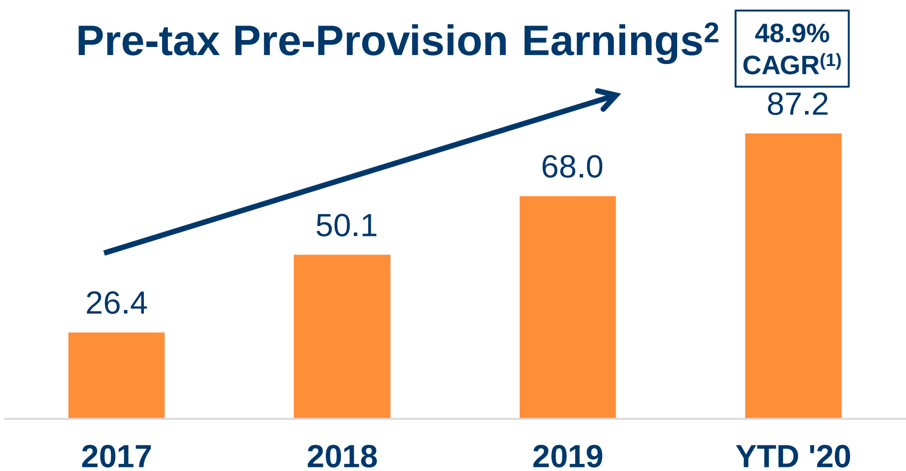
[(1)] See non-GAAP disclosures on pages 23-24
[(2)] Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

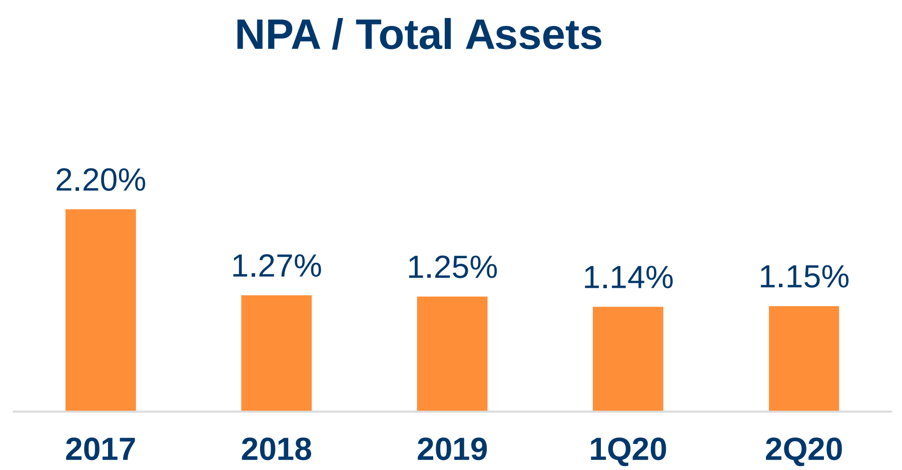
Key Financial Trends through 2Q20

($ in millions)









(1) *Compounded Annual Growth Rate ("CAGR")*
(2) *June 2020 YTD Pre-tax Pre-Provision annualized*

Environmental, Social and Governance (ESG)

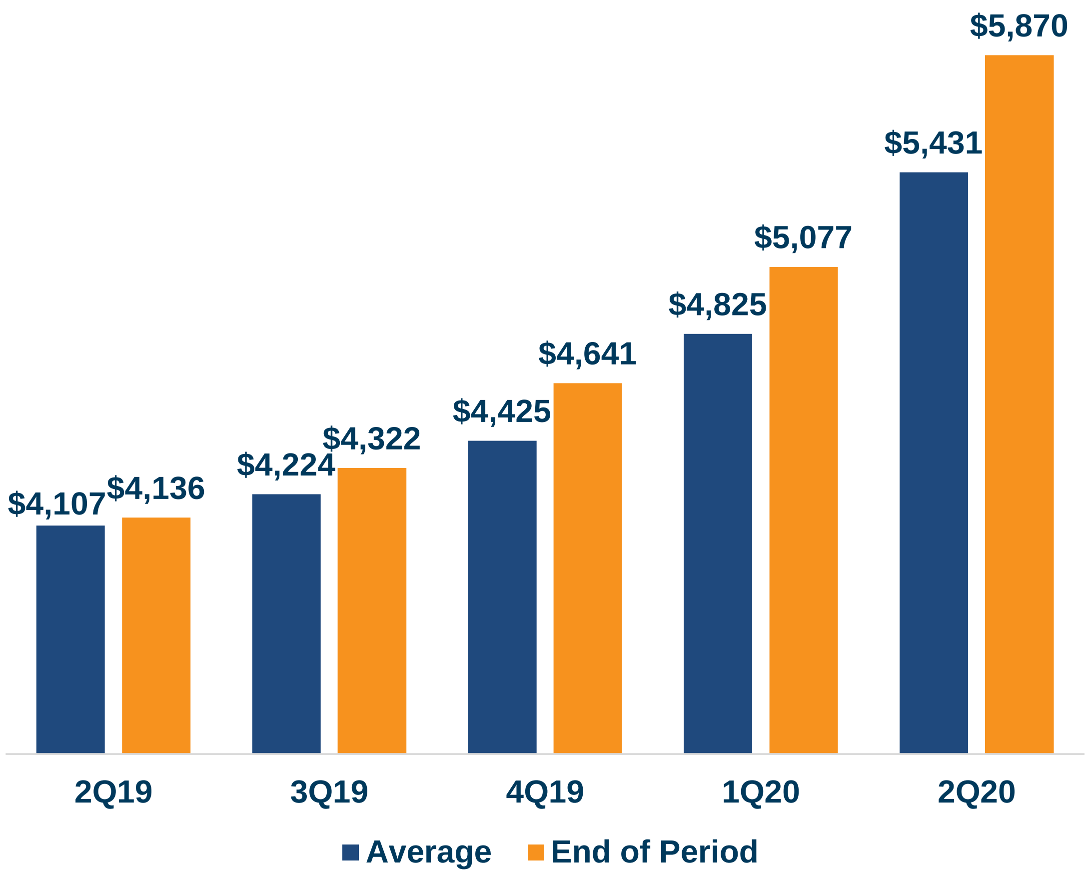
2Q20 Mission Aligned Initiatives and Accomplishments

- ✓ Frontline Workers Fund and the Families and Workers Fund launched with Amalgamated Foundation to provide more than $7.5 million in financial support to critical workers on the frontlines of the COVID-19 pandemic
- ✓ Affirmed Black Lives Matter in a public statement and launched a racial justice task force
- ✓ Released our 2019 Corporate Social Responsibility (CSR) Report: *Responsibility in Action*
- ✓ Endorsed the CEO Action on Diversity and Inclusion
- ✓ South Pole, a leading researcher in corporate carbon emissions, found a 6.7% decrease in total emissions of Amalgamated Bank from 2018 to 2019
- ✓ Implemented ESG Questionnaire for suppliers
- ✓ Initiated Principals on Carbon Accounting Financials calculation process to determine scope 3 emission across the loan portfolio
- ✓ Collaboration with Invesco is expected to provide our clients access to ESG investment options

Deposit Portfolio

Total Deposits[1]

($ in millions)



2Q20 Highlights

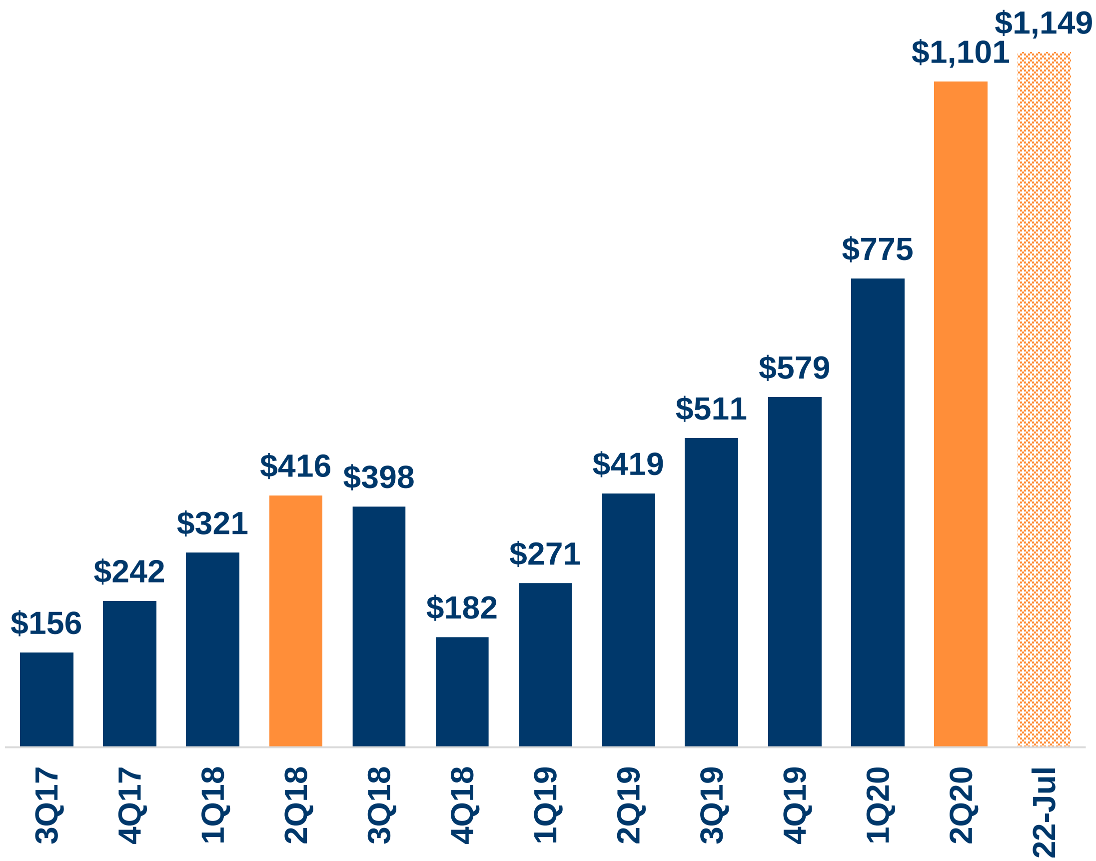
- ✓ Total ending deposits increased $793.8 million, or 62.9% annualized, compared to 1Q20
- ✓ Total average deposits increased $606.0 million, or 50.5% annualized, compared to 1Q20
- ✓ $445.5 million of average non-interest bearing deposit growth, compared to 1Q20
- ✓ Non-interest-bearing deposits represented 53% of ending deposits in 2Q20, compared to 48% in 1Q20

[1] *Total deposit balance as of June 30, 2020 excludes off balance sheet Insured Cash Sweep (ICS) balance of $90.9 million*

Political Deposits

Political Deposits Historical Trend

($ in millions)



- ✓ Estimate political deposits to decrease to approximately $300 million immediately following the November election
- ✓ Cash on hand should fund approximately $500 million of the $800 million draw down with the remainder coming from borrowings or further deposit growth
- ✓ Estimated impacts on financials starting in 4Q20
  - ✓ Tier 1 leverage ratio increase of 60-70bps
  - ✓ Net interest income decrease of approximately $1.2 million annually

Liquidity Sources

Liquidity sources amount to $3.4B as of June 30, 2020

($ in millions)

Key Sources of Liquidity	Timing	Balance 2Q20	% of Deposits
Cash	Immediate	$590	10%
FHLB Borrowing Potential	Immediate	$1,750	30%
Potential Political Deposit Runoff	Months	($800)	-14%
Immediate Core Liquidity		**$1,540**	**26%**
Saleable Non-Pledge-able Securities	Days	$600	10%
Est. Wholesale Borrowings Capacity	Weeks	$750	13%
Apx. Saleable Non-Pledge-able Loans	Months	$500	9%
Total		**$3,390**	**58%**

- ✓ 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 (residential and commercial)

Interest Earning Assets

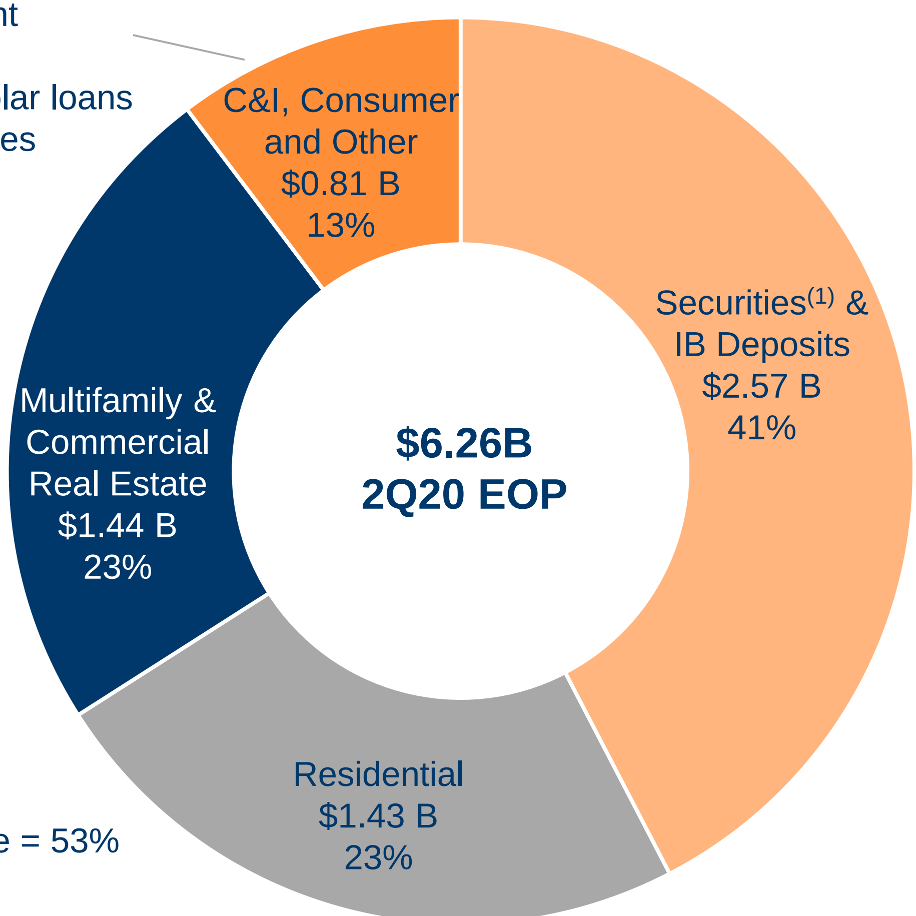
Interest Earning Assets of $6.3B as of June 30, 2020

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

- No fossil fuel exposure
- $203mm of government guaranteed loans
- $133mm residential solar loans with strong credit profiles

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

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



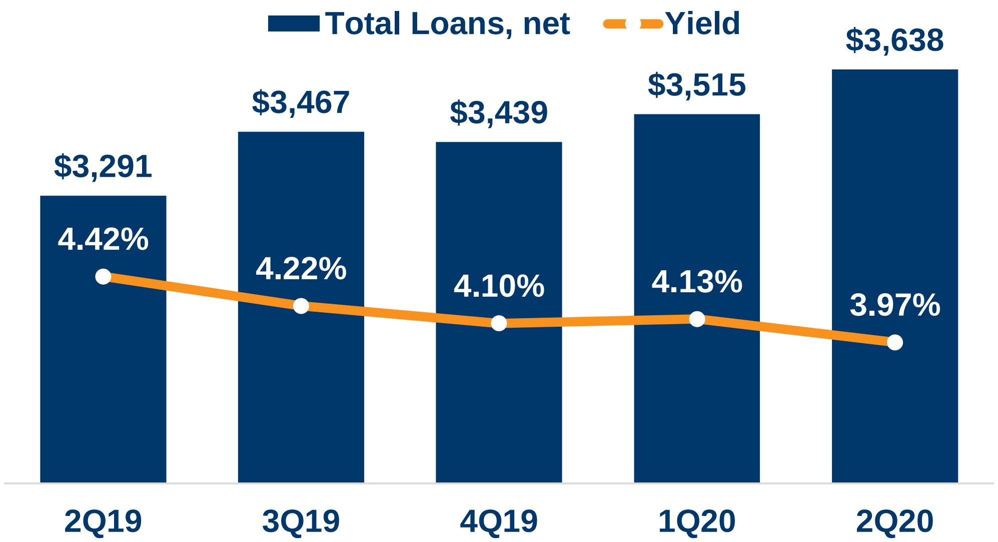
- $890mm agency securities
- $731mm of non-agency securities; 85% are AAA rated
- $323mm of PACE securities with low LTV
- All non-agency securities are top of the capital structure
- $579mm of cash deposits at Bank

(1) Securities include Federal Home Loan Bank stock and resell agreements of $49.6mm
** LTV shown are as of March 2020*

Loan and Held-to-Maturity Securities

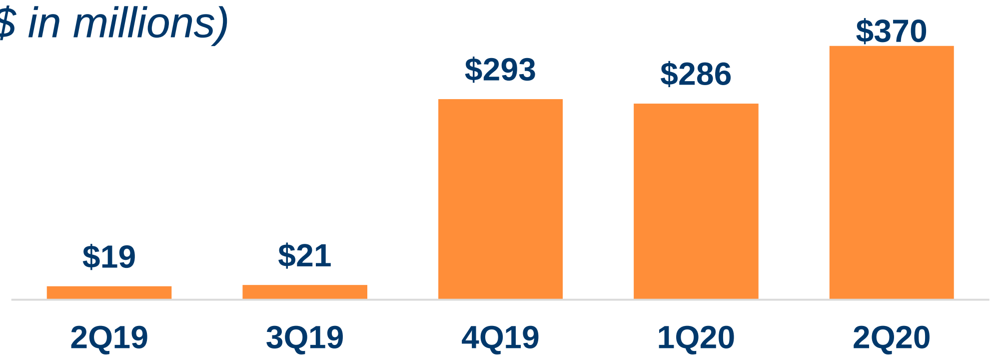
Total Loans, Net[1]

($ in millions)



Held-to-Maturity Securities

($ in millions)



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

2Q20 Highlights

- ✓ Total loans increased $123.0 million, or 14.1% annualized, compared to 1Q20
- ✓ 2Q20 Yield of 3.97%; decrease of 16 bps and 45 bps compared to 1Q20 and 2Q19 respectively
- ✓ Held-to-maturity securities increased $84.2 million compared to 1Q20
  - ✓ PACE securities increased $68.1 million in 2Q20 due primarily to investment in PACE Funding Group (“PFG”)

Property Assessed Clean Energy

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 $323.4 million at quarter-end 2Q20 with a premium of less than 3%
- ✓ Estimated yield of ~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

COVID-19 Deferrals – Post Quarter Update

COVID-19 Loan Deferrals[1]

($ in millions)

	Total Loans	Deferrals as of:		% of	Exited
	6/30/20	7/25/20	6/20/20	Portfolio	Deferral
Multifamily	$ 972	$ 178	$ 218	18%	$ 39
CRE + Construction	469	111	122	24%	12
C&I	618	39	39	6%	-
Residential	1,433	90	122	6%	33
Consumer & Student	188	10	11	6%	1
Total	**$ 3,680**	**$ 428**	**$ 512**	**12%**	**$ 84**

- ✓ Current deferrals are down by $84 million since the last update
- ✓ Inflow of new requests has slowed to near zero
- ✓ Payment resumed on approximately 58% of residential loans that reached 90 days
- ✓ Majority of commercial loans have not reached 90 days
  - ✓ We expect many requests for an additional 90 days, while starting to pay interest on the second request

[1] *Loan deferrals for purchased portfolio are as of 6/30/2020*

Commercial Real Estate – Post Quarter Update

Multifamily loans deferred – week ending July 25, 2020

Current Loan to Value (LTV)[1]		Loan Balance
80%+	$	3.6
70-79%		16.1
60-69%		17.9
50-59%		103.5
Below 50%		37.3
Total	**$**	**178.4**
CLTV of all Deferrals		**63%**

Comments

- 87% of loans are in NY
- Debt service coverage of 1.4x (pre-COVID)
- Current LTV is based on most recent appraisal (pre-COVID) compared to current book balance

CRE loans deferred – week ending July 25, 2020

Current Loan to Value (LTV)[1]		Loan Balance
80%+	$	-
70-79%		2.2
60-69%		17.2
50-59%		17.9
Below 50%		73.0
Total	**$**	**110.2**
CLTV of all Deferrals		**51%**

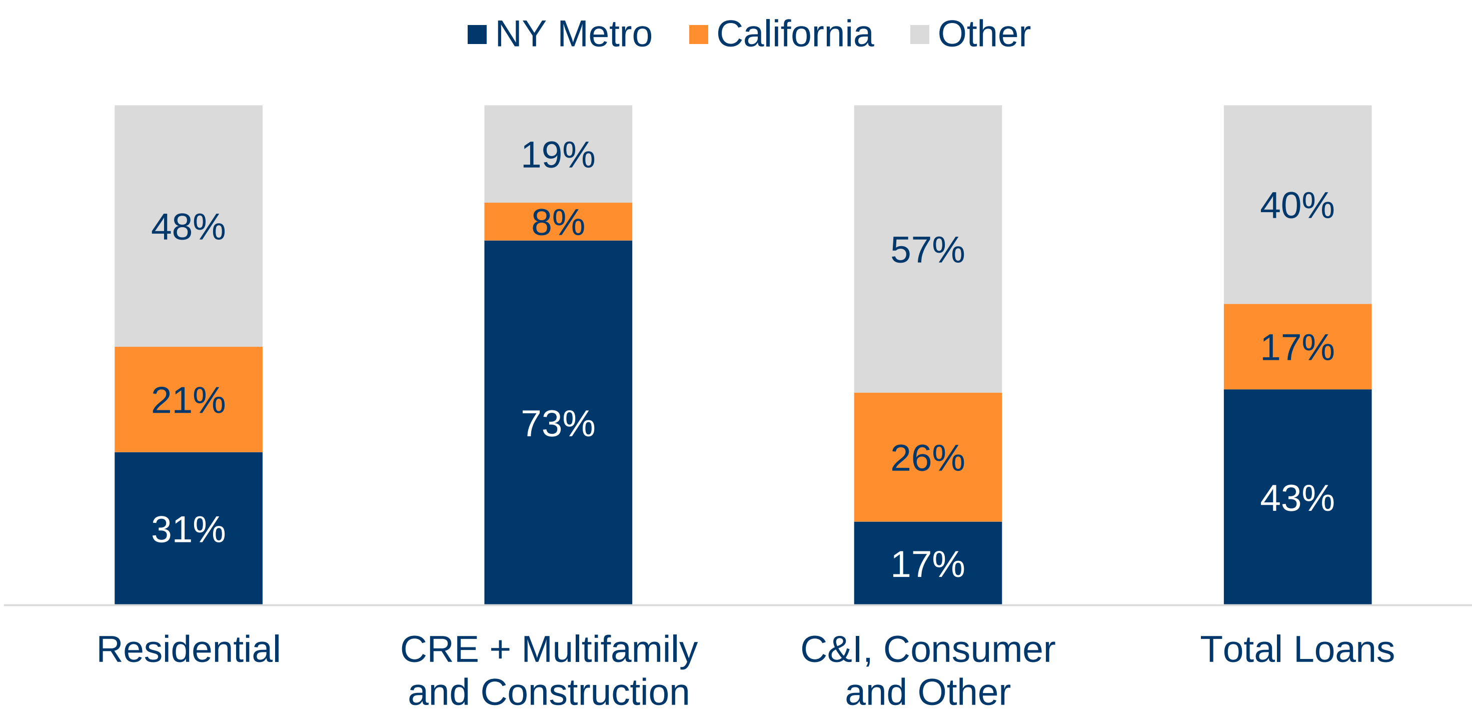
Property Use		Loan Balance
Retail	$	46.1
Office		19.9
Mixed Use / Other		30.3
Hotel		13.9
Total	**$**	**110.2**

(1) *Loan-to-value is calculated as the existing book balance divided by the most recent appraisal value (all appraisals are pre-COVID-19)*

Loan Portfolio by Geography

Total Loans, Net

(Share %)



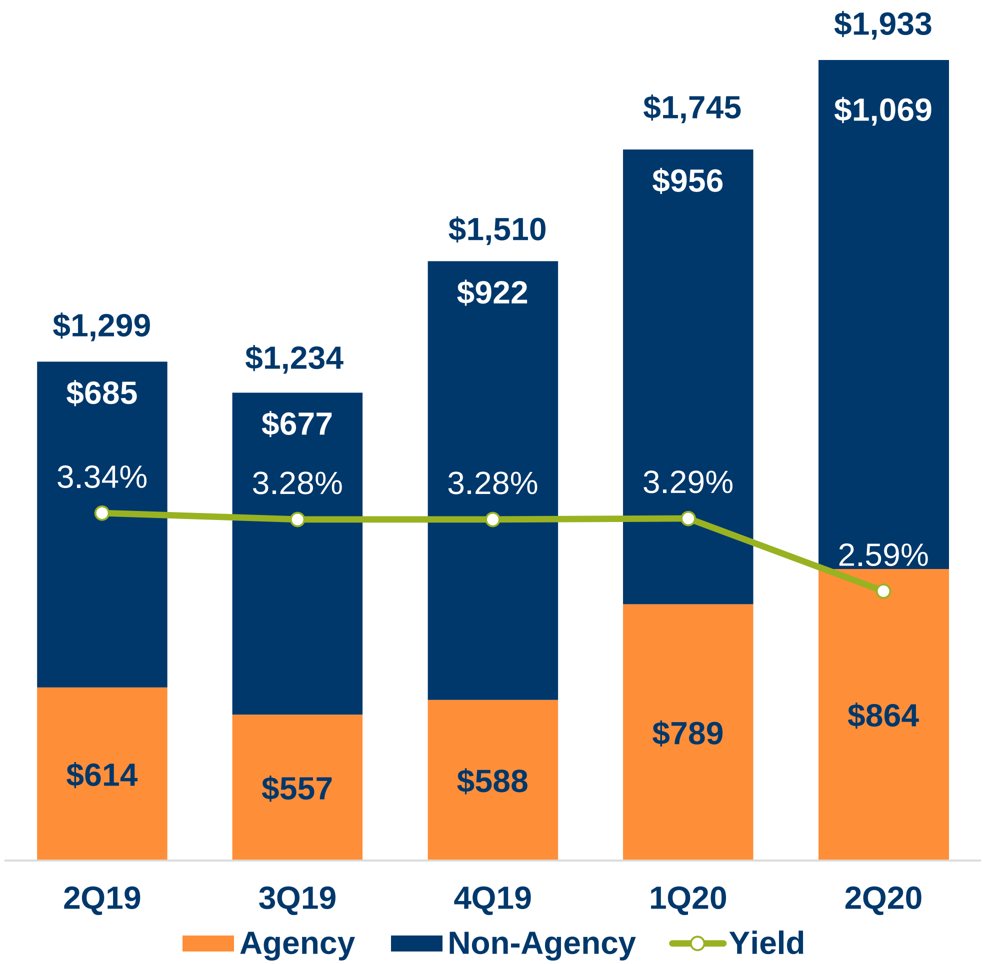
✓ 57% of loan portfolio is outside of NY Metro area

NY Metro as defined by the US Office of Management and Budget
Loan balances as of 5/31/2020

Cash and Investment Securities

Securities – Book value[1]

($ in millions)



2Q20 Highlights

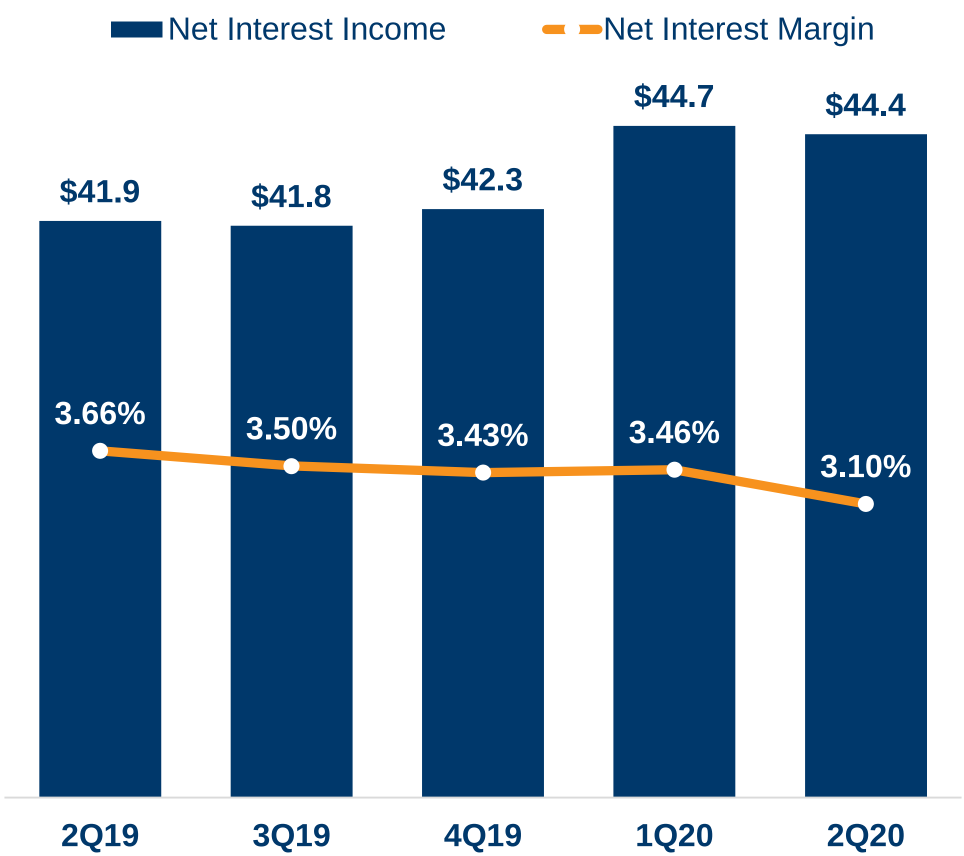
- ✓ Investment Securities totaled $1.9 billion book value for 2Q20
- ✓ Securities increase of $188 million from 1Q20 is primarily due to an increase in agency securities
- ✓ 85% of all non-agency MBS/ABS securities are AAA rated and 99.9% are A rated or higher[2]; all CLO's are AAA rated
- ✓ As of 2Q20 average subordination for the C&I CLOs is 42%
- ✓ Non-agency securities in 2Q20 include $323.4 million of PACE assessments, which are non-rated

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

Net Interest Income and Margin

Net Interest Income & Margin

($ in millions)



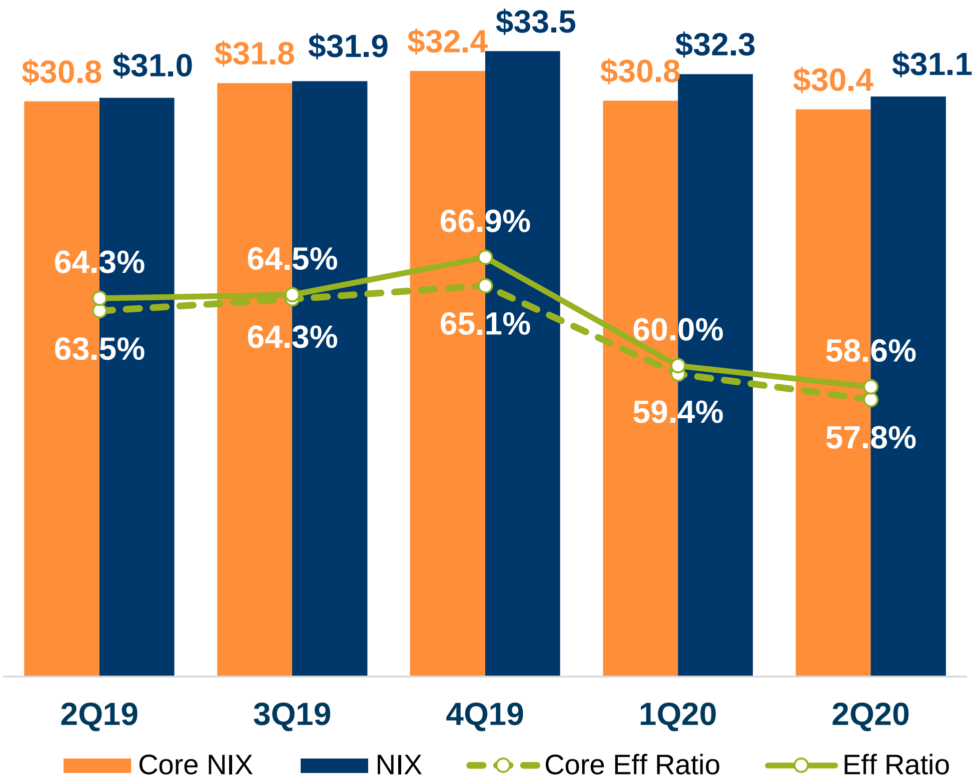
2Q20 Highlights

- ✓ Net interest income is $44.4 million, compared to $44.7 million in 1Q20
- 2Q20 NIM at 3.10%; a decrease of 36 bps and 56 bps, compared to 1Q20 and 2Q19, respectively
- ✓ NIM decreased by approximately 19bps due to the strong increase of deposits deployed into cash and floating rate securities

Non-Interest Expense and Efficiency

Non-Interest Expense

($ in millions)



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

2Q20 Highlights

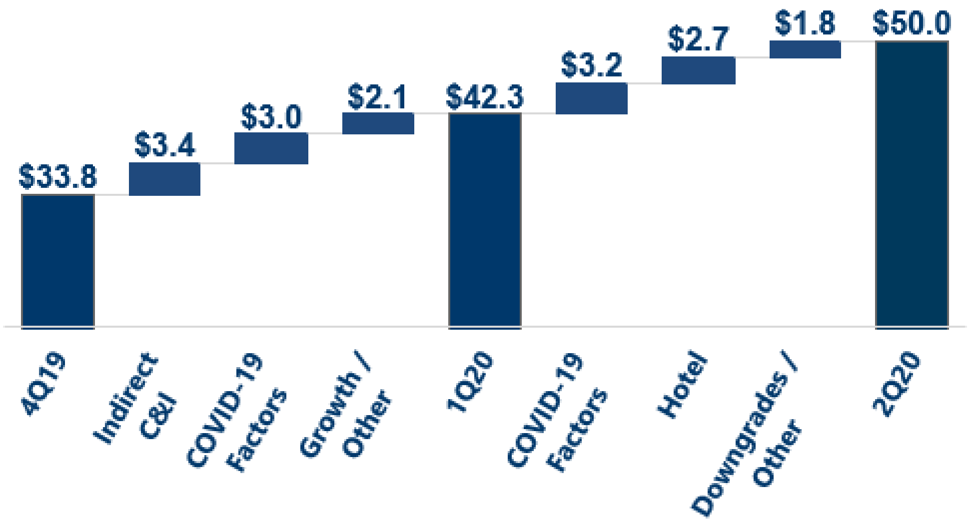
- ✓ Efficiency ratio of 58.5% for 2Q20
- ✓ Core efficiency ratio of 57.7% for 2Q20[(1)]
- ✓ Non-interest expense for 2Q20 is $31.1 million
- ✓ Core non-interest expense for 2Q20 is $30.4 million, a decrease of $0.5 million compared to 1Q20[(1)]

OTHER UPDATES

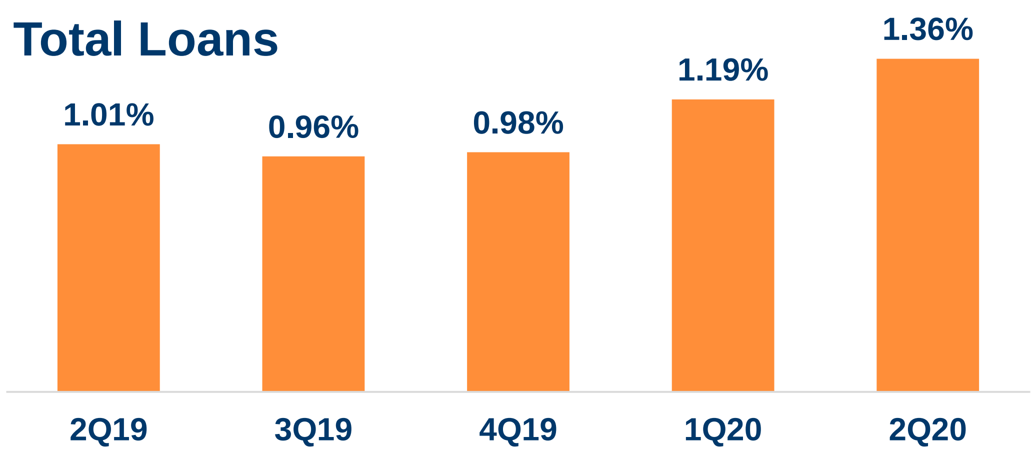
- ✓ Additional six branch closures results in approximately $4.4 million in annualized expense savings beginning in 2021
- ✓ 2Q20 core expenses[(1)] exclude:
  - ✓ Branch closure expenses of $0.7 million

Allowance for Loan Losses

Allowance for Loan Losses Change from 4Q19 to 2Q20
($ in millions)



Allowance for Loan Losses / Total Loans

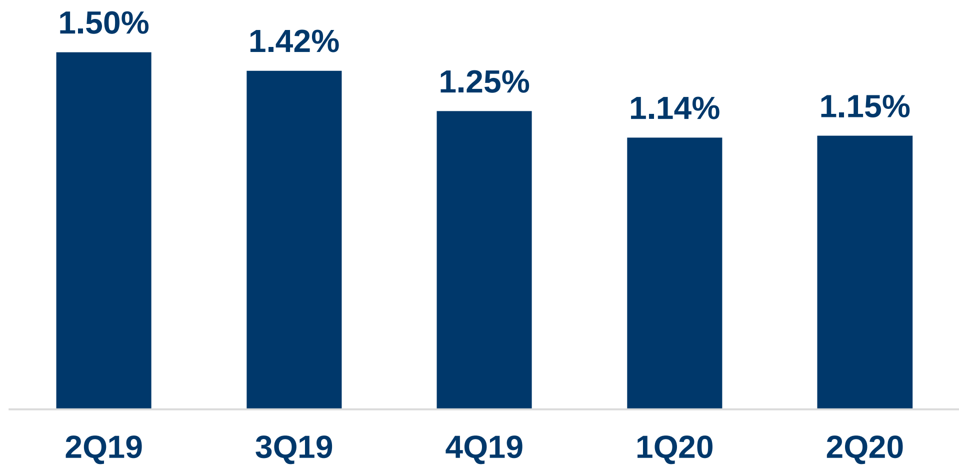


2Q20 Overview

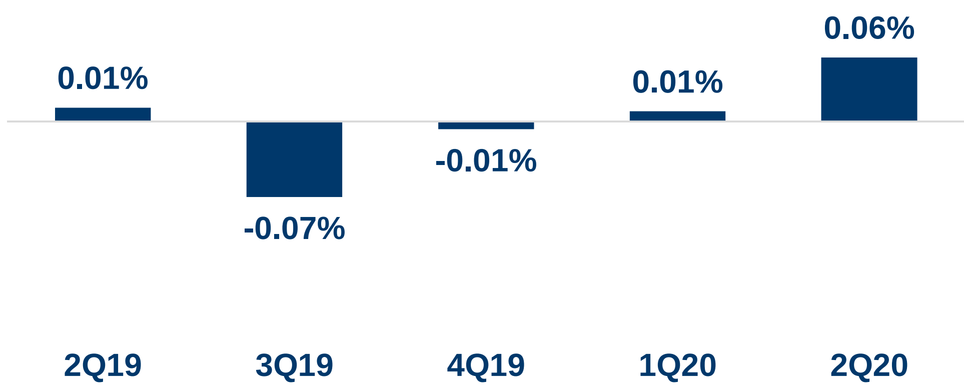
- ✓ Allowance for loan losses totals $50.0 million in 2Q20
- ✓ COVID-19 loan deferrals increased factors in ALLL by $3.2 million
- ✓ $2.7 million specific reserve for a legacy loan to a hotel in Ohio that has been moved to non-accrual

Credit Quality Portfolio

NPA / Total Assets



NCO / Average Loans[2]



(1) *Run-off portfolio includes indirect C&I loans and residential loans purchased prior to 2010*
(2) *Annualized*

NPA by Portfolio

($ in millions)

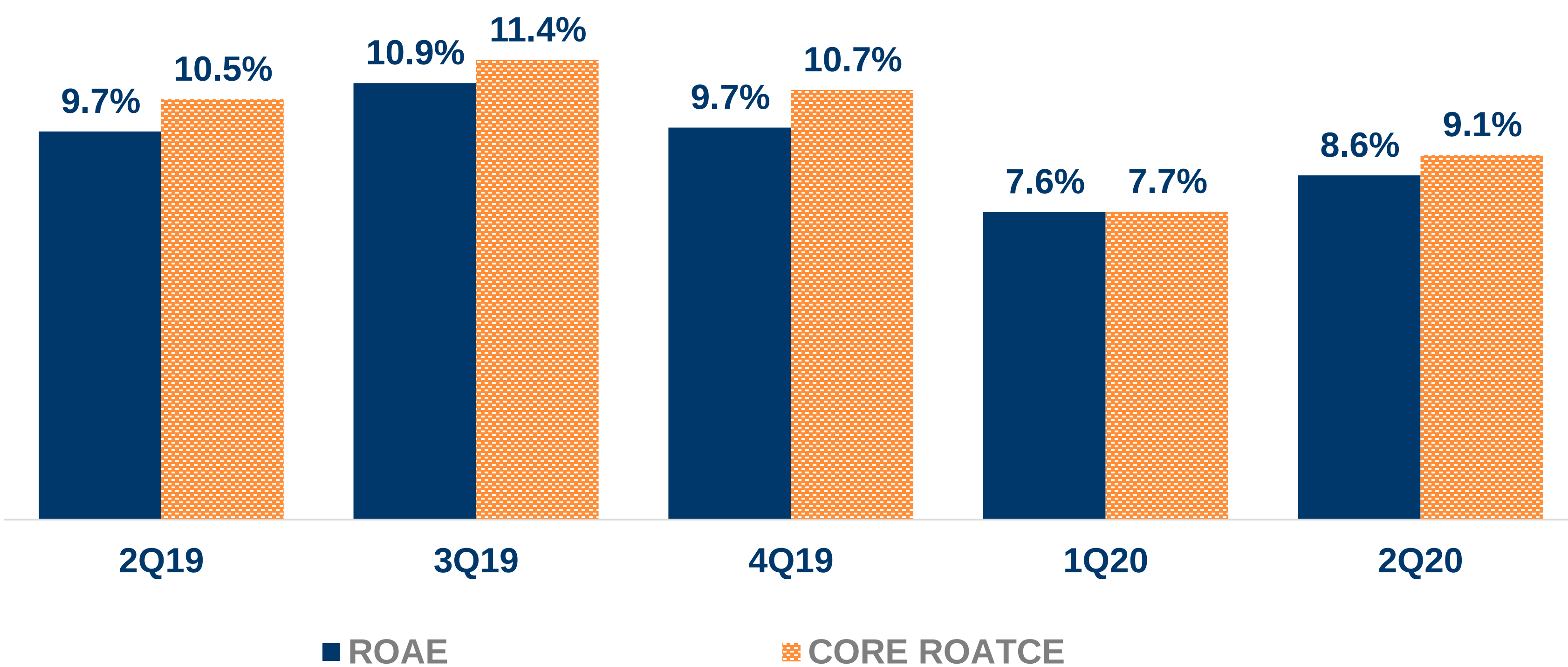
	2Q20 EOP		Total NPA		% of Balance
Run-off (1)	$	133	$	50	37.7%
Non run-off		3,547		24	0.7%
Total	**$**	**3,680**	**$**	**74**	**2.0%**

2Q20 Highlights

- ✓ Nonperforming assets are $74.3 million as of 2Q20, compared to $65.6 million in 1Q20
  - ✓ $11.7 million increase in non-accruing loans primarily related to one hotel loan originated in 2005
- ✓ Majority of NPAs are in run-off portfolio
- ✓ Net charge-offs are negligible since 2Q19

Returns

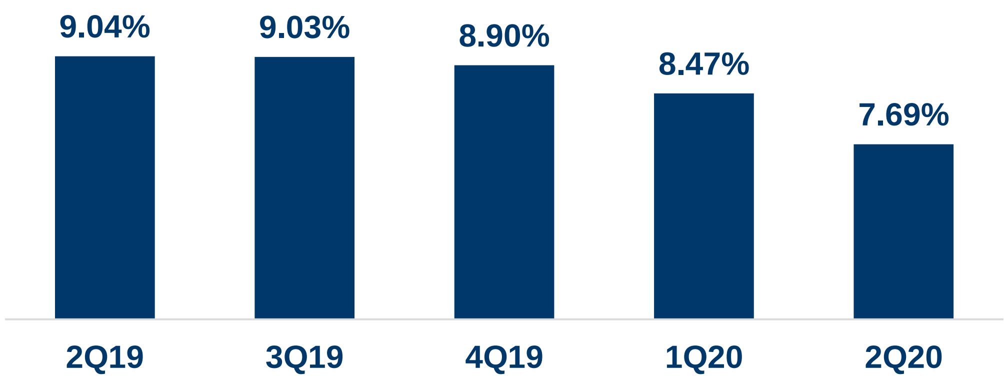
ROAE & Core ROATCE (1)



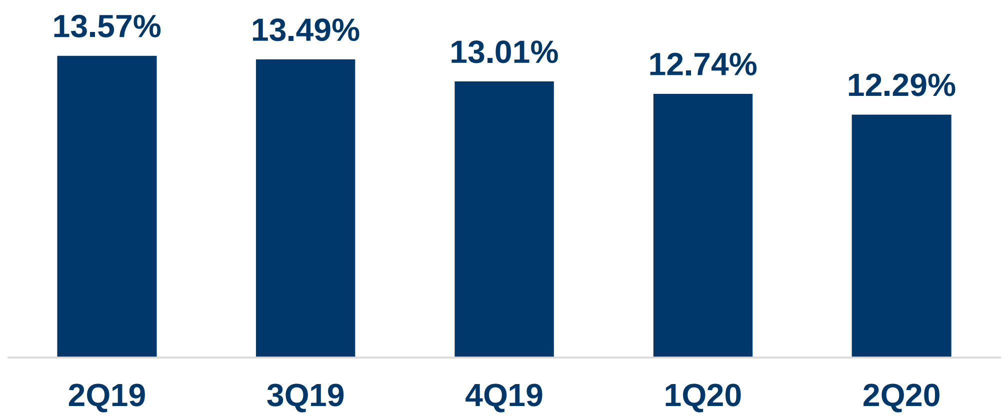
(1) See non-GAAP disclosures on pages 23-24

Capital

Tier 1 Leverage Ratio



Common Equity Tier 1 Ratio



2Q20 Highlights

- ✓ Regulatory capital ratios remain strong
  - ✓ Tier 1 leverage ratio of 7.69% as of 2Q20
  - ✓ Common Equity Tier 1 Capital of 12.29%
- ✓ Tier 1 leverage ratio was lowered by 64bps due $465 million increase in cash from strong deposit growth. Impact will reverse with outflow of political deposits in 4Q20

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Core operating revenue					
Net interest income (GAAP)	$ 44,439	$ 44,689	$ 41,856	$ 89,127	$ 82,629
Non interest income (GAAP)	8,671	9,118	6,349	17,789	13,766
Less: Branch sale loss (gain)[(1)]	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Core operating revenue (non-GAAP)	$ 52,658	$ 51,880	$ 48,582	$ 104,537	$ 96,480
Core non-interest expenses					
Non-interest expense (GAAP)	$ 31,068	$ 32,270	$ 31,002	$ 63,339	$ 62,450
Less: Branch closure expense[(2)]	(695)	(1,432)	-	(2,051)	-
Less: Severance [(3)]	-	-	(154)	(76)	(271)
Core non-interest expense (non-GAAP)	$ 30,373	$ 30,838	$ 30,848	$ 61,212	$ 62,179
Core net income					
Net Income (GAAP)	$ 10,374	$ 9,545	$ 11,185	$ 19,919	$ 21,999
Less: Branch sale (gain)[(1)]	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Add: Branch closure expense[(2)]	695	1,432	-	2,051	-
Add: Severance [(3)]	-	-	154	76	271
Less: Tax on notable items	(61)	130	(137)	65	(92)
Core net income (non-GAAP)	$ 10,556	$ 9,180	$ 11,579	$ 19,731	$ 22,264

(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)	As of and for the Three Months Ended June 30, 2020	March 31, 2020	June 30, 2019	As of and for the Six Months Ended June 30, 2020	June 30, 2019
Average tangible common equity					
Average Stockholders Equity (GAAP)	$ 487,531	$ 501,881	$ 464,902	$ 494,706	$ 455,734
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,210)	(6,552)	(7,575)	(6,381)	(7,738)
Average tangible common equity (non-GAAP)	$ 468,250	$ 482,258	$ 444,256	$ 475,254	$ 434,925
Core return on average assets					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Total average assets (denominator) (GAAP)	6,070,392	5,426,863	4,853,975	5,748,627	4,821,107
Core return on average assets (non-GAAP)	0.70%	0.68%	0.96%	0.69%	0.93%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Average tangible common equity (denominator) (non-GAAP)	468,250	482,258	444,256	475,254	434,925
Core return on average tangible common equity (non-GAAP)	9.07%	7.66%	10.45%	8.35%	10.32%
Core efficiency ratio					
Core non-interest expense (numerator) (non-GAAP)	30,373	30,838	30,848	61,212	62,179
Core operating revenue (denominator) (non-GAAP)	52,658	51,880	48,582	104,537	96,480
Core efficiency ratio (non-GAAP)	57.68%	59.44%	63.50%	58.56%	64.45%

Thank You

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