6,718,729 Shares

amalgamated bank

Amalgamated Bank
Class A Common Stock

This is an initial public offering of shares of Class A common stock of Amalgamated Bank, a New York non-member commercial bank and a chartered trust company (the "Bank"). The selling stockholders identified in this offering circular are offering 6,718,729 shares of Class A common stock. We will not receive any of the proceeds from the sale of shares in this offering.

Prior to this offering, there has been no established public market for our Class A common stock. We currently estimate that the public offering price per share of our Class A common stock will be between $15.00 and $17.00 per share. We have applied to list our Class A common stock on the Nasdaq Global Market under the symbol "AMAL."

Investing in our Class A common stock involves risks that are described in the "Risk Factors" section beginning on page 26 of this document.

SHARES OF OUR CLASS A COMMON STOCK ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE AMOUNT YOU INVEST.

THIS DOCUMENT CONSTITUTES AN OFFERING CIRCULAR COVERING SECURITIES THAT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT") PURSUANT TO SECTION 3(A)(2) THEREOF. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE SECURITIES AND EXCHANGE COMMISSION, THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES, NOR ANY OTHER REGULATORY BODY, NOR HAS THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE SECURITIES AND EXCHANGE COMMISSION, THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES, NOR ANY OTHER REGULATORY BODY PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and, as a result, have elected to take advantage of certain reduced public company reporting and disclosure requirements in this offering circular.

The distribution of this offering circular and the offering of the shares in certain jurisdictions outside the United States may be restricted by law. Persons who receive this offering circular in such jurisdictions should see "Notice to Investors" on page 174 for more information regarding these restrictions.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts	$	$
Proceeds to the selling stockholders, before expenses	$	$

The underwriters may also exercise their option to purchase up to an additional 1,007,809 shares of our Class A common stock from the selling stockholders at the public offering price less the underwriting discount, for days after the date of this offering circular.

The shares of Class A common stock in this offering will be ready for delivery on or about , 2018.

Joint Bookrunners

Barclays **J.P. Morgan** **Keefe, Bruyette & Woods** *A Stifel Company*

Co-Managers

Piper Jaffray **Raymond James** **Sandler O'Neill + Partners, L.P.**

Offering Circular dated , 2018.

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You should rely only on the information contained in this offering circular and any supplement or addendum that may be provided to you. None of the Bank, the selling stockholders or the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We, the selling stockholders, and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this offering circular and any supplement or addendum is accurate only as of the date thereof, regardless of the time of delivery of this offering circular or any sale of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

ABOUT THIS OFFERING CIRCULAR

Unless we state otherwise or the context otherwise requires, references in this offering circular to "we," "our," "us," the "Bank" and "Amalgamated" refer to Amalgamated Bank and its consolidated subsidiaries as a combined bank following the acquisition of New Resource Bank completed on May 18, 2018 (the "New Resource Bank Acquisition"). We use the term Combined Bank to refer to any financial information presented on a pro forma basis to give effect to the New Resource Bank Acquisition as if the transaction had occurred on March 31, 2018, but not give effect to the purchase method of accounting. Financial information with respect to New Resource Bank has been derived from New Resource Bank's historical Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than $1 Billion - FFIEC 051 (the "NRB Call Report") for March 31, 2018. The NRB Call Report was prepared by New Resource Bank's management team prior to the completion of the New Resource Bank Acquisition and may not reflect similar assumptions or accounting standards used in Amalgamated Bank's financial statements. The New Resource Bank financial information included in this offering circular has not been reviewed or audited by our independent registered public accounting firm and may not be directly comparable to Amalgamated Bank's financial results for corresponding periods.

References to our "Class A common stock" and "common stock" refer to our Class A common stock, par value $0.01 per share.

Unless otherwise indicated, the dollar amounts in this offering circular are presented rounded to the nearest thousand and fractional shares have been rounded down to the nearest whole number.

Unless otherwise expressly stated or the context otherwise requires, all information in this offering circular assumes that the underwriters will not exercise their option to purchase additional shares of common stock from the selling stockholders.

European Economic Area

This offering circular (and any supplement or addendum) have been prepared on the basis that any offer of common stock in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus pursuant to Article 3 of the Prospectus Directive. Accordingly, any person making or intending to make an offer in that Relevant Member State of common stock which is the subject of the offering contemplated in this offering circular (and any supplement or addendum thereto) should only do so in circumstances in which no obligation arises for Amalgamated Bank or any underwriter to produce a prospectus for such offer. Neither Amalgamated Bank nor any underwriter has authorized, nor do they authorize, the making of any offer of common stock through any financial intermediary, other than offers of common stock made by the underwriters contemplated in this offering circular (and any supplement or addendum thereto).

In relation to each Relevant Member State, each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of common stock to the public in that Relevant Member State prior to the publication of a prospectus in relation to common stock which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of common stock to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common stock shall require Amalgamated Bank or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of common” in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common stock to be offered so as to enable an investor to decide to purchase the common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

In the United Kingdom, this offering circular (and any supplement or addendum) is distributed to and only directed at persons (i) who have professional experience in matters relating to investments and who fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”); (ii) who are high net worth companies, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) to whom it may otherwise lawfully be communicated in accordance with the Order (all such persons falling within (i)-(iii) together being referred to as “relevant persons”). The shares of common stock are only available to relevant persons, and any investment or investment activity to which this offering circular (and any supplement or addendum) relates will be made only to or with relevant persons. Any person who is not a relevant person should not act or rely on this offering circular (and any supplement or addendum) or any of their contents.

INDUSTRY AND MARKET DATA

The market data and other statistical information used throughout this offering circular are based on independent industry sources and publications, including SNL Financial. Some data is also based on our good-faith estimates, which are derived from our review of internal surveys, as well as independent industry publications, government publications, reports by market research firms or other published independent sources. Unless otherwise indicated, none of the independent industry publications referred to in this offering circular was prepared on our or our affiliates’ behalf or at our expense, and we have not independently verified the data or information obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding other forward-looking statements in this offering circular.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than $1.0 billion in revenues during our last fiscal year, we qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements that would otherwise be required by law in the case of a registered offering of securities under the Securities Act and is relieved of certain other significant requirements that are otherwise generally applicable to reporting companies under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We are not subject to these requirements for this offering, since this offering is not registered under the Securities Act. However, following this offering we will be subject to the Exchange Act (as discussed below).

For purposes of this offering circular and consistent with the requirements applicable to emerging growth companies under the Securities Act, we have elected to only present (i) two years of audited consolidated financial statements and the related management's discussion and analysis of financial condition and results of operations for those periods, and (ii) less extensive disclosure regarding our executive compensation arrangements. In addition, as permitted for emerging growth companies, we have elected to present less than five years of selected historical financial information.

Following our initial public offering, upon registration as a reporting company under the Exchange Act, we expect to continue to qualify as an emerging growth company and, as such, may elect to take advantage of relief for emerging growth companies under the Exchange Act, including:

- only being required to present two years of audited financial statements and two years of related management's discussion and analysis of financial condition and results of operations;
- presenting less than five years of selected historical financial information;
- no requirement to obtain an attestation and report from our auditors on management's assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act;
- providing less extensive disclosure about our executive compensation arrangements; and
- no requirement to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements (although we intend to do so).

We may take advantage of this reporting relief for up to five years from the completion of our initial public offering on or about , 2018 unless we earlier cease to be an emerging growth company. We will cease to be an emerging growth company and may no longer rely on this reporting relief on (a) the last day of the fiscal year in which our annual gross revenues exceed $1.07 billion, (b) the date we have more than $700.0 million in market value of our common stock held by non-affiliates as of the last business day of our most recently completed second fiscal quarter, or (c) the date on which we issue more than $1.0 billion of non-convertible debt in a three-year period.

Section 107 of the JOBS Act also permits us an extended transition period for complying with new or revised accounting standards affecting public companies until they would apply to private companies. We have elected to take advantage of this extended transition period, which means that the financial statements included in this offering circular, as well as any financial statements that we file in the future, will not be subject to all new or revised accounting standards generally applicable to public companies for the transition period for so long as we remain an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period under the JOBS Act.

OFFERING CIRCULAR SUMMARY

This summary highlights certain material information contained elsewhere in this offering circular. Because this is a summary, it may not contain all of the information that is important to you when deciding to invest in our Class A common stock. Therefore, you should read this entire offering circular before investing, including the information under "Risk Factors" beginning on page 26, "Cautionary Note Regarding Forward-Looking Statements" on page 58 and our financial statements and related notes appearing elsewhere in this offering circular, before deciding to invest in our Class A common stock.

Our Bank

Amalgamated Bank is a commercial bank and a chartered trust company headquartered in New York, New York. We were formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America. We provide a broad range of products and services to a target customer base that wants 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 and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses, and other for-profit companies that seek to balance their profit-making activities with activities that benefit their other stakeholders (we will refer to these organizations on a collective basis as socially responsible organizations), as well as the members and stakeholders of these commercial customers. As of March 31, 2018, our total assets were $4.2 billion, our total loans, net of deferred fees and allowance were $2.9 billion, our total deposits were $3.3 billion, and our stockholders' equity was $346.6 million. As of March 31, 2018, our trust business held $29.4 billion in assets under custody and $11.6 billion in assets under management.

We bring distinct value to our customers who have been historically underserved by traditional financial institutions, and we believe that we are one of the premier financial partners for organizations and individuals that want to bank with a socially responsible institution sharing their values. The combination of our relationship-based, personalized service model, customized solutions, like-minded socially and environmentally responsible employees, and experienced management team uniquely positions us to serve our customers. Our credentials within this community are enhanced by our B Corporation certification, which is a globally-recognized distinction by the nonprofit organization B Lab, highlighting the work of good corporate citizens around the world. This certification is offered only to businesses that demonstrate a commitment to creating a more socially equitable world, including an accessible economy with opportunity for all. We are also the largest of ten 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. We have a clearly defined vision to be America's socially responsible bank.

Our Chief Executive Officer and President, Keith Mestrich, was appointed in 2014 to harness the profit potential of our target customer base. Since his appointment, we have hired new members for our management team, grown our customer base, instilled a disciplined expense culture, and improved the quality of both our assets and sources of funding. We have grown deposits within our target customer segment by deepening and expanding our customer relationships, which has led to a 14% compounded annual growth rate of stable, low-cost core deposits (excluding time deposits) over the three-year period ended December 31, 2017. Additionally, we continue to enhance the bank's efficiency by discontinuing unprofitable business lines, closing 46% of our branches and rationalizing our number of full-time employees since December 31, 2014. We also have improved the quality of our assets and liabilities on the balance sheet by exiting legacy non-performing and substandard credits and reducing our reliance on expensive wholesale borrowings. These efforts have resulted in 13 consecutive quarters of positive pre-tax income through March 31, 2018. We also successfully completed the New Resource Bank Acquisition on May 18, 2018, which enabled us to expand into the San Francisco metropolitan area including adding one branch.

We intend to continue to execute on our strategic plan, which we believe will position Amalgamated for strong future growth and enhanced profitability while maintaining our conservative risk culture. Our distinctive business model generates a stable source of low-cost core deposits. For example, our average cost of deposits during the twelve-month period ended December 31, 2017 was 24 basis points compared to the 54 basis points average cost of deposits for all banks within the local markets in which we operate. In the first quarter of 2018, our average cost of deposits was 26 basis points. As a result, we have a significant amount of excess liquidity, which we prudently deploy in a combination of loans to target commercial customers, various types of real estate loans, and securities in order to achieve attractive risk-adjusted returns. We have a robust governance process in place to maintain conservative credit standards and underwrite each loan on our balance sheet. We may reallocate the portfolio as risk-adjusted returns across asset classes or other market conditions evolve, but do not anticipate material changes in our current allocation strategy. We believe there is significant opportunity to continue our growth given the size of our target customer segment, which we estimate to hold over $90 billion in assets based on research we commissioned in 2016. We believe a key benefit of our differentiated business model is our flexibility to allocate our excess liquidity to achieve attractive risk-adjusted returns.

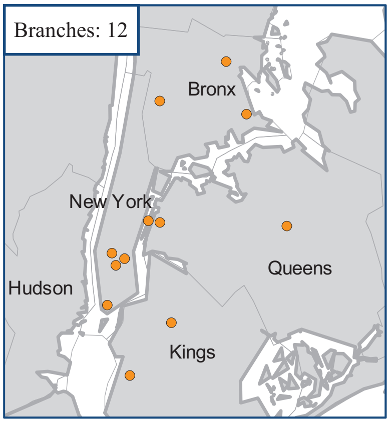
Our Market Area

We are focused on geographic markets with large and growing populations of our target customer base. Our primary geographic markets include the New York City metropolitan area, the Washington, D.C. metropolitan area and, following the New Resource Bank Acquisition, the San Francisco metropolitan area. Based on research we commissioned, each of these markets is densely populated with a significant number of values-based businesses and non-profit organizations. We are also able to leverage our heritage as a socially responsible bank to market to customers nationwide.

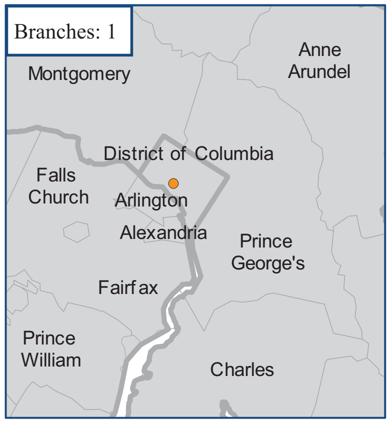
We currently have an efficiently managed network of 12 branches in New York City, one branch in Washington, D.C., one branch in San Francisco (acquired in the New Resource Bank Acquisition), a domestic representative office in Pasadena, California, and a loan production office in Boulder, Colorado (acquired in the New Resource Bank Acquisition). Following our success in New York, a community we have now been a part of for nearly a century, we entered the Washington, D.C. market with a successful strategic expansion in 1998. We bolstered our efforts in the Washington, D.C. market in 2012 under the direction of our then Regional Director (and current CEO), Keith Mestrich, and have since generated a 55% compound annual deposit growth rate during the three-year period ended December 31, 2017 for that market.

Amalgamated Locations

New York City
Presence for nearly a century



Washington, D.C.
Successful strategic expansion



San Francisco
New Resource Bank Acquisition

Source: SNL Financial.

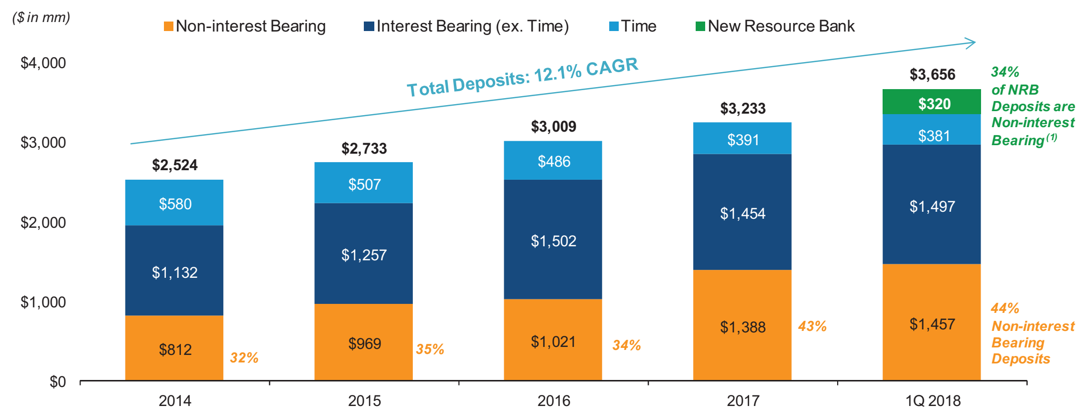
Our Business Model

We are a full-service commercial bank offering a broad range of deposit products, trust and investment management services, and lending services. We generate low-cost deposits from our values-based commercial clients and consumer customers. We further develop new and existing relationships through our trust, custody, and investment management services, which generate fee income, and we also offer investment, brokerage, asset management, and insurance products to our retail customers through a third-party broker dealer. Because our target customer base has historically had limited credit needs, we generate a significant amount of excess liquidity from these relationships, which we, in turn, deploy through a conservative asset allocation strategy to achieve attractive risk-adjusted returns.

Deposits

We gather deposits primarily through teams of bankers organized based on region and client segment. We believe we have become one of the leading banks of choice for many of these groups who, in turn, contribute a significant source of low-cost core deposits to the Bank. The vast majority of our commercial deposits are derived from socially responsible organizations. Our total deposit base is composed of 44% non-interest bearing accounts and has an average cost of deposits of only 26 basis points for the three months ended as of March 31, 2018, with a deposit beta (defined as the change in our average cost of deposits as a percentage of the change in the target federal funds rate) well below peer and national averages. We have generated a deposit beta of only 2% in the current rising interest rate cycle since September 30, 2015 through March 31, 2018. We believe that our focus on serving the banking interests of the mission-driven customer market gives us a competitive advantage over other commercial banks in generating business from our target customer base.

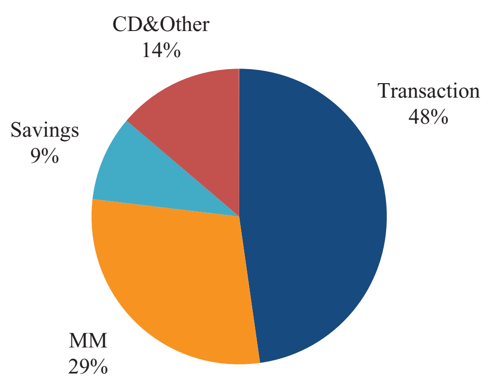
Total Deposit Growth and Composition



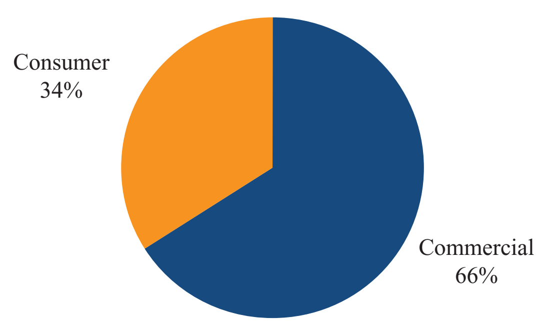
	2014	2015	2016	2017	1Q 2018
% Core Deposits:	77%	81%	84%	88%	89%
Branches:	24	17	16	13	13
Average Cost of Deposits:	0.24%	0.23%	0.23%	0.24%	0.26%

1. *As of March 31, 2018, New Resource Bank's deposits consisted of 13% time deposits, 34% non-interest bearing deposits and 54% interest bearing deposits in 3,132 deposit accounts. For the three months ended March 31, 2018, New Resource Bank's cost of deposits was 5 basis points.*

Deposits by type
(as of March 31, 2018)



Deposits by segment
(as of March 31, 2018)



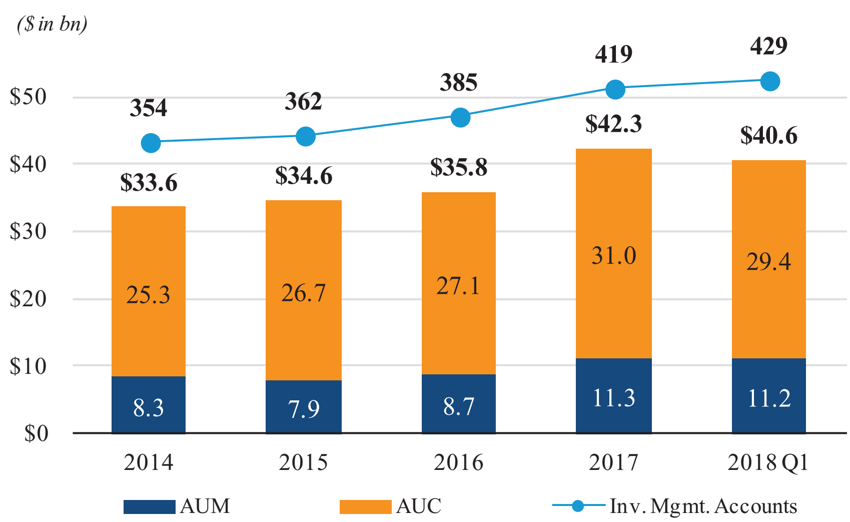
Trust and Investment Management

We have been providing institutional trust, custody and investment management services since 1973. This business has become an integral contributor to our franchise and is complementary to our commercial banking business, as they each help support and grow the other. Approximately one-third of our trust and investment management clients also have commercial banking relationships with the Bank. The majority of our trust and investment management business consists of institutional investment clients, such as multi-employer pension funds and Taft-Hartley funds.

Our investment management offerings are currently composed of a broad range of both index and actively-managed funds spanning equity, fixed-income, real estate assets and alternative investment strategies. Our experienced team specifically tailors our investment strategy to align with the values of our clients. We launched our LongView family of funds in 1992 to promote advocacy through ownership, guided by the investment belief that companies with strong corporate governance deliver stockholders greater and less volatile returns over the long term. We have an active role in promoting strong corporate governance through our proxy-voting guidelines, the filing of socially-aligned stockholder proposals, and litigation brought by us on behalf of our investors, and we believe this distinguishes our index funds from similarly situated funds and provides us with a competitive marketing advantage.

The growth of our commercial banking business has contributed meaningfully to the accelerated growth of our trust, custody and investment management services business in recent years. From December 31, 2014 through December 31, 2017, trust and investment management clients have grown at a 5% compound annual growth rate. In total, our trust and investment management business generated $18.5 million of investment and trust fees, or 68% of total non-interest income, for the year ended December 31, 2017, and $4.6 million, or 66%, for the three months ended March 31, 2018. We believe our business can generate future growth while capturing enhanced operational efficiencies, given the fixed cost structure of the business. We also believe that this embedded operating leverage combined with our expected growth in assets under management and assets under custody and the limited capital required for this business will result in trust and investment management becoming a more meaningful contributor to the Bank's profitability over the next several years.

Assets and Clients [1]



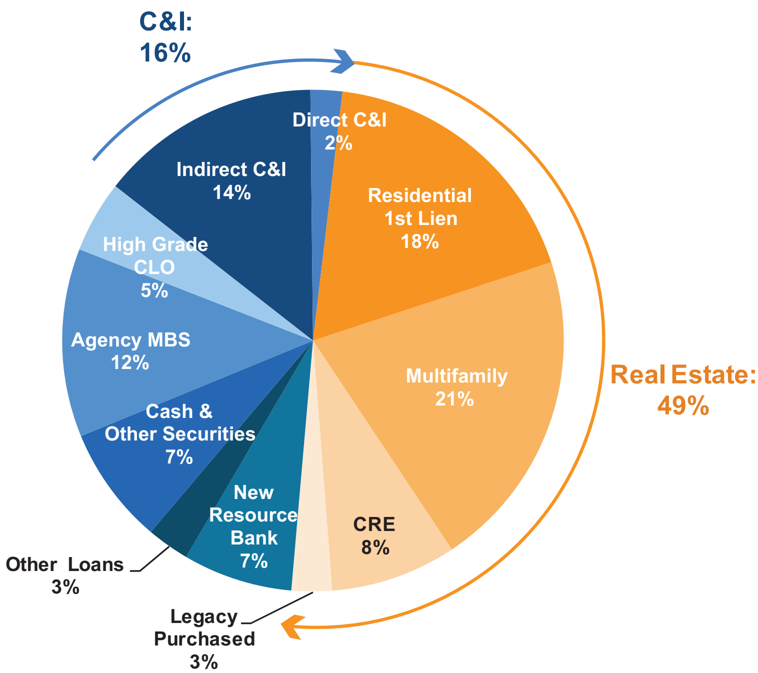
1. *Excludes AUM, AUC and account totals of ULTRA and NYCERS portfolios expected to runoff in the future.*

Asset allocation

Our target customer base provides us with what has historically been a stable source of low-cost core deposits, with generally limited credit needs. Therefore, the Bank has historically had a substantial amount of excess liquidity. We believe a key benefit of our differentiated business model is our flexibility to allocate our excess liquidity to achieve attractive risk-adjusted returns. Our earning asset mix today is composed of a combination of loans to target commercial customers, various types of real estate loans, and securities.

Earning Asset Composition

(as of March 31, 2018)



Interest-Bearing Cash & Securities: $1,050mm

Total Loans: $3,259mm(1)

Total Earning Assets: $4,309mm(1)

1. *Total loans and total earning assets pro forma for $304mm of loans from the New Resource Bank acquisition.*

Commercial and Industrial lending

Our Commercial and Industrial (C&I) portfolio consists of loans to our target customers while our portfolio of Indirect C&I loans has historically been made to companies outside of our target customer base.

Direct C&I

We take a relationship-based approach to our target customer loan origination strategy, as our bankers have developed a deep level of experience with our customers within our target customer base and their unique banking needs. Our business strategy involves us growing our business by earning the trust of these customers through a demonstrated dedication to our shared values—these mission-aligned customers seek our expertise in order to obtain various forms of specialty lending. These commercial loans are typically made to organizations with cash flows that conservatively support the extension of credit, exhibiting an average one-half basis point non-accrual loan ratio and 100 basis points in cumulative charge-offs from December 31, 2014 to December 31, 2017. There were no charge-offs or non-accrual loans related to this portfolio in the first three months of 2018.

Furthermore, we believe that the New Resource Bank Acquisition provides us with a new source of relationship lending to socially responsible organizations. New Resource Bank's core lending markets include clean energy, organic and natural products, green real estate (e.g., properties with energy efficiency and sustainability features), sustainable businesses and nonprofits.

Indirect C&I

Our portfolio of Indirect C&I loans has historically been made to companies outside of our target customer base. While this portfolio currently represents 14% of our total interest earning assets (pro forma for $304 million of New Resource Bank loans), we plan to begin deemphasizing this portfolio and reallocating these balances across our portfolios of C&I loans to target customers, real estate-related loans and securities, in similar proportions to those that currently exist. This reallocation is intended to better align our overall portfolio with our stated strategy of organically growing target customer loans and maintaining a prudent approach to asset allocation.

Real estate loans

Our real estate portfolio consists of loans to individuals and commercial businesses, including 1-4 family, multifamily, and commercial real estate.

Residential Real Estate

Our portfolio of real estate loans to individuals is based primarily in our geographic markets, but also a minority of real estate loans are to individuals outside our geographic markets, some of which are affinity mortgage programs we have developed for members of certain commercial customers. We began offering residential mortgage loans in 2012 and have since originated approximately 1,660 loans totaling $608 million through March 31, 2018. As of March 31, 2018, we have not experienced any losses on this portfolio.

Multifamily and Commercial Real Estate

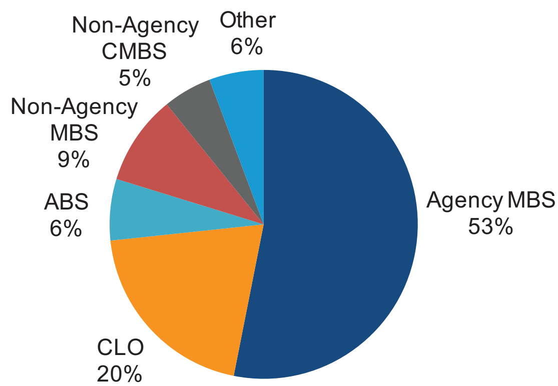
A substantial portion of our portfolio is composed of multifamily loans made to customers in New York, predominantly for rent-stabilized buildings, with an average LTV of 62% at origination. Other commercial real estate exposure is also predominantly in the New York metropolitan area and includes loans on office buildings, retail centers, industrial facilities, medical facilities and mixed-use buildings with an average LTV of 57% at origination.

Securities

Our securities portfolio primarily consists of high-quality and liquid investments in mortgage-backed securities to government sponsored entities and other asset-backed securities. Of our non-agency securities, consisting of non-agency commercial mortgage-backed securities, collateralized loan obligations, non-agency mortgage-backed securities, and asset-backed securities, 92% carry AAA credit ratings and 8% carry credit ratings of A or higher.

Securities Composition

(as of March 31, 2018)



Yield on Securities: 2.72%[(1)]
Total Securities: $985mm

1. *Excludes FHLB stock.*

Our Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and provide us with the necessary foundation to successfully execute on our business strategy.

Uniquely Positioned Business Model Tailored to Socially Responsible Institutions

By choosing Amalgamated, our customers know their money is with a bank that shares their values. We believe that we are one of the premier banks catering to our target customer base—advocacy-based non-profits, social welfare organizations, national and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses as well as the members and stakeholders of these customers. These organizations and consumers have historically been underserved by the traditional banking community and we believe that we are one of the leading banks whose mission is to serve this large and growing sector. We currently only penetrate a small percentage of this market, and we see significant upside if we are able to fully execute on our deposit gathering and relationship building strategy within this customer segment.

We believe that our focus on being a socially responsible bank positions us to benefit from what we expect to be the beginning of a paradigm shift in which consumers and stockholders will hold companies to higher levels of corporate social responsibility and will require companies to focus on contributions to society in addition to delivering profits. For example, the world's largest asset manager, BlackRock, Inc., wrote an open letter in January 2018 to the chief executive officers of both public and private companies urging them to take a guiding role in social change, stating that "companies must benefit all of their stakeholders, including stockholders, employees, customers, and the communities in which they operate." We believe we are ahead of this shift as our overall mission has always been to help those that do good, do better.

Stable, Low-Cost Core Deposit Franchise

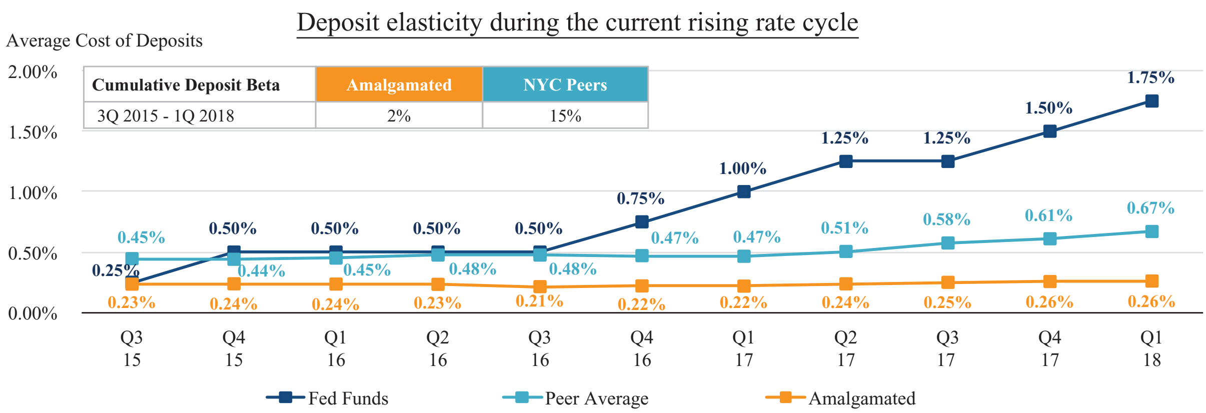
Many of our target customers bank with us because we share their values and offer products and services tailored to their specific needs. Since many of these customers hold large amounts of deposits with us in non-interest bearing or low-interest accounts (for example, we have 218 accounts that, as of March 31, 2018, maintain non-interest bearing account balances over $1 million), our business model positions us to generate a stable source of low-cost core deposits. Our core deposit base has grown at a 14% compound annual growth rate from December 31, 2014 through December 31, 2017. The graph below shows our attractive cost of deposits, both on an absolute and relative basis. We believe this strategy of funding with core deposits differentiates us from many of our geographic competitors who rely on gathering deposits from their branch networks or have a greater reliance on wholesale funding sources.

Average Cost of Deposits

	2014	2015	2016	2017	Q1 2018
Amalgamated	0.24%	0.23%	0.23%	0.24%	0.26%
New York Peers	0.35%	0.42%	0.47%	0.54%	0.67%

* *Peers include BDGE, CNOB, DCOM, FFIC, FLIC, LBAI, PFS and PGC*

As a result of this business strategy, we have generally been less reliant on price competition. Our business model has proven successful over the last two rising interest rate cycles, generating a deposit beta of 24% in the 2004-2006 interest rate cycle and only a 2% beta in the current rising interest rate cycle since the third quarter of 2015 through March 31, 2018.



Source: SNL Financial; Note: Financial data as of the quarter available

1 *Implied deposit elasticity calculated as change in cost of deposits as a percent of the change in Fed Funds over same time period*

2 *Peers include BDGE, CNOB, DCOM, FFIC, FLIC, LBAI, PFS and PGC*

Attractive Geographic Markets and Demonstrated Ability to Expand

Our physical geographic markets are the New York City metropolitan area, the Washington, D.C. metropolitan area and the San Francisco metropolitan area (following the New Resource Bank Acquisition). Our geographic focus mirrors our customer acquisition strategy in that we seek to penetrate markets which have a sizeable number of organizations that fit our target customer base. Based on research we commissioned in 2016, we believe that key portions of our target customer base in the New York metropolitan area, including progressive philanthropies, social advocacy and human needs organizations, and labor unions, held approximately $40 billion in total assets. Given that as of March 31, 2018 we held approximately $1.9 billion in deposits in the New York metropolitan area, we believe we have significant opportunities for growth in this market, which is the largest banking market in the country. Based on this same research, we believe that the same select segments of our target customer base in the Washington, D.C. and San Francisco metropolitan areas held approximately $16 billion and $8 billion in assets, respectively.

As of March 31, 2018, we held approximately $812 million in deposits in the Washington, D.C. metropolitan area, we held approximately $50 million in the San Francisco metropolitan area, and New Resource Bank held approximately $286 million in deposits in the San Francisco metropolitan area. We seek to maximize our market penetration opportunities by focusing our deposit gathering and lending strategies in these densely populated progressive-oriented markets, thereby increasing our ability to attract customers who are likely to react favorably to our mission, values and reputation.

Leveraging our reputation as a socially responsible bank, we have attracted a national customer base. As a result, we offer a robust digital platform with tailored deposit products, commercial lending, and trust and treasury management products to service the particular banking needs of these clients. We believe that our continued growth will be driven by our ability to increase our amount of core deposits from our target customer base and the individuals within these organizations.

Disciplined Credit Risk Management

We have developed underwriting and credit risk management processes tailored to each of our products and verticals. Our comprehensive credit risk management is demonstrated by the strong credit performance of loans originated under our new management team. Our customers provide low-cost core deposits with limited credit needs, which allows us to prudently deploy our liquidity into assets with attractive risk-adjusted returns. As of March 31, 2018, our asset composition consists primarily of lower-risk first-lien 1-4 family real estate loans (21% of assets), multifamily loans (21% of assets), and securities (24% of assets). As a result of our unique business model, we are able to quickly reposition our asset composition to maintain a high-quality credit profile.

The strength of our credit risk management is driven by our team of experienced credit evaluators and underwriters. Credit risk management involves collaboration among our loan officers and relationship managers, underwriters, and credit approval, credit administration, portfolio management and collections and loan workout personnel. We have a comprehensive risk management process including policies and procedures for credit underwriting and monitoring, enabling us to grow our loan portfolio without compromising credit quality. We underwrite all loans including those that are not self-originated except for certain small dollar consumer loans acquired through pool purchases where we review and perform diligence on a sample of the loan pool. As of March 31, 2018, our non-accrual assets to total assets ratio was 0.54% (excluding performing troubled debt restructurings ("TDRs")). We believe our robust approach to risk management will enable us to grow our loan portfolio without compromising credit quality.

Experienced Management Team with Proven Results

Our executive management team consists of individuals with strong backgrounds and deep relationships with mission-driven organizations (including those within our target customer base), experienced financial operators, and seasoned banking professionals. We believe a combination of these skill sets and backgrounds is required to successfully execute our strategy. Our President and Chief Executive Officer, Keith Mestrich, has 30 years of experience with banking and financial management of mission-driven organizations. When Mr. Mestrich took over leadership of the bank in 2014, he enhanced the existing management team with external hires and internal promotions. This team expanded our values-focused mission to a wider group of customers while repositioning the bank for improved risk management, enhanced profitability and increased sustainable growth. Such measures included building out our finance, treasury, credit and risk function with seasoned executives from the banking industry. The team developed our highly sophisticated asset allocation strategy to optimize risk-adjusted returns and reduce our reliance on high-cost wholesale borrowings. Our current management team has an average of 28 years of relevant experience.

Our management team's commitment to our core constituencies provides unique insight into developing and maintaining strong customer relationships. We believe that management's strong track record of performance positions the bank favorably for continued organic and acquisition-related growth.

Our management team includes:

- Keith Mestrich, President, Chief Executive Officer and Director. Keith Mestrich has served as President and Chief Executive Officer of Amalgamated Bank since 2014. Mr. Mestrich has over three decades of experience in banking and financial management, many of those positions assisting the Bank's core constituencies in labor, nonprofits, political organizations and issue-advocacy campaigns. Mr. Mestrich joined Amalgamated in 2012 and directed the Bank's Washington, D.C. operation where he built Amalgamated's presence in the nation's capital. Since his appointment as President and Chief Executive Officer in 2014, Mr. Mestrich has led Amalgamated's turnaround efforts. Under his leadership, the Bank returned to profitability, improved its credit quality, installed a new management team and significantly grew its core deposit base. Mr. Mestrich has spearheaded initiatives to underscore Amalgamated's mission, including support of a $15 minimum wage (and raising the Bank's minimum wage to $15 per hour), acceptance of IDNYC as a primary form of ID and certification as a B Corporation. In 2017, Mr. Mestrich guided Amalgamated's acquisition of San Francisco-based New Resource Bank, creating one of the nation's leading socially responsible banks.

- Andrew LaBenne, Senior Executive Vice President and Chief Financial Officer. Andrew LaBenne has served as our Chief Financial Officer since April 2015 and also as a Senior Executive Vice President since April 2017. He also served as an Executive Vice President from April 2015 until April 2017. Before joining us, he served as Chief Financial Officer of Business Banking for JPMorgan Chase & Co. from August 2013 until April 2015 and spent 17 years at Capital One Financial in various positions in operations, marketing and finance, including as Chief Financial Officer of Retail Banking and Chief Financial Officer of Commercial Banking.

- Martin Murrell, Senior Executive Vice President and Chief Operating Officer. Martin Murrell has served as Senior Executive Vice President, Consumer Banking and Chief Operating Officer of Amalgamated Bank since April 2017. He joined Amalgamated Bank in our Washington D.C. office in April 2016 as our Executive Vice President and Head of Consumer Banking. Mr. Murrell has over 15 years of experience in the design, implementation and management of consumer digital financial services at American Express and Capital One Financial.

- Sam Brown, Executive Vice President, Director of Commercial Banking. Sam Brown joined Amalgamated in 2014 after serving as Director of the White House Business Council in the White House's Office of Public Engagement, a position he held from 2013 to 2014. As The Honorable Barack H. Obama, II, 44th President of the United States' liaison to the private sector, Mr. Brown worked on economic policies to help America's working families and businesses succeed. Before leading the Business Council, Mr. Brown held various positions between 2007 and 2012 serving President Obama. Mr. Brown also served as the founding Chief Operating Officer of Organizing for Action and Finance Chief of Staff for the Obama-Biden 2012 campaign. Mr. Brown holds a bachelor's degree from University of Southern California.

- Jim Lingberg, Senior Vice President, Chief Trust Officer. Jim Lingberg has over 25 years of experience in pension and investment management, real estate and capital markets. Since 2017, Mr. Lingberg is responsible for overseeing our investment management and trust businesses. He joined us in 2016 to lead the Eastern U.S. investment management sales and client service teams. Mr. Lingberg previously worked with the AFL-CIO Investment Trusts' funds, the Building Investment Trust, the Housing Investment Trust, the Equity Index Fund and the Urban Development Fund. From 2001 to 2015, Mr. Lingberg was a member of or led the marketing, investor relations and labor relations team in serving the Taft-Hartley and public fund investors in the four funds. From 1996 to 2001, he was a part of the accounting and finance team for the AFL-CIO Investment Trust entities, and also served as a member of the Portfolio and Investment Committees for the Housing Investment Trust. Mr. Lingberg began his career in 1991 at Price Waterhouse.

- Jamee Lubkemann, Executive Vice President and Director of Consumer Banking. Jamee Lubkemann joined Amalgamated Bank in 2017 after 11 years at American Express. Ms. Lubkemann served in various roles at American Express including, leading Strategic Partnerships and Marketing for American Express Travel, managing relationships with key travel industry partners, and heading up travel marketing strategy for premium card members. While at American Express, Ms. Lubkemann also served as Vice President and General Manager of Personal Savings, where she oversaw growth and management of the high-yield savings and deposit portfolio. Ms. Lubkemann also held positions in Global Commercial Card Payments and Global Merchant Services.
- Mark Pappas, Executive Vice President and Chief Risk Officer. Mark Pappas joined Amalgamated as the Chief Audit Executive in August of 2015. In April 2018, he was appointed Chief Risk Officer of the Bank. Previous to his roles at Amalgamated, over an 11 year period, Mr. Pappas held various roles at Morgan Stanley in Internal Audit and Finance Risk executive leadership which included developing and implementing the global, firm-wide Sarbanes-Oxley compliance program. Prior to joining Morgan Stanley, Mr. Pappas held senior audit leadership positions at international and national banks, including Credit Suisse, Standard Chartered, Bankers Trust and Credit Agricole.
- James Paul, Executive Vice President and Chief Administrative Officer. James Paul joined Amalgamated in September 2011 as Senior Advisor to the Chief Executive Officer. He was named Chief of Staff in July 2014 and appointed Executive Vice President, Chief Administrative Officer in April 2018. Prior to joining us in 2011, he served as Chief Operating Officer for Ullico Inc., a labor owned insurance and financial services company and before that, Mr. Paul served as President of the Graphics Division of Chyron Corporation, a publicly traded international manufacturer of video broadcast equipment. He came to both Ullico and Chyron as the senior human resource executive and was later promoted to general management. Prior to that he served as Senior Vice President, Human Resources for TETE-TV, a joint venture of Bell Atlantic NYNEX, Pacific Telesis and Creative Artists Agency that was created to drive the partners' entry into the interactive entertainment and information markets.
- Arthur Prusan, Executive Vice President and Chief Credit Risk Officer. Arthur Prusan has served as our Chief Credit Risk Officer since April 2018 and has been with us since 2012. Prior to becoming our Chief Credit Risk Officer, he served as our Senior Vice President, Head of Credit Operations and as a Commercial & Industrial Senior Credit Officer. Before joining us, he served as Chief Administrative Officer for Global Business Services Americas at Deutsche Bank.
- Deborah Silodor, Executive Vice President and General Counsel. Deborah Silodor has served as an Executive Vice President and as our General Counsel since 2015. She served as our Deputy General Counsel from February 2009 to January 2015 and as our Assistant General Counsel from June 2007 to February 2009. Before joining us, she served as counsel in the law firm of Lowenstein Sandler in New Jersey from June 1999 until June 2007, where she specialized in commercial litigation. Earlier in her career, Ms. Silodor served as an enforcement attorney with the Office of Thrift Supervision.

Our Business Strategy

We have a clearly defined vision to be America's socially responsible bank. Our mission is inspired by our core value: *To help those who do good, do better*. Our mission and core values have enabled us to become a financial institution focused on serving values-based organizations and people. Our differentiated model of providing relationship-based, personalized-service and customized solutions while sharing our customers' values has driven the growth of our commercial banking, trust and investment management, and increasingly our consumer banking businesses.

We expect to further enhance our franchise value by continuing to develop organic relationships with our target customer base and maintaining our risk and expense discipline. We plan to expand our customer base by forming new relationships with our target customers in existing markets, and strategically expanding into new geographies and opportunistic acquisitions. We believe this will drive growth in our core banking business and our trust and investment management business. Protecting our values-based franchise also requires disciplined risk and expense management, which we believe is essential to our business strategy. Commitment to our customers' values is a central tenet of our differentiated business model and we expect it to continue to serve as the pillar of our broader business strategy.

Focus on Deposit-led Organic Growth

Our primary goal is to develop organic relationships in our target customer segments to support growth of our high quality, low-cost core deposit base. Our growth has been achieved by providing relationship-based, personalized-service and customized solutions. The success of our deposit gathering strategy has enabled us to become a primarily core deposit-funded institution, resulting in a lower cost funding base. Core deposits, which include checking accounts, money market accounts, and savings accounts, totaled $2.9 billion as of March 31, 2018 and represented 89% of total deposits. Our deposit strategy enables us to attract commercial depositors that also borrow and invest with the Bank. Our deposit growth in the New York metropolitan area has increased at a 7.3% compound annual growth rate from December 31, 2014 through December 31, 2017 despite our branch rationalization that resulted in the closure of 11 branches. Our deposit growth has in large part been driven by the growth of accounts greater than $1 million, which have increased by 76% since December 31, 2014 through December 31, 2017. Additionally, retail customers are increasingly looking for technology-enabled solutions to streamline their banking experience, reduce overall transaction time, and connect in a user-friendly manner. We have made significant investments in our digital capabilities and believe our current offerings will be attractive to our target customers and allow us to penetrate a national market. We believe our reputation within our target customer base positions us well to sustain our growth trajectory.

Geographic Expansion

We intend to consider strategic expansions, either organically or through acquisitions, into new markets that have a large constituency of socially responsible organizations and individuals. We are demonstrating our ability to grow through expansion in Washington, D.C. and through acquisitions with the recently consummated acquisition of New Resource Bank, based in San Francisco. We intend to evaluate opportunities to efficiently expand our geographic footprint into other large metropolitan areas throughout the United States that share the same characteristics as San Francisco and our other current markets. Based on research we commissioned, potential markets that we believe have similar target customer bases with sizeable asset concentrations include Chicago, Boston, and Los Angeles. Other notable markets include Seattle and Austin.

We expect to continue to work to identify, from time to time, opportunistic acquisitions that are financially attractive, as demonstrated in the New Resource Bank Acquisition, and either enhance our penetration in existing markets or help us gain entry into new markets, with the intention of accelerating our growth. Our ideal targets are banks that cater to segments of our target customer base. We believe that we will be well-positioned as an acquirer of choice because of our shared values, financial strength and operating model.

Grow Trust and Investment Management Business

We have been dedicated to serving the investment needs of our institutional clients for more than 40 years. We offer a broad range of both index and actively-managed funds spanning equity, fixed-income, real estate and alternative investment strategies. Our commercial banking business continues to benefit from the growth of our trust and investment management business as approximately one-third of our trust and investment management clients maintain a commercial deposit account with the Bank. Our existing commercial clients have large trust and investment management needs. As a result of our newly developed strategy, our bankers are taking a more holistic view of our clients' needs, which we believe we will increase our assets under management and assets under custody.

Our current infrastructure provides the necessary scale to increase our market presence among corporations, endowments, foundations and family offices. We provide additional customized products to our clients, allowing us to expand our product suite and increase efficiency. Our values, reputation and superior client service help us broaden our existing client relationships and foster continued growth in the products and services we offer them. We believe that as our assets under management and assets under custody continue to grow, our trust and investment management business will meaningfully contribute to our profitability given the operating leverage from our fixed cost structure and the limited amount of capital required to support this business.

Maintain a Prudent Approach to Asset Allocation

Our business model has historically generated a substantial source of low-cost core deposits and we believe that it will continue to do so. As noted above, our target customers have historically had limited credit needs, and we do not expect that these needs will change meaningfully. As such, our business model gives us access to excess liquidity, which we intend to prudently manage to optimize risk-adjusted returns. We expect that our lending strategy will continue to consist of Direct C&I loans. We also expect to deploy these liquid assets to achieve attractive risk-adjusted returns. We have begun to deemphasize the Indirect C&I portfolio through loan sales and maturities; although, overall we ultimately believe our current allocation strategy will remain relatively consistent. We believe the flexible nature of our asset composition is a key strength of our business strategy as it allows us to adjust to evolving pricing dynamics and credit conditions.

Focus on Optimizing Operating Leverage, Capital Return and Continued Profitability Enhancement

With the additions to our management team and the new locations in Washington, D.C. and San Francisco, we believe we have built a scalable platform to support future organic or acquisition growth without making significant additional investments, which we expect will improve operating efficiencies over time. We have demonstrated the ability to eliminate excess costs without sacrificing growth by reducing our number of branches, exiting unprofitable business lines, and eliminating unnecessary positions.

We are focused on optimizing our expense base to generate positive operating leverage. Examples of our cost savings opportunities may include redundancies due to new technology investments and reduction in occupancy cost to the extent we identify opportunities to shift certain back office jobs to more cost efficient locations.

Further, our conservative asset allocation strategy enables us to prudently calibrate our target capital levels, while maintaining a level in excess of the ratios required under law and regulation. To the extent that we generate capital in excess of our targets, we may work to return some excess capital to our stockholders, subject to applicable legal and regulatory limitations.

In addition to operating leverage and capital return, we believe that our business strategy focusing on low-cost organic deposit growth, business development (including enhancement of our trust and investment management services and the development of digital banking), maintaining an asset sensitive balance sheet and potential for geographic expansion should lead to a meaningful improvement in profitability and returns.

Recent Developments — Preliminary Second Quarter Highlights (unaudited)

Our strategic acquisition of New Resource Bank, which was announced on December 15, 2017 and closed on May 18, 2018, expands our commercial relationships in San Francisco. We believe the acquisition provides

Amalgamated with the opportunity to offer mission-aligned products and services to a new market that we believe is highly concentrated with our target customer base. As of March 31, 2018, New Resource Bank had $364 million in total assets, $304 million in total loans, and $320 million in total deposits on its balance sheet. New Resource Bank had a cost of total deposits of 0.05%, a net interest margin of 4.46%, non-interest expense over average assets ratio of 3.67%, ROAA of 0.34% and ROAE of 3.2% as of March 31, 2018. Further, as of March 31, 2018, New Resource Bank had a non-accrual over total loans ratio of 0.02%, risk-weighted assets over assets ratio of 97.3%, and its common equity tier 1 capital was 11.0%. As of March 31, 2018, New Resource Bank had one location in San Francisco and 51 full-time employees.

On May 30, 2018, we completed the repurchase of the 67 shares of outstanding Series B preferred stock and as a result have no outstanding shares of preferred stock. On July 20, 2018, the Bank announced that its board of directors declared a 20-for-1 stock split in the form of a 100% stock dividend payable on July 27, 2018 to stockholders of record as of the close of business on July 9, 2018 (the "Stock Dividend"). The Stock Dividend resulted in an additional 19 shares for every one share held and will be payable in shares of Class A common stock on the existing shares of Class A common stock. As of June 30, 2018, prior to the Stock Dividend, we had 1,588,579 shares of Class A common stock issued and outstanding and 1,490,717 weighted average shares of Class A common stock issued and outstanding for the three months ended June 30, 2018. After giving effect to the Stock Dividend, we had 31,771,584 shares of Class A common stock issued and outstanding and 29,814,344 weighted average shares of Class A common stock issued and outstanding for the three months ended June 30, 2018.

Our interim financial statements for the three and six months ended June 30, 2018 are not yet available. The following preliminary unaudited financial information for the three and six months ended June 30, 2018 is based solely on management's estimates reflecting currently available preliminary information and remains subject to our consideration of subsequent events, particularly as they relate to material estimates and assumptions used in preparing management's estimates for the three and six months ended June 30, 2018. Our independent registered public accounting firm, KPMG LLP, has not audited or reviewed, and does not express an opinion with respect to, this information.

This summary is not a complete presentation of our financial results for the three and six months ended June 30, 2018. We have provided below a range of our preliminary net income, rather than a specific amount. Our final financial results as of and for the three and six months ended June 30, 2018 may materially differ from our estimates and interim balances indicated below. In addition, the following estimates constitute forward-looking statements and are subject to risks and uncertainties, including those described under "*Risk Factors*" in this offering circular. See "*Risk Factors—Risks Related to Our Business and Operations*" and "*Cautionary Note Regarding Forward-Looking Statements.*" The following information should be read together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and notes thereto included elsewhere in this offering circular.

We estimate total assets at June 30, 2018 to be approximately $4.6 billion (inclusive of $407 million of assets at March 31, 2018 acquired in the New Resource Bank Acquisition) compared to $4.2 billion for the three months ended March 31, 2018 and $4.0 billion for the year ended December 31, 2017. For the six months ended June 30, 2018, we expect deposits to be approximately $4.0 billion (inclusive of $362 million of deposits acquired in the New Resource Bank Acquisition) compared to $3.3 billion for the three months ended March 31, 2018 and $3.2 billion for the year ended December 31, 2017. As of June 30, 2018, we expect loans, net of fees and allowance to be approximately $3.1 billion (inclusive of $337 million of loans acquired in the New Resource Bank Acquisition) compared to $2.9 billion for the three months ended March 31, 2018 and $2.8 billion for the year ended December 31, 2017.

Loan growth in the quarter was tempered by our planned runoff of our syndicated and private equity sponsored portfolios in our C&I loan balances. For the three months ended June 30, 2018, we expect those held-for-investment portfolios to decline by $161 million to $454 million from $615 million for the three months ended March 31, 2018.

Our provisions for loan losses totaled a release of $2.7 to $2.9 million for the three months ended June 30, 2018 and $1.8 to $2.0 million for the six months ended June 30, 2018. The release of provision in the three months ended June 30, 2018 was primarily the result of a reduction in our held-for-investment syndicated and private equity sponsored portfolios in our Indirect C&I portfolio.

We estimate that net interest income will be in the range of $36 million to $37 million for the three months ended June 30, 2018, compared to $30 million for the three months ended June 30, 2017. We estimate that net interest income will be in the range of $69 million to $70 million for the six months ended June 30, 2018, compared to $58 million for the six months ended June 30, 2017. We anticipate that our net interest margin for the three months ended June 30, 2018 will increase approximately 10 to 14 basis points from net interest margin of 3.43% for the three months ended March 31, 2018. We estimate that our average cost of deposits for the three months ended June 30, 2018 will be 0.24% compared to 0.26% for the three months ended March 31, 2018.

We expect to report net income in the range of $11 million to $12 million for the three months ended June 30, 2018, compared to net income of $2 million for the three months ended June 30, 2017. For the six months ended June 30, 2018, we expect to report net income in the range of $19 million to $20 million, compared to net income of $5 million for the six months ended June 30, 2017. The expected increase in net income is primarily attributable to an increase in net interest income resulting from growth of low-cost, core deposits deployed into a combination of loans and securities. As a result, we expect our return on average assets for the three months ended June 30, 2018 to be in the range of 1.0% and 1.1%. We expect our return on average assets for the six months ended June 30, 2018 to be in the range of 0.9% and 1.0%. We expect our return on average equity for the three months ended June 30, 2018 to be in the range of 11.7% and 12.7%. We expect our return on average equity for the six months ended June 30, 2018 to be in the range of 10.4% and 11.0%.

We expect to report basic earnings per weighted average common share outstanding in the range of $7.40 to $8.00 for the three months ended June 30, 2018 (or $0.37 to $0.40 after giving effect to the Stock Dividend) and in the range of $13.00 to $14.00 for the six months ended June 30, 2018 (or $0.65 to $0.70 after giving effect to the Stock Dividend). We expect book value per common share outstanding at June 30, 2018 to be in the range of $254 to $258 (or $12.70 to $12.90 after giving effect to the Stock Dividend). We expect tangible book value per common share outstanding at June 30, 2018 to be in the range of $240 to $244 (or $12.00 to $12.20 after giving effect to the Stock Dividend). We define "tangible book value" as total Bank stockholders' equity excluding minority interests, preferred stocks, and intangible assets. We believe that the most directly comparable GAAP financial measure is total stockholders' equity.

We expect the Bank's capital ratios at June 30, 2018 to continue to exceed all regulatory minimums and the Bank to remain categorized as "well capitalized".

Our Controlling Stockholders

Prior to this offering, Workers United and affiliates owned approximately a 55.2% equity stake in the Bank, while funds associated with WL Ross & Co. and The Yucaipa Companies, LLC each own approximately an 16.5% equity stake. Immediately following the completion of this offering, Workers United and its affiliates, and funds associated with WL Ross & Co. and The Yucaipa Companies, LLC will have ownership of 40.9%, 12.6% and 13.5%, respectively (not giving effect to any shares which may be sold pursuant to the underwriters' option to purchase up to an additional 1,007,809 shares). In addition, on May 18, 2018, we issued

3,710,600 shares of Class A common stock to shareholders of New Resource Bank (as adjusted to give effect to the Stock Dividend) in connection with the New Resource Bank Acquisition, representing 11.7% of our outstanding shares. As a result of our pro forma ownership, we will, upon the closing of this offering, restructure our board of directors and reduce the size of the board from 16 to 13 members consisting of Mr. Mestrich, Mark A. Finser (the former chair of New Resource Bank board of directors), five directors (which will include Ms. Fox, Ms. Kelly, and Mr. Romney, Sr. and two independent directors, as noted below) designated by Workers United, one director designated by WL Ross & Co., one director designated by The Yucaipa Companies, LLC, and the other four existing independent directors—Mr. Bouffard, Mr. Dinerstein, Mr. McDonagh, and Mr. Romasco. As of the date of this offering circular, we have appointed Patricia Diaz Dennis to our board, effective upon consummation of the offering. We also intend to appoint another independent director to be designated by Workers United, which we anticipate will be done shortly following completion of the offering. For additional information, see "*Certain Relationships and Related Party Transactions – Arrangements with the WL Ross Funds and Yucaipa Funds" and "- Arrangements with Workers United*".

THE OFFERING

Common stock offered by the selling stockholders[1]	6,718,729 shares of common stock, par value $0.01 per share. In addition, the selling stockholders have granted the underwriters an option to purchase up to an additional 1,007,809 shares of our common stock for 30 days after the date of this offering circular.
Common stock to be outstanding after this offering[1], [2]	31,771,584 shares of common stock.
Use of proceeds	The selling stockholders are selling all of the shares of common stock in this offering and we will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.
Dividend policy	We have only paid a cash dividend to holders of our common stock once since 2010; however, following this offering we intend to begin paying a quarterly cash dividend of $0.06 per share of our common stock beginning in the fourth quarter of 2018. Any actual determination relating to our dividend policy will be made, subject to applicable law and regulatory approvals, by our board of directors and will depend on a number of factors, including: (1) our historical and projected financial condition, liquidity and results of operations, (2) our capital levels and needs, (3) tax considerations, (4) any acquisitions or potential acquisitions that we may examine, (5) statutory and regulatory prohibitions and other limitations, (6) the terms of any credit agreements or other borrowing arrangements that restrict our ability to pay cash dividends, (7) general economic conditions, and (8) other factors deemed relevant by our board of directors. The board of directors may determine not to pay any cash dividends at any time. There can be no assurance that we will pay any dividends to holders of our common stock, or as to the amount of any such dividends. See "*Dividend Policy*" and "*Supervision and Regulation – Payment of Dividends*" for more information.
Directed Share Program	At our request, the underwriters have reserved for sale at the initial public offering price up to 5% of the shares of our common stock being offered by this offering circular for sale to certain of our employees, executive officers, directors, business associates and related persons or entities who have expressed an interest in purchasing our common stock in this offering. We do not know if these persons will choose to purchase all or any portion of the reserved shares, but any purchases they do make will reduce the number of shares available to the general public. See "*Underwriting—Directed Share Program*."

Preemptive and Other Rights	Purchasers of our common stock in this offering will not have any preemptive rights. Our common stock is not subject to redemption.
Listing	We have applied to list our common stock on The Nasdaq Global Market under the symbol “AMAL.”
Risk Factors	Investing in our common stock involves significant risks. You should read the “*Risk Factors*” beginning on page 26, as well as other cautionary statements throughout this offering circular, before investing in shares of our common stock.

(1) The numbers set forth in this table have been adjusted to give effect to the Stock Dividend.

(2) Based on 31,771,584 shares outstanding (as adjusted for the Stock Dividend based on 1,588,579.249 shares of common stock issued and outstanding as of June 30, 2018) and does not include 2,342,000 shares reserved for issuance pursuant to stock options. See “*Executive Compensation—Long-Term Incentives*.” As of June 30, 2018, there were approximately 181 holders of our common stock.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected historical consolidated financial data for the periods and as of the dates indicated. The selected historical consolidated financial data for the years ended December 31, 2017, 2016, 2015 and 2014 are derived from our audited consolidated financial statements. The financial statements as of and for the years ended December 31, 2017, 2016, 2015 and 2014 have been audited by KPMG LLP, which is an independent registered public accounting firm. The selected historical consolidated financial data as of and for the three months ended March 31, 2018 and 2017 are derived from our unaudited interim consolidated financial statements. You should read this information and discussion together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Risk Factors*" and our consolidated financial statements and the related notes thereto, which are included elsewhere in this offering circular. Our historical results shown below and elsewhere in this offering circular are not necessarily indicative of our future performance. The selected historical financial data presented below contains financial measures that have not been audited.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			
(in thousands, except per share amounts)	2018	2017	2017	2016	2015	2014
Selected Operating Data:						
Interest income	$ 36,243	$ 33,485	$ 139,058	$ 126,652	$ 120,429	$ 118,782
Interest expense	3,442	5,187	17,761	23,300	24,108	29,487
Net interest income	32,801	28,298	121,297	103,352	96,321	89,295
Provision for loan losses	851	1,007	6,672	7,557	2,766	(324)
Net interest income after provision for loan losses	31,950	27,291	114,625	95,795	93,555	89,619
Non-interest income	7,015	7,484	27,370	31,790	28,126	20,219
Non-interest expense	28,788	30,487	122,274	116,890	115,433	129,234
Income before income taxes	10,177	4,288	19,721	10,695	6,248	(19,396)
Provision (benefit) for income taxes	2,516	1,439	13,613	137	(13,279)	(7,607)
Net income	$ 7,661	$ 2,849	$ 6,108	$ 10,558	$ 19,527	$ (11,789)

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			
(in thousands, except per share amounts)	2018	2017	2017	2016	2015	2014
Selected Financial Data:						
Total assets	$4,154,035	$4,017,016	$4,041,162	$4,042,499	$3,820,441	$3,706,802
Total cash and cash equivalents	53,540	115,530	116,459	140,635	246,516	233,915
Investment securities	985,351	1,120,180	952,960	1,183,820	1,104,388	1,331,905
Total loans, net of deferred fees and ALLL	2,881,909	2,562,593	2,779,913	2,509,085	2,269,981	1,975,203
Bank-owned life insurance	72,540	71,690	72,960	71,267	59,678	34,606
Total deposits	3,335,567	3,075,539	3,233,108	3,009,458	2,733,484	2,523,816
Borrowed funds	401,775	518,450	402,605	638,870	692,020	806,095
Total stockholders' equity	346,586	344,732	344,068	341,110	333,358	317,370

(in thousands, except per share amounts)	As of and for the Three Months Ended March 31, 2018	2017	As of and for the Year Ended December 31, 2017	2016	2015	2014
Selected Financial Ratios and Other Data:						
Earnings						
Basic earnings per share	$ 5.46	$ 2.03	$ 4.24	$ 7.56	$ 14.05	$ (8.87)
Diluted earnings per share	5.46	2.03	4.24	7.56	14.05	(8.87)
Book value per common share (excludes minority interest)	246.93	245.61	245.13	243.02	240.27	228.71
Tangible book value per common share (non-GAAP)(1)	242.15	240.83	240.36	238.25	235.43	223.87
Common shares outstanding	1,403,049	1,403,049	1,403,049	1,403,049	1,382,913	1,382,913
Weighted average common shares outstanding, basic	1,403,049	1,403,049	1,403,049	1,392,987	1,382,913	1,328,810
Weighted average common shares outstanding, diluted	1,403,049	1,403,049	1,403,049	1,392,987	1,382,913	1,328,810

(in thousands, except per share amounts)	As of and for the Three Months Ended March 31, (As Adjusted)* 2018	2017	As of and for the Year Ended December 31, (As Adjusted)* 2017	2016	2015	2014
Selected Financial Ratios and Other Data:						
Earnings						
Basic earnings per share	$ 0.27	$ 0.10	$ 0.21	$ 0.38	$ 0.70	$ (0.44)
Diluted earnings per share	0.27	0.10	0.21	0.38	0.70	(0.44)
Book value per common share (excludes minority interest)	12.35	12.26	12.26	12.15	12.01	11.44
Tangible book value per common share (non-GAAP)(1)	12.11	12.04	12.02	12.00	11.77	11.65
Common shares outstanding	28,060,984	28,060,984	28,060,984	28,060,984	27,658,260	27,658,260
Weighted average common shares outstanding, basic	28,060,984	28,060,984	28,060,984	27,859,740	27,658,260	26,576,200
Weighted average common shares outstanding, diluted	28,060,984	28,060,984	28,060,984	27,859,740	27,658,260	26,576,200

* As adjusted reflects the 20:1 stock dividend effected on July 27, 2018.

(1) Refer to section entitled "GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures."

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			
	2018	2017	2017	2016	2015	2014
Selected Performance Metrics:						
Return on average assets	0.77%	0.29%	0.15%	0.27%	0.53%	-0.32%
Core return on average assets (non-GAAP)(1)	0.79%	0.34%	0.35%	0.15%	0.13%	0.09%
Return on average equity	8.96%	3.32%	1.74%	3.02%	5.92%	-3.62%
Core return on average equity (non-GAAP)(1)	9.27%	3.90%	4.04%	1.68%	1.40%	1.00%
Loan yield	4.15%	4.19%	4.17%	4.19%	4.30%	4.58%
Securities yield	2.83%	2.39%	2.50%	2.30%	2.23%	2.15%
Deposit cost	0.26%	0.22%	0.24%	0.23%	0.23%	0.24%
Net interest spread	3.17%	2.72%	2.89%	2.48%	2.47%	2.22%
Net interest margin	3.43%	2.98%	3.15%	2.79%	2.75%	2.55%
Efficiency ratio	71.67%	85.20%	82.25%	86.49%	92.76%	118.01%
Core efficiency ratio (non-GAAP)(1)	71.48%	82.90%	80.12%	86.20%	92.36%	96.13%
Non-interest income to average assets	0.70%	0.75%	0.68%	0.82%	0.77%	0.56%
Non-interest expense to average assets	2.88%	3.07%	3.03%	3.01%	3.15%	3.55%
Asset Quality Ratios:						
Nonperforming loans to total loans	0.71%	1.79%	0.70%	1.47%	2.01%	3.35%
Nonperforming assets to total assets	1.35%	2.26%	2.20%	2.03%	2.14%	2.65%
Allowance for loan losses to nonperforming loans	180%	79%	183%	96%	73%	50%
Allowance for loan losses to total loans	1.26%	1.41%	1.28%	1.40%	1.46%	1.68%
Net charge-offs to average loans	-0.02%	0.00%	0.24%	0.23%	0.13%	0.16%

(1) Refer to section entitiled "GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures."

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			
	2018	**2017**	**2017**	**2016**	**2015**	**2014**
Capital Ratios:						
Tier 1 leverage capital ratio	8.60%	8.32%	8.41%	8.23%	8.58%	8.26%
Tier 1 risk-based capital ratio	11.58%	11.56%	11.55%	11.61%	11.99%	11.77%
Total risk-based capital ratio	12.83%	12.81%	12.80%	12.87%	13.25%	13.03%
Common equity tier 1 capital ratio(1)	11.36%	11.38%	11.39%	11.56%	11.93%	n/a

(1) Prior to January 1, 2015, the Bank was not required to calculate common equity tier 1 capital ratios

GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures

We use financial data measures to manage the business that are not measures of financial performance derived from financial statements prepared in accordance with GAAP or performance ratios calculated by using GAAP financial measures. These non-GAAP financial measures or performance ratios are:

- "core non-interest income" is defined as total non-interest income excluding gains and losses on sales of securities and excluding other than temporary impairment charges ("OTTI"). We believe the most directly comparable GAAP financial measure is the total non-interest income.
- "core operating revenue" is defined as total net interest income plus "core non-interest income." We believe the most directly comparable GAAP financial measure is the total of net interest income and non-interest income.

- “core non-interest expense” is defined as total non-interest expense excluding any prepayment of long-term borrowings, branch closure costs, costs related to bank acquisitions, restructuring/severance or post-retirement benefit cancellation impacts. We believe the most directly comparable GAAP financial measure is total non-interest expense.
- “core earnings” is defined as net income after tax excluding gains and losses on sales of securities and excluding OTTI, prepayment of long-term borrowings, branch closure costs, costs related to bank acquisitions, restructuring/severance, post-retirement benefit cancellation, taxes on notable pre-tax items, pension recycling taxes and valuation allowance releases. We believe the most directly comparable GAAP financial measure is net income.
- “core return on average assets” is defined as “core earnings” divided by total average assets. We believe the most directly comparable performance ratio derived from GAAP financial measures is return on average assets calculated by dividing net income by total average assets.
- “core return on average equity” is defined as “core earnings” divided by average equity. We believe the most directly comparable performance ratio derived from GAAP financial measures is return on average equity calculated by dividing net income by average total stockholders’ equity.
- “core efficiency ratio” is defined as “core non-interest expense” divided by “core operating revenue.” We believe the most directly comparable performance ratio derived from GAAP financial measures is an efficiency ratio calculated by dividing total non-interest expense by the sum of net interest income and total non-interest income.
- “core non-interest income ratio” is defined as “core non-interest income” divided by total average assets. We believe the most directly comparable performance ratio derived from GAAP financial measures is non-interest income divided by total average assets.
- “core non-interest expense ratio” is defined as “core non-interest expense” divided by total average assets. We believe the most directly comparable performance ratio derived from GAAP financial measures is non-interest expense divided by total average assets.
- “tangible book value” is defined as stockholders’ equity excluding minority interests and preferred stocks. We believe that the most directly comparable GAAP financial measure is total stockholders’ equity.

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.

However, we acknowledge that non-GAAP financial measures 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 offering circular and not to place undue reliance upon 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 offering circular 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.

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			
(in thousands)	2018	2017	2017	2016	2015	2014
Core non-interest income						
Non interest income (GAAP)	$ 7,015	$ 7,484	$ 27,370	$ 31,790	$ 28,126	$ 20,219
Add: Securities loss, net and OTTI	103	(423)	1,441	(3,063)	(2,854)	5,094
Core non-interest income	$ 7,118	$ 7,061	$ 28,811	$ 28,727	$ 25,272	$ 25,313
Core operating revenue						
Net interest income (GAAP)	$ 32,801	$ 28,298	$ 121,297	$ 103,352	$ 96,321	$ 89,295
Core non-interest income (non GAAP)	7,118	7,061	28,811	28,727	25,272	25,313
Core operating revenue	$ 39,919	$ 35,359	$ 150,108	$ 132,079	$ 121,593	$ 114,608
Core non-interest expenses						
Non-interest expense (GAAP)	$ 28,788	$ 30,487	$ 122,274	$ 116,890	$ 115,433	$ 129,234
Less: Prepayment fees on borrowings	—	(1,174)	(7,615)	(2,019)	(1,185)	(13,478)
Less: Branch closure expense[(1)]	—	—	(2,105)	(1,020)	(1,949)	(5,587)
Less: Acquisition cost[(2)]	(275)	—	(357)	—	—	—
Less: Severance[(3)]	23	—	(1,768)	—	—	—
Add: Post-retirement benefit cancellation[(4)]	—	—	9,838	—	—	—
Core non-interest expense	$ 28,535	$ 29,313	$ 120,267	$ 113,851	$ 112,299	$ 110,169
Core Earnings						
Net Income (GAAP)	$ 7,661	$ 2,849	$ 6,108	$ 10,558	$ 19,527	$ (11,789)
Add: Securities loss, net and OTTI	103	(423)	1,441	(3,063)	(2,854)	5,094
Add: Prepayment fees on borrowings	—	1,174	7,615	2,019	1,185	13,478
Add: Branch closure expense[(1)]	—	—	2,105	1,020	1,949	5,587
Add: Acquisition cost[(2)]	275	—	357	—	—	—
Add: Severance[(3)]	(23)	—	1,768	—	—	—
Less: Post-retirement benefit cancellation[(4)]	—	—	(9,838)	—	—	—
Less: Tax on notable items	(88)	(252)	(1,342)	10	(82)	(7,613)
Less Pension recyling tax	—	—	(3,508)	(362)	(352)	(352)
Less: Valuation allowance release	—	—	(4,480)	(4,318)	(15,281)	1,131
Add: Change in tax law	—	—	13,935	—	511	(2,274)
Core earnings	$ 7,929	$ 3,348	$ 14,161	$ 5,865	$ 4,602	$ 3,263
Core return on average assets						
Core earnings (numerator) (non-GAAP)	7,929	3,348	14,161	5,865	4,602	3,263
Divided: Total average assets (denominator) (GAAP)	4,054,776	4,033,361	4,034,567	3,881,738	3,665,085	3,638,380
Core return on average assets	0.79%	0.34%	0.35%	0.15%	0.13%	0.09%

(in thousands)	As of and for the Three Months Ended March 31, 2018	2017	As of and for the Year Ended December 31, 2017	2016	2015	2014
Core return on average equity						
Core earnings (numerator) (non-GAAP)	7,929	3,348	14,161	5,865	4,602	3,263
Divided: Total average equity (denominator) (GAAP)	346,927	347,757	350,180	349,239	329,808	325,394
Core return on average equity	9.27%	3.90%	4.04%	1.68%	1.40%	1.00%
Core efficiency ratio						
Core non-interest expense (numerator) (non-GAAP)	28,535	29,313	120,267	113,851	112,299	110,169
Core operating revenue (denominator) (non-GAAP)	39,919	35,359	150,108	132,079	121,593	114,608
Core efficiency ratio	71.48%	82.90%	80.12%	86.20%	92.36%	96.13%
Core non-interest income ratio						
Core non interest income (numerator) (non-GAAP)	7,118	7,061	28,811	28,727	25,272	25,313
Divided: Total average assets (denominator) (GAAP)	4,054,776	4,033,361	4,034,567	3,881,738	3,665,085	3,638,380
Core non-interest income ratio	0.71%	0.71%	0.71%	0.74%	0.69%	0.70%
Core non-interest expense ratio						
Core non-interest expense (numerator) (non-GAAP)	28,535	29,313	120,267	113,851	112,299	110,169
Divided: Total average assets (denominator) (GAAP)	4,054,776	4,033,361	4,034,567	3,881,738	3,665,085	3,638,380
Core non-interest expense ratio	2.85%	2.95%	2.98%	2.93%	3.06%	3.03%
Tangible book value						
Stockholders Equity (GAAP)	346,586	344,732	344,068	341,110	333,358	317,370
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(1,084)	(1,084)
Less: Preferred Stock (GAAP)	(6,700)	(6,700)	(6,700)	(6,700)	(6,700)	(6,700)
Tangible book value (non-GAAP)	$ 339,752	$ 337,898	$ 337,234	$ 334,276	$ 325,574	$ 309,586

(1) Occupancy and severance expense related to closures of branches during our branch rationalization

(2) Consulting and other expenses (legal & audit) were $271,758 and $84,888 respectively; $275,145 in legal expense in the first quarter of 2018

(3) Salary and COBRA reimbursement expense for 19 positions eliminated due to restructuring in the fourth quarter of 2017

(4) "One time" credit due to plan cancellation in the second quarter of 2017

RISK FACTORS

Investing in our common stock involves a high degree of risk. There are risks, many beyond our control, that could cause our financial condition or results of operations to differ materially from management's expectations. You should carefully consider the following risk factors, which describe some of the risks that may affect us, as well as the other information in this offering circular, including our consolidated financial statements and the related notes thereto, before deciding whether to invest in our common stock. Any of the following risks, by itself or together with one or more other factors, could adversely affect our business, prospects, financial condition, results of operations and cash flows, perhaps materially. The risks presented below are not the only risks that we face. Additional risks that we do not presently know or that we currently deem immaterial may also have an adverse effect on our business, results of operations, financial conditions, prospects, and the market price and liquidity of our common stock. In such an event, the value of our common stock could decline and you could lose all or part of your investment. Further, to the extent that any of the information contained in this offering circular constitutes forward-looking statements, the risk factors below also are cautionary statements identifying important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. See "Cautionary Note Regarding Forward-Looking Statements" on page 58.

Risks Related to our Business and Operations

We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may impair our business. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included in this offering circular.

Credit quality has adversely affected us in the past and may adversely affect us in the future.

Credit risk is one of our most significant risks. If the strength of the U.S. economy in general and the strength of the local economies in which we conduct operations decline, this could result in, among other things, deterioration in credit quality or reduced demand for credit, including a resultant adverse effect on the income from our loan portfolio, an increase in charge-offs and an increase in the allowance for loan losses.

If we fail to effectively manage credit risk, our business and financial condition will suffer.

We must effectively manage credit risk. As a lender, we are exposed to the risk that our borrowers will be unable to repay their loans according to their terms, and that the collateral securing repayment of their loans, if any, may not be sufficient to ensure repayment. In addition, there are risks inherent in making any loan, including risks relating to proper loan underwriting, risks resulting from changes in economic and industry conditions and risks inherent in dealing with individual borrowers, including the risk that a borrower may not provide information to us about its business in a timely manner, and/or may present inaccurate or incomplete information to us, and risks relating to the value of collateral. In order to manage credit risk successfully, we must, among other things, maintain disciplined and prudent underwriting standards and ensure that our lenders follow those standards. The weakening of these standards for any reason, such as an attempt to attract higher yielding loans, a lack of discipline or diligence by our employees in underwriting and monitoring loans, the inability of our employees to adequately adapt policies and procedures to changes in economic or any other conditions affecting borrowers and the quality of our loan portfolio, may result in loan defaults, foreclosures and additional charge-offs and may necessitate that we significantly increase our allowance for loan losses, each of which could adversely affect our net income. As a result, our inability to successfully manage credit risk could have a material adverse effect on our business, financial condition or results of operations.

Our business is subject to interest rate risk and fluctuations in interest rates may adversely affect our earnings and capital levels and overall results.

The majority of our assets and liabilities are monetary in nature and, as a result, we are subject to significant risk from changes in interest rates. Changes in interest rates may affect our net interest income as well as the valuation of our assets and liabilities. Our earnings depend significantly on our net interest income, which is the difference between interest income on interest-earning assets, such as loans and securities, and interest expense on interest-bearing liabilities, such as deposits and borrowings. We expect to periodically experience "gaps" in the interest rate sensitivities of our assets and liabilities, meaning that either our interest-bearing liabilities will be more sensitive to changes in market interest rates than our interest-earning assets, or vice versa. In either event, if market interest rates move contrary to our position, this "gap" may work against us, and our earnings may be adversely affected.

When interest-bearing liabilities mature or reprice more quickly, or to a greater degree than interest-earning assets in a period, an increase in interest rates could reduce net interest income. Similarly, when interest-earning assets mature or reprice more quickly, or to a greater degree than interest-bearing liabilities, falling interest rates could reduce net interest income. Additionally, an increase in the general level of interest rates may also, among other things, adversely affect the demand for loans and our ability to originate loans and decrease loan prepayment rates or adversely affect our results of operations by reducing the ability of borrowers to make payments under their current adjustable-rate loan obligations. Conversely, a decrease in the general level of interest rates, among other things, may lead to prepayments on our loan and mortgage-backed securities portfolios and increased competition for deposits. Accordingly, changes in the general level of market interest rates may adversely affect our net yield on interest-earning assets, loan origination volume and our overall results.

Although our asset-liability management strategy is designed to control and mitigate exposure to the risks related to changes in the general level of market interest rates, those rates are affected by many factors outside of our control, including inflation, recession, unemployment, money supply, international disorder, instability in domestic and foreign financial markets and policies of various governmental and regulatory agencies, particularly the Federal Open Market Committee of the Federal Reserve System. Adverse changes in the U.S. monetary policy or in economic conditions could materially and adversely affect us. We may not be able to accurately predict the likelihood, nature and magnitude of those changes or how and to what extent they may affect our business. We also may not be able to adequately prepare for or compensate for the consequences of such changes. Any failure to predict and prepare for changes in interest rates or adjust for the consequences of these changes may adversely affect our earnings and capital levels and overall results. For example, if interest rates continue to rise, we may be forced to raise the earnings credit rate that we pay many commercial clients on their DDA accounts, and as a result a greater amount of assessed fees on their accounts will be covered by the earnings credit rate, thus resulting in a reduction in the amount of net service charges we generate on deposits.

Prolonged lower interest rates may adversely affect our net income.

Prolonged lower interest rates, particularly medium and longer-term rates, may have an adverse impact on the composition of our earning assets, our net interest margin, our net interest income and our net income. Among other things, a period of prolonged lower rates may cause prepayments to increase as our clients seek to refinance existing home loans. Such an increase in prepayments and refinancing activity would likely result in a decrease in the weighted average yield of our earning assets, an increase in salary and bonus expense as a result of higher loan volume and an increase in provision expense for new loans added to the portfolio.

We are exposed to higher credit risk by our exposure to multifamily, commercial real estate and commercial and industrial lending.

Multifamily, commercial real estate and commercial and industrial lending usually involve higher credit risks than other forms of lending. As of March 31, 2018, the following loan types accounted for the stated percentages of Amalgamated's total loan portfolio: multifamily—30.6%, commercial real estate—11.6% and commercial and industrial—22.9%. As of March 31, 2018, on a pro forma basis, the following loan types accounted for the stated percentages of the Combined Bank's total loan portfolio: multifamily—29.1%, commercial real estate—13.6% and commercial and industrial—24.9%.

Multifamily and commercial real estate loans generally depend on the income produced by the underlying properties which, in turn, depends on their successful operation and management. Accordingly, the ability of such borrowers to repay these loans may be affected by adverse conditions in the local real estate market and the local economy. These types of loans also generally carry more risk as compared to residential mortgage lending, because they typically involve larger loan balances to a single borrower or groups of related borrowers. In recent years, commercial real estate markets have been experiencing substantial growth, and increased competitive pressures have contributed significantly to historically low capitalization rates and rising property values. Commercial real estate prices, according to many U.S. commercial real estate indices, are currently above the 2007 peak levels that contributed to the financial crisis. In addition, we are exposed to the New York City commercial real estate market in particular. If the local economy, and particularly the real estate market, declines, the rates of delinquencies, defaults, foreclosures, bankruptcies and losses in our loan portfolio would likely increase. A failure to adequately implement enhanced risk management policies, procedures and controls could adversely affect our ability to increase this portfolio and could result in an increased rate of delinquencies in, and increased losses, from this portfolio. At March 31, 2018, nonperforming multifamily and commercial real estate mortgages, made up of one loan that is a performing TDR, totaled $5.9 million, or 0.5% of Amalgamated's total portfolio of multifamily and commercial real estate mortgage loans. At March 31, 2018, on a pro forma basis, nonperforming multifamily and commercial real estate mortgage loans totaled $5.9 million, or 0.4% of the Combined Bank's total portfolio of multifamily and commercial real estate mortgage loans.

In addition, with respect to commercial real estate loans, the banking regulators are examining commercial real estate lending activity with greater scrutiny, and may require banks with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for losses and capital levels as a result of commercial real estate lending growth and exposures. At March 31, 2018, Amalgamated's outstanding commercial real estate loans were equal to 321% of our total risk-based capital, and were equal to 329% of the Combined Bank's total risk-based capital, on a pro forma basis, as of the same date. If our regulators require us to maintain higher levels of capital than we would otherwise be expected to maintain, this could limit our ability to leverage our capital and have a material adverse effect on our business, financial condition, results of operations and prospects.

Commercial and industrial loans are typically based on the borrowers' ability to repay the loans from the cash flow of their businesses. These loans may involve greater risk because the availability of funds to repay each loan depends substantially on the success of the business itself. In addition, the assets securing the loans have the following characteristics: (i) they depreciate over time, (ii) they are difficult to appraise and liquidate, and (iii) they fluctuate in value based on the success of the business.

Multifamily, commercial real estate loans and commercial and industrial loans are more susceptible to a risk of loss during a downturn in the business cycle. Our underwriting, review and monitoring cannot eliminate all of the risks related to these loans.

Our allowance for loan losses for our loan portfolio and the credit portion of the fair value adjustments made with respect to loans acquired in the New Resource Bank Acquisition may prove to be insufficient to absorb actual losses in our loan portfolio, which may adversely affect our business, financial condition and results of operations.

We maintain an allowance for loan losses that represents management's judgment of probable losses and risks inherent in our loan portfolio. As of March 31, 2018, Amalgamated's allowance for loan losses totaled $37.4 million, which represents approximately 1.26% of our total loans, net. The level of the allowance reflects management's continuing evaluation of loan levels and portfolio composition, observable trends in nonperforming loans, historical loss experience, known and inherent risks in the portfolio, underwriting practices, adequacy of collateral, credit risk grading assessments and other factors. The determination of the appropriate level of the allowance for loan losses is inherently highly subjective and requires us to make significant estimates of and assumptions regarding current credit risks and future trends, all of which may undergo material changes. If, as a result of general economic conditions, there is a decrease in asset quality or growth in the loan portfolio, our management determines that additional increases in the allowance for loan losses are necessary, we may incur additional expenses which will reduce our net income, and our business, results of operations or financial condition may be materially and adversely affected. In addition, inaccurate management assumptions, deterioration of economic conditions affecting borrowers, new information regarding existing loans, identification or deterioration of additional problem loans, acquisition of problem loans and other factors, both within and outside of our control, may require us to increase our allowance for loan losses. Finally, we have historically maintained higher provisions for loan losses in our Indirect C&I portfolio and may continue to do so, even as we deemphasize and reallocate the balances of this portfolio.

Although Amalgamated's management has established an allowance for loan losses it believes is adequate to absorb probable and reasonably estimable losses in our loan portfolio, this allowance may not be adequate. In particular, if economic conditions in any of our markets were to deteriorate unexpectedly, additional loan losses not incorporated in the then-current allowance for loan losses may occur. Losses in excess of the existing allowance for loan losses will reduce our net income and could adversely affect our business, results of operations or financial condition, perhaps materially.

In addition, our regulators, as an integral part of their periodic examination, review our methodology for calculating, and the adequacy of, our allowance and provision for loan losses. Although we believe that the methodology used by us to determine the amount of both the allowance for loan losses and provision is effective, the regulators or our auditor may conclude that changes are necessary based on information available to them at the time of their review, which could impact our overall credit portfolio. Such changes could result in, among other things, modifications to our methodology for determining our allowance or provision for loan losses or models, reclassification or downgrades of our loans, increases in our allowance for loan losses or other credit costs, imposition of new or more stringent concentration limits, restrictions in our lending activities and/or recognition of further losses. Further, if actual charge-offs in future periods exceed the amounts allocated to the allowance for loan losses, we may need additional provisions for loan losses to restore the adequacy of our allowance for loan losses.

The application of the purchase method of accounting in the New Resource Bank Acquisition and any future acquisitions will impact our allowance for loan losses. Under the purchase method of accounting, all acquired loans will be recorded in our consolidated financial statements at their estimated fair value at the time of acquisition and any related allowance for loan losses will be eliminated because credit quality, among other factors, will be considered in the determination of fair value. To the extent that our estimates of fair value are too high, we will incur losses associated with the acquired loans.

Finally, the measure of our allowance for loan losses is dependent on the adoption and interpretation of accounting standards. The Financial Accounting Standards Board, or FASB, recently issued a new credit impairment model, the Current Expected Credit Loss, or CECL model, which will become applicable to us in 2020. Under the CECL model, we will be required to present certain financial assets carried at amortized cost, such as loans held for investment and held-to-maturity debt securities, at the net amount expected to be collected. The measurement of expected credit losses is to be based on information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. This measurement will take place at the time the financial asset is first added to the balance sheet and periodically thereafter. This differs significantly from the "incurred loss" model currently required under GAAP, which delays recognition until it is probable a loss has been incurred. Accordingly, we expect that the adoption of the CECL model will materially affect how we determine our allowance for loan losses and could require us to significantly increase our allowance. Moreover, the CECL model may create more volatility in the level of our allowance for loan losses. If we are required to materially increase our level of allowance for loan losses for any reason, such increase could adversely affect our business, financial condition and results of operations.

We may not be able to maintain a strong core deposit base or access other low-cost funding sources.

We depend on checking, savings and money market deposit account balances and other forms of customer deposits as our primary source of funding for our lending activities. In addition, our future growth will largely depend on our ability to maintain and grow a strong deposit base. If we are unable to continue to attract and retain core deposits, to obtain third party financing on favorable terms, or to have access to interbank or other liquidity sources, we may not be able to grow our assets as quickly. We derive liquidity through core deposit growth, maturity of money market investments, and maturity and sale of investment securities and loans. Additionally, we have access to financial market borrowing sources on an unsecured and a collateralized basis for both short-term and long-term purposes including, but not limited to, the Federal Reserve, wholesale deposit markets and Federal Home Loan Banks, of which we are a member.

If these funding sources are not sufficient or available, this may adversely affect our ability to generate the funds necessary for lending operations, and we may have to acquire funds through higher-cost sources. In addition, we must compete with other banks and financial institutions for deposits. If our competitors raise rates on their deposits, we may face deposit attrition or experience higher funding costs by increasing our deposit rates in order to maintain our customer deposit base. As of March 31, 2018, approximately 44% of Amalgamated's deposits were non-interest-bearing. Higher funding costs will reduce our net interest margin, net interest income and net income. Any decline in available funding could adversely affect our ability to continue to implement our business strategy which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

We are subject to liquidity risk.

We require liquidity to meet our deposit and debt obligations as they come due. Our access to funding sources in amounts adequate to finance our activities or on terms that are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy generally. Factors that could detrimentally impact our access to liquidity sources include a downturn in the geographic markets in which our loans are concentrated, difficult credit markets, adverse regulatory or judicial actions against labor unions, or adverse regulatory actions against us. Our access to deposits may also be affected by the liquidity needs of our depositors. As a part of our liquidity management, we must ensure we can respond effectively to potential volatility in our customers' deposit balances. For instance, our political campaigns, PACs, and state and national party committee clients totaled $321.4 million in deposits as of March 31, 2018, and may increase their deposit balances significantly leading up to an election campaign, resulting in short-term volatility in their deposit balances held with us through election cycles. Although we have been able to replace maturing or withdrawn deposits and advances historically as necessary, we might not be able to replace such funds in the future, especially if a large number of our depositors or those depositors with a high concentration of deposits sought to withdraw their accounts, regardless of the reason. We could encounter difficulty meeting a significant deposit outflow which could negatively impact our profitability or reputation. Any long-term decline in deposit funding would adversely affect our liquidity. While we believe our funding sources are adequate to meet any significant unanticipated deposit withdrawal, we may not be able to manage the risk of deposit volatility effectively. A failure to maintain adequate liquidity could materially and adversely affect our business, results of operations or financial condition.

Our business may be adversely affected by conditions in the financial markets and economic conditions generally.

Our financial performance generally, and, in particular, the ability of borrowers to pay interest on and repay the principal of outstanding loans and the value of collateral securing those loans, as well as demand for loans and other products and services we offer and whose success we rely on to drive our future growth, is highly dependent on the business environment in the markets in which we operate and in the United States as a whole. Some elements of the business environment that affect our financial performance include short-term and long-term interest rates, the prevailing yield curve, inflation, monetary supply, fluctuations in the debt and equity capital markets, and the strength of the domestic economy and the local economies in the markets in which we operate. Unfavorable market conditions can result in a deterioration of the credit quality of borrowers, an increase in the number of loan delinquencies, defaults and charge-offs, additional provisions for loan losses, adverse asset values and a reduction in assets under management or administration. The majority of our loan portfolio is secured by real estate. A decline in real estate values can negatively impact our ability to recover our investment should the borrower become delinquent. Loans secured by stock or other collateral may be adversely impacted by a downturn in the economy and other factors that could reduce the recoverability of our investment. Unsecured loans are dependent on the solvency of the borrower, which can deteriorate, leaving us with a risk of loss. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence, limitations on the availability of or increases in the cost of credit and capital, increases in inflation or interest rates, high unemployment, natural disasters, state or local government insolvency, or a combination of these or other factors. Economic slowdown and instability outside of the United States may adversely affect economic and market conditions in the United States. Any sustained weakness or further weakening in economic conditions would adversely affect the Bank.

The geographic concentration of Amalgamated's core markets in New York and Washington, D.C., and California, makes our business highly susceptible to downturns in these local economies and depressed banking markets, which could materially and adversely affect us.

Unlike larger financial institutions that are more geographically diversified, Amalgamated's banking franchise is concentrated in New York (particularly in New York City), Washington, D.C. and California (particularly in San Francisco). The local economic conditions in these areas have a significant impact on our residential, multifamily, and real estate loans, the ability of borrowers to repay these loans, and the value of the collateral securing these loans. Adverse changes in the economic conditions in the United States in general or in our primary markets in New York and Washington, D.C., and California could negatively affect our financial condition, results of operations and profitability. While economic conditions in New York, Washington, D.C. and California, along with the U.S. and worldwide, have improved since the end of the economic recession, a return of recessionary conditions could result in the following consequences, any of which could have a material adverse effect on our business, including but not limited to the following:

- loan delinquencies may increase;
- problem assets and foreclosures may increase;
- demand for our products and services may decline; and
- collateral for loans that we make, especially real estate, may decline in value, in turn reducing a customer's borrowing power, and reducing the value of assets and collateral associated with the our loans.

We may not be able to implement our growth strategy or manage costs effectively, resulting in lower earnings or profitability.

There can be no assurance that we will be able to continue to grow and to be profitable in future periods, or, if profitable, that our overall earnings will remain consistent or increase in the future. Our strategy is focused on organic growth, supplemented by opportunistic acquisitions, such as the New Resource Bank Acquisition. Our growth requires that we increase our loans, assets under management and deposits while managing risks by following prudent loan underwriting standards without increasing interest rate risk, increasing our noninterest expenses or compressing our net interest margin, maintaining more than adequate capital at all times, hiring and retaining qualified employees and successfully implementing strategic projects and initiatives. Even if we are able to increase our interest income, our earnings may nonetheless be reduced by increased expenses, such as additional employee compensation or other general and administrative expenses and increased interest expense on any liabilities incurred or deposits solicited to fund increases in assets. Additionally, if our competitors extend credit on terms we find to pose excessive risks, or at interest rates which we believe do not warrant the credit exposure, we may not be able to maintain our lending volume and could experience deteriorating financial performance. Our inability to manage our growth successfully or to continue to expand into new markets could have a material adverse effect on our business, financial condition or results of operations.

Amalgamated has incurred and expects to continue to incur significant transaction and integration costs in connection with the New Resource Bank Acquisition and combining the two banks may be more difficult, costly, or time consuming than we expect.

Amalgamated has incurred and expects to continue to incur significant costs associated with completing the New Resource Bank Acquisition and integrating the operations of the two banks. Amalgamated continues to assess the impact of these costs. Although Amalgamated believes that the elimination of duplicate costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

We closed the New Resource Bank Acquisition in May 2018 and expect to conduct the core processing system conversion in November 2018. It is possible that the integration process could result in the loss of key employees or disruption of our ongoing business or inconsistencies in standards, procedures, and policies that would adversely affect our ability to maintain relationships with clients and employees or to achieve the anticipated benefits of the merger. If we have difficulties with the integration process, we might not achieve the economic benefits expected to result from the acquisition. As with any acquisition of a banking institution, there may also be business disruptions that cause us to lose customers or to cause customers to take their deposits or move their loans or their business to other financial institutions.

We may be adversely affected by risks associated with future acquisitions, including execution risk, which could adversely affect our growth and profitability.

We plan to grow our business both organically and through opportunistic acquisitions, similar to our New Resource Bank Acquisition, that fit within the mission-driven values of our franchise and that we believe support our business and make financial and strategic sense. We may have difficulty identifying suitable acquisition candidates that fit with our mission-driven values or on executing on acquisitions that we pursue, and we may not realize the anticipated benefits of any transactions we complete. Additionally, for any opportunistic acquisition we were to consider, we expect to face significant competition from numerous other financial services institutions, many of which will have greater financial resources than we do. Furthermore, although we believe that our position as a leading socially responsible bank may position us as an acquirer of choice, there are no assurances that potential acquisition targets or their stockholders may see us or any combination with us as such. Accordingly, attractive opportunistic acquisitions may not be available. Any of the foregoing matters could materially and adversely affect us.

Our acquisition activities could require us to use a substantial amount of cash, other liquid assets, and/or incur debt. In addition, if goodwill recorded in connection with our potential future acquisitions were determined to be impaired, then we would be required to recognize a charge against our earnings, which could materially and adversely affect our results of operations during the period in which the impairment was recognized. Also, acquisitions may involve the payment of a premium over book and market values and, therefore, some dilution of our tangible book value and net income per common share may occur in connection with any future transaction. Our inability to overcome these risks could have a material adverse effect on our profitability, return on equity and return on assets, our ability to implement our business strategy and enhance stockholder value, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Our acquisition activities could involve a number of additional risks, including the risks of:

- the possibility that our mission-driven culture is disrupted as a result of an acquisition;

- the possibility that expected benefits may not materialize in the time frame expected or at all, or may be more costly to achieve, or that the acquired business will not perform to our expectations;
- incurring the time and expense associated with identifying and evaluating potential acquisitions and merger partners and negotiating potential transactions, resulting in management's attention being diverted from the operation of our existing business;
- using inaccurate estimates and judgments to evaluate credit, operations, management, and market risks with respect to the target institution or assets;
- the potential for liabilities and claims arising out of the acquired business;
- incurring the time and expense required to integrate the operations and personnel of the combined businesses;
- the possibility that we will be unable to successfully implement integration strategies, due to challenges associated with integrating complex systems, technology, banking centers, and other assets of the acquired institution in a manner that minimizes any adverse effect on customers, suppliers, employees, and other constituencies;
- the possibility of regulatory approval for the acquisition being delayed, impeded, restrictively conditioned or denied due to existing or new regulatory issues surrounding Amalgamated, the target institution or the proposed combined entity as a result of, among other things, issues related to compliance with anti-money laundering and Bank Secrecy Act compliance, fair lending laws, fair housing laws, consumer protection laws, unfair, deceptive, or abusive acts or practices regulations, or the Community Reinvestment Act, and the possibility that any such issues associated with the target institution, of which we may or may not be aware at the time of the acquisition, could impact the combined entity after completion of the acquisition;
- applications for bank mergers and acquisitions, in particular, have been delayed in some cases for significant periods of time due to additional requests for information required by banking regulators to help them evaluate the risk of the proposed transaction in the banking context;
- the possibility that the acquisition may not be timely completed, if at all;
- creating an adverse short-term effect on our results of operations; and
- losing key employees and customers as a result of an acquisition that is poorly received.

If we do not successfully manage these risks, our acquisition activities could have a material adverse effect on our operating results and financial condition, including short-term and long-term liquidity.

Adherence to our values and our focus on advancing progressive causes may negatively influence our short- or medium-term financial performance.

We are a mission-driven bank with the vision of being the financial institution for progressive people and organizations—those who are dedicated to creating a more socially equitable and environmentally sustainable world. We have a "triple bottom line" approach to business that not only focuses on our financial bottom line and long-term sustainability but also looks to social and environmental issues to measure our total cost of doing business. Accordingly, we may take actions that we believe will benefit our business and our values and, therefore, our stockholders, human health and welfare, and our ecosystem over a period of time, even if those actions do not maximize short- or medium-term financial results. However, these longer-term benefits may not materialize within the time frame we expect or at all, and short-term oriented investors may not agree with our triple bottom line approach. For example:

- we have committed to reduce our carbon footprint across our own investment assets, operations and lending portfolios, including committing to being net zero electricity in our operations over the course of 2018 and in the future, even though these actions may increase our expenses; and

- we are committed to progressive pay practices and we offer a pension plan for both our unionized and non-unionized employees and have raised our minimum wage for all of our employees to $15 per hour, even though these actions may increase our expenses.

Our ability to maintain our reputation is critical to the success of our business, including our ability to attract and retain customer relationships, and failure to do so may materially adversely affect our performance.

As a bank, our reputation is one of the most valuable components of our business. In addition, our values—to create a more just, compassionate and sustainable world—are an integral part of everything that we do. As such, we strive to conduct our business in a manner that enhances our reputation and our values. This is done, in part, by recruiting, hiring, and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers, and caring about our customers and enabling them to lead the charge to improve our communities and our country.

In addition, we are a Certified B Corporation. The term "Certified B Corporation" does not refer to a particular form of legal entity, but instead refers to companies certified by the B Lab, an independent nonprofit organization, as meeting rigorous standards of social and environmental performance, accountability and transparency. B Labs sets the standards for Certified B Corporation certification and may change those standards over time. Our reputation could be harmed if we lose our Certified B Corporation status, whether by choice or by our failure to meet B Lab's certification requirements, if that change in status were to create a perception that we are no longer committed to the values shared by Certified B Corporations. Likewise, our reputation could be harmed if our publicly reported B Corporation score declines, if that were to create a perception that we are less focused on meeting the Certified B Corporation standards.

Our customers rely on us to deliver superior financial services while conducting our business in accordance with the values described above. A significant source of customers has been, and we expect will continue to be, the reputation we maintain. Damage to our reputation could undermine the confidence of our current and potential clients in our ability to provide financial services. Such damage could also impair the confidence of our counterparties and business partners, and ultimately affect our ability to effect transactions. Maintenance of our reputation depends not only on our success in maintaining our value-focused culture and controlling and mitigating the various risks described herein, but also on our success in complying with campaign finance and other regulations relating to our client base or lobbying efforts, identifying and appropriately addressing issues that may arise in areas such as potential conflicts of interest, anti-money laundering, client personal information and privacy issues, record-keeping, regulatory investigations and any litigation that may arise from the failure or perceived failure of us to comply with legal and regulatory requirements. If our reputation is negatively affected, by the actions of our employees or otherwise, our business and, therefore, our operating results may be materially adversely affected. Further, negative public opinion can expose us to litigation and regulatory action as we seek to implement our growth strategy, which would adversely affect our business, financial condition and results of operations.

As a fund manager, we continue to engage in stockholder activism, pressing companies to adopt best practices on a range of environmental, social and corporate governance topics. This activism could cause increased scrutiny over our own environmental, social and corporate governance activities, particularly as a public bank. Any failure, or perceived failure, in our ability to maintain environmental, social and corporate governance best practices could damage our reputation adversely affecting our business, results of operations or financial condition.

Maintaining our reputation also depends on our ability to successfully prevent third-parties from infringing on our brand and associated trademarks. Defense of our reputation and our trademarks, including through litigation, could result in costs adversely affecting our business, results of operations or financial condition.

We depend on our executive officers and other key employees, and our ability to attract additional key personnel, to continue the implementation of our long-term business strategy, and we could be harmed by the unexpected loss of their services.

We believe that our continued growth and future success will depend in large part on the skills of our executive officers and other key employees and our ability to motivate and retain these individuals, as well as our ability to attract, motivate and retain highly qualified senior and middle management and other skilled employees. Competition for employees is intense, and the process of locating key personnel with the combination of skills and attributes required to execute our business strategy may be lengthy. We may not be successful in retaining our key personnel, and the unexpected loss of services of one or more of our key personnel could have a material adverse effect on our business because of their skill, knowledge of our primary markets, years of industry experience and the difficulty of promptly finding qualified replacement personnel. If the services of any of our of key personnel should become unavailable for any reason, we may not be able to identify and hire qualified persons on terms acceptable to us, or at all, which could have a material adverse effect on our business, financial condition, results of operation and future prospects. In addition, we do not currently have employment agreements with any of our executive officers, other than our Chief Executive Officer, Keith Mestrich; however, we have a change in control policy applicable to certain executive officers other than Mr. Mestrich. Our officers have agreed to a one year non-solicitation covenant; therefore, these officers could leave us and immediately begin competing against us and after one year begin soliciting our customers. Although Mr. Mestrich has entered into an employment agreement with us, it is possible that we or Mr. Mestrich may not renew the agreement prior to its expiration on June 30, 2020. The departure of any of our personnel could have a material adverse impact on our business, results of operations and growth prospects.

We depend on the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions, and in evaluating and monitoring our loan and lease portfolio on an ongoing basis, we may rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. We may also rely on representations of those customers or counterparties or of other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate, incomplete, fraudulent or misleading financial statements, credit reports or other financial or business information, or the failure to receive such information on a timely basis, could result in loan losses, reputational damage or other effects that could have a material adverse effect on our business, financial condition or results of operations.

The fair value of our investment securities could fluctuate because of factors outside of our control, which could have a material adverse effect on us.

As of March 31, 2018, the fair value of Amalgamated's investment securities portfolio was approximately $985 million, and was approximately $1,010 million for the Combined Bank, on a pro forma basis, as of the same date. Factors beyond our control could significantly affect the fair value of these securities. These factors include, but are not limited to, changes in market conditions including changes in interest rates or spreads, changes in the credit profile of individual securities, changes in prepayment behavior of individual securities, rating agency actions in respect of the securities, or adverse regulatory action. Any of these factors, among others, could cause other-than-temporary impairments, or OTTI, and realized and/or unrealized losses in future periods and declines in earnings and/or other comprehensive income (loss), which could materially and adversely affect our assets, business, cash flow, condition (financial or otherwise), liquidity, results of operations and prospects. The process for determining whether impairment of a security is OTTI usually requires complex, subjective judgments about the future financial performance and liquidity of the issuer, any collateral underlying the security as well as our intent and ability to hold the security for a sufficient period of time to allow for any anticipated recovery in fair value in order to assess the probability of receiving all contractual principal and interest payments on the security. Our failure to assess any impairments or losses with respect to our securities could have a material adverse effect on our assets, business, cash flow, condition (financial or otherwise), liquidity, results of operations and prospects.

Our trust and investment management business may be negatively impacted by changes in economic and market conditions and clients may seek legal remedies for investment performance.

Our trust and investment management business may be negatively impacted by changes in general economic and market conditions because the performance of this businesses is directly affected by conditions in the financial and securities markets. The financial markets and businesses operating in the securities industry are highly volatile (meaning that performance results can vary greatly within short periods of time) and are directly affected by, among other factors, domestic and foreign economic conditions and general trends in business and finance, and by the threat, as well as the occurrence of global conflicts, all of which are beyond our control. We cannot assure you that broad market performance will be favorable in the future. Declines in the financial markets or a lack of sustained growth may result in a decline in the performance of our investment management business and may adversely affect the market value and performance of the investment securities that we manage, which could lead to reductions in our investment management fees, because they are based primarily on the market value of the securities we manage, and could lead some of our clients to reduce their assets under management by us or seek legal remedies for investment performance. If any of these events occur, the financial performance of our trust and investment management business could be materially and adversely affected.

The investment management contracts we have with our clients are terminable without cause and on relatively short notice by our clients, which makes us vulnerable to short term declines in the performance of the securities under our management.

Like most other companies with an investment management business, the investment management contracts we have with our clients are typically terminable by the client without cause upon less than 30 days' notice. As a result, even short term declines in the performance of the securities we manage, which can result from factors outside our control such as adverse changes in market or economic conditions or the poor performance of some of the investments we have recommended to our clients, could lead some of our clients to move assets under our management to other asset classes such as broad index funds or treasury securities, or to investment advisors that have investment product offerings or investment strategies different than ours. Therefore, our operating results are heavily dependent on the financial performance of our investment portfolios and the investment strategies we employ in our investment management businesses and even short-term declines in the performance of the investment portfolios we manage for our clients, whatever the cause, could result in a decline in assets under management and a corresponding decline in investment management fees, which would adversely affect our results of operations.

A small number of our clients control a large portion of our total assets under management, and a loss of these clients or of assets under management more generally would negatively affect our revenue from investment management fees.

A small number of our clients currently control a significant portion of our total assets under management. As of March 31, 2018, we had $11.6 billion in assets under management (of which approximately $400 million is expected to run off in the future) spread across 486 investment management accounts. Of these accounts, approximately 5% control 51% of our assets under management. As a result, loss of one or more of these clients could result in a substantial decline in assets under management and a corresponding decline in investment management fees, which would adversely affect our results of operations.

We are subject to claims and litigation pertaining to our fiduciary responsibilities.

Some of the services we provide, such as trust and investment management services, require us to act as fiduciaries for our customers and others. From time to time, third parties make claims and take legal action against us pertaining to the performance of our fiduciary responsibilities. If these claims and legal actions are not resolved in a manner favorable to us, we may be exposed to significant financial liability and/or our reputation could be damaged. Either of these results may adversely impact demand for our products and services or otherwise have a harmful effect on our business and, in turn, on our financial condition and results of operations.

The market for investment managers is extremely competitive and the loss of a key investment manager to a competitor could adversely affect our investment advisory and wealth management business.

We believe that investment performance is one of the most important factors that affect the amount of assets under our management. As a result, we rely heavily on our investment managers to produce attractive investment returns for our clients. However, the market for investment managers is extremely competitive and is increasingly characterized by frequent movement of investment managers among different firms. In addition, our individual investment managers often have regular direct contact with particular clients, which can lead to a strong client relationship based on the client's trust in that individual manager. As a result, the loss of a key investment manager to a competitor could jeopardize our relationships with some of our clients and lead to the loss of client accounts. Losses of such accounts could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face strong competition from other banks and financial institutions and other wealth and investment management firms that could hurt our business.

The banking business is highly competitive, and we experience competition in our markets from many other financial institutions. We compete with commercial banks, credit unions, savings and loan associations, mortgage banking firms, other financial service businesses, including investment advisory and wealth management firms, mutual fund companies, and securities brokerage and investment banking firms, as well as super-regional, national and international financial institutions that operate offices in our primary market areas and elsewhere. As customers' preferences and expectations continue to evolve, technology has lowered barriers to entry and made it possible for banks to expand their geographic reach by providing services over the Internet and for non-banks to offer products and services traditionally provided by banks, such as automatic transfer and automatic payment systems. Because of this rapidly changing technology, our future success will depend in part on our ability to address our customers' needs by using technology and to identify and develop new, value-added products for existing and future customers. Failure to do so could impede our time to market, reduce customer product accessibility, and weaken our competitive position. Customer loyalty can be easily influenced by a competitor's new products, especially offerings that could provide cost savings or a higher return to the customer. Moreover, this competitive industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation.

We compete with these institutions both in attracting deposits and assets under management, and in making loans. We may not be able to compete successfully with other financial institutions in our markets, particularly with larger financial institutions operating in our markets that have significantly greater resources than us and offer financial products and services that we are unable to offer, putting us at a disadvantage in competing with them for loans and deposits and investment management clients, and we may have to pay higher interest rates to attract deposits, accept lower yields on loans to attract loans and pay higher wages for new employees, resulting in lower net interest margin and reduced profitability. In addition, competitors that are not depository institutions are generally not subject to the extensive regulations that apply to us. If we are unable to compete effectively with those banking or other financial services businesses, we could find it more difficult to attract new and retain existing clients and our net interest margins, net interest income and investment management fees could decline, which would adversely affect our results of operations and could cause us to incur losses in the future.

In addition, our ability to successfully attract and retain investment management clients depends on our ability to compete with competitors' investment products, level of investment performance, client services and marketing and distribution capabilities. If we are not successful in attracting new and retaining existing clients, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our smaller size may make it more difficult for us to compete with larger institutions and any inability to compete within the industry could hurt our business.

Our smaller size can make it more difficult to compete with other financial institutions which are generally larger and can more easily afford to invest in the marketing and technologies needed to attract and retain customers. Because our principal source of income is the net interest income we earn on our loans and investments after deducting interest paid on deposits and other sources of funds, our ability to generate the revenues needed to cover our expenses and finance such investments is limited by the size of our loan and investment portfolios. Our lower earnings could also make it more difficult to offer competitive salaries and benefits. As a smaller institution, we are also disproportionately affected by the continually increasing costs of compliance with new banking and other regulations.

Nonperforming assets take significant time to resolve and adversely affect our results of operations and financial condition, and could result in further losses in the future.

As of March 31, 2018, Amalgamated's nonperforming assets (which consist of nonaccrual loans, loans past due 90 days or more and still accruing interest, loans modified under troubled debt restructurings, other real estate owned and impaired securities) totaled $56 million, or 1.35% of Amalgamated's total assets, and Amalgamated's nonaccrual assets (which include nonaccrual loans, impaired securities and other real estate owned) totaled $22.6 million, or 0.5% of total assets. In addition, Amalgamated had $0.5 million in accruing loans that were 30-89 days delinquent as of March 31, 2018.

Our nonperforming assets adversely affect our net income in various ways. We do not record interest income on nonaccrual loans or other real estate owned, thereby adversely affecting our net income and returns on assets and equity, increasing our loan administration costs and adversely affecting our efficiency ratio. When we take collateral in foreclosure and similar proceedings, we are required to mark the collateral to its then-fair market value, which may result in a loss. These nonperforming loans and other real estate owned also increase our risk profile and the level of capital our regulators believe is appropriate for us to maintain in light of such risks. The resolution of nonperforming assets requires significant time commitments from management and can be detrimental to the performance of their other responsibilities. If we experience increases in nonperforming loans and nonperforming assets, our net interest income may be negatively impacted and our loan administration costs could increase, each of which could have an adverse effect on our net income and related ratios, such as return on assets and equity.

Our deposit insurance premiums could be substantially higher in the future, which could have a material adverse effect on our earnings.

The FDIC insures deposits at FDIC-insured depository institutions, such as Amalgamated, up to $250,000 per account. The amount of a particular institution's deposit insurance assessment is based on that institution's risk classification under an FDIC risk-based assessment system. An institution's risk classification is assigned based on its capital levels and the level of supervisory concern the institution poses to its regulators. Market developments and bank failures in 2008 and the following years significantly depleted the FDIC's Deposit Insurance Fund, and reduced the ratio of reserves to insured deposits. As a result of these economic conditions and the enactment of the Dodd-Frank Act, banks are now assessed deposit insurance premiums based on the bank's average consolidated total assets, and the FDIC has modified certain risk-based adjustments which increase or decrease a bank's overall assessment rate. This has resulted in increases to the deposit insurance assessment rates and thus raised deposit premiums for many insured depository institutions. If these increases are insufficient for the Deposit Insurance Fund to meet its funding requirements, further special assessments or increases in deposit insurance premiums may be required. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. If there are additional bank or financial institution failures, we may be required to pay even higher FDIC premiums than the recently increased levels. If our financial condition deteriorates or if the bank regulators otherwise have supervisory concerns about us, then our assessments could rise. Any future additional assessments, increases or required prepayments in FDIC insurance premiums could reduce our profitability, may limit our ability to pursue certain business opportunities, or otherwise negatively impact our operations.

Our business needs and future growth may require us to raise additional capital, but that capital may not be available or may be dilutive.

We may need to raise additional capital, in the form of debt or equity securities, in the future to have sufficient capital resources to meet our commitments and fund our business needs and future growth, particularly if the quality of our assets or earnings were to deteriorate significantly. In addition, we are required by federal regulatory authorities to maintain adequate levels of capital to support our operations.

Our ability to raise capital will depend on, among other things, conditions in the capital markets, which are outside of our control, and our financial performance. Accordingly, we cannot provide assurance that such capital will be available on terms acceptable to us or at all. Any occurrence that limits our access to capital, may adversely affect our capital costs and our ability to raise capital and, in turn, our liquidity. Further, if we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would then have to compete with those institutions for investors. Any inability to raise capital on acceptable terms when needed could have a material adverse effect on our business, financial condition and results of operations and could be dilutive to both tangible book value and our share price.

In addition, an inability to raise capital when needed may subject us to increased regulatory supervision and the imposition of restrictions on our growth and business. These restrictions could negatively affect our ability to operate or further expand our operations through loan growth, acquisitions or the establishment of additional branches. These restrictions may also result in increases in operating expenses and reductions in revenues that could have a material adverse effect on our financial condition, results of operations and our share price.

A failure in or breach of our operational or security systems or infrastructure, or those of our third party vendors and other service providers, including as a result of cyber-attacks, could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs and cause losses.

Our operations rely on the secure processing, storage and transmission of confidential and other sensitive business and consumer information on our computer systems and networks and third party providers. Under various federal and state laws, we are responsible for safeguarding such information. For example, our business is subject to the Gramm-Leach-Bliley Act which, among other things: (1) imposes certain limitations on our ability to share nonpublic personal information about our customers with nonaffiliated third parties; (2) requires that we provide certain disclosures to customers about our information collection, sharing and security practices and afford customers the right to “opt out” of any information sharing by us with nonaffiliated third parties (with certain exceptions); and (3) requires that we develop, implement and maintain a written comprehensive information security program containing appropriate safeguards based on our size and complexity, the nature and scope of our activities, and the sensitivity of customer information we process, as well as plans for responding to data security breaches. Ensuring that our collection, use, transfer and storage of personal information complies with all applicable laws and regulations can increase our costs.

Although we take protective measures to maintain the confidentiality, integrity and availability of information across all geographic and product lines, and endeavor to modify these protective measures as circumstances warrant, the nature of the threats continues to evolve. In addition, our clients include both national and regional unions and high-profile political organizations, which may be more susceptible to highly-sophisticated and targeted attacks. As a result, our computer systems, software and networks may be subject to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other events that could have an adverse security impact. Despite the defensive measures we take to manage our internal technological and operational infrastructure, these threats may originate externally from third parties such as foreign governments, organized crime and other hackers, and outsource or infrastructure-support providers and application developers, or may originate internally from within our organization. Furthermore, we may not be able to ensure that all of our clients, suppliers, counterparties and other third parties have appropriate controls in place to protect the confidentiality of the information that they exchange with us, particularly where such information is transmitted by electronic means. Given the increasingly high volume of our transactions, certain errors may be repeated or compounded before they can be discovered and rectified. In addition, the increasing reliance on technology systems and networks and the occurrence and potential adverse impact of attacks on such systems and networks, both generally and in the financial services industry, have enhanced government and regulatory scrutiny of the measures taken by companies to protect against cyber-security threats. In particular, the New York State Department of Financial Services (the "NYDFS") implemented heightened cybersecurity regulations in March 2017. As these threats, and government and regulatory oversight of associated risks, continue to evolve, we may be required to expend additional resources to enhance or expand upon the security measures we currently maintain.

In particular, information pertaining to us and our customers is maintained, and transactions are executed, on the networks and systems of us, our customers and certain of our third-party partners, such as our online banking or reporting systems. The secure maintenance and transmission of confidential information, as well as execution of transactions over these systems, are essential to protect us and our customers against fraud and security breaches and to maintain our clients' confidence. While we have not experienced any material breaches of information security, such breaches may occur through intentional or unintentional acts by those having access or gaining access to our systems or our customers' or counterparties' confidential information, including employees. In addition, increases in criminal activity levels and sophistication, advances in computer capabilities, new discoveries, vulnerabilities in third-party technologies (including browsers and operating systems) or other developments could result in a compromise or breach of the technology, processes and controls that we use to prevent fraudulent transactions and to protect data about us, our customers and underlying transactions, as well as the technology used by our customers to access our systems. We cannot be certain that the security measures we, or processors, have in place to protect this sensitive data will be successful or sufficient to protect against all current and emerging threats designed to breach our systems or those of processors. Although we have developed, and continue to invest in, systems and processes that are designed to detect and prevent security breaches and cyber-attacks and periodically test our security, a breach of our systems, or those of processors, could result in losses to us or our customers; loss of business and/or customers; damage to our reputation; the incurrence of additional expenses (including the cost of notification to consumers, credit monitoring and forensics, and fees and fines imposed by the card networks); disruption to our business; our inability to grow our online services or other businesses; additional regulatory scrutiny or penalties; or our exposure to civil litigation and possible financial liability—any of which could have a material adverse effect on our business, financial condition and results of operations.

We depend on information technology and telecommunications systems of third-party servicers, and systems failures, interruptions or breaches of security involving these systems could have an adverse effect on our operations, financial condition and results of operations.

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems, third-party servicers accounting systems and mobile and online banking platforms. We outsource many of our major systems, such as data processing, loan servicing, item/payment processing systems, internal audit systems and online banking platforms. The failure of these systems, or the termination of a third-party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third-party systems, we could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. If sustained or repeated, a system failure or service denial could result in a deterioration of our ability to process new and renewal loans, gather deposits and provide customer service, compromise our ability to operate effectively, damage our reputation, result in a loss of customer business and/or subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations. In addition, failure of third parties to comply with applicable laws and regulations, or fraud or misconduct on the part of employees of any of these third parties could disrupt our operations or adversely affect our reputation.

It may be difficult for us to replace some of our third party vendors, particularly vendors providing our core banking, debit card services and information services, in a timely manner if they are unwilling or unable to provide us with these services in the future for any reason and even if we are able to replace them, it may be at higher cost or result in the loss of customers. Any such events could have a material adverse effect on our business, financial condition or results of operations.

Our operations rely heavily on the secure processing, storage and transmission of information and the monitoring of a large number of transactions on a minute-by-minute basis, and even a short interruption in service could have significant consequences. We also interact with and rely financial counterparties and regulators. Each of these third parties may be targets of the same types of fraudulent activity, computer break-ins and other cyber security breaches described above or herein, and the cyber security measures that they maintain to mitigate the risk of such activity may be different than our own and may be inadequate.

As a result of financial entities and technology systems becoming more interdependent and complex, a cyber incident, information breach or loss, or technology failure that compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including ourselves. Although we review business continuity and backup plans for our vendors and take other safeguards to support our operations, such plans or safeguards may be inadequate. As a result of the foregoing, our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact.

Additionally, the FDIC, the NYDFS and other regulators expect financial institutions to be responsible for all aspects of their performance, including aspects which they delegate to third parties. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and clients, or cyber-attacks or security breaches of the networks, systems, devices, or software that our clients use to access our products and services could result in client attrition, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensation costs, and additional compliance costs, any of which could materially adversely affect our results of operations or financial condition.

We are subject to a variety of system failure and cyber security risks that could adversely affect our business and financial performance.

We rely heavily on communications and information systems to conduct our business. We, our customers, and other financial institutions with which we interact, are subject to ongoing, continuous attempts to penetrate key systems by individual hackers, organized criminals, and in some cases, state-sponsored organizations. Information security risks for large financial institutions such as Amalgamated have increased significantly in recent years in part because of the proliferation of new technologies, such as Internet and mobile banking, to conduct financial transactions, and the increased sophistication and activities of cyber criminals. Any failure, interruption or breach in security of our information systems could result in failures or disruptions in our customer relationship management, general ledger, deposit, loan and other systems, misappropriation of funds, and theft, disclosure or misuse of our proprietary or customer data. While we have significant internal resources, policies and procedures designed to prevent or limit the effect of the possible failure, interruption or security breach of our information systems, there can be no assurance that any such failure, interruption or security breach will not occur or, if they do occur, that they will be adequately addressed. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our layers of defense or to investigate or remediate any information security vulnerabilities. The occurrence of any failure, interruption or security breach of our information systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny, or expose us to civil litigation and possible financial liability.

Our use of third party vendors and our other ongoing third party business relationships are subject to increasing regulatory requirements and attention.

We regularly use third party vendors as part of our business. We also have substantial ongoing business relationships with other third parties. These types of third party relationships are subject to increasingly demanding regulatory requirements and attention by our federal bank regulators. Recent regulation requires us to enhance our due diligence, ongoing monitoring and control over our third party vendors and other ongoing third party business relationships. We expect that our regulators will hold us responsible for deficiencies in our oversight and control of our third party relationships and in the performance of the parties with which we have these relationships. As a result, if our regulators conclude that we have not exercised adequate oversight and control over our third party vendors or other ongoing third party business relationships or that such third parties have not performed appropriately, we could be subject to enforcement actions, including civil money penalties or other administrative or judicial penalties or fines as well as requirements for customer remediation, any of which could have a material adverse effect our business, financial condition or results of operations.

We are at risk of increased losses from fraud.

Criminals committing fraud increasingly are using more sophisticated techniques and in some cases are part of larger criminal rings, which allow them to be more effective.

The fraudulent activity has taken many forms, ranging from check fraud, mechanical devices attached to ATM machines, social engineering and phishing attacks to obtain personal information or impersonation of our clients through the use of falsified or stolen credentials. Additionally, an individual or business entity may properly identify themselves, particularly when banking online, yet seek to establish a business relationship for the purpose of perpetrating fraud. Further, in addition to fraud committed against us, we may suffer losses as a result of fraudulent activity committed against third parties. Increased deployment of technologies, such as chip card technology, defray and reduce aspects of fraud; however, criminals are turning to other sources to steal personally identifiable information, such as unaffiliated healthcare providers and government entities, in order to impersonate the consumer to commit fraud. Many of these data compromises are widely reported in the media. Further, as a result of the increased sophistication of fraud activity, we have increased our spending on systems and controls to detect and prevent fraud. This will result in continued ongoing investments in the future. Nevertheless, these investments may prove insufficient and fraudulent activity could result in losses to us or our customers; loss of business and/or customers; damage to our reputation; the incurrence of additional expenses (including the cost of notification to consumers, credit monitoring and forensics, and fees and fines imposed by the card networks); disruption to our business; our inability to grow our online services or other businesses; additional regulatory scrutiny or penalties; or our exposure to civil litigation and possible financial liability any of which could have a material adverse effect on our business, financial condition and results of operations.

We must respond to rapid technological changes, and these changes may be more difficult or expensive than anticipated.

We will have to respond to future technological changes. Specifically, if our competitors introduce new banking products and services embodying new technologies, or if new banking industry standards and practices emerge, then our existing product and service offerings, technology and systems may be impaired or become obsolete. Further, if we fail to adopt or develop new technologies or to adapt our products and services to emerging industry standards, then we may lose current and future customers, which could have a material adverse effect on our business, financial condition and results of operations. Many of our competitors have substantially greater resources to invest in technological improvements than we do. The financial services industry is changing rapidly, and to remain competitive, we must continue to enhance and improve the functionality and features of our products, services and technologies. These changes may be more difficult or expensive than we anticipate.

We expect that new technologies and business processes applicable to the banking industry will continue to emerge, and these new technologies and business processes may be better than those we currently use. Because the pace of technological change is high and our industry is intensely competitive, we may not be able to sustain our investment in new technology as critical systems and applications become obsolete or as better ones become available. A failure to maintain current technology and business processes could cause disruptions in our operations or cause our products and services to be less competitive, all of which could have a material adverse effect on our business, financial condition or results of operations.

Our operations and clients are concentrated in large metropolitan areas, which could be the target of terrorist attacks.

The vast majority of Amalgamated's operations and clients are located in New York City, Washington, D.C., and San Francisco. In addition, on a pro forma basis, at March 31, 2018, 81% of the properties securing the Combined Bank's commercial real estate loans outstanding were located in the New York, Washington, D.C., and San Francisco metropolitan areas. These areas have been and may continue to be the target of terrorist attacks. A major terrorist attack in one of these areas could severely disrupt our operations and the ability of our clients to do business with us and cause losses to loans secured by properties in these areas. Such an attack could therefore adversely affect our business, financial condition, results of operations and prospects.

New lines of business, products, product enhancements or services may subject us to additional risks.

From time to time, we may implement new lines of business or offer new products, and product enhancements as well as new services within our existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances in which the markets are not fully developed. In implementing, developing or marketing new lines of business, products, product enhancements or services, we may invest significant time and resources, although we may not assign the appropriate level of resources or expertise necessary to make these new lines of business, products, product enhancements or services successful or to realize their expected benefits. Further, initial timetables for the introduction and development of new lines of business, products, product enhancements or services may not be achieved, and price and profitability targets may not prove feasible. For example, several of our competitors have successfully introduced innovative investment management products. The introduction of such new products requires continued innovative efforts on the part of our management and may require significant time and resources as well as ongoing support and investment. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also affect the ultimate implementation of a new line of business or offerings of new products, product enhancements or services. Furthermore, any new line of business, product, product enhancement or service or system conversion could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or offerings of new products, product enhancements or services could have a material adverse effect on our business, financial condition or results of operations.

We may be adversely affected by the lack of soundness of other financial institutions.

Our ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. Defaults by, or even rumors or questions about, one or more financial institutions, or the financial services industry generally, may lead to market-wide liquidity problems and losses of depositor, creditor and counterparty confidence and could lead to losses or defaults by us or by other institutions.

Our business could suffer if we experience employee work stoppages, union campaigns or other labor difficulties, and efforts by labor unions could divert management attention and adversely affect operating results.

As of March 31, 2018, we had approximately 401 full-time employees, of which approximately 33% are represented by collective bargaining agreements or an employee union. Although we believe that our relationship with our employees is good, and we have not experienced any material work stoppages, work stoppages may occur in the future. Union activities also may significantly increase our labor costs, disrupt our operations and limit our operational flexibility. From time to time, we are subject to unfair labor practice charges, complaints and other legal, administrative and arbitration proceedings initiated against us by unions, the National Labor Relations Board or our employees, which could negatively impact our operating results. In addition, negotiating collective bargaining agreements could divert management attention, which could also adversely affect operating results. The collective bargaining agreement between us and Office and Professional Employees International Union, Local 153, AFL-CIO, expired on June 30, 2018 but then runs from year to year until terminated by either party upon sixty days' notice—as of the date of this offering circular the parties have reached a verbal agreement to extend the agreement for up to two years. If we are unable to negotiate a new collective bargaining agreement, we may be subject to labor disruptions, such as union-initiated work stoppages, including strikes. Depending on the type and duration of any labor disruptions, our operating expenses could increase significantly, which could adversely affect our financial condition, results of operations and cash flows.

We participate in a multi-employer non-contributory defined benefit pension plan for both our unionized and non-unionized employees, which could subject us to substantial cash funding requirements in the future.

We are required to make contributions to the Consolidated Retirement Fund, a multi-employer pension plan that covers both our unionized and non-unionized employees. Our multi-employer pension plan expense totaled $5.7 million in 2017. Our obligations may be impacted by the funding status of the plan, the plan's investment performance, changes in the participant demographics, financial stability of contributing employers and changes in actuarial assumptions. In addition, if a participating employer becomes insolvent and ceases to contribute to a multiemployer plan, the unfunded obligation of the plan will be borne by the remaining participating employers. Under current law, an employer that withdraws or partially withdraws from a multi-employer pension plan may incur withdrawal liability to the plan. If, in the future, we choose to withdraw from the multi-employer pension plan in which we participate, we will likely need to record significant withdrawal liabilities, which could negatively impact our financial performance in the applicable periods.

Certain of our directors may have conflicts of interest in determining whether to present business opportunities to us or another entity with which they are, or may become, affiliated.

Certain of our directors are or may become subject to fiduciary obligations in connection with their service on the boards of directors of other corporations, including financial institutions. A director's association with other financial institutions, which give rise to fiduciary or contractual obligations to such institutions, may create conflicts of interest. To the extent that any of our directors become aware of acquisition opportunities that may be suitable for entities other than us to which they have fiduciary or contractual obligations, or they are presented with such opportunities in their capacities as fiduciaries to such entities, they may honor such obligations to such other entities. You should assume that to the extent any of our directors become aware of an opportunity that may be suitable both for us and another entity to which such person has a fiduciary obligation or contractual obligation to present such opportunity as set forth above, he or she may first give the opportunity to such other entity or entities and may give such opportunity to us only to the extent such other entity or entities reject or are unable to pursue such opportunity. In addition, you should assume that to the extent any of our directors become aware of an acquisition opportunity that does not fall within the above parameters, but that may otherwise be suitable for us, he or she may not present such opportunity to us.

Our Legal, Accounting and Regulatory and Compliance Risks

Our ability to recognize the benefits of deferred tax assets is dependent on future cash flows and taxable income. In addition, on December 22, 2017, President Donald Trump signed into law H.R.1, known as the "Tax Cuts and Jobs Act," which among other items, reduces the federal corporate tax rate from 35% to 21%, effective January 1, 2018, which has reduced the value of our deferred tax assets.

We recognize the expected future tax benefit from deferred tax assets when it is more likely than not that the tax benefit will be realized. Otherwise, a valuation allowance is applied against deferred tax assets, reducing the value of such assets. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. Estimates of future taxable income are based on forecasted income from operations and the application of existing tax laws in each jurisdiction. The improved risk profile of the Bank is a key component used in the determination of our ability to realize the expected future benefit of our deferred tax assets. To the extent that future taxable income differs significantly from estimates as a result of the interest rate environment and loan growth capabilities or other factors, our ability to realize the net deferred tax assets could be affected.

On December 22, 2017, President Donald Trump signed into law H.R.1, known as the "Tax Cuts and Jobs Act," which makes widespread changes to the Internal Revenue Code, including, among other items, a reduction in the federal corporate tax rate from 35% to 21%, effective January 1, 2018. While we may benefit on a prospective net income basis from this decrease in corporate tax rates, the reduction in the corporate tax rate required us to re-measure our deferred tax assets, which resulted in a reduction in our deferred tax asset of $13.9 million in the fourth quarter of 2017, partially offset by a release of the remaining valuation allowance of $4.5 million on the deferred tax asset for a net impact of $9.5 million, before the impact of normal year-end tax provisioning. The net impact represents approximately $6.74 per diluted share based on estimated fourth quarter weighted average diluted shares of approximately 1.403 million (or $0.34 per diluted share as adjusted for the Stock Dividend based on 28,060,984 weighted average diluted shares at December 31, 2017).

Additionally, significant future issuances of common stock or common stock equivalents, or changes in the direct or indirect ownership of our common stock or common stock equivalents, could cause an ownership change and could limit our ability to utilize our net operating loss carryforwards and other tax attributes pursuant to Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the "Code"). Future changes in tax law or changes in ownership structure could limit our ability to utilize our recorded net deferred tax assets. Our net deferred tax assets as of December 31, 2017 were $39.3 million. See Note 12 of our Consolidated Financial Statements as of and for the years ended December 31, 2017 and 2016 for further discussion of our deferred tax assets.

The reduction or elimination of the tax deductions for home mortgage interest payments and state and local taxes could reduce demand for our residential mortgage loans.

The recent changes in the tax laws may have an adverse effect on the market for, and valuation of, residential properties, and on the demand for such loans in the future, and could make it harder for borrowers to make their loan payments. In addition, these recent changes may also have a disproportionate effect on taxpayers in states with high residential home prices and high state and local taxes, such as New Jersey, New York and California. These tax law changes will increase the after-tax cost of mortgage loans to home buyers and owners, particularly those with higher incomes, and could therefore reduce demand for residential mortgage loans and depress housing prices. If home ownership becomes less attractive, demand for mortgage loans could decrease. Single family mortgage lending constitutes a large part of our lending business. Our most popular mortgage loan product has an initial interest-only period. Any reduction in the benefit of the home mortgage interest deduction could therefore have a disproportionately adverse effect on us compared to other banking institutions and could materially and adversely affect our business, results of operations or financial condition. In addition, the value of the properties securing loans in our loan portfolio may be adversely impacted as a result of the changing economics of home ownership, which could require an increase in our provision for loan losses, which would reduce our profitability and could materially adversely affect our business, financial condition and results of operations.

Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition.

Our consolidated financial statements are prepared based on the application of accounting policies generally accepted in the United States, or GAAP. For the year ended December 31, 2017, we qualified as a public business entity (but not as a public company). Accordingly, we adopted standards prescribed by the FASB and the FDIC for the year ended December 31, 2017. Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition. From time to time, the FASB changes the financial accounting and reporting standards that govern the preparation of our financial statements. As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain of the assumptions or estimates we have previously used in preparing our financial statements, which could negatively affect how we record and report our results of operations and financial condition generally.

The appraisals and other valuation techniques we use in evaluating and monitoring loans secured by real property, other real estate owned ("OREO") and other repossessed assets may not accurately describe the fair value of the asset.

In considering whether to make a loan secured by real property, we generally require an appraisal of the property. However, an appraisal is only an estimate of the value of the property at the time the appraisal is made, and, as real estate values may change significantly in relatively short periods of time (especially in periods of heightened economic uncertainty), this estimate may not accurately describe the fair value of the real property collateral after the loan is made. As a result, we may not be able to realize the full amount of any remaining indebtedness when we foreclose on and sell the relevant property. In addition, we rely on appraisals and other valuation techniques to establish the value of our OREO and personal property that we acquire through foreclosure proceedings and to determine certain loan impairments. If any of these valuations are inaccurate, our consolidated financial statements may not reflect the correct value of our OREO, and our allowance for loan and lease losses may not reflect accurate loan impairments. This could have a material adverse effect on our business, financial condition or results of operations.

Our accounting estimates and risk management processes and controls rely on analytical and forecasting techniques and models and assumptions, which may not accurately predict future events.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with GAAP and reflect management's judgment of the most appropriate manner in which to report our financial condition and results. In some cases, management must select the accounting policy or method to apply from two or more alternatives, any of which may be reasonable under the circumstances, yet which may result in our reporting materially different results than would have been reported under a different alternative.

Certain accounting policies are critical or significant to presenting our financial condition and results of operations. They require management to make difficult, subjective or complex judgments about matters that are uncertain. Materially different amounts could be reported under different conditions or using different assumptions or estimates. The critical accounting policies include the allowance for loan losses, while the significant accounting policies include the fair value of securities and the accounting for income taxes. Because of the uncertainty of estimates involved in these matters, we may be required to significantly increase the allowance for loan losses or sustain loan losses that are significantly higher than the reserve provided or significantly increase our accrued tax liability. Any of these could have a material adverse effect on our business, financial condition or results of operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

We could be adversely affected by a failure in our internal controls.

A failure in our internal controls could have a significant negative impact not only on our earnings, but also on the perception that customers, regulators and investors may have of Amalgamated. As noted above, we intend to comply with FDIC standards regarding our internal control over financial reporting. These rules and regulations will require, among other things, that we establish and periodically evaluate procedures with respect to our internal controls over financial reporting. We may not complete improvements to our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in the Bank. We continue to devote a significant amount of effort, time and resources to improving our controls and ensuring compliance with complex accounting standards and regulations. These efforts also include the management of controls to mitigate operational risks for programs and processes across Amalgamated.

Our internal controls, disclosure controls, processes and procedures, and corporate governance policies and procedures are based in part on certain assumptions and can provide only reasonable (not absolute) assurances that the objectives of the system are met. Any failure or circumvention of our controls, processes and procedures or failure to comply with regulations related to controls, processes and procedures could necessitate changes in those controls, processes and procedures, which may increase our compliance costs, divert management attention from our business or subject us to regulatory actions and increased regulatory scrutiny. Any of these could have a material adverse effect on our business, financial condition or results of operations.

The banking industry is heavily regulated and that regulation, together with any future legislation or regulatory changes, could limit or restrict our activities and adversely affect our operations or financial results.

We operate in an extensively regulated industry and we are subject to examination, supervision, and comprehensive regulation by various federal and state agencies, including the FDIC and the NYDFS. Our compliance with banking regulations is costly and restricts some of our activities, including payment of dividends, mergers and acquisitions, investments, loans and interest rates and locations of offices. We are also subject to capitalization guidelines established by our regulators, which require us to maintain adequate capital to support our business.

Since the recession ended, federal and state banking laws and regulations, as well as interpretations and implementations of these laws and regulations, have undergone substantial review and change. In particular, the Dodd-Frank Act drastically revised the laws and regulations under which we operate. The burden of regulatory compliance has increased under the Dodd-Frank Act and has increased our costs of doing business and, as a result, may create an advantage for our competitors who may not be subject to similar legislative and regulatory requirements. Regulations and laws may be modified at any time, and new legislation may be enacted that will affect us or our subsidiaries. Any future changes in federal and state laws and regulations, as well as the interpretation and implementation of such laws and regulations, could affect us in substantial and unpredictable ways, including those listed above or other ways that could have a material adverse effect on our business, financial condition or results of operations.

Furthermore, our regulators also have the ability to compel us to take certain actions, or restrict us from taking certain actions entirely, such as actions that our regulators deem to constitute an unsafe or unsound banking practice. Our failure to comply with any applicable laws or regulations, or regulatory policies and interpretations of such laws and regulations, could result in sanctions by regulatory agencies, civil money penalties or damage to our reputation, all of which could have a material adverse effect on our business, financial condition or results of operations.

There is uncertainty surrounding the potential legal, regulatory and policy changes by the current presidential administration in the U.S. that may directly affect financial institutions and the global economy.

The current presidential administration has indicated that it would like to see changes made to certain financial reform regulations, including the Dodd-Frank Act, which has resulted in increased regulatory uncertainty, and we are assessing the potential impact on financial and economic markets and on our business. Changes in federal policy and at regulatory agencies are expected to occur over time through policy and personnel changes, which could lead to changes involving the level of oversight and focus on the financial services industry. The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting financial institutions remain highly uncertain. At this time, it is unclear what laws, regulations and policies may change and whether future changes or uncertainty surrounding future changes will adversely affect our operating environment and therefore our business, financial condition and results of operations.

Our trust and investment management businesses are highly regulated.

Through our investment management division, we provide investment management, custody, safekeeping and trust services to institutional clients. These products and services require us to comply with a number of regulations issued by the Department of Labor, the Employee Retirement Income Security Act, the FDIC Statement of Principles of Trust Department Management, and federal and state securities regulators.

Our failure to comply with applicable laws or regulations could result in fines, suspensions of individual employees, litigation, or other sanctions. Any such failure could have an adverse effect on our reputation and could adversely affect our business, financial condition, results of operations or prospects.

Monetary policies and regulations of the Federal Reserve could adversely affect our business, financial condition and results of operations.

In addition to being affected by general economic conditions, our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by the Federal Reserve to implement these objectives are open market purchases and sales of U.S. government securities, adjustments of the discount rate and changes in banks' reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits.

The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

We face a risk of noncompliance with the Bank Secrecy Act and other anti-money laundering statutes and regulations and corresponding enforcement proceedings.

The federal Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (which we refer to as the "PATRIOT Act") and other laws and regulations require financial institutions, among other duties, to institute and maintain effective anti-money laundering programs, and to file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network, established by the U.S. Treasury Department to administer the Bank Secrecy Act, is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U.S. Department of Justice, Drug Enforcement Administration and Internal Revenue Service. There is also increased scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control (which we refer to as “OFAC”). Federal and state bank regulators also have begun to focus on compliance with Bank Secrecy Act and anti-money laundering regulations. If our policies, procedures and systems are deemed deficient or the policies, procedures and systems of the financial institutions that we may acquire are deficient, we would be subject to liability, including fines, and regulatory actions such as restrictions on our ability to pay dividends and engage in our acquisition plans, which would negatively impact our business, financial condition and results of operations. In recent years, sanctions that the regulators have imposed on banks that have not complied with all requirements have been especially severe. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to capital adequacy requirements and may be subject to more stringent capital requirements, which could adversely affect our financial condition and operations.

In July 2013, the federal banking agencies published new regulatory capital rules based on the international standards, known as Basel III, that were developed by the Basel Committee on Banking Supervision. The new rules raised the risk-based capital requirements and revised the methods for calculating risk-weighted assets, usually resulting in higher risk weights. The new rules became effective as applied to us on January 1, 2015, with a phase in period that generally extends from January 1, 2015 through January 1, 2019.

The Basel III rules increase capital requirements and include two new capital measurements that will affect us, a risk-based common equity Tier 1 ratio and a capital conservation buffer. Common Equity Tier 1 (CET1) capital is a subset of Tier 1 capital and is limited to common equity (plus related surplus), retained earnings, accumulated other comprehensive income and certain other items. Other instruments that have historically qualified for Tier 1 treatment, including noncumulative perpetual preferred stock, are consigned to a category known as Additional Tier 1 capital and must be phased out of CET1 over a period of nine years beginning in 2014. However, we are permitted to include qualifying trust preferred securities issued prior to May 19, 2010 as Additional Tier 1 capital. In order to be a “well-capitalized” depository institution under the new regime, an institution must maintain a CET1 capital ratio of 6.5% or more; a Tier 1 capital ratio of 8% or more; a total capital ratio of 10% or more; and a leverage ratio of 5% or more. Institutions must also maintain a capital conservation buffer consisting of common equity Tier 1 capital.

While we currently meet the requirements of the Basel III-based capital requirements, we may fail to do so in the future. The failure to meet applicable regulatory capital requirements could result in one or more of our regulators placing limitations or conditions on our activities, including our growth initiatives, or restricting the commencement of new activities, and could affect customer and investor confidence, our costs of funds and level of required deposit insurance assessments to the FDIC, our ability to pay dividends on our capital stock, our ability to make acquisitions, and our business, results of operations and financial condition, generally.

In addition to the higher required capital ratios and the new deductions and adjustments, the final rules increased the risk weights for certain assets, meaning that we will have to hold more capital against these assets. For example, commercial real estate loans that do not meet certain new underwriting requirements must be risk-weighted at 150%, rather than the former requirement of 100%. We will also be required to hold capital against short-term commitments that are not unconditionally cancellable. All changes to the risk weights took effect in full in 2015.

In addition, in the current economic and regulatory environment, bank regulators may impose capital requirements that are more stringent than those required by applicable existing regulations. The application of more stringent capital requirements for us could, among other things, result in lower returns on equity, require the raising of additional capital, and result in regulatory actions if we were to be unable to comply with such requirements. Implementation of changes to asset risk weightings for risk-based capital calculations, items included or deducted in calculating regulatory capital or additional capital conservation buffers, could result in management modifying our business strategy and could limit our ability to make distributions, including paying dividends.

We are periodically subject to examination and scrutiny by a number of banking agencies and, depending upon the findings and determinations of these agencies, we may be required to make adjustments to our business that could adversely affect us.

The FDIC and the NYDFS periodically conduct examinations of our business, including compliance with applicable laws and regulations. If, as a result of an examination, a banking agency were to determine that the financial condition, capital resources, asset quality, asset concentration, earnings prospects, management, liquidity sensitivity to market risk or other aspects of any of our operations has become unsatisfactory, or that we or our management are in violation of any law or regulation, the banking agency could take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin "unsafe or unsound" practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to change the asset composition of our portfolio or balance sheet, to assess civil monetary penalties against our officers or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance. If we become subject to such regulatory actions, our business, results of operations and reputation may be negatively impacted.

We are subject to the Community Reinvestment Act and federal and state fair lending laws, and failure to comply with these laws could lead to material penalties.

The Community Reinvestment Act, the Equal Credit Opportunity Act and the Fair Housing Act impose nondiscriminatory lending requirements on financial institutions. The FDIC, the NYDFS, the Department of Justice, and other federal and state agencies are responsible for enforcing these laws and regulations. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. A successful challenge to our performance under the fair lending laws and regulations could adversely impact our rating under the Community Reinvestment Act and result in a wide variety of sanctions, including the required payment of damages and civil money penalties, injunctive relief, imposition of restrictions on merger and acquisition activity and restrictions on expansion activity, which could negatively impact our reputation, business, financial condition and results of operations.

Our financial condition may be affected negatively by the costs of litigation.

We may be involved from time to time in a variety of litigation, investigations or similar matters arising out of our business. In many cases, we may seek reimbursement from our insurance carriers to cover such costs and expenses. Our insurance may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Should the ultimate judgments or settlements in any litigation or investigation significantly exceed our insurance coverage, they could have a material adverse effect on our business, financial condition and results of operations. In addition, we may not be able to obtain appropriate types or levels of insurance in the future, nor may we be able to obtain adequate replacement policies with acceptable terms, if at all.

Risks Related to Our Common Stock

Shares of our common stock are not an insured deposit.

Shares of our common stock are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency. Your investment will be subject to risk, including those outlined in this section, and you may lose your entire investment.

Prior to this offering, no public trading market for our common stock existed and we cannot assure you that an active, liquid trading market will develop, or once developed, will be maintained.

Prior to this offering, there has been no established public market for shares of our common stock. Our common stock has been quoted on the OTC Market (Pink Sheets) under the symbol "ANYB". The OTC Market (Pink Sheets) is a centralized quotation service that collects and publishes market maker quotes in real time. There has been very limited trading activity in our common stock on the Pink Sheets. We cannot predict the extent to which investor interest in our Bank will lead to the development and sustainment of an active trading market for the common stock on The Nasdaq Global Market ("Nasdaq") or otherwise, or how liquid that market might become. If an active and liquid trading market does not develop or is not sustained, you may have difficulty selling any shares of our common stock that you purchase in this initial public offering and the value of our common stock may be adversely affected. The initial public offering price for the shares of our common stock will be determined by negotiations between us and the representatives of the underwriters, and may not be indicative of prices that will prevail in the open market following this offering. The market price of our common stock may decline below the initial public offering price, and you may not be able to sell your shares of our common stock at or above the price you paid in this offering, or at all. An inactive and illiquid trading market may also impair our ability to raise capital to continue to fund operations by selling shares of our common stock and may impair our ability to acquire other companies or technologies by using our common stock as consideration.

The market price and trading volume of our common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

Even if an active trading market develops, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume on our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares of common stock at or above your purchase price, if at all. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some, but certainly not all, of the factors that could negatively affect the price of our common stock, or result in fluctuations in the price or trading volume of our common stock, include:

- general market conditions;
- domestic and international economic factors unrelated to our performance;
- variations in our quarterly operating results or failure to meet the market's earnings expectations;
- publication of research reports about us or the financial services industry in general;
- the failure of securities analysts to cover our common stock after this offering;
- additions or departures of our key personnel;
- adverse market reactions to any indebtedness we may incur or securities we may issue in the future;
- actions by our stockholders;
- the expiration of contractual lock-up agreements;
- the operating and securities price performance of companies that investors consider to be comparable to us;
- changes or proposed changes in laws or regulations affecting our business; and
- actual or potential litigation and governmental investigations.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of the common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Because we are an emerging growth company and because we have decided to take advantage of certain exemptions from various reporting and other requirements applicable to emerging growth companies, our common stock could be less attractive to investors.

For as long as we remain an "emerging growth company," as defined in the JOBS Act, we will have the option to take advantage of certain exemptions from various reporting and other requirements that are applicable to other public companies that are not emerging growth companies, including:

- we may present only two years of audited financial statements and only two years of related management's discussion and analysis of financial condition and results of operations and provide less than five years of selected historical financial information;
- we are exempt from the requirements to obtain an attestation and report from our auditors on management's assessment of our internal control over financial reporting under the Sarbanes-Oxley Act;
- we are permitted to have less extensive disclosure about our executive compensation arrangements; and
- we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements.

Following our public offering, we may continue to take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we continue to qualify as an emerging growth company. It is possible that some investors could find our common stock less attractive because we may take advantage of these exemptions. If some investors find our common stock less attractive, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (b) the date that the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of June 30 of that year, (c) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, or (d) the end of fiscal year following the fifth anniversary of the completion of this offering.

Because we have elected to use the extended transition period for complying with new or revised accounting standards for an "emerging growth company" our financial statements may not be comparable to companies that comply with these accounting standards as of the public company effective dates.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 7(a)(2)(B) of the Securities Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with these accounting standards as of the public company effective dates. Because our financial statements may not be comparable to companies that comply with public company effective dates, investors may have difficulty evaluating or comparing our business, performance or prospects in comparison to other public companies, which may have a negative impact on the value and liquidity of our common stock. We cannot predict if investors will find our common stock less attractive because we plan to rely on this exemption. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Securities analysts may not initiate coverage or continue to cover our common stock.

The trading market for our common stock will depend in part on the research and reports that securities analysts publish about us and our business. We do not have any control over these securities analysts, and they may not cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect our market price. If we are covered by securities analysts, and our common stock is the subject of an unfavorable report, the price of our common stock may decline. If one or more of these analysts cease to cover us or fail to publish regular reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our common stock to decline**.**

The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale, including shares that will be available for sale following the expiration of the lock-up period.

Sales of substantial amounts of our common stock in the public market following this offering or in future offerings, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future, at a time and place that we deem appropriate.

Before and upon completion of this offering, we will have 31,771,584 shares of common stock issued and outstanding (giving effect to the Stock Dividend). Of the outstanding shares of common stock, all of the 6,718,729 shares sold in this offering (or 7,726,538 shares if the underwriters exercise in full their option to purchase additional shares) will be freely transferable as the common stock are bank securities and, therefore, are exempt from registration requirements of the federal securities laws pursuant to Section 3(a)(2) of the Securities Act. Subject in certain cases to lock-up agreements with respect to our directors, officers and certain stockholders that restrict their ability, with certain exceptions, to transfer shares of our common stock held by them for a period of 180 days after the date of the underwriting agreement, as described under "*Underwriting—Lock-up Agreements*," shares of our common stock outstanding following this offering may be sold into the market over time. Subject to certain exceptions, approximately 9,940,434 shares of our common stock will become eligible for sale upon expiration of the 180-day lock-up period (which excludes the Workers United Related Parties' (as defined below) shares that will be subject to sales restrictions in accordance with Rule 144 after the expiration of its applicable one-year lock-up period, see *Certain Relationships and Related Party Transactions—Arrangements with Workers United*.) In addition, stockholders owning an anticipated aggregate 21,298,975 shares of our common stock following the completion of this offering (or 20,291,165 shares if the underwriters exercise in full their option to purchase additional shares) will remain entitled, under existing registration rights agreements, to require us to register those shares for public sale. Accordingly, the market price of our common stock could be adversely affected by actual or anticipated sales of a significant number of shares of our common stock in the future.

Future sales of our common stock, or other securities convertible into or exercisable or exchangeable for our common stock, may result in dilution or adversely affect our stock price.

If a market were to develop for our common stock, the market price of our common stock may be adversely affected by the sale of a significant quantity of our outstanding common stock (including any securities convertible into or exercisable or exchangeable for common stock), or the perception that such a sale could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to raise additional capital by selling equity securities in the future at a time and price that we deem appropriate.

We do not currently pay dividends on our common stock.

We have only paid a cash dividend to holders of our common stock once since 2010; however, following this offering we intend to begin paying a quarterly cash dividend of $0.06 on our common stock beginning in the fourth quarter of 2018. Any actual determination relating to our dividend policy will be made, subject to applicable law and regulatory approvals, by our board of directors and will depend on a number of factors, including: (1) our historical and projected financial condition, liquidity and results of operations, (2) our capital levels and needs, (3) tax considerations, (4) any acquisitions or potential acquisitions that we may examine, (5) statutory and regulatory prohibitions and other limitations, (6) the terms of any credit agreements or other borrowing arrangements that restrict our ability to pay cash dividends, (7) general economic conditions and (8) other factors deemed relevant by our board of directors. The board of directors may determine not to pay any cash dividends at any time. There can be no assurance that we will pay any dividends to holders of our common stock, or as to the amount of any such dividends. For more information, see "*Cautionary Note Regarding Forward-Looking Statements*", "*Dividend Policy*" and "*Supervision and Regulation – Payment of Dividends*."

Our common stock is subordinate to our existing and future indebtedness.

Shares of our common stock are equity interests and do not constitute indebtedness. As such, our common stock ranks junior to all of our customer deposits and indebtedness, and other non-equity claims on us, with respect to assets available to satisfy claims. Additionally, holders of common stock may be subject to the prior dividend and liquidation rights of any series of preferred stock we may issue.

We have several significant investors whose individual interests may differ from yours.

A significant percentage of our Class A common stock is currently held by a few institutional investors (the "PE Investors") and an amalgamation of Workers United and numerous joint boards, locals or similar organizations authorized under the constitution of Workers United (the "Workers United Related Parties"). The PE Investors collectively own approximately 33.0% of our outstanding common stock and the Workers United Related Parties own approximately 55.2% of our common stock. Although certain of our PE Investors, including investment funds affiliated with WL Ross & Co. LLC and investment funds affiliated with The Yucaipa Companies, LLC, entered into passivity commitments with regulators that limit their ability to influence us either individually or as a group, these investors will continue to have a significant level of influence over us because of their level of common stock ownership and their right to representation on our board of directors. For example, these investors will have a greater ability than our other stockholders to influence the election of directors and the potential outcome of other matters submitted to a vote of our stockholders, including mergers and other acquisition transactions, amendments to our restated organization certificate and bylaws, and other extraordinary corporate matters. The interests of these investors could conflict with the interests of our other stockholders, and any future transfer by these investors of their shares of common stock to other investors who have different business objectives could adversely affect our business, results of operations, financial condition, prospects or the market value of our common stock.

The PE Investors and Workers United Related Parties have also entered into agreements with us that contain certain provisions, including, among others, provisions relating to our governance, information rights, tag-along rights, board designation rights, and certain board and stockholder approval rights. Additionally, the PE Investors and Workers United Related Parties have entered into agreements with us that provide certain registration rights, including demand registration rights, and in the case of the Workers United Related Parties, the establishment of an advisory board. For additional information concerning the rights of the PE Investors and Workers United Related Parties, see "*Certain Relationships and Related Party Transactions*" on page 161.

Transfers of our common stock owned by the Workers United Related Parties could adversely impact your rights as a stockholder and the market price of our common stock.

The Workers United Related Parties may transfer all or part of the shares of our common stock that they own, without allowing you to participate or realize a premium for any investment in our common stock, or distribute shares of our common stock that it owns to their members. Sales or distributions by the Workers United Related Parties of such common stock could adversely impact prevailing market prices for our common stock.

Additionally, a sale of a controlling interest by the Workers United Related Parties to a third party could adversely impact the market price of our Class A common stock and our business, financial condition and results of operations. For example, a change in control caused by the sale of our shares by the Workers United Related Parties may result in a change of management decisions and business policy.

Future equity issuances could result in dilution, which could cause the value of our common stock to decline.

Based on 28,060,984 shares issued and outstanding at March 31, 2018 and 3,710,600 shares issued on May 18, 2018 in connection with the New Resource Bank Acquisition (after giving effect to the Stock Dividend on 1,403,049 shares and 185,530 shares, respectively), after receiving approval from our board of directors and subject to any limitations under applicable laws or the rules of the Nasdaq, we may issue up to 38,228,415 additional shares of our common stock, as authorized in our restated organization certificate, which authorized amount could be increased by a vote of a majority of our outstanding shares. We may issue additional shares of our common stock in the future pursuant to current or future equity compensation plans or in connection with future acquisitions or financings. If we choose to raise capital by selling shares of our common stock for any reason, the issuance would have a dilutive effect on the holders of our common stock and could have a material negative effect on the value of our common stock.

The obligations associated with being a public company will require significant resources and management attention, which will increase our costs of operations and may divert focus from our business operations.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd Frank Act, the listing requirements of The Nasdaq Global Market and the related securities rules and regulations of the FDIC. In particular, we will be required to file with the FDIC annual, quarterly and current reports with respect to our business and financial condition. Compliance with these requirements will place significant demands on our legal, accounting and finance staff and may divert management's attention from implementing our growth strategy, which could prevent us from successfully implementing our strategic initiatives and improving our business, financial condition, results of operations and prospects. Any changes made to comply with these requirements may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all.

As a public company, we will incur increases in our legal, accounting and insurance costs, as well as our compensation expense as we are hiring additional staff to help with complying with the requirements of a public reporting company. In addition, we have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements. We anticipate that these increased costs will increase our general and administrative expenses.

These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms.

Failure to establish and maintain effective internal controls over financial reporting could have an adverse effect on our business and results of operations.

Beginning with our annual report for the year ending December 31, 2019, our management will be required to conduct an annual assessment of the effectiveness of our internal control over financial reporting in accordance with Section 404 of Sarbanes-Oxley and rules promulgated under the Exchange Act. We are in the process of reviewing our formal policies, processes and practices related to financial reporting and to the identification of key financial reporting risks, assessment of their potential impact and linkage of those risks to specific areas and controls within our organization. If we fail to adequately comply with the requirements of Section 404, we may be subject to adverse regulatory consequences and there could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements.

While we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To prepare for eventual compliance with the auditor attestation requirement of Section 404 of Sarbanes-Oxley once we no longer qualify as an emerging growth company, we are engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and continue to refine our reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed time frame or at all, that our internal control over financial reporting is effective as required by Section 404 of Sarbanes-Oxley. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Any and all of these factors could have a material adverse effect on us and lead to a decline in the price of our common stock.

Various factors could make a takeover attempt of us more difficult to achieve.

Certain provisions of our organizational documents, in addition to certain federal and state banking laws and regulations, could make it more difficult for a third-party to acquire us without the consent of our board of directors, even if doing so were perceived to be beneficial to our stockholders. For example, state law, our organizational certificate, our bylaws, or the Investor Rights Agreements provide for, among other things:

- no cumulative voting in the election of directors;
- the issuance of “blank check” preferred stock by our board of directors, without further stockholder approval;
- limitations on the ability of stockholders to call a special meeting of stockholders, which requires the holders of at least two-thirds of the outstanding shares of the Bank entitled to vote at the meeting to call a special meeting;
- a penalty associated with the Bank’s withdrawal from its participation in the ERISA multiemployer plan;
- advance notice requirements for stockholder proposals and director nominations; and
- the approval by a super-majority of outstanding common stock for extraordinary corporate matters such as, among other things, a merger, other business combination, or a sale of all or substantially all of our assets.

We believe that these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. However, these provisions apply even if the offer may be determined to be beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is in our best interest and that of our stockholders.

Furthermore, banking laws impose notice, approval and ongoing regulatory requirements on any stockholder or other party that seeks to acquire direct or indirect “control” of an FDIC-insured depository institution, such as us, which could delay or prevent an acquisition.

In addition, the current collective bargaining agreement with the Office and Professional Employees International Union, Local 153, AFL-CIO, has a provision that requires any successor entity in a merger or other transaction to agree to be bound by the terms of the collective bargaining agreement. This provision could impact our ability to complete a merger or other similar transaction.

The combination of these provisions could effectively inhibit a non-negotiated merger or other business combination, which could adversely impact the value of our common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this offering circular that are not historical in nature are intended to be, and are hereby identified as, forward-looking statements for purposes of the safe harbor provided by Section 21E of the Exchange Act. The words "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "may" and "intend," as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include 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.

These forward-looking statements involve significant risks and uncertainties that could cause our actual results to differ materially from those anticipated in such statements. Potential risks and uncertainties include, but are not limited to, those described under "*Risk Factors*" and the following:

- negative reactions to the New Resource Bank Acquisition by our customers, employees and counterparties or difficulties related to the transition of services or merger integration;
- our ability to maintain our bank's reputation;
- our ability to carry out our business strategy prudently, effectively and profitably;
- our ability to attract customers based on shared values or mission alignment;
- market perceptions associated with certain aspects of our business;
- the one-time cost of becoming and incremental costs of operating as a public company;
- projections on loans, assets, deposits, liabilities, revenues, expenses, net income, capital expenditures, liquidity, dividends, capital structure or other financial items;
- future provisions for loan losses, increases in nonperforming assets, impairment of investors, our allowance for loan losses and our accounting policies with respect to any of these items;
- our asset quality and any loan charge-offs;
- the composition of our loan portfolio;
- our ability to allocate our capital prudently, effectively and profitably;
- our ability to pay dividends;
- our ability to achieve organic loan and deposit growth and the composition of such growth;
- our ability to identify and effectively acquire potential acquisition or merger targets, including our ability to be seen as an acquirer of choice and our ability to obtain regulatory approval for any acquisition or merger;
- time and effort necessary to resolve nonperforming assets;
- fluctuations in the values of our assets and liabilities and off-balance sheet exposures;
- our ability to attract and retain customer deposits;
- general economic conditions (both generally and in our markets) may be less favorable than expected, which could result in, among other things, 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, may negatively affect our financial results;
- our ability to raise additional capital may be impaired if current levels of market disruption and volatility continue or worsen;

- costs or difficulties related to the integration of banks we may acquire may be greater than expected;
- descriptions of plans or objectives of management for future operations, products or services;
- changes in the demand for our products and services;
- other financial institutions having greater financial resources and being able to develop or acquire products that enable them to compete more successfully than we can;
- 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 accounting standards and compliance requirements, may adversely affect us;
- possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations;
- changes in any applicable law, rule, regulation or practice with respect to tax or legal issues, whether of general applicability or specific to us and our subsidiaries;
- our likelihood of success in, and the impact of, legal, regulatory or other actions, investigations or proceedings relating to our business;
- competitive pressures among depository and other financial institutions may increase significantly;
- changes in the interest rate environment may reduce margins or the volumes or values of the loans we make or have acquired;
- adverse changes in the bond and equity markets;
- our ability to attract and retain key personnel can be affected by the increased competition for experienced employees in the banking industry;
- the possibility of earthquakes and other natural disasters affecting the markets in which we operate;
- war or terrorist activities causing further deterioration in the economy or causing instability in credit markets;
- economic, governmental or other factors may prevent the projected population, residential and commercial growth in the markets in which we operate;
- descriptions of assumptions underlying or relating to any of the foregoing; and
- damage to our reputation from any of the factors described above, in "*Risk Factors*" or in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to 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 offering circular. In particular, you should consider the numerous risks described in the "*Risk Factors*" section of this offering circular. Further, any forward-looking statement speaks only as of the date on which it is made and we undertake no 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. You should, however, review the risk factors we describe in the reports we will file from time to time with the FDIC after the date of this offering circular. See "*Where You Can Find More Information*."

USE OF PROCEEDS

The selling stockholders are selling all of the shares of common stock in this offering and we will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

DIVIDEND POLICY

We have only paid a cash dividend to holders of our common stock once since 2010; however, following this offering we intend to begin paying a quarterly cash dividend of $0.06 per share of our common stock beginning in the fourth quarter of 2018. Any actual determination relating to our dividend policy will be made, subject to applicable law and regulatory approvals, by our board of directors and will depend on a number of factors, including: (1) our historical and projected financial condition, liquidity and results of operations, (2) our capital levels and needs, (3) tax considerations, (4) any acquisitions or potential acquisitions that we may examine, (5) statutory and regulatory prohibitions and other limitations, (6) the terms of any credit agreements or other borrowing arrangements that restrict our ability to pay cash dividends, (7) general economic conditions and (8) other factors deemed relevant by our board of directors. The board of directors may determine not to pay any cash dividends at any time.

We are subject to bank regulatory requirements that in some situations could affect our ability to pay dividends. The FDIC's prompt corrective action regulations prohibit depository institutions, such as us, from making any "capital distribution," which includes any transaction that the FDIC determines, by order or regulation, to be "in substance a distribution of capital," unless the depository institution will continue to be at least adequately capitalized after the distribution is made. Pursuant to these provisions, it is possible that the FDIC would seek to prohibit the payment of dividends on our capital stock if we failed to maintain a status of at least adequately capitalized. The New York Banking Law contains similar provisions. There can be no assurance that we will pay any dividends to holders of our common stock, or as to the amount of any such dividends. See *Cautionary Note Regarding Forward-Looking Statements* " and "*Supervision and Regulation – Payment of Dividends*." If we did pay dividends on our capital stock, those dividends would be payable out of our capital surplus.

CAPITALIZATION

As noted above, on July 20, 2018, we declared the Stock Dividend, which resulted in an additional 19 shares for every one share held. The following table sets forth our capitalization as of March 31, 2018 (i) on an actual basis and (ii) on an as-adjusted basis to give effect to the Stock Dividend and the amendment to our Certificate of Organization to change the par value of our common stock from $10.00 per share to $0.01 per share and authorizes 70,000,000 shares of Class A common stock.

This table should be read in conjunction with "*Selected Historical Consolidated Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and the related notes thereto appearing elsewhere in this offering circular.

	March 31, 2018	
	Actual	**As Adjusted**
(dollars in thousands, except share data)	**(unaudited)**	
Stockholders' equity:		
Preferred stock, par value $100,000 per share; 77 authorized, 67 shares issued and outstanding as of March 31, 2018 (1)	$ 6,700	$ 6,700
Common stock, par value $10.00 per share (actual) and $0.01 per share (as adjusted); 2,100,000 shares (actual) and 70,000,000 shares (as adjusted) of Class A common stock authorized, 1,403,049 shares of Class A common stock issued and outstanding (actual), 28,060,984 shares of common stock issued and outstanding (as adjusted) (2),(3)	14,030	280
Class B common stock authorized, no shares of Class B common stock issued and outstanding (actual and as adjusted)	—	—
Additional paid-in capital	230,022	243,772
Retained earnings	107,167	107,167
Accumulated other comprehensive income/(loss), net of tax	(11,467)	(11,467)
Minority interest	134	134
Total stockholders' equity	$346,586	$346,586

(1) On May 30, 2018, we completed the repurchase of 67 shares of outstanding Series B preferred stock and as a result have no outstanding shares of preferred stock.

(2) On May 18, 2018, we issued 185,530 (or 3,710,600 shares of common stock adjusted for the Stock Dividend) shares of our common stock in the New Resource Bank Acquisition.

(3) Does not include 2,342,000 shares reserved for issuance pursuant to stock options. See "*Executive Compensation – Long-Term Incentives.*"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our consolidated financial condition and results of operations for the three months ended March 31, 2018 and 2017 and the years ended December 31, 2017 and 2016 should be read in conjunction with the our consolidated financial statements and related notes thereto included elsewhere in this offering circular. 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. Comments regarding our business that are not historical facts are considered forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in these forward-looking statements. For additional information regarding our cautionary disclosures, see the "*Cautionary Note Regarding Forward-Looking Statements*" beginning on page 58 of this offering circular. For a more complete discussion of the factors that could affect our future results, see "*Risk Factors*" beginning on page 26 of this offering circular.

Overview

Our business

Amalgamated Bank is a commercial bank and chartered trust company headquartered in New York, New York with approximately $4.2 billion in total assets, $2.9 billion in total loans and $3.3 billion in total deposits, as of March 31, 2018. We were formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America, one of the country's oldest labor unions, and we are now the largest majority union-owned bank in the United States. Although we are no longer fully union-owned, Amalgamated Clothing Workers of America's successor, Workers United, an affiliate of the Service Employees International Union that represents workers in the textile, food service, and manufacturing industries, remains our majority stockholder, holding 62.5% of our equity as of March 31, 2018. Following completion of this offering, Workers United Related Parties will own 40.94% of the Bank's stock.

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 12 branch locations across four boroughs of New York City, one branch office in Washington, D.C., one branch in San Francisco (acquired in the New Resource Bank Acquisition), our domestic representative office in Pasadena, California, a loan production office in Boulder, Colorado (acquired in the New Resource Bank Acquisition), 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, commercial and industrial loans, commercial real estate 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, online cash management, 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. As of March 31, 2018, we oversaw $29.4 billion in assets and managed $11.6 billion in investments (of which approximately $400 million is expected to run off in the future).

Our products and services are tailored to our target customer base that wants 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 and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses, and other for-profit companies that seek to balance their profit-making activities with activities that benefit their other stakeholders (we will refer to these organizations on a collective basis as socially responsible organizations), 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. We have obtained B Corporation ™ certification, a distinction we earned after being evaluated under rigorous standards of social and environmental performance, accountability, and transparency. We are also the largest of ten 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.

In 2012, Keith Mestrich joined us as the director of our Washington, D.C. operations. In 2014, after strengthening our presence in Washington, D.C., Mr. Mestrich was promoted to President and Chief Executive Officer. Under our new leadership team headed by Mr. Mestrich, we have built upon our strengths and have refocused the bank on our core mission—to appeal to a wider group of progressive organizations. These initiatives have improved key financial metrics and profitability.

Since Mr. Mestrich's appointment as President and Chief Executive Officer, we have significantly improved our asset quality while also growing our loan portfolio from \$2.0 billion in net loans as of December 31, 2014 to \$2.9 billion in net loans as of March 31, 2018. In addition, we sought to optimize our deposit base by expanding the percentage of our total deposits that are non-interest bearing, enhancing our online and mobile banking offerings, and broadening our cash management products to better meet our customers' needs. During this period, we decreased the number of our branch locations from 24, at December 31, 2014, to 13, at March 31, 2018, thereby reducing our costs with minimal deposit attrition, and also generally improved the efficiency of our operations.

Strategic turnaround efforts

Concurrently with the transition to the new management team, we performed a strategic review of our existing franchise and undertook a number of initiatives intended to improve the bank's performance from 2014 through 2017. In light of changes to customers' banking preferences and the increased use of technology by bank customers, we evaluated individual branch growth potential, usage, and profitability, the service we provide, the markets we serve and the proximity of our branches to other locations. The goal of this review was to improve our financial performance while minimizing customer impact and deposit runoff. This strategic review resulted in the closing of our branches in Nevada, New Jersey and California, thereby reducing the size of our branch network from 24 to 13 branches (now 14 branches following the New Resource Bank Acquisition) with limited account losses, increasing deposits per branch from \$105.1 million to \$248.7 million. We continue to strategically evaluate our branch locations based upon growth prospects, profitability and customer needs.

During this same period, we made significant progress in improving our balance sheet and earnings. We significantly reduced the cost of borrowings by prepaying high-cost borrowings that were originated pre-crisis at the peak of the rate cycle. From 2014 to 2017, we unwound \$687 million of high-cost borrowings with an average rate of 3.6% at a loss of \$24.3 million due to prepayment penalties. In 2014, we also sold a portion of our securities portfolio that would have adversely impacted regulatory capital levels after the implementation of Basel III capital regulations for a loss of \$8.8 million. We have shifted the asset side of the balance sheet to a higher concentration of loans which, along with reduced borrowing costs, has improved net interest margin. Finally, we have worked to resolve problem credits and reduced key credit metrics and charge-off rates in the loan portfolio. These changes have enhanced our profitability and moved us closer to peer comparable performance.

Critical 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, the most significant of which are described in Note 2 to our audited consolidated financial statements included on page F-9 of this offering circular. To prepare financial statements in conformity with GAAP, management makes estimates, assumptions and judgments based on available information. These estimates, assumptions and judgments affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions and judgments are based on information available as of the date of the financial statements and, as this information changes, actual results could differ from the estimates, assumptions and judgments reflected in the financial statements. In particular, management has identified accounting policies that, due to the estimates, assumptions and judgments inherent in those policies, are critical in understanding our financial statements. Management has presented the application of these policies to the audit committee of our board of directors.

The following is a discussion of the critical accounting policies and significant estimates that require us to make complex and subjective judgments. Additional information about these policies can be found in Note 2 of our consolidated financial statements, which are included on page F-9 of this offering circular.

Allowance for loan losses

We maintain the allowance for loan losses ("ALLL") at a level we believe is sufficient to absorb probable incurred losses in our loan portfolio. Management determines the adequacy of the allowance based on periodic evaluations of the loan portfolio and other factors, including past loss experience, the results of our ongoing loan grading process, the amount of past due and nonperforming loans, legal requirements, recommendations or requirements of regulatory authorities, and current economic conditions. These evaluations are inherently subjective as they require management to make material estimates, all of which may be susceptible to significant change. Actual losses in any year may exceed allowance amounts. The allowance is increased by provisions charged to expense and decreased by actual charge-offs, net of recoveries or previous amounts charged-off.

Our allowance consists of specific and general components. The specific components relate to loans that are individually classified as impaired. Once a loan is deemed to be impaired, we follow guidelines set forth in Accounting Standards Codification ("ASC") No. 310. For loans secured by commercial real estate ("CRE"), we use collateral value as the basis for determining the size of the impairment. Accruing troubled debt restructurings ("TDRs") are generally evaluated based on the cash flow of the property with any shortfall in the stabilized value of the property charged off. We then compare that balance to the 'as is' appraisal value and hold any shortfall as ALLL. Non-accruing loans (TDRs or otherwise) are generally considered collateral dependent via sale of the asset, and we apply the "as is" appraisal less expected cost to sell with any shortfall charged off. For commercial and industrial ("C&I") loans, we generally use discounted cash flow as the basis for determining the size of the impairment and any shortfall is held as a specific reserve.

The general component relates to loans that are not impaired and not individually evaluated. Loans in the general component are grouped into the following homogeneous pools:

- CRE loans;
- multi-family loans;
- construction and land loans;
- C&I;
- leveraged loans for commercial loans;
- consumer/small business;
- purchased student loans;

- legacy purchased home equity lines of credit ("HELOCs") and 1-4 family residential loans;
- HELOCs and 1-4 family residential loans originated by us; and
- newly purchased 1-4 family residential loan for retail loans.

The commercial loans are further segmented by risk grade: pass, special mention, and classified. We use a historical look back period to determine loss rates based on our own loss experiences, or, if there is insufficient data, through proxy data. The current lookback period starts in 2010, the earliest time that we have relevant data and will continue to lengthen until we experience a complete economic cycle. Additionally, we apply an estimated loss emergence period (the "LEP") to recognize that an event may have already occurred that has yet to manifest itself as a deterioration in the credit that may eventually lead to a loss. There are three components to the LEP: (1) observable—the observed time from a downgrade or delinquency to a loss; (2) known pre-emergence period—the time from when information becomes available until a downgrade is recorded; and (3) unknown period—the time between when an event (e.g. divorce, medical expense) occurred until it becomes known and impacts the financial situation of the borrower. We also consider qualitative factors that mirror nine environmental factors suggested by the FDIC. These factors are reviewed each quarter using empirical data, where it is available and relevant, to guide management's judgment to set the level and direction of risk for each factor. The maximum size is determined annually by looking at the current loss coverage of the ALLL against the historical maximum loss rates during the look back period. We update the loss factors quarterly and the LEP annually. We do not use an unallocated ALLL. Together, the quantitative and qualitative reserves form the general component of the ALLL.

Based on the determination of management, the overall level of allowance is periodically adjusted to account for the inherent and specific risks within the entire portfolio. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. While management uses available information to recognize losses on loans, future additions or reductions in the allowance may be necessary due to changes in one or more evaluation factors, such as management's assumptions as to rates of default, loss or recoveries, or management's intent with regard to disposition or cure options. The amount of the allowance is also affected by the size and composition of the loan portfolio. Based on this assessment, the allowance and allocation are adjusted each quarter. The allowance reflects management's best estimate of the losses that are inherent in the loan portfolio at the balance sheet date. A shift in lending strategy may also warrant a change in the allowance due to a changing credit profile. In addition, various regulatory agencies review our allowance for loan losses and may require us to recognize additions to, or charge-offs against, the allowance based on their judgment about information available to them at the time of their examination.

Significant Accounting Policies and Estimates

Management has identified accounting policies that, due to the estimates, assumptions and judgments inherent in those policies, are significant in understanding our financial statements. Management has presented the application of these policies to the audit committee of our board of directors.

The following is a discussion of the significant accounting policies and estimates that require us to make complex and subjective judgments. Additional information about these policies can be found in Note 2 of our consolidated financial statements, which are included on page F-9 of this offering circular.

Fair value

The use of fair values is required in determining the carrying values of certain assets and liabilities, as well as for specific disclosures. ASC No. 820-10 defines fair value as an estimate of the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (i.e., not a forced transaction, such as a liquidation or distressed sale) between market participants at the measurement date and is based on the assumptions market participants would use when pricing an asset or liability. ASC No. 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date;

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data; and

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In determining the fair value of financial instruments, market prices of the same or similar instruments are used whenever such prices are available. For financial instruments that trade actively and have quoted market prices or observable market parameters, there is minimal subjectivity involved in measuring fair value. If observable market prices are unavailable or impracticable to obtain, we are required to make judgments about assumptions that market participants would use in estimating the fair value of the financial instrument. For example, reduced liquidity in the capital markets or changes in secondary market activities could result in observable market inputs becoming unavailable. Fair value is estimated using modeling techniques and incorporates assumptions about interest rates, duration, prepayment speeds, future expected cash flows, market conditions, risks inherent in a particular valuation technique and the risk of nonperformance. These assumptions are inherently subjective as they require material estimates, all of which may be susceptible to significant change. The models used to determine fair value adjustments are periodically evaluated by management for relevance under current facts and circumstances.

Fair value measurement and disclosure guidance differentiates between those assets and liabilities required to be carried at fair value at every reporting period on a recurring basis, such as investment securities that are available-for-sale and those assets and liabilities that are only required to be adjusted to fair value under certain circumstances on a non-recurring basis, such as when there is evidence of impairment.

See Note 15 - "Fair Value of Financial Instruments," to our audited consolidated financial statements included on page F-44 of this offering circular for additional information regarding the extent to which fair value is used to measure assets and liabilities and the valuation methodologies and key inputs used.

Income taxes

We use the asset and liability method to account for income taxes. The objective of this method is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the income tax basis of our assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. Our annual tax rate is based on our income, statutory tax rates and available tax planning opportunities. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial, and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred and accrued taxes as well as the current period's income tax expense and can be material to our operating results. The "Tax Cuts and Jobs Act" had the effect of reducing our deferred tax asset by $13.9 million in the fourth quarter of 2017 which was charged through our provision for income taxes in that same period. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties.

Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss carryforwards. At least once each year, or more frequently, if warranted, we make estimates of future taxable income that we believe we are likely to generate during those future periods. If we conclude, on the basis of those estimates and the amount of tax benefit available to use, that it is more likely than not that we will be able to use those tax benefits before their expiration, we recognize the deferred tax assets in full on our balance sheet. However, if we conclude that it is more likely than not that we will not be able to utilize those tax benefits in full before their expiration, then we establish a valuation allowance to reduce the deferred tax asset on our balance sheet to the amount that we believe we can utilize. The assessment of tax assets and liabilities involves the use of estimates, assumptions, interpretations, and judgments concerning certain accounting pronouncements and federal and state tax codes. There can be no assurance that future events, such as court decisions or positions of federal and state taxing authorities, will not differ from management's current assessment, the impact of which could be significant to our consolidated results of operations and reported earnings.

See Note 12 of our consolidated financial statements included elsewhere in this offering circular for further information on income taxes.

Long-term Incentives

We administer a board-approved stock appreciation rights plan ("SARs") to provide for the grant of long-term incentive awards to our management team and directors. Our SARs are a cash settled liability and do not affect our diluted share count or diluted earnings. We apply *ASC Topic 718* guidance in accounting for these awards at fair value. The fair value of these awards are remeasured on a quarterly basis using available market information. For more information on our long-term incentives, refer to Note 14 – Employee Benefit Plans to our audited consolidated financial statements included elsewhere in this offering circular. For information on the recent conversion of the SARs, please see the section entitled "*Executive Management—Long-Term Incentives*."

Recently Issued Accounting Pronouncements

See Note 3 to our audited consolidated financial statements included elsewhere in this offering circular for a discussion of recently issued accounting pronouncements that have been or will be adopted by us that will require enhanced disclosures in our financial statements in future periods.

Impact of Inflation and Changing Prices

Our consolidated financial statements have been prepared in accordance with GAAP, which requires us to measure financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession generally are not considered. The primary effect of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, our assets and liabilities are primarily monetary in nature. Therefore, the effect of changes in interest rates will have a more significant effect on our performance than will the effect of changing prices and inflation in general. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond our control, including changes in the expected rate of inflation, the influence of general and local economic conditions and the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities. For more information about how we evaluate interest rate risk, please see the section entitled "*Quantitative and Qualitative Disclosures about Market Risk – Evaluation of Interest Rate Risk*."

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. 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.

We had net income for the three months ended March 31, 2018 of $7.7 million, or $5.46 per average diluted share, compared to $2.8 million, or $2.03 per average diluted share, for the three months ended March 31, 2017. The $4.8 million increase in net income for the first quarter of 2018, compared to the first quarter of 2017, was primarily due to a $4.5 million increase in net interest income (due primarily to higher loan balances, higher yields on earnings assets and lower interest expense on borrowings).

We had net income for the year ended December 31, 2017 of $6.1 million, or $4.24 per average diluted share, compared to $10.6 million, or $7.56 per average diluted share, for the year ended December 31, 2016. The $4.5 million decrease in net income for the year ended December 31, 2017, compared to the year ended 2016, was primarily due to a $13.5 million increase in provision for income taxes (primarily due to the impact of the Tax Cut and Jobs Acts), a $5.4 million increase in non-interest expense (primarily due to $5.6 million increase in borrowed funds prepayment penalties and the absence of a $2.5 million release of a provision for off balance sheet commitments, partially offset by $3.1 million lower salary and benefits costs), and a $4.4 million decrease in non-interest income (primarily due to a $0.6 million loss on the sale of securities in 2017 compared to a $3.1 million gain in 2016), partially offset by a $17.9 million increase in net interest income (due primarily to higher loan and investment securities balances and lower cost of FHLB and repurchase agreement funding) and a $0.9 million decrease in provision expense.

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 and dividends 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.

Three Months Ended March 31, 2018 and 2017

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 accordance with criteria noted above.

(in thousands)	For the Three Months Ended March 31, 2018			For the Three Months Ended March 31, 2017		
	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest earning assets:						
Interest-bearing deposits in banks	$ 75,078	$ 436	2.35%	$ 114,975	$ 156	0.55%
Securities and FHLB stock	950,143	6,633	2.83%	1,174,919	6,936	2.39%
Loans, net (1)	2,849,310	29,174	4.15%	2,556,618	26,393	4.19%
Total interest earning assets	3,874,530	36,243	3.79%	3,846,512	33,485	3.53%
Non-interest earning assets:						
Cash and due from banks	6,906			6,688		
Other assets	173,339			180,161		
Total assets	$ 4,054,776			$ 4,033,361		
Interest bearing liabilities:						
Savings, NOW and money market deposits	1,489,690	$ 1,132	0.31%	1,492,378	$ 778	0.21%
Time deposits	386,256	957	1.00%	473,656	840	0.72%
Total deposits	1,875,946	2,089	0.45%	1,966,034	1,618	0.33%
Federal Home Loan Bank advances	360,101	1,353	1.52%	619,359	3,536	2.32%
Other Borrowings	0	0	1.83%	6,135	33	2.16%
Total borrowings	360,101	1,353	1.52%	625,494	3,569	2.31%
Total interest bearing liabilities	2,236,047	3,442	0.62%	2,591,529	5,187	0.81%
Non interest bearing liabilities:						
Demand and transaction deposits	1,423,451			1,046,548		
Other liabilities	48,352			47,527		
Total liabilities	3,707,849			3,685,604		
Stockholders' equity	346,927			347,757		
Total liabilities and stockholders' equity	$ 4,054,776			$ 4,033,361		
Net interest income / interest rate spread		32,801	3.17%		28,298	2.72%
Net interest earning assets / net interest margin	$ 1,638,484		3.43%	$ 1,254,983		2.98%

(1) Amounts are net of deferred origination costs / (fees) and the allowance for loan losses

Our net interest income was $32.8 million for the three months ended March 31, 2018, an increase of $4.5 million, or 15.9%, from the same period in 2017. This increase was primarily attributable to an increase in average loans of $293 million and a decrease in funding costs due to the prepayment of high-cost, long-term borrowings in the second quarter of 2017 and a reduction of $265 million in the average balance of borrowings.

Our net interest spread was 3.17% for the three months ended March 31, 2018, compared to 2.72% for the three months ended March 31, 2017, an increase of 45 basis points. Our net interest margin was 3.43% for the three months ended March 31, 2018, compared to 2.98% for the three months ended March 31, 2017, an increase of 45 basis points.

The yield on average earning assets was 3.79% for the three months ended March 31, 2018, compared to 3.53% for the same period in 2017, an increase of 26 basis points, driven primarily by a shift in asset composition as loans, net as a percent of total assets increased from 63.4% for the three months ended March 31, 2017, to 70.3% for the three months ended March 31, 2018. Our yield on loans was 4.15% for the three months ended March 31, 2018, compared to 4.19% for the same period in 2017, a decrease of four basis point. The yield on our investment portfolio was 2.83% for the three months ended March 31, 2018 compared to 2.39% for the same period in 2017. The increase of 44 basis points was primarily driven by variable rate securities repricing due to changes in index rates.

The average rate on interest-bearing liabilities was 0.62% for the three months ended March 31, 2018, a decrease of 19 basis points from the same period in 2017, which was benefited by the prepayment of long-term borrowings in 2016 and 2017. The average rate paid on interest-bearing deposits was 0.45% for the three months ended March 31, 2018, an increase of 12 basis points from the same period in 2017, which was primarily due to an increase in deposit rates in response to an increasing Federal Funds rate. Noninterest-bearing deposits represented 42% of average deposits for the three months ended March 31, 2018, contributing to an average cost of deposits of 0.26% in the first quarter of 2018.

Years Ended December 31, 2017 and 2016

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 accordance with criteria noted above.

	For the Year Ended December 31, 2017			For the Year Ended December 31, 2016		
(in thousands)	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest earning assets:						
Interest-bearing deposits in banks	$ 89,000	$ 645	0.72%	$ 150,584	$ 637	0.42%
Securities and FHLB stock	1,098,138	27,425	2.50%	1,224,041	28,212	2.30%
Loans, net [(1)]	2,663,889	110,988	4.17%	2,332,505	97,803	4.19%
Total interest earning assets	3,851,026	139,058	3.61%	3,707,130	126,652	3.42%
Non-interest earning assets:						
Cash and due from banks	6,703			7,235		
Other assets	176,838			167,373		
Total assets	$ 4,034,567			$ 3,881,738		
Interest bearing liabilities:						
Savings, NOW and money market deposits	1,466,839	$ 3,877	0.26%	1,355,203	$ 3,028	0.22%
Time deposits	427,089	3,490	0.82%	482,307	3,386	0.70%
Total deposits	1,893,928	7,367	0.39%	1,837,510	6,414	0.35%
Federal Home Loan Bank advances	570,129	10,360	1.82%	571,436	14,664	2.57%
Other Borrowings	1,513	33	2.16%	68,252	2,222	3.26%
Total borrowings	571,642	10,393	1.82%	639,688	16,886	2.64%
Total interest bearing liabilities	2,465,570	17,760	0.72%	2,477,197	23,300	0.94%

(in thousands)	For the Year Ended December 31, 2017 Average Balance	Income / Expense	Yield / Rate	For the Year Ended December 31, 2016 Average Balance	Income / Expense	Yield / Rate
Non interest bearing liabilities:						
Demand and transaction deposits	$1,173,215			$1,006,229		
Other liabilities	45,602			49,072		
Total liabilities	3,684,387			3,532,498		
Stockholders' equity	350,180			349,239		
Total liabilities and stockholders' equity	$4,034,567			$3,881,738		
Net interest income / interest rate spread		$121,297	2.89%		$103,352	2.48%
Net interest earning assets / net interest margin	$1,385,457		3.15%	$1,229,932		2.79%

(1) Amounts are net of deferred origination costs / (fees) and the allowance for loan losses

Our net interest income was $121.3 million for the year ended 2017, an increase of $17.9 million, or 17.4%, from the year ended 2016. This increase was primarily attributable to increases in average loans of $331.4 million and a decrease of $4.3 million in the cost of borrowed funds (due to prepayment of high-cost borrowings) for the year ended 2017, compared to the year ended 2016.

Our net interest spread was 2.89% for the year ended 2017, compared to 2.48% for the year ended 2016, an increase of 41 basis points, driven primarily by an increase in average loans as a percent of total interest earning assets and a decrease in the rate paid on borrowed funds due to the prepayment of higher cost borrowed funds.

The yield on average earning assets was 3.61% for the year ended 2017, compared to 3.42% for the year ended 2016, an increase of 19 basis points, driven primarily by an increase in higher yielding loan balances as a percent of total interest earning assets. Our yield on loans was 4.17% for the year ended 2017, compared to 4.19% for 2016, a decrease of 2 basis points. The decrease primarily resulted from the growth in lower-yield residential 1-4 family (first mortgage) loans and multifamily CRE loans. The yield on our investment portfolio was 2.50% for the year ended 2017 and 2.30% for the year ended 2016. The increase of 20 basis points was primarily driven by variable rate securities repricing due to changes in index rates.

The average rate on interest-bearing liabilities was 0.72% for the year ended 2017, a decrease of 22 basis points from the year ended 2016, which was primarily the result of prepaying high cost borrowings and refinancing at current market rates. The average rate paid on interest-bearing deposits was 0.39% for the year ended 2017, an increase of four basis point from the year ended 2016, which was driven primarily by an increase in rates paid due to an increase in the Federal Funds rate.

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 (rates). The table below presents the effect of volume and rate changes on interest income and expense. Changes in volume are changes in 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.

(in thousands)	Three Months Ended March 31, 2018 vs March 31, 2017			Year Ended December 31, 2017 vs December 31, 2016		
	Change Attributable To			Change Attributable To		
	Volume	Rate	Total Increase	Volume	Rate	Total Increase
Interest earning assets:						
Interest-bearing deposits in banks	$ (39,897)	1.80%	$ 279	$ (61,584)	0.30%	$ 8
Securities and FHLB stock	(224,776)	0.44%	(303)	(125,903)	0.20%	(787)
Loans, net	292,692	-0.04%	2,782	331,383	-0.02%	13,185
Total interest earning assets	28,019	0.26%	2,758	143,897	0.19%	12,406
Interest bearing liabilities:						
Savings, NOW and money market deposits	$ (2,688)	0.10%	$ 354	$ 111,636	0.04%	$ 849
Time deposits	(87,401)	0.28%	117	(55,218)	0.12%	105
Federal Home Loan Bank advances	(259,258)	-0.80%	(2,183)	(1,308)	-0.75%	(4,304)
Other Borrowings	(6,135)	-0.33%	(33)	(66,739)	-1.10%	(2,189)
Total interest bearing liabilities	$(355,482)	-0.19%	$(1,745)	$ (11,628)	-0.22%	$ (5,539)

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 for loan losses at an adequate level to absorb probable 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 for loan losses 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 for loan losses is increased by the provision for loan losses and is decreased by charge-offs, net of recoveries on prior loan charge-offs.

Our provisions for loan losses totaled $0.9 million and $1.0 million for the three months ended March 31, 2018 and 2017, respectively. The decrease was primarily due to higher recoveries in first quarter of 2018 as compared to first quarter of 2017.

Our provisions for loan losses totaled $6.7 million and $7.6 million for the years ended December 31, 2017 and 2016, respectively. The decrease was primarily due to an increase in growth of lower risk assets (multifamily and 1-4 family residential first lien mortgages), a reduction in higher risk loans (C&I loans and the 1-4 family residential first lien and second lien mortgages purchased prior to 2010), and improvement in loss factors of the 1-4 family residential first lien mortgages.

For a further discussion of the allowance for loan losses, see "*Critical Accounting Policies*" above and the "*Allowance for Loan Losses*" below.

Non-Interest Income

Our non-interest income primarily 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, gain or loss on the sale of loans, fixed assets and investment securities available for sale, gain or loss on other real estate owned, and income on bank-owned life insurance.

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

(in thousands)	As of and for the Three Months Ended March 31, 2018	As of and for the Three Months Ended March 31, 2017	As of and for the Year Ended December 31, 2017	As of and for the Year Ended December 31, 2016
Trust department fees	$ 4,649	$ 4,794	$ 18,526	$ 17,781
Service charges on deposit accounts	1,779	1,737	7,021	6,846
Bank-owned life insurance	404	423	2,004	1,591
Gain on sale of investment securities available for sale, net	(101)	423	(615)	3,084
(Loss) Gain on sale of loans	29	16	168	453
(Loss) Gain on other real estate owned	(27)	(33)	126	858
Other than temporary impairment (OTTI) of securities	(2)	—	(826)	(21)
Other income	284	124	966	1,198
Total non-interest income	$ 7,015	$ 7,484	$ 27,370	$ 31,790

Three months ended March 31, 2018 and 2017

Our non-interest income decreased to $7.0 million for the three months ended March 31, 2018, down $0.5 million, or 6.3%, from $7.5 million for the three months ended March 31, 2017. The decrease was primarily due to the loss of the sale of securities in the first quarter of 2018, compared to a gain in the first quarter of 2017.

Trust department fees. 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 $4.6 million for the three months ended March 31, 2018, a decrease of $0.1 million, or 3.0%, from the three months ended March 31, 2017. The decrease was primarily due to a decrease in management fees related to a real estate fund that is winding down under the Bank's management that was partially offset by increases in average assets under custody as a result of new clients and market increases. We expect that the management fees from this real estate fund will continue to decrease in the future until the fund is closed. In the three months ended March 31, 2018, fees from this fund total $1.0 million.

Gain (Loss) on sale of investment securities. We had net losses on the sale of investment securities of $0.1 million in the first quarter of 2018, compared to a gain of $0.4 million for the same period in 2017. The decrease of $0.5 million was primarily due to the decision to sell portions of the securities portfolio which were in a loss position in the first quarter of 2018 as compared to the decision to sell portions of the securities portfolio where were in a gain position in the first quarter of 2017.

Other non-interest income. Other non-interest income primarily includes sales of fixed assets, fees on letters of credit, merchant interchange fees, and other miscellaneous income. Other non-interest income was $0.3 million for the three months ended March 31, 2018, an increase of $0.2 million, or 129%, from the three months ended March 31, 2017, primarily as a result of higher fees on letters of credit and other miscellaneous income.

Years ended December 31, 2017 and 2016

Our non-interest income decreased to $27.4 million for the year ended December 31, 2017, down $4.4 million, or 13.9%, from $31.8 million for the year ended December 31, 2016. The decrease was primarily due to a net loss on the sale of investment securities, an increase in other than temporary impairment charges on investment securities, a decrease in gains on the sale of loans and sale of other real estate owned, and a decrease in other income. These decreases were partially offset by an increase in trust department fees, bank-owned life insurance income and service charges on deposit accounts.

Trust department fees. Our trust department fees were $18.5 million in 2017, an increase of $0.7 million, or 4.2%, from 2016, primarily as a result of an increase in average assets under management as a result of new clients and market value increases.

Service charges on deposit accounts. Service charges on deposit accounts were $7.0 million in 2017, an increase of $0.2 million, or 2.5%, from 2016, primarily as a result of an increase in the number of customers and increased customer activity in 2017.

Bank-owned life insurance income. Income on bank-owned life insurance was $2.0 million in 2017, an increase of $0.4 million, or 26.1%, from 2016. The increase was primarily due to gains related to two insurance claims received in the fourth quarter of 2017 for $0.3 million.

Loss on sale of investment securities. We had net losses on the sale of investment securities of $0.6 million in 2017, compared to a gain of $3.1 million in 2016. The decrease was primarily due to our decisions to sell fixed rate securities at a loss in 2017 to offset the increase in asset duration created by an increase in the loan portfolio as compared to a net gain on the sale of securities in 2016.

Gain on sale of loans. We had a gain on sale of loans of $0.2 million in 2017, a decrease of $0.3 million, or 62.9%, from 2016. The gain in 2016 was driven primarily by the sale of one CRE loan. In 2017, the bank primarily sold residential 1-4 family (first mortgages) that it had originated.

Gain on other real estate owned. We had gains on other real estate owned of $0.1 million in 2017, a decrease of $0.7 million, or 85%, from 2016. The decrease was primarily driven by a decrease in the number of repossessed properties sold at a lower gain per property in 2017 compared to 2016.

Other than temporary impairment of securities. We had a loss on other-than-temporary impairment of securities of $0.8 million in 2017, compared to a negligible loss in 2016. The loss in 2017 was due to one equity CRA security that was planned for sale in the first quarter of 2018 and therefore was deemed other-than-temporarily impaired at year-end 2017. The decision to sell this security was driven by an anticipated change in accounting treatment in 2018 on equity securities.

Other non-interest income. Other non-interest income was $1.0 million in 2017, a decrease of $0.2 million, or 19.4%, compared to 2016. The decrease was in part due to an elevated number in 2016 resulting from the one-time gain on the sale of our New Jersey location of $0.3 million, which was partially offset by an increase in smaller miscellaneous items in 2017.

Non-Interest Expense

Non-interest expense includes salary and employee benefits, occupancy and depreciation expense, legal, accounting and other professional services, regulatory assessments, data processing, advertising and promotion, and other expenses. Management monitors the ratio of non-interest expense to total revenues (net interest income plus non-interest income), which is commonly known as the efficiency ratio. Additionally management monitors our core efficiency ratio. See "*GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures*" above.

The following table presents non-interest expense for the periods indicated.

	As of and for the Three Months Ended March 31,		**As of and for the Year Ended December 31,**	
	2018	2017	2017	2016
Compensation and employee benefits	$15,376	$15,707	$56,575	$59,692
Occupancy and depreciation	4,002	4,386	18,674	18,903
Professional fees	$ 3,193	$ 2,656	$10,025	$10,707

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,	
	2018	2017	2017	2016
FDIC deposit insurance	554	632	2,494	3,667
Data processing	2,336	2,014	9,199	7,799
Office maintenance and depreciation	947	997	4,338	4,200
Advertising and promotion	646	669	3,860	4,160
Prepayment fees on borrowings	—	1,174	7,615	2,019
Other	1,734	2,252	9,494	5,743
Total non-interest expense	$28,788	$30,487	$122,274	$116,890

Three months ended March 31, 2018 and 2017

Our non-interest expense decreased to $28.8 million for the three months ended March 31, 2018, down $1.7 million, or 5.6%, from $30.5 million for the same period in 2017. The decrease was primarily due to the absence of prepayment penalties on borrowings in the first quarter of 2018 and recovery of previously accrued expense related to non-performing mortgages that became current in the first quarter of 2018, partially offset by increases in legal and professional fees related to the New Resource Bank Acquisition and higher data processing expense.

Compensation and employee benefits. Compensation and employee benefit costs are the largest component of our non-interest expense and include employee payroll expense, incentive compensation, pension plan expenses, health benefits and payroll taxes. Compensation and employee benefits decreased to $15.4 million for the three months ended March 31, 2018, down $0.3 million, or 2.1%, from the three months ended March 31, 2017, primarily as a result of lower compensation expense which was partially offset by higher benefits expense.

Occupancy and depreciation. Rent, real estate taxes, depreciation and maintenance comprise the majority of occupancy and depreciation expense. Occupancy and depreciation expense decreased to $4.0 million for the three months ended March 31, 2018, down $0.4 million, or 8.8% from the three months ended March 31, 2017, due to the closure of branch locations in 2017 impacting our run-rate occupancy and depreciation expense.

Professional fees. Professional fees include consulting, legal, audit, and trust sub-advisor fees. Professional fees increased to $3.2 million for the three months ended March 31, 2018, up $0.5 million, or 20.2%, from the same period in 2017. The increase in the period was primarily due to higher legal fees and the use of consultants related to the New Resource Bank Acquisition and higher investment management sub-advisor fees due to higher business volumes.

Data processing. Data processing expenses include payments to vendors who provide software and services on an outsourced basis and other costs related to our systems, including internal networks. Data processing expenses increased to $2.3 million for the three months ended March 31, 2018, up $0.3 million, or 16.0%, from the three months ended March 31, 2017. The increase in the period was primarily due to increased investments in infrastructure and higher costs due to higher business volume.

Prepayment penalties on borrowings. Prepayment penalty fees are fees that we pay to terminate borrowings before their contractual maturity. We have only paid these fees to terminate fixed rate borrowings with above market rates. We had no borrowed funds prepayment fees for the three months ended March 31, 2018, compared to $1.2 million for the same period in 2017. The decrease was due to the fact that we have fully prepaid all remaining long-term borrowings as of the second quarter of 2017. We do not expect to have any material future expense related to the prepayment of borrowings.

Other. Other expense includes off balance sheet provision, corporate insurance, loan workout expense, fraud and operating losses, travel and entertainment, and other miscellaneous expenses. Other expense decreased to

$1.7 million for the three months ended March 31, 2018, down $0.5 million, or 23.0%, from the three months ended March 31, 2017, due primarily to recoveries in previously expensed advances on non-performing residential loans.

Years ended December 31, 2017 and 2016

Our non-interest expense increased to $122.3 million for the year ended December 31, 2017, up $5.4 million, or 4.6%, from $116.9 million for the year ended December 31, 2016. The increase was primarily due to an increase in prepayment penalty fees on borrowings, a reduction in the release of an off balance sheet credit provision, an increase in data processing, and an increase in foreclosure and OREO expenses during 2017. These impacts were partially offset by decreases in compensation and employee benefits, and FDIC deposit insurance assessments.

Compensation and employee benefits. Compensation and employee benefits decreased to $56.6 million in 2017, down $3.1 million, or 5.2%, from 2016, primarily as a result of the one-time expense reversal created by the cancellation of a post-retirement benefit plan, partially offset by higher compensation expense for employees and higher expense from the stock appreciation rights plan.

FDIC deposit insurance. FDIC deposit insurance assessments decreased to $2.5 million in 2017, down $1.2 million, or 32.0%, from 2016, due primarily to a decrease in assessment rates by the FDIC.

Data processing. Data processing expense increased to $9.2 million in 2017, up $1.4 million, or 17.9%, from 2016, due primarily to increased investments in infrastructure and higher run rate costs due to higher business volumes.

Prepayment penalty fees on borrowings. We paid prepayment penalty fees on our borrowings in an amount of $7.6 million in 2017, an increase of $5.6 million, or 277.2%, compared to 2016. The increase was due to a higher amount of borrowings paid off in 2017 compared to 2016; these payoffs were $414.6 million and $80.0 million in 2017 and 2016 respectively. We do not expect to have any material future expense related to the prepayment of borrowings.

Other. Other expense increased to $9.5 million in 2017, up $3.8 million, or 65.3%, due to the absence of a $2.5 million release of a provision for off balance sheet commitments, a $0.8 million increase in expense related to foreclosure and other real estate owned, and other related charges. In the fourth quarter of 2016, we released $3.2 million in off balance sheet provision related to one letter of credit that was called and the resulting loan balance was charged-off as expense in the provision line.

Income Taxes

Three months ended March 31, 2018 and 2017

We had income tax expense of $2.5 million for the three months ended March 31, 2018, compared to $1.4 million for the same period in 2017. The $1.1 million increase in income tax expense was primarily due to an increase in pre-tax earnings of $5.9 million for the three months ended March 31, 2018, compared to the same period in 2017. Our effective tax rate was 24.7% for the three months ended March 31, 2018, compared to 33.3% for the three months ended March 31, 2017. The decrease in the effective tax rate was the result of the tax law change signed into law in December 2017.

Years ended December 31, 2017 and 2016

We had income tax expense of $13.6 million for the year ended December 31, 2017, compared to income tax expense of $0.1 million for the year ended December 31, 2016. The $13.5 million increase in income tax expense was primarily due to the effect of the Tax Cut and Jobs Act on our deferred tax asset in the fourth quarter of 2017. The tax reform changes resulted in a tax impact of $13.9 million partially offset by the full release of the remaining $4.5 million valuation allowance against our deferred tax asset. Income tax expense in 2016 was impacted by the $4.3 million partial release of our valuation allowance on the deferred tax asset. Our effective tax rate was 69.0% for the year ended December 31, 2017, including the impact of the tax reform, compared to 1.28% for the year ended December 31, 2016.

Further information on income taxes is presented in Note 12 of our consolidated financial statements included on page F-37 of this offering circular.

Financial Condition

Balance Sheet

Our total assets were $4.2 billion at March 31, 2018, compared to $4.0 billion at December 31, 2017. The increase of $112.9 million was primarily driven by loan growth of $102.0 million and an increase in investment securities of $32.4 million, partially offset by decreases of cash and cash equivalents of $62.9 million. Our total loans, net were $2.9 billion at March 31, 2018, compared to $2.8 billion at December 31, 2017. The increase of $0.1 billion was driven by growth in residential 1-4 family (1st mortgage) loans.

Our total assets were $4.0 billion at December 31, 2017, compared to $4.0 billion at December 31, 2016. Our total loans, net were $2.8 billion at December 31, 2017, compared to $2.5 billion at December 31, 2016. The increase of $0.3 billion in total loans was primarily driven by growth in residential 1-4 family (first mortgage) loans that were purchased and originated, and multifamily loans. The increase in loans was partially offset by a $0.2 million decrease in investment securities.

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 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 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. GNMA is a wholly-owned U.S. Government corporation whereas FHLMC and FNMA are private corporations controlled by the U.S. Government. Mortgage-related securities may include mortgage pass-through certificates, participation certificates and collateralized mortgage obligations.

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 during the three months ended March 31, 2018 or for the years ended December 31, 2017 and 2016. 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, 2018, we had available-for-sale securities of $976.0 million, compared to available-for-sale securities of $943.4 million at December 31, 2017. The increase of $32.6 million from the year end of 2017 to the three months ended March 31, 2018 was primarily due to purchases of agency and non-agency securities offset by declines in other sections of the investment securities portfolio.

At December 31, 2017, we had available-for-sale securities of $943.4 million, a decrease of $230.7 million, compared to available-for-sale securities of $1,174.0 million at December 31, 2016. The decrease was primarily due to our redeployment of liquidity into higher yielding loans to generate interest income.

The held-to-maturity securities portfolio consists of GSE commercial and residential certificates and other debt. We carry these securities at amortized cost. We had held-to-maturity securities of $9.4 million at March 31, 2018, $9.6 million at December 31, 2017 and $9.8 million at December 31, 2016.

Certain securities have fair values less than amortized cost and, therefore, contain unrealized losses. At March 31, 2018, we evaluated those securities which had an unrealized loss for other than temporary impairment, or OTTI, and determined all but $0.05 million of the decline in value to be temporary. There were $574 million of investment securities with unrealized losses at March 31, 2018 of which $18.8 million 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 it is not 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 tables are 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, 2018		December 31, 2017		December 31, 2016	
(in thousands)	Amount	% of Portfolio	Amount	% of Portfolio	Amount	% of Portfolio
Available for sale:						
Mortgage-related:						
GSE residential certificates	$ 96,114	9.8%	$106,450	11.2%	$ 137,763	11.6%
GSE residential CMOs	194,504	19.7%	169,222	17.8%	269,791	22.8%
GSE commercial certificates & CMO	226,773	23.0%	230,981	24.2%	268,696	22.7%
Non-GSE residential certificates	92,671	9.4%	62,958	6.6%	52,797	4.5%
Non-GSE commercial certificates	50,662	5.1%	31,784	3.3%	102,970	8.7%
Other debt:						
U.S. Treasury	197	0.0%	198	0.0%	200	0.0%
GSE obligations	—	0.0%	—	0.0%	45,934	3.9%
ABS	262,551	26.7%	276,819	29.0%	213,767	18.1%
Trust preferred	23,481	2.4%	23,298	2.4%	33,435	2.8%
Corporate	28,046	2.8%	28,486	3.0%	35,355	3.0%
Other	999	0.1%	999	0.1%	1,054	0.1%
Equity:						
Access Capital Community Fund	—	0.0%	12,164	1.3%	12,273	1.0%
Total available for sale	975,998	99.0%	943,359	99.0%	1,174,035	99.2%
Held to maturity:						
Mortgage-related:						
GSE commercial certificates	5,070	0.5%	5,079	0.5%	5,115	0.4%
GSE residential certificates	815	0.1%	824	0.1%	916	0.1%
Other debt	3,468	0.4%	3,698	0.4%	3,754	0.3%
Total held to maturity	9,353	1.0%	9,601	1.0%	9,785	0.8%
Total securities	$985,351	100.0%	$952,960	100.0%	$1,183,820	100.0%

The following tables show contractual maturities and yields for the securities available-for-sale portfolio at March 31, 2018.

(in thousands)	Contractual Maturity as of March 31, 2018							
	One Year or Less		One to Five Years		Five to Ten Years		Due after Ten Years	
	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%	$ 18,514	1.7%	$ 80,315	2.3%
GSE residential CMOs	—	0.0%	—	0.0%	6,390	1.4%	192,192	2.5%
GSE commercial certificates & CMO	—	0.0%	65,453	2.2%	56,853	2.6%	108,658	2.4%
Non-GSE residential certificates	—	0.0%	—	0.0%	—	0.0%	93,530	2.9%
Non-GSE commercial certificates	—	0.0%	—	0.0%	3,493	3.5%	47,109	2.9%
Other debt:								
U.S. Treasury	—	0.0%	200	1.5%	—	0.0%	—	0.0%
GSE obligations	—	0.0%	—	0.0%	—	0.0%	—	0.0%
ABS	—	0.0%	6,000	3.7%	74,782	3.5%	181,073	3.4%
Trust preferred	—	0.0%	—	0.0%	14,959	2.9%	9,970	2.9%
Corporate	7,009	6.5%	6,999	3.5%	13,447	5.8%	—	0.0%
Other	—	0.0%	1,000	2.8%	—	0.0%	—	0.0%
Equity:								
Access Capital Community Fund	—		—	0.0%	—	0.0%	—	0.0%
Held to maturity:								
Mortgage-related:								
GSE commercial certificates	—	0.0%	5,070	3.4%	—	0.0%	—	0.0%
GSE residential certificates	—	0.0%	1	3.1%	—	0.0%	813	3.8%
Other debt	—	0.0%	3,100	2.6%	—	0.0%	368	5.5%
Total securities	$7,009	6.5%	$87,823	2.5%	$188,438	3.1%	$714,028	2.8%

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

March 31, 2018
ABS Securities

(in thousands)	Amount	%	Expected Ave Life	% Floating	Credit Ratings *Highest Rating if split rated* % AAA	% AA	% A	Total
CLO Commercial & Industrial	$149,389	57%	4.1	100%	100%	0%	0%	100%
Consumer	20,952	8%	2.2	0%	0%	43%	57%	100%
Mortgage	49,850	19%	2.8	100%	100%	0%	0%	100%
Student	42,360	16%	3.2	36%	73%	15%	11%	100%
Total	$262,551	100%	3.6	82%	88%	6%	6%	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, were $2.9 billion as of March 31, 2018 compared to $2.8 billion as of December 31, 2017 and $2.5 billion as of December 31, 2016. Within our commercial loan portfolio, our primary focus has been on commercial and industrial, multifamily and commercial real estate lending. Within our retail loan portfolio, our primary focus has been on residential 1-4 family first mortgages and second mortgages. We intend to focus any growth in our loan portfolio on these lending areas as part of our strategic plan.

Over the last four years we have purchased prime residential mortgages from two well-established originating banks with strong track records. In the first three months of 2018, we purchased $87 million of floating rate loans. In 2017 and 2016, respectively we purchased $123.0 million and $31.0 million of similar prime residential loans, which included some 15 year fixed-rate loans. To date, we have not experienced any losses or material delinquencies on any of these purchased loans.

Separately, in the first three months of 2018, we purchased $28.6 million of student loans made to borrowers with strong credit profiles who have completed degrees, mainly at the graduate level. In 2017, we purchased $60.0 million of similar student loans. No student loan purchases were made prior to 2017. To date, we have not experienced any losses or material delinquencies on these purchased loan pools. The originating bank has a strong five year track record with minimal losses on similar loans.

In addition, we purchased $23.4 million of fixed and floating rate commercial loans that are unconditionally guaranteed by the United States Government.

We plan to selectively evaluate the purchase of additional loan pools that meet our underwriting criteria as part of our strategic plan.

The following table sets forth the composition of our held-to-maturity loan portfolio, including our purchased loan pools, as of March 31, 2018, December 31, 2017 and 2016.

(in thousands)	At March 31, 2018		At December 31, 2017		At December 31, 2016	
	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:						
Commercial and industrial	$ 666,827	22.9%	$ 687,417	24.4%	$ 719,965	28.3%
Multifamily mortgages	892,773	30.6%	902,475	32.0%	747,804	29.4%
Commercial real estate mortgages	338,064	11.6%	352,475	12.5%	384,950	15.1%
Construction and land development mortgages	11,582	0.4%	11,059	0.4%	8,350	0.3%
Total commercial portfolio	1,909,246	65.5%	1,953,426	69.4%	1,861,069	73.1%
Retail portfolio:						
Residential 1-4 family (1st mortgage)	890,027	30.5%	769,058	27.3%	640,306	25.1%
Residential 1-4 family (2nd mortgage)	30,360	1.0%	31,559	1.1%	40,922	1.6%
Consumer and other	88,040	3.0%	61,929	2.2%	4,180	0.2%
Total retail	1,008,427	34.5%	862,546	30.6%	685,408	26.9%
Total loans	2,917,673	100.0%	2,815,972	100.0%	2,546,477	100.0%
Net deferred loan origination fees	1,618		(94)		(1,734)	
Allowance for loan losses	(37,382)		(35,965)		(35,658)	
Total loans, net	$2,881,909		$2,779,913		$2,509,085	

Commercial loan portfolio

Our commercial loan portfolio comprised 65.5%, 69.4% and 73.1% of our loan portfolio at March 31, 2018, December 31, 2017 and December 31, 2016, respectively. The major categories of our commercial loan portfolio are discussed below:

Commercial and industrial. Our commercial and industrial, or C&I, loans are generally made to 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, 2018 by exposure was $5.9 million with a median size of $2.9 million.

Our C&I loans totaled $666.8 million at March 31, 2018, comprising 35.0% of commercial loans and 22.9% of our total loan portfolio. During the first three months of 2018, the C&I loan portfolio decreased by 3.0% from $687.4 million at December 31, 2017 as a result of a decision to cease originating certain portions of the portfolio. During 2017, the C&I loan portfolio decreased by 4.5% from $720.0 million at December 31, 2016. We had $36.9 million in C&I loans held-for-sale loans at March 31, 2018 as a result of our decision to exit portions of the C&I business over time.

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. 87% of multifamily loans are located in NYC—our largest geographic concentration. Our multifamily loans have been funded 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 historical multifamily loss rate since 2010 is eight basis points. 29% of loans had a loan-to-value ratio at or below 60% at origination and 89% had a loan-to-value ratio at or below 75% at origination, by original loan amount. The average size of our multifamily loan exposure at March 31, 2018 was $5.4 million with a median size of $3.8 million.

Our multifamily mortgage loans totaled $892.8 million at March 31, 2018 comprising 46.8% of commercial loans and 30.6% of the total loan portfolio. During the first three months of 2018, our multifamily mortgage loan portfolio decreased by 1.1% from $902.5 million at December 31, 2017 as a result of amortization and payoffs. During 2017, the multifamily mortgage loan portfolio increased by 20.7% from $747.8 million at December 31, 2016.

Commercial real estate. Our commercial real estate loans are used to purchase or refinance office buildings, retail centers, industrial facilities, medical facilities and mixed-used buildings. Included in this total are six owner-occupied buildings which account for an aggregate total of $13.1 million in loans as of March 31, 2018.

Our commercial real estate mortgages totaled $338.1 million at March 31, 2018, comprising comprised 17.7% of commercial loans and 11.6% of the total loan portfolio. During the first three months of 2018, the commercial real estate mortgage portfolio decreased by 4.1% from $352.5 million at December 31, 2017 as a result of amortization and payoffs. During 2017, the commercial real estate mortgage loan portfolio decreased by 8.4% from $385.0 million at December 31, 2016.

Retail loan portfolio

Our retail loan portfolio comprised 34.6%, 30.6%, and 26.9% of our loan portfolio at March 31, 2018, December 31, 2017 and December 31, 2016, respectively. The major categories of our retail loan portfolio are discussed below.

Residential 1-4 family first mortgage. Our residential 1-4 family first 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. As of March 31, 2018, 54.4% of our residential 1-4 family first mortgage loans were originated by our loan officers since 2012 and 33.0% were purchased from two third parties on or after July, 2014, and 12.5% were purchased by Amalgamated from other originators before 2010.

Our residential 1-4 family first mortgage loans totaled $890.0 million at March 31, 2018, which comprised 88.2% of our retail loan portfolio and 30.5% of our total loan portfolio. During the first three months of 2018, our residential 1-4 family first mortgages increased by 15.7% from $769.1 million at December 31, 2017. We had $0.6 million in residential 1-4 family loans held-for-sale loans at March 31, 2018, which were substantially all non-accrual loans.

Our residential 1-4 family first mortgage loans totaled $769.1 million at December 31, 2017, which comprised 89.2% of our retail loan portfolio and 27.3% of our total loan portfolio. During 2017, our residential 1-4 family first mortgages increased by 20.1% from $640.3 million at December 31, 2016. We had $4.2 million held-for-sale loans at December 31, 2017, which were substantially all non-accrual loans.

Residential 1-4 family second mortgage. Our residential 1-4 family second mortgage loans are residential mortgages that are primarily secured by single-family homes, which are both owner occupied and investor owned. In 2008, we purchased $260 million in residential 1-4 family second mortgages from a third party, and we have subsequently experienced significant losses on these mortgages. As of March 31, 2018, 73.0% of our residential 1-4 family second mortgage portfolio is from this 2008 purchase, while the remaining 27.0% of the portfolio has been originated by Amalgamated and has not experienced any losses. The losses in the purchased portfolio have been steadily declining over time. Net losses from 2010 to 2012 were 9.2%, while net losses from 2010 to 2014 were 7.4%. We began to actively manage this portfolio in 2014 and the net recovery rate from 2014 to 2017 is 0.33%. In the first three months of 2018, the portfolio saw a 1.3% recovery vs. current balances. In June 2016, we transferred servicing of the most delinquent loans that had been fully charged off from Bank of America, N.A. to Real Time Resolutions, Inc. (“Real Time”), a specialized distressed loan servicer, and started to see an increase in recoveries. We subsequently sold that pool to Real Time for a recovery $0.8 million in the fourth quarter of 2017.

Our residential 1-4 family second mortgage loans totaled $30.4 million at March 31, 2018, which comprised of 3.0% of our retail loan portfolio and 1.0% of our total loan portfolio. During the first three months of 2018, our residential 1-4 family second mortgages decreased by 3.8% from $31.6 million at December 31, 2017. This decrease is attributed to amortization and payoffs.

Our residential 1-4 family second mortgage loans totaled $31.6 million at December 31, 2017, which comprised of 3.6% of our retail loan portfolio and 1.1% of our total loan portfolio. During 2017, our residential 1-4 family second mortgages decreased by 22.9% from $40.9 million at December 31, 2016. This decrease is attributed to reducing the size of the purchased portfolio to $23.7 million as of December 31, 2017 from $34.1 million as of December 31, 2016. During the same time, our home equity lines of credit increased to $7.9 million from $6.8 million. We only originate second liens on properties where we also possess the first lien.

Consumer and other. Our $88.0 million consumer portfolio is comprised of purchased student loans, unsecured consumer loans and overdraft lines. As of March 31, 2018, we had $83.6 million in student loans that have experienced no delinquencies over ninety days and there have been no charge-offs.

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 table summarizes the loan maturity distribution by type and related interest rate characteristics at March 31, 2018, December 31, 2017 and December 31, 2016.

(in thousands)	One year or less	After one but within five years	After 5 years	Total
March 31, 2018:				
Commercial Portfolio:				
Commercial and Industrial	$ 56,473	$ 476,408	$ 118,237	$ 651,118
Multifamily	99,832	572,861	220,080	892,773
Commercial Real Estate	48,588	199,885	89,592	338,064
Construction and land development	8,350	3,232	—	11,582
Retail Portfolio:				
Residential 1-4 family (1st Mortgage)	4	1,116	888,906	890,027
Residential 1-4 family (2nd Mortgage)	—	—	30,360	30,360
Consumer, C&I, and Other	110	4,776	98,862	103,748
Total Loans	$213,357	$1,258,278	$1,446,037	$2,917,672

(in thousands)	One year or less	After one but within five years	After 5 years	Total
March 31, 2018:				
Gross loan maturing after one year with:				
Fixed Interest Rates		$ 758,014	$ 919,227	$1,677,242
Floating or adjustable interest rates		500,264	526,810	1,027,073
Total Loans		$1,258,278	$1,446,037	$2,704,315

(in thousands)	One year or less	After one but within five years	After 5 years	Total
December 31, 2017:				
Commercial Portfolio:				
Commercial and Industrial	$ 52,507	$ 510,301	$ 115,673	$ 678,481
Multifamily	81,813	593,992	226,670	902,475
Commercial Real Estate	51,780	207,187	93,509	352,475
Construction and land development	8,350	2,709	—	11,059
Retail Portfolio:				
Residential 1-4 family (1st Mortgage)	15	1,036	768,006	769,058
Residential 1-4 family (2nd Mortgage)	—	—	31,559	31,559
Consumer, C&I, and Other	138	2,783	67,944	70,865
Total Loans	$194,603	$1,318,008	$1,303,361	$2,815,972

(in thousands)	One year or less	After one but within five years	After 5 years	Total
December 31, 2017:				
Gross loan maturing after one year with:				
Fixed interest rates		$ 747,752	$ 910,737	$1,658,489
Floating or adjustable interest rates		570,256	392,624	962,880
Total Loans		$1,318,008	$1,303,361	$2,621,369

(in thousands)	One year or less	After one but within five years	After 5 years	Total
December 30, 2016:				
Commercial Portfolio:				
Commercial and Industrial	$ 54,823	$ 516,078	$ 149,064	$ 719,965
Multifamily	25,656	515,001	207,147	747,804
Commercial Real Estate	39,936	212,022	132,992	384,950
Construction and land development	8,350	—	—	8,350
Retail Portfolio:				
Residential 1-4 family (1st Mortgage)	389	2,489	637,427	640,306
Residential 1-4 family (2nd Mortgage)	—	—	40,922	40,922
Consumer and other	153	2,301	1,727	4,180
Total Loans	$129,307	$1,247,891	$1,169,279	$2,546,477

(in thousands)	After one but within five years	After 5 years	Total
December 30, 2016:			
Gross loan maturing after one year with:			
Fixed interest rates	$ 685,046	$ 845,744	$1,530,790
Floating or adjustable interest rates	562,845	323,535	886,380
Total Loans	$1,247,891	$1,169,279	$2,417,170

Allowance for Loan Losses

We maintain the allowance for loan losses 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 for loan losses 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 for loan losses is increased by provisions for loan losses charged to expense and decreased by actual charge-offs, net of recoveries or previous amounts charged-off.

The allowance for loan losses consists of specific allowances for loans that are individually classified as impaired and general components. Impaired loans include loans placed on nonaccrual status and troubled debt restructurings. 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.

The following tables present, by loan type, the changes in the allowance for loan losses for the periods indicated.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,	
(in thousands)	2018	2017	2017	2016
Balance at beginning of period	$35,965	$35,658	$35,658	$33,664
Loan charge-offs:				
Commercial portfolio:				
Commercial and industrial	—	—	7,458	3,758
Multifamily	—	—	—	—
Commercial real estate	—	—	—	—
Construction and land development	—	—	—	—
Retail portfolio:				
Residential 1-4 family (1st mortgage)	75	387	1,638	2,626
Residential 1-4 family (2nd mortgage)	203	1,699	4,524	1,814
Consumer and other	91	117	345	583
Total loan charge-offs	369	2,203	13,965	8,781
Recoveries of loans previously charged-off:				
Commercial portfolio:				
Commercial and industrial	—	1,146	1,177	101
Multifamily	—	—	—	—
Commercial real estate	—	483	483	—
Construction and land development	—	—	—	—
Retail portfolio:				
Residential 1-4 family (1st mortgage)	388	105	1,679	493
Residential 1-4 family (2nd mortgage)	499	449	4,112	2,407
Consumer and other	48	46	149	217
Total loan recoveries	935	2,228	7,600	3,218
Net charge-offs (recoveries)	(566)	(25)	6,366	5,563
Provision for loan losses	851	1,007	6,672	7,557
Balance at end of period	$37,382	$36,690	$35,965	$35,658
Allowance for loan losses to loans receivables	1.28%	1.41%	1.28%	1.40%
Ratio of net charge-offs to loans outstanding	-0.02%	0.00%	0.24%	0.23%

The allowance for loan losses increased to $37.4 million at March 31, 2018 from $36.0 million at December 31, 2017, an increase of $1.4 million. At March 31, 2018, we had $53.6 million of impaired loans for which we made a specific allowance of $9.3 million, compared to $55.2 million of impaired loans at December 31, 2017 for which we made a specific allowance of $7.1 million. The ratio of allowance to total loans was 1.28% at both March 31, 2018 and December 31, 2017.

The allowance for loan losses increased to $36.0 million at December 31, 2017 from $35.7 million at December 31, 2016, an increase of $0.3 million. At December 31, 2017, we had $55.2 million of impaired loans for which we made a specific allowance of $7.1 million, compared to $77.9 million of impaired loans at December 31, 2016 for which we made a specific allowance of $3.4 million. The ratio of allowance to total loans was 1.28% and 1.40% at December 31, 2017 and 2016, respectively.

Allocation of Allowance for Loan Losses

The following tables present the allocation of the allowance for loan losses and the percentage of the total amount of loans in each loan category listed as of the dates indicated.

	At March 31, 2018		At December 31, 2017		At December 31, 2016	
(in thousands)	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:						
Commercial and industrial	$16,843	23.8%	$15,455	24.4%	$16,069	28.3%
Multifamily	4,755	30.8%	5,280	32.0%	5,299	29.4%
Commercial real estate	3,194	11.4%	3,377	12.5%	3,665	15.1%
Construction and land development	193	0.4%	188	0.4%	146	0.3%
Total commercial portfolio	24,985	66.4%	24,300	69.4%	25,179	73.1%
Retail portfolio:						
Residential 1-4 family (1st mortgage)	9,516	29.6%	8,582	27.3%	6,478	25.1%
Residential 1-4 family (2nd mortgage)	2,369	0.9%	2,683	1.1%	3,903	1.6%
Consumer and other	511	3.0%	400	2.2%	98	0.2%
Total retail	12,396	33.6%	11,665	30.6%	10,479	26.9%
Total loans receivable	$37,382	100.0%	$35,965	100.0%	$35,658	100.0%

Nonperforming Assets

Nonperforming assets include all loans categorized as nonaccrual or restructured, impaired securities, 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 feel 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. In general, we require a minimum of six consecutive months of timely payments in accordance with the contractual terms before returning a loan to accrual status.

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 in 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.

The following table sets forth our nonperforming assets as of March 31, 2018, December 31, 2017 and 2016:

(in thousands)	At March 31, 2018	At December 31, 2017	At December 31, 2016
Loans 90 days past due and accruing	$ 488	$ 6,971	$ —
Nonaccrual loans excluding held for sale loans and restructured loans	4,785	4,914	23,496
Nonaccrual loans held for sale	635	4,186	—
Restructured loans - nonaccrual	15,962	14,785	13,838
Restructured loans - performing	32,891	43,981	41,551
Other real estate owned	1,098	1,907	2,946
Impaired Securities	113	12,296	164
Total nonperforming assets	$55,972	$89,040	$81,995
Nonaccrual loans:			
Commercial and industrial	$12,408	$12,569	$10,462
Multifamily	—	—	—
Commercial real estate	—	—	—
Construction and land development	—	—	—
Total commercial portfolio	12,408	12,569	10,462
Residential 1-4 family 1st mortgages	7,684	6,324	26,827
Residential 1-4 family 2nd mortgages	627	780	—
Consumer and other	28	26	45
Total retail portfolio	8,339	7,130	26,872
Total nonperforming loans	$20,747	$19,699	$37,334
Nonperforming assets to total assets	1.35%	2.20%	2.03%
Nonaccrual assets to total assets	0.54%	0.64%	1.00%
Nonperforming loans to total loans	0.71%	0.70%	1.47%
Allowance for loan losses to nonperforming loans	180%	183%	96%
Troubled debt restructurings:			
TDRs included in nonaccrual loans	$15,962	$14,785	$13,838
TDRs in compliance with modified terms	$32,891	$43,981	$41,551

Total nonperforming assets were $56.0 million at March 31, 2018 compared to $89.0 million at December 31, 2017. The $33.1 million decrease was primarily the result of a reduction in impaired securities, performing restructured loans and non-accrual loans held for sale. Residential 1-4 family first mortgages includes $112 million of loans in our legacy purchased portfolio. As of March 31, 2018, the $7.7 million of non-accrual loans included in residential 1-4 family first mortgages were all within this legacy purchased portfolio.

Total nonperforming assets were $89.0 million at December 31, 2017 compared to $82.0 million at December 31, 2016. The $7.0 million increase was primarily the result of a $12.1 million increase in impaired securities which were subsequently sold in the first quarter of 2018, a $7.0 million increase in loans 90 days past due and accruing related to five loans to one borrower that were well secured and in the process of renewing, and $4.2 million in non-performing residential 1-4 family first mortgages that were held for sale. The increase was partially offset by a $19.7 million decrease in the non-accrual residential 1-4 family first mortgages that were resolved through sales and foreclosure processes or moved to held-for-sale status. As of December 31, 2017, the $6.3 million of non-accrual loans included in residential 1-4 family first mortgages were all within this legacy purchased portfolio.

The amount of interest that would have been recorded on nonaccrual loans, had the loans not been classified as nonaccrual, totaled $0.1 million, $0.7 million and $1.5 million for the three months ended March 31, 2018 and the years ended December 31, 2017 and 2016, respectively. Interest income recognized on nonaccrual loans totaled $0.0 million, $0.1 million and $0.2 million for the three months ended March 31, 2018 and the years ended December 31, 2017 and 2016, respectively.

Potential problem loans are impaired 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 substandard-accruing commercial loans and/or loans 30-89 days past due. These loans are not included in the nonperforming assets table above and totaled $24.0 million, or 0.6%, at March 31, 2018. $18.1 million of these loans are commercial loans currently in workout, with the expectation that all will be rehabilitated. $5.9 million are residential 1-4 family loans, with $4.3 million at 30 days delinquent, and $1.6 million at 60 days delinquent.

Deferred Tax Asset

We had a net deferred tax asset of $38.4 million at March 31, 2018, $39.3 million at December 31, 2017 and $49.8 million at December 31, 2016. The Tax Cuts and Job Acts, which was enacted into law on December 22, 2017, resulted in a reduction in our deferred tax asset of $13.9 million in the fourth quarter of 2017. This decrease was partially offset by the full release of the remaining $4.5 million valuation allowance against our deferred tax asset in the fourth quarter of 2017. As of March 31, 2018, 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.

A valuation allowance is required for deferred tax assets if, based on available evidence, it is more likely than not that all or some portion of the asset will not be realized due to the inability to generate sufficient taxable income in the period and/or of the character necessary to utilize the benefit of the deferred tax asset. The more-likely-than-not criterion means the likelihood of realization is greater than 50%. When evaluating whether it is more likely than not that all or some portion of the deferred tax asset will not be realized, all available evidence, both positive and negative, that may affect the ability to realize deferred tax assets should be identified and considered in determining the appropriate amount of the valuation allowance. Management assesses all the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets.

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 statement of operations 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 $3.3 billion, $3.2 billion and $3.0 billion at March 31, 2018, December 31, 2017 and December 31, 2016, respectively. We believe that our deposit growth in both periods 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 12 branch locations across four boroughs of New York City, our one branch in Washington, D.C. and our one branch in San Francisco (following the New Resource Bank Acquisition) and through the efforts of our commercial banking team 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 political campaign accounts as part of our commercial banking business, which exhibit fluctuations based on election cycles. As of March 31, 2018, we had approximately $321.4 million in political deposits, which are primarily in demand deposits. As of December 31, 2017 and 2016, we had $241.7 million and $61.9 million in political deposits, respectively. The increase in deposits is due to the upcoming midterm congressional elections.

Our total deposits include deposits from Workers United and its related entities of $75.8 million, $77.5 million, and $42.3 million at March 31, 2018, December 31, 2017 and December 31, 2016, respectively.

The following table sets forth the average balances and the average rates paid on deposits held by us for the three months ended March 31, 2018 and March 31, 2017, and the years ended December 31, 2017 and December 31, 2016:

	March 31,			
	2018		2017	
	Average Amount	Weighted Average Rate	Average Amount	Weighted Average Rate
Non-interest bearing demand deposit accounts	$1,425,290	0.00%	$1,048,005	0.00%
Savings accounts	305,192	0.14%	301,111	0.10%
Money market deposit accounts	977,874	0.35%	1,000,146	0.26%
NOW accounts	204,784	0.38%	189,664	0.14%
Time deposits	386,256	1.00%	473,656	0.72%
	$3,299,396	0.26%	$3,012,583	0.22%

	Year Ended December 31,			
	2017		2016	
	Average Amount	Weighted Average Rate	Average Amount	Weighted Average Rate
Non-interest bearing demand deposit accounts	$1,174,877	0.00%	$1,007,235	0.00%
Savings accounts	303,164	0.13%	293,441	0.10%
Money market deposit accounts	966,740	0.31%	873,452	0.28%
NOW accounts	195,273	0.26%	187,304	0.13%
Time deposits	427,089	0.82%	482,307	0.70%
	$3,067,143	0.24%	$2,843,739	0.23%

Maturities of time certificates of deposit and other time deposits of $100,000 or more outstanding at March 31, 2018 are summarized as follows:

Maturities as of March 31, 2018	
2018	$298,532
2019	57,278
2020	12,812
2021	5,028
2022	1,777
2023	519
Thereafter	5,412
	$381,358

Interest expense on deposits is summarized as follows:

	Three Month Ended March 31,		Year Ended December 31,	
	2018	2017	2017	2016
(In thousands)				
Savings accounts	$ 105	$ 77	$ 390	$ 300
Money market deposit accounts	835	635	2,971	2,479
NOW accounts	192	66	517	249
Time deposits	957	840	3,490	3,386
Total	$2,089	$1,618	$7,368	$6,414

Borrowings and Other Interest-Bearing Liabilities

Other than deposits, we also utilize Federal Home Loan Bank of New York (the "FHLB") advances as a supplementary funding source to finance our operations. Our advances from the FHLB are collateralized by residential, multi-family real estate loans and securities. At March 31, 2018, December 31, 2017 and December 31, 2016, we had maximum borrowing capacity from the FHLB of $810 million, $651 million and $583 million, respectively, subject to the availability of collateral.

The following tables outline our various sources of borrowed funds during the three months ended March 31, 2018 and the years ended December 31, 2017 and December 31, 2016, and the amounts outstanding at the end of each period, the maximum month-end amount for each component during the periods, the average amounts for each period, and the average interest rate that we paid for each borrowing source. The maximum month-end balance represents the high indebtedness for each component of borrowed funds at any time during each of the periods shown.

(in thousands)	Ending Balance	Period End Rate	Maximum Month End Balance	Period Average Balance	Rate
At or for the quarter ended March 31, 2018:					
Borrowing from FHLB	$401,775	1.60%	$401,775	$360,101	1.52%
Fed Funds purchased	—	0.00%	—	—	0.00%
Securities sold under agreements to repurchase	—	0.00%	—	—	0.00%
Total	$401,775	1.60%	$401,775	$360,101	1.52%
At or for the year ended December 31, 2017:					
Borrowing from FHLB	$402,600	1.49%	$680,100	$570,129	1.82%
Fed Funds purchased	5	2.00%	15,000	699	0.82%
Securities sold under agreements to repurchase	—	0.00%	—	814	3.32%
Total	$402,605	1.49%	$680,100	$571,642	1.82%
At or for the year ended December 31, 2016:					
Borrowing from FHLB	$604,225	2.33%	$613,225	$571,436	2.57%
Fed Funds purchased	—	0.00%	—	1,521	0.56%
Securities sold under agreements to repurchase	34,645	3.27%	74,645	66,731	3.32%
Total	$638,870	2.38%	$681,020	$639,688	2.64%

Liquidity

Liquidity refers to our ability to maintain cash flow that is adequate to fund 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 of our board of directors, 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 noncore 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, 2018, our cash and equivalents, which consist of cash and amounts due from banks and interest-bearing deposits in other financial institutions, amounted to $53.5 million, or 1.3% of total assets, compared to $116.5 million, or 2.9% of total assets, at December 31, 2017. The decrease in our cash and equivalents was primarily due to a reduction in excess cash that was used to pay down borrowings. Our available-for-sale securities at March 31, 2018 were $976.0 million, or 23.5% of total assets, compared to $943.4 million, or 23.3% of total assets, at December 31, 2017. The increase in our available-for-sale securities was primarily due increased securities purchases. Investment securities with an aggregate fair value of $122.0 million at March 31, 2018 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. At March 31, 2018, customer deposits, excluding non-relationship deposits where we do not have a direct relationship with the borrower, were 113.3% of net loans, compared with 115.0% at December 31, 2017. 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, 2018, we had $401.8 million in advances from the FHLB and a remaining credit availability of

$809.6 million. In addition, we maintain borrowing capacity of approximately $83.0 million with the Federal Reserve Bank's discount window that is secured by certain securities from our portfolio which are not pledged for other purposes.

Capital Resources

Stockholders' equity at March 31, 2018 was $346.6 million, compared to $344.1 million at December 31, 2017, an increase of $2.5 million, or 0.73%. The increase was primarily driven by net income of $7.7 million offset by $5.2 million in unrealized losses in AFS securities.

Stockholders' equity at December 31, 2017 was $344.1 million, compared to $341.1 million at December 31, 2016, an increase of $3.0 million, or 0.9%. The increase was primarily driven by net income of $6.1 million offset by an increase in accumulated other comprehensive loss due to the movement of the post-retirement benefit plan curtailment gains into 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.

Federal regulations impose minimum regulatory capital requirements on all institutions with deposits insured by the FDIC. On January 1, 2015, the U.S. Basel III final rule replaced the existing Basel I-based approach for calculating risk-weighted assets. Basel III introduced a new minimum ratio of common equity Tier 1 capital ("CET1") and raised the minimum ratios for Tier 1 capital, total capital, and Tier 1 leverage. The final rule emphasizes common equity Tier 1 capital and implements strict eligibility criteria for regulatory capital instruments and changed the methodology for calculating risk-weighted assets to enhance risk sensitivity. The methods for calculating the risk-based capital ratios have changed and will change as the provisions of the Basel III final rule related to the numerator (capital) and denominator (risk-weighted assets) are fully phased in by January 1, 2019. The ongoing methodological changes will result in differences in the reported capital ratios from one reporting period to the next that are independent of applicable changes in the capital base, asset composition, off-balance sheet exposures or risk profile. In addition, in order to avoid restrictions on capital distributions or discretionary bonus payments to executives, a covered banking organization must maintain a "capital conservation buffer" on top of its minimum risk-based capital requirements. This buffer must consist solely of CET1, but the buffer applies to all three measurements (CET1, Tier 1 capital and total capital). The capital conservation buffer will be phased in incrementally over time, becoming fully effective on January 1, 2019, and will consist of an additional amount of common equity equal to 2.5% of risk-weighted assets. See "Supervision and Regulation" below.

As of March 31, 2018, we were categorized as "well-capitalized" under the prompt corrective action measures. Our risk weighted assets were $3.0 billion, $2.9 billion and $2.8 billion at March 31, 2018, December 31, 2017 and December 31, 2016, respectively. The following table shows the regulatory capital ratios for us at the dates indicated:

	Actual		For Capital Adequacy Purpose		To be considered Well Capitalized	
(in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
March 31, 2018						
Total Capital to risk weighted assets	$387,436	12.83%	$241,536	8.00%	$301,919	10.00%
Tier I capital to risk weighted assets	349,690	11.58%	181,152	6.00%	241,536	8.00%
Tier I capital to average assets	349,690	8.60%	162,191	4.00%	202,739	5.00%
Common equity tier 1 to risk weighted assets	342,990	11.36%	135,864	4.50%	196,248	6.50%
December 31, 2017						
Total Capital to risk weighted assets	377,087	12.80%	235,591	8.00%	294,489	10.00%
Tier I capital to risk weighted assets	340,250	11.55%	176,693	6.00%	235,591	8.00%
Tier I capital to average assets	340,250	8.41%	161,792	4.00%	202,239	5.00%
Common equity tier 1 to risk weighted assets	335,557	11.39%	132,520	4.50%	191,418	6.50%
December 31, 2016						
Total Capital to risk weighted assets	366,698	12.87%	227,956	8.00%	284,945	10.00%
Tier I capital to risk weighted assets	330,960	11.61%	170,967	6.00%	227,956	8.00%
Tier I capital to average assets	330,960	8.23%	160,814	4.00%	201,018	5.00%
Common equity tier 1 to risk weighted assets	329,269	11.56%	128,225	4.50%	185,214	6.50%

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, 2018, December 31, 2017 and December 31, 2016:

Contractual Obligations
March 31, 2018

(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long Term Debt	$ 401,775	$ 359,100	$ 42,675	$ —	$ —
Operating Leases	82,036	9,994	19,860	18,778	33,404
Total	$ 483,811	$ 369,094	$ 62,535	$ 18,778	$ 33,404

December 31, 2017

(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long Term Debt	$ 402,600	$ 355,825	$ 46,775	$ —	$ —
Operating Leases	84,509	9,934	19,877	19,091	35,607
Total	$ 487,109	$ 365,759	$ 66,652	$ 19,091	$ 35,607
December 31, 2016					
Long Term Debt	$ 638,870	$ 208,300	$430,570	$ —	$ —
Operating Leases	95,163	10,811	20,432	19,420	44,500
Total	$ 734,033	$ 219,111	$451,002	$ 19,420	$ 44,500

Off-Balance Sheet items

We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our customers. These financial instruments include commitments to extend credit, commercial letters of credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated statements of financial condition. The contractual or notional amounts of those instruments reflect the extent of involvement we have in particular classes of financial instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. We evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by us upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral is primarily obtained in the form of commercial and residential real estate (including income producing commercial properties).

Standby letters of credit are conditional commitments issued by us to guarantee to a third-party the performance of a customer. Those guarantees are primarily issued to support public and private borrowing arrangements, bond financing and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Commitments to make loans are generally made for periods of 60 days or less. At March 31, 2018, our fixed rate loan commitments have interest rates ranging from 1.0% to 7.5% (and up to 16% for defaulted loans) and maturities up to 2048. At March 31, 2018, our variable rate loan commitments have interest rates ranging from 2.3% to 10.5% (and up to 13.5% for defaulted loans) and maturities up to 2048. Our exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of those instruments. We use the same credit policies in making commitments and conditional obligations as for funded instruments. We do not anticipate any material losses as a result of the commitments and standby letters of credit.

The following table summarizes commitments as of the dates indicated.

(in thousands)	At March 31, 2018	At December 31, 2017	At December 31, 2016
Commitments to extend credit	$ 232,777	$ 259,310	$ 424,190
Standby letters of credit	8,422	8,736	3,509
Total	$ 241,199	$ 268,046	$ 427,699

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk is interest rate risk, which is defined as the risk of loss of net interest income or net interest margin because of changes in interest rates.

We seek to measure and manage the potential impact of interest rate risk on our net interest income and net interest expense. Interest rate risk occurs when interest-earning assets and interest-bearing liabilities mature or re-price at different times, on a different basis or in unequal amounts. Interest rate risk also arises when our assets, liabilities and off-balance sheet contracts each respond differently to changes in interest rates, including as a result of explicit and implicit provisions in agreements related to such assets and liabilities and in off-balance sheet contracts that alter the applicable interest rate and cash flow characteristics as interest rates change. The two primary examples of such provisions that we are exposed to are the duration and rate sensitivity associated with indeterminate-maturity deposits (*e.g.*, non-interest-bearing checking accounts, negotiable order of withdrawal accounts, savings accounts and money market deposits accounts and the rate of prepayment associated with fixed-rate lending and mortgage-backed securities. Interest rates may also affect loan demand, credit losses, mortgage origination volume and other items affecting earnings.

Our asset liability management committee, chaired by our treasurer, manages our interest rate risk according to written policies approved by our board of directors. Changes in our risk profiles are monitored and managed on a continual basis while risk limits are based on quarterly calculations. We use two primary models to monitor interest rate risk: economic value of equity and net interest income simulations. Scenarios include parallel shifts, ramped shifts, twists of yield curves and other adverse impacts. In addition, we monitor the impact of changes to various assumptions including asset prepayments and deposit repricing and decay assumptions. Our risk management infrastructure also requires the asset liability management committee to periodically review and disclose all key assumptions used, compare these assumptions and observations to actual historical experience, and check model reliability and validity by sample testing data inputs, back testing and third party validation.

We manage our interest rate risk by monitoring calculated risk measures and balance sheet trends such as growth in fixed rate loans, deposit trends and other factors that affect our risk profile. In order to counter changes in risk, we evaluate costs and other trade-offs associated with changing the composition of assets and liabilities; such as selling fixed rate securities, extending the term of borrowings, changing pricing of loans or deposits or selling residential mortgage loans in the secondary market. We do not engage in speculative trading activities relating to interest rates, foreign exchange rates, commodity prices, equities or credit.

We are also subject to credit risk. Credit risk is the risk that borrowers or counterparties will be unable or unwilling to repay their obligations in accordance with the underlying contractual terms. We manage and control credit risk in the loan portfolio by adhering to well-defined underwriting criteria and account administration standards established by management. Written credit policies document underwriting standards, approval levels, exposure limits and other limits or standards deemed necessary and prudent. Portfolio diversification at the obligor, industry, product and/or geographic location levels is actively managed to mitigate concentration risk. In addition, credit risk management also includes an independent credit review process that assesses compliance with commercial, real estate and other credit policies, risk ratings and other critical credit information. In addition to implementing risk management practices that are based upon established and sound lending practices, we adhere to sound credit principles. We understand and evaluate our customers' borrowing needs and capacity to repay, in conjunction with their character and history.

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 as a means 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, 2018 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.

The results of this simulation analysis are hypothetical, and 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, 2018	**Estimated Increase (Decrease) in:**	
Immediate Shift	Economic Value of Equity	Year 1 Net Interest Income
+400 basis points	-20.5%	2.70%
+300 basis points	-16.2%	4.40%
+200 basis points	-8.8%	4.80%
+100 basis points	-3.1%	3.40%
-100 basis points	1.8%	-5.60%

BUSINESS

General Overview

Amalgamated Bank is a commercial bank and a chartered trust company headquartered in New York, New York. We also have operations in Washington, D.C. and in San Francisco, California. We provide a broad range of products and services to a target customer base that wants 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 and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses, as well as the members and stakeholders of these commercial customers. As of March 31, 2018, our total assets were $4.2 billion, our total loans, net of deferred fees and allowance were $2.9 billion, our total deposits were $3.3 billion, and our stockholders' equity was $346.6 million. As of March 31, 2018, our trust business held $29.4 billion in assets under custody and $11.6 billion in assets under management.

Our Background Story. We are the largest majority union-owned bank in the U.S. We were formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America, one of the country's oldest labor unions founded in 1914, as the financial institution for immigrants.

In 2000, we changed our name from Amalgamated Bank of New York to Amalgamated Bank in order to better reflect our national customer base. Although we are no longer fully union-owned, Workers United, which is Amalgamated Clothing Workers of America's successor, remains our majority stockholder with 55.2% of our equity as of June 30, 2018. Workers United is an affiliate of the Service Employees International Union that represents workers in the textile, food service, and manufacturing industries in the U.S.

Since our founding, our targeted commercial focus has expanded dramatically to include advocacy-based non-profits, social welfare organizations, national and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses, and other for-profit companies that seek to balance their profit-making activities with activities that benefit their other stakeholders (we refer to these organizations on a collective basis as socially responsible organizations), as well as the members and stakeholders of these commercial customers. These customer segments and their unique banking needs have historically been underserved by traditional financial institutions. In addition to the standard set of banking products and services, we bring distinct value to our customers through specialized products such as union dues processing, specialty lending, and separately managed values-aligned investment accounts. We believe the combination of our relationship-based, personalized service model, customized solutions, like-minded socially and environmentally responsible employees, and experienced management team uniquely positions us to serve these commercial customers and their members. Our distinctive business model generates a stable source of low-cost core deposits, and our target customer base generally has limited credit needs. As a result, we have a significant amount of excess liquidity resulting from these customer relationships, which we prudently deploy to achieve attractive risk-adjusted returns. Our earning asset mix today is composed of a combination of loans to target commercial customers, various types of real estate loans, securities, and Indirect C&I. Although we may reallocate the portfolio as risk-adjusted returns across asset classes evolve, we believe our current allocation strategy will remain relatively consistent. We have a robust governance process in place to maintain conservative credit standards and underwrite each loan on our balance sheet.

Our Recent History and Turnaround. From 2008 to 2011, we experienced significant credit and financial losses resulting primarily from the collapse of real estate prices during the Great Recession, which began in 2007. In August 2011, the FDIC and NYDFS issued a consent order that required, among other things, infusion of new capital and improvements in asset quality, management and financial forecasting. Despite deterioration in asset quality and financial performance, we maintained a high quality deposit base and strong customer loyalty, which made us a model candidate for a turnaround. In April 2012, we initiated our turnaround efforts by recapitalizing with a $100 million investment from funds associated with WL Ross & Co. and The Yucaipa

Companies, LLC. Immediately following the recapitalization, Workers United and affiliates retained a 62.5% equity stake in our common stock, while funds associated with WL Ross & Co. and The Yucaipa Companies, LLC, each acquired approximately an 18.7% equity stake in our common stock. Following the recent New Resource Bank Acquisition, Workers United and affiliates owned approximately a 55.2% equity stake in the Bank, while funds associated with WL Ross & Co. and The Yucaipa Companies, LLC each own approximately a 16.5% equity stake.

In 2012, Keith Mestrich joined us as the director of our Washington, D.C. operation, and in 2014, he was appointed as Chief Executive Officer and President to harness the profit potential of our target customer base. Since his appointment, we have hired new members for our management team, grown our customer base, instilled a disciplined expense culture, and improved the quality of both our assets and sources of funding. We have grown our deposits within our target customer segment by deepening and expanding our customer base through strategic expansion and leveraging our reputation nationwide, which has led to a 14% compounded annual growth rate of stable, low-cost core deposits (excluding time deposits) over the three-year period ended December 31, 2017. Our average cost of deposits during the twelve month period ended December 31, 2017 is 24 basis points, compared to the 54 basis points average cost of deposits for all banks within the local markets in which we operate. In the first quarter of 2018, our average cost of deposits was 26 basis points. We believe there is significant opportunity to continue our growth given the size of our target customer segment, which we estimate to include over $90 billion in assets nationally across unions, progressive philanthropies, and social advocacy and human-needs organizations. Additionally, we continue to enhance the bank's efficiency by discontinuing unprofitable business lines, closing 46% of our branches and rationalizing our number of full-time employees since December 31, 2014. We also have improved the quality of our assets and liabilities on the balance sheet by exiting legacy non-performing and substandard credits and reducing our reliance on expensive wholesale borrowings. These efforts have resulted in 13 consecutive quarters of positive pre-tax income through March 31, 2018. We intend to continue to execute on our strategic plan, which we believe will position Amalgamated for strong future growth and enhanced profitability while maintaining our conservative risk culture.

We intend to undertake a number of initiatives for the remainder of 2018, including (i) the integration of New Resource Bank's operations, which is managed by a bank-wide, cross-functional management team as well as a dedicated program management team, (ii) implementation of a regional sales structure, and (iii) implementation of additional expense reduction initiatives.

Overview of our Products and Services. We offer products and services tailored to progressive people and organizations, including labor unions, non-profits, socially responsible businesses such as renewable energy companies, organic and natural food companies, B corporations, political organizations, foundations, and individuals that are active, involved, and committed to making their communities stronger, smarter, fairer, cleaner, and safer. 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.

We are a full service community bank offering a complete suite of commercial and retail banking, investment management and trust and custody services. Our commercial banking business 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 12 branch locations across four boroughs of New York City, one branch office in Washington, D.C., one branch in San Francisco (following the New Resource Bank Acquisition), our domestic representative office in Pasadena, California, our loan production office in Boulder, Colorado (acquired in the New Resource Bank Acquisition), and our digital banking platform. Our corporate divisions include Consumer Banking, Commercial Banking, and Trust and Investment Management. Our product line includes residential mortgage loans, commercial and industrial loans, commercial real estate 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, online cash management, 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.

Competition

The financial services industry is highly competitive as we compete for loans, deposits, and customer relationships in our geographic markets. We strive to be the bank of choice for working class and progressive individuals, labor unions, advocacy-based non-profits, political organizations, foundations, and socially responsible businesses. Competition involves efforts to retain current customers, make new loans and obtain new deposits, increase the scope and sophistication of services offered, and offer competitive interest rates paid on deposits and charged on loans. Our cost of funds fluctuates with market interest rates and may be affected by higher rates offered by other financial institutions. In certain interest rate environments, additional significant competition for deposits may be expected to arise from corporate and government debt securities and money market mutual funds. We have a very small market share of the total deposit-gathering or lending activities in the New York City metropolitan area, Washington, D.C. metropolitan area, and San Francisco, California metropolitan area.

In the financial services industry, market demands, technological and regulatory changes and economic pressures have increased competition among banks, as well as other financial institutions. As a result of increased competition, we believe that existing banks have been forced to diversify their services, increase rates paid on deposits and become more cost effective. Meanwhile, corresponding changes in the regulatory framework have resulted in increasing uniformity in the financial services offered by financial institutions. These market dynamics in the financial services industry have increased the number of new bank and non-bank competitors and have increased customer awareness of product and service differences among competitors.

We primarily face competition from the five major categories of competitors listed below. In each case, we rely on our focus on labor and progressive values and on consumer products at a local and increasingly national level to compete against these competitors.

- Local and regional bank competition within our branch footprint of the New York City metropolitan area, Washington, D.C. metropolitan area and San Francisco, California metropolitan area. These local and regional banks have the same local focus and engagement with the community and typically offer similar products and servicing capabilities.
- Large banks which have and are expanding their physical footprint in the New York City metropolitan area, Washington, D.C. metropolitan area, and San Francisco, California metropolitan area. These large banks have significant national-scale resources.
- National "direct" banks, which have sophisticated digital offerings and significant national brand investments that appeal to segments of the population who do not require a physical branch to conduct banking and may offer higher interest rates on deposits.
- Financial technology ("Fintech") "non-banks." There are numerous emerging business models and technology innovators entering the field of personal finance. Much of the Fintech innovation has significant capabilities and may be disruptive to traditional banks.
- Other socially responsible banks and financial services companies, including credit unions. We anticipate an increase in competition in socially responsible banking given the recent high-level focus the concept has received.

In commercial banking, we compete to underwrite loans to sound, stable businesses and real estate projects at competitive price levels that also make sense for our business and risk profile. Our major commercial bank competitors include national, regional and local banks that are larger than us and, as a consequence of their size, have the ability to make loans on larger projects or provide a greater mix of product offerings. We also compete with local banks, some of which may offer aggressive pricing and unique terms on various types of loans.

In retail banking, we primarily compete with banks that have visible retail presence and personnel in our market areas. The primary factors driving competition in consumer banking are customer service, interest rates, fees charged, branch location and hours of operation, and the range of products offered. We compete for deposits by advertising, offering competitive interest rates, and seeking to provide a high level of personal service.

In retail lending, we also compete with non-bank mortgage companies, which now account for more than 50% of all residential mortgage origination. The non-bank competition has access to a wide array of products and services offered through the secondary market and private participants. The ability to quickly utilize the latest technologies, while benefitting from lower regulatory and compliance costs, allow the non-bank competition to add new products at a fast pace. We seek to keep up with the non-bank mortgage competition by utilizing our portfolio products to give customers options they would not find at traditional banks and furthering the customer relationship by offering in-house servicing for portfolio products. We recently added Veterans Administration loans to our product offerings and plan to add Federal Housing Authority products in the near future. We have invested in new technologies to keep pace in the market, while driving the cost of origination down. Integrating services directly into our point-of-sale and loan origination software systems help mitigate risks and decrease the mortgage processing time. We have consistently increased our market presence in this retail lending space through the use of internet marketing, the ability to have customers apply online, adding more states to our mortgage lending area, collaborating with state and local nonprofits to help low to moderate income borrowers and hiring talented mortgage origination professionals.

In investment management and trust services, we compete with a variety of custodial banks as well as a diverse group of investment managers. From a custody standpoint, we compete against larger custodial institutions, such as State Street and BNY Mellon, and smaller, client-service oriented custodial banks, such as US Bank, Regions Bank and M&T. In the investment management space, we regularly compete against a host of firms that provide passive equity index replication to their clients, including State Street, BlackRock, and Vanguard. Our active products, both in equities and fixed-income, compete against dozens of institutional managers who traditionally provide services to Taft-Hartley Act, public funds and endowments/foundations.

We believe our ability to provide a flexible, sophisticated product offering and an efficient process to our customers and clients allows us to stay competitive in the financial services environment. We have taken a comprehensive position on remaining competitive, both within the branch and online banking markets. To remain competitive, we have aggressively expanded our banking product set and availability over the past five years, developed new digital distribution models, introduced new mobile, digital, and transactional capabilities to our customers, leveraged a wide range of associated products and partnerships, continued to provide a range of financial education services, and continued to monitor product rate competitiveness of our local competitors within our geographic footprint, and our national direct bank competitors.

Additionally, we seek to enhance our ability to become the go-to financial institution for progressive people and organizations by:

- focusing on our vision and values, which guides our thinking and our actions;
- offering socially responsible products and services, including customized environmental, social and governance investment solutions—including a tobacco-free fund and a low-carbon strategy which reduces the carbon footprint of investment portfolios, and savings account products that enable our customers to donate to the progressive charity of their choice;
- targeting progressive people and organizations through the use of public relations, digital marketing, e-mail, and social media;

- highlighting and spreading the word on social media, our blogs and our website about our unique customers and their noteworthy deeds;
- hosting and speaking at events that position us as a thought leader in the political, environmental, union, non-profit and social enterprise spaces;
- reinforcing commitment to our values by paying all of our employees a minimum wage of $15 an hour, installing solar panels on top of our 3770 E. Tremont Avenue branch in the Bronx, accepting the New York City's Municipal identification card at all branches—a photo identification card provided regardless of immigration status, homeless status or gender identity, and influencing others to improve corporate governance and board accountability in the companies in which our equity funds invest;
- obtaining B Corporation certification, a distinction we earned after being evaluated under rigorous standards of social and environmental performance, accountability, and transparency; and
- maintaining a membership with 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.

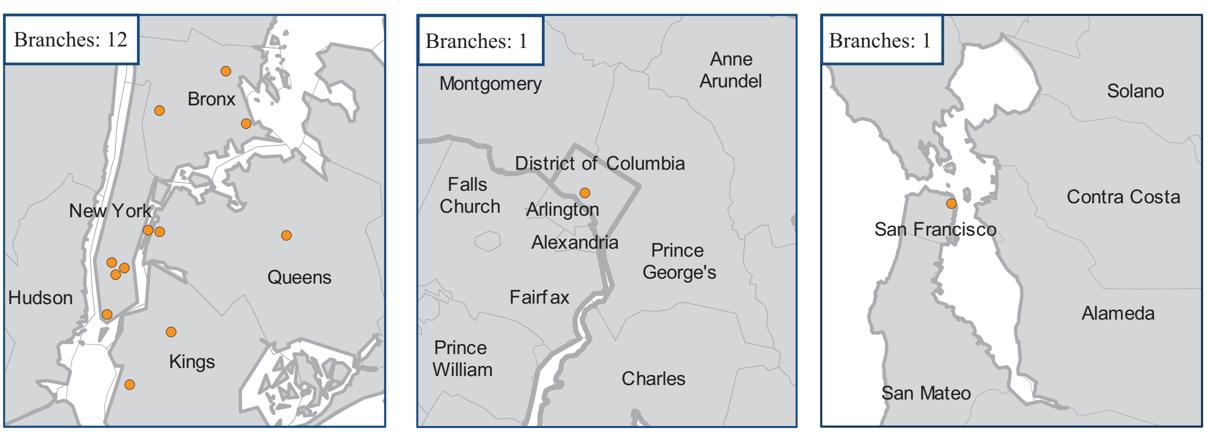
Our Market Area

We are focused on geographic markets with large and growing populations of our target customer base. Our primary geographic markets include the New York City metropolitan area, the Washington, D.C. metropolitan area, and the San Francisco metropolitan area (following the New Resource Bank Acquisition). Based on research we commissioned, each of these markets is densely populated with a significant number of values-based businesses and non-profit organizations. We are also able to leverage our heritage as a socially responsible bank to market to customers nationwide.

We currently have an efficiently managed network of 12 branches in New York City, one branch in Washington, D.C., one branch in San Francisco (acquired in the New Resource Bank Acquisition), a domestic representative office in Pasadena, California, and a loan production office in Boulder, Colorado (acquired in the New Resource Bank Acquisition). Following our success in New York, a community we have now been a part of for nearly a century, we entered the Washington, D.C. market with a successful strategic expansion in 1998. We bolstered our efforts in the Washington, D.C. market in 2012 under the direction of our then Regional Director (and current CEO), Keith Mestrich, and have since generated a 55% compound annual deposit growth rate during the three-year period ended December 31, 2017.

Amalgamated Locations

New York City *Presence for nearly a century*	Washington, D.C. *Successful strategic expansion*	San Francisco *New Resource Bank Acquisition*



Source: SNL Financial

Our Business Model

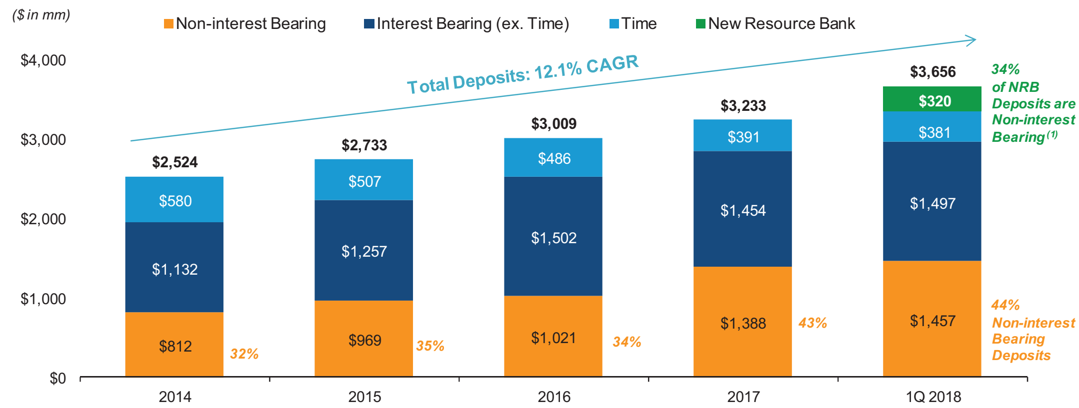
We are a full-service commercial bank offering a broad range of deposit products, trust and investment management services, and lending services. We generate low-cost deposits from our values-based commercial clients and consumer customers. We further develop new and existing relationships through our trust, custody, and investment management services, which generate fee income, and we also offer investment, brokerage, asset management, and insurance products to our retail customers through a third party broker dealer. Because our target customer base has historically had limited credit needs, we generate a significant amount of excess liquidity from these relationships, which we, in turn, deploy through a conservative asset allocation strategy to achieve attractive risk-adjusted returns.

Deposits

We gather deposits primarily through teams of bankers organized based on region and client segment. Our teams of dedicated bankers have a strong familiarity with the segments they cover and many have worked with organizations that make up our target customer base before starting their career in banking. We believe our deep understanding of these segments, customized solutions and relationship-based, personalized service model enable us to address our customers' unique banking needs. As a result, we believe we have become one of the leading banks of choice for many of these groups who, in turn, contribute a significant source of low-cost core deposits to the bank. Our total deposit base is composed of 44% non-interest bearing accounts and has an average cost of deposits of only 26 basis points for the three months ended March 31, 2018, with a deposit beta (defined as the change in our cost of deposits as a percentage of the change in the target federal funds rate) well below peer and national averages. We have generated a deposit beta of only 2% in the current rising interest rate cycle since September 30, 2015 through March 31, 2018. We believe that our focus on serving the banking interests of the mission-driven customer market gives us a competitive advantage over other commercial banks in generating business from our target customer base.

In addition to this commercial business development structure, we source consumer deposits through our branch network, online network, and mobile platform. Through these channels, we offer a variety of deposit products, including demand deposit accounts, interest-bearing products, savings accounts, and certificates of deposit. As of March 31, 2018, our deposit base consisted of $1.6 billion of checking deposits, $1.3 billion of other liquid deposits such as money market checking, savings and passbook deposits, and $381 million of certificate of deposits. Approximately 34% of our total deposits came from 51,439 consumer customers and 66% from 4,576 commercial clients. The vast majority of our commercial deposits are derived from socially responsible organizations.

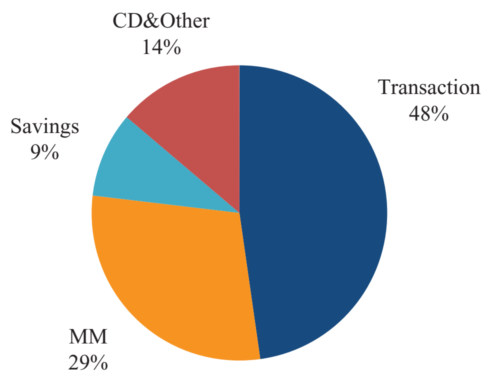
Total Deposit Growth and Composition



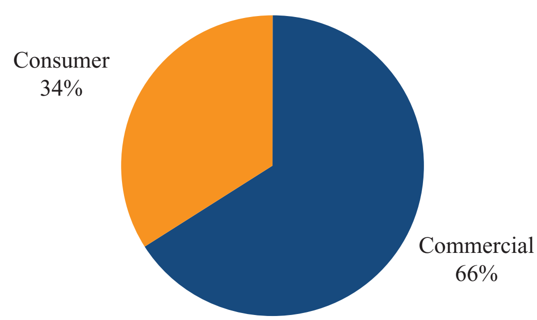
	2014	2015	2016	2017	1Q 2018
% Core Deposits:	77%	81%	84%	88%	89%
Branches:	24	17	16	13	13
Average Cost of Deposits:	0.24%	0.23%	0.23%	0.24%	0.26%

1. *As of March 31, 2018, New Resource Bank's deposits consisted of 13% time deposits, 34% non-interest bearing deposits and 54% interest bearing deposits in 3,132 deposit accounts. For the three months ended March 31, 2018, New Resource Bank's cost of deposits was 5 basis points.*

Deposits by type
(at March 31, 2018)



Deposits by segment
(at March 31, 2018)



Trust and Investment Management

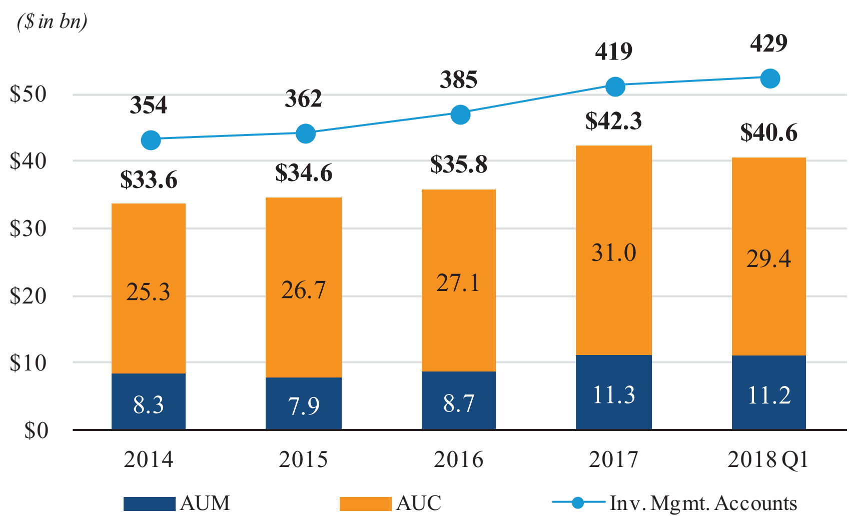
We have been providing institutional trust, custody and investment management services since 1973. This business has become an integral contributor to our franchise and is complementary to our commercial banking business, as they each help support and grow the other. Approximately one-third of our trust and investment management clients utilize our deposit products. The majority of our trust and investment management business consists of institutional investment clients, such as multi-employer pension funds and Taft-Hartley funds.

Our custody service bankers have considerable experience with our target customer base, offering a highly personal approach to customer support and customizable solutions including those which are specifically designed to meet the requirements of the Taft-Hartley Act and public sector employee benefit and pension plans, endowments, foundations and family offices. Our core custody services feature a wide-ranging and comprehensive product suite, including asset safekeeping, corporate actions, income collections, proxy services, account transition, asset transfers and conversion management, which focus on adding value for our clients.

Our investment management offerings are currently composed of a broad range of both index and actively-managed funds spanning equity, fixed-income, real estate assets and alternative investment strategies. Our experienced team specifically tailors our investment strategy to align with the values of our clients. We launched our LongView family of funds in 1992 to promote advocacy through ownership guided by the investment belief that companies with strong corporate governance deliver stockholders greater and less volatile returns over the long term. We view accountability, prudent risk oversight, social and environmental awareness, and alignment of compensation practices with sustainable value creation as the key principles that define good governance best practices and enhance the prospects for sound stockholder returns. We have an active role in promoting strong corporate governance through our proxy-voting guidelines, the filing of socially-aligned stockholder proposals, and litigation brought by us on behalf of our investors, and we believe this distinguishes our index funds from similarly situated funds and provides us with a competitive marketing advantage.

The growth of our commercial banking business has contributed meaningfully to the accelerated growth of our trust, custody and investment management services business in recent years. From December 31, 2014 through December 31, 2017, trust and investment management clients have grown at a 5% compound annual growth rate. As of March 31, 2018, we had 906 custody accounts with $29.4 billion assets under custody and 486 investment management accounts (including 89 separately managed) with $11.6 billion in assets under management (with $125 million of assets under management from consumer customers). For the three months ended March 31, 2018, we generated $4.6 million of investment and trust fees. Our trust and investment management business generated $18.5 million of investment and trust fees, or 68% of total non-interest income, for the year ended December 31, 2017. We believe our business can generate future growth while capturing enhanced operational efficiencies, given the fixed cost structure of the business. We also believe that this embedded operating leverage combined with our expected growth in assets under management and assets under custody and the limited capital required for this business will result in trust and investment management becoming a more meaningful contributor to the Bank's profitability over the next several years.

Assets and Clients [1]



1. Excludes AUM, AUC and account totals of ULTRA and NYCERS portfolios expected to runoff in the future.

Asset allocation

Our target customer base provides us with what has historically been a stable source of low-cost core deposits, with generally limited credit needs. Therefore, the Bank has historically had a substantial amount of excess liquidity. We believe a key benefit of our differentiated business model is our flexibility to allocate our excess liquidity to achieve attractive risk-adjusted returns. Our earning asset mix today is composed of a combination of loans to target commercial customers, various types of real estate loans, and securities. We have a robust governance process in place to maintain conservative credit standards and underwrite each loan on our balance sheet. We may reallocate the portfolio as risk-adjusted returns across asset classes or other market conditions evolve, but do not anticipate material changes in our current allocation strategy.

Commercial and Industrial lending

Our Commercial and Industrial (C&I) portfolio consists of loans to our target customers while our Indirect C&I has historically been made to companies outside of our target customer base.

Direct C&I

We take a relationship-based approach to our target customer loan origination strategy, as our bankers have developed a deep level of experience with our customers within our target customer base and their unique banking needs. Our business strategy involves us growing our business by earning the trust of these customers through a demonstrated dedication to our shared values—these mission-aligned customers seek our expertise in order to obtain various forms of specialty lending. Our specialty lending includes bridge financing guaranteed by philanthropic grants, financing for owner-occupied union training centers, loans to affordable housing construction funds administered by leading Community Development Financial Institutions Funds, loans for industrial solar deployment and energy efficiency, and loans to political campaigns. These commercial loans are typically made to organizations with cash flows that conservatively support the extension of credit, exhibiting an average one-half basis point non-accrual loan ratio and 100 basis points in cumulative charge-offs from December 31, 2014 to December 31, 2017. As of March 31, 2018 these loans represented $88 million or 2% of our total interest earning assets (pro forma for $304 million of New Resource Bank loans).

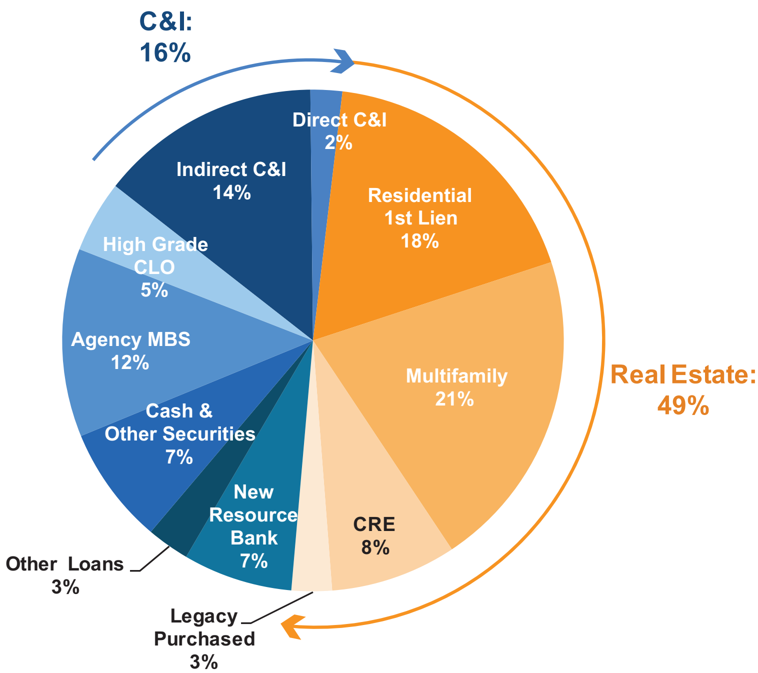
Furthermore, we believe that the New Resource Bank Acquisition will provide us with a new source of relationship lending to socially responsible organizations. New Resource Bank's core lending markets include clean energy, organic and natural products, green real estate (e.g., properties with energy efficiency and sustainability features), sustainable businesses and nonprofits. As of March 31, 2018, approximately 93% of New Resource Bank's $304 million total loan balances were to businesses and nonprofits advancing sustainability (including 11% with health and wellness clients, 12% for sustainable commerce clients, and 43% for education and community empowerment clients). For the three months ended March 31, 2018, New Resource Bank had 5.20% yield on loans on 360 loan accounts.

Indirect C&I

Our portfolio of Indirect C&I loans has historically been made to companies outside of our target customer base. While this portfolio currently represents 14% of our total interest earning assets (pro forma for $304 million of New Resource Bank loans), we plan to begin deemphasizing this portfolio and reallocating these balances across our portfolios of C&I loans to target customers, real estate-related loans and securities, in similar proportions to those that currently exist. For the three months ended March 31, 2018, we ran off $21.1 million of loans from this portfolio. This reallocation is intended to better align our overall portfolio with our stated strategy of organically growing target customer loans and maintaining a prudent approach to asset allocation.

Earning Asset Composition

(as of March 31, 2018)



Interest-Bearing Cash & Securities: $1,050mm

Total Loans: $3,259mm[1]

Total Earning Assets: $4,309mm[1]

1. *Total loans and total earning assets pro forma for $304mm of loans from the New Resource Bank acquisition.*

Real estate loans

Our real estate portfolio consists of loans to individuals and commercial businesses, including 1-4 family, multifamily, and commercial real estate.

Residential Real Estate

Our portfolio of real estate loans to individuals is based primarily in our geographic markets, but also a minority of real estate loans are to individuals outside our geographic markets, some of which are affinity mortgage programs we have developed for members of certain commercial customers, such as the Service Employees International Union. We began offering residential mortgage loans in 2012 and have since originated approximately 1,660 loans totaling $608 million, and through March 31, 2018, we have not experienced any losses on this portfolio. Our residential loans are closed-end mortgage loans, secured by a first lien on 1-4 family dwellings primarily in our geographic footprint. The dwellings are typically residential structures consisting of principal residences, second or vacation homes and investment properties, with property types including single family homes, two-to-four unit homes, condominiums, and cooperative apartments. The average loan-to-value ratio (“LTV”) and average FICO credit score at origination for our residential real estate loans originated after 2013 is 65% and 768, respectively. We also own portfolios of purchased 1-4 family loans (purchased starting in 2014 representing 7% of total assets as of March 31, 2018) with a weighted average LTV below 60% and for which 91% of borrowers have FICO credit scores above 725 at origination. There have been no credit losses or any material delinquencies from these loans since purchase.

Multifamily and Commercial Real Estate

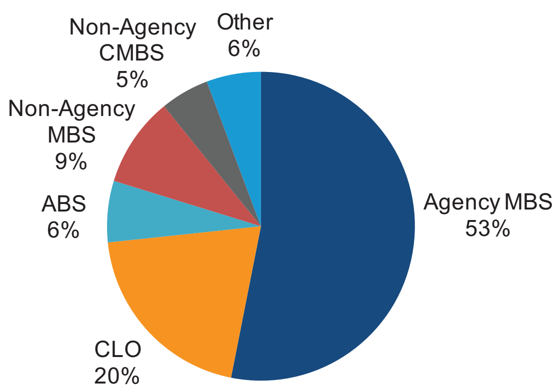
A substantial portion of our portfolio is composed of multifamily loans made to customers in New York, predominantly for rent-stabilized buildings. We generally apply stringent underwriting guidelines for LTV and debt service coverage ratios, which are intended to mitigate credit and concentration risk in this loan category. Our historical multifamily loss rate from January 1, 2010 through December 31, 2017 is eight basis points. Approximately 29% of these loans had a LTV less than or equal to 60% at origination and approximately 89% had an LTV less than or equal to 75% at origination. Other commercial real estate exposure is also predominantly in the New York metropolitan area and includes loans on office buildings, retail centers, industrial facilities, medical facilities and mixed-use buildings with an average LTV of 57% at origination.

Securities

Our securities portfolio primarily consists of high quality and liquid investments in mortgage-backed securities to government sponsored entities and other asset-backed securities. All non-agency securities are senior tranche and approximately 92% of our non-agency securities, composed of non-agency commercial mortgage-backed securities, collateralized loan obligations, non-agency mortgage-backed securities, and asset-backed securities, carry AAA credit ratings and the remaining 8% carrying A or higher. As of March 31, 2018, our securities portfolio, including FHLB stock, has a weighted average yield of 2.83% and a weighted average life of 4.1 years. Approximately 99% of this portfolio is classified as "available for sale." In total, our securities portfolio including FHLB stock represented 25% of total interest earning assets as of March 31, 2018.

Securities Composition

(as of March 31, 2018)



Yield on Securities: 2.72%[1]
Total Securities: $985mm

1. *Excludes FHLB stock.*

Our Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and provide us with the necessary foundation to successfully execute on our business strategy.

Uniquely Positioned Business Model Tailored to Socially Responsible Institutions

By choosing Amalgamated, our customers know their money is with a bank that shares their values. We believe that we are one of the premier banks catering to our target customer base—advocacy-based non-profits, social welfare organizations, national and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses, as well as the members and stakeholders of these customers. These organizations and consumers have historically been underserved by the traditional banking community and we believe that we are one of the leading banks whose mission is to serve this large and growing sector. We currently only penetrate a small percentage of this market, and we see significant upside if we are able to fully execute on our deposit gathering and relationship building strategy within this customer segment.

We believe that our focus on being a socially responsible bank positions us to benefit from what we expect to be the beginning of a paradigm shift in which consumers and stockholders will hold companies to higher levels of corporate social responsibility and will require companies to focus on contributions to society in addition to delivering profits. For example, the world's largest asset manager, BlackRock, Inc., wrote an open letter in January 2018 to the chief executive officers of both public and private companies urging them to take a guiding role in social change, stating that "companies must benefit all of their stakeholders, including stockholders, employees, customers, and the communities in which they operate." We believe we are ahead of this shift as our overall mission has always been to help those that do good, do better.

Stable, Low-Cost Core Deposit Franchise

Many of our target customers bank with us because we share their values and offer products and services tailored to their specific needs. Since many of these customers hold large amounts of deposits with us in non-interest bearing or low-interest accounts (for example, we have 218 accounts that as of March 31, 2018 maintain non-interest bearing account balances over $1 million), our business model positions us to generate a stable source of low-cost core deposits. Our target customer base has specific banking needs which we are well suited to address based on our extensive experience serving this niche customer segment. In addition, it is our experience that our target customer is attracted to our shared mission and common purpose which generates long-tenured, less rate sensitive deposits. Our core deposit base has grown at a 14% compound annual growth rate from December 31, 2014 through December 31, 2017. The graph below shows our attractive cost of deposits, both on an absolute and relative basis. We believe this strategy of funding with core deposits differentiates us from many of our geographic competitors who rely on gathering deposits from their branch networks or have a greater reliance on wholesale funding sources.

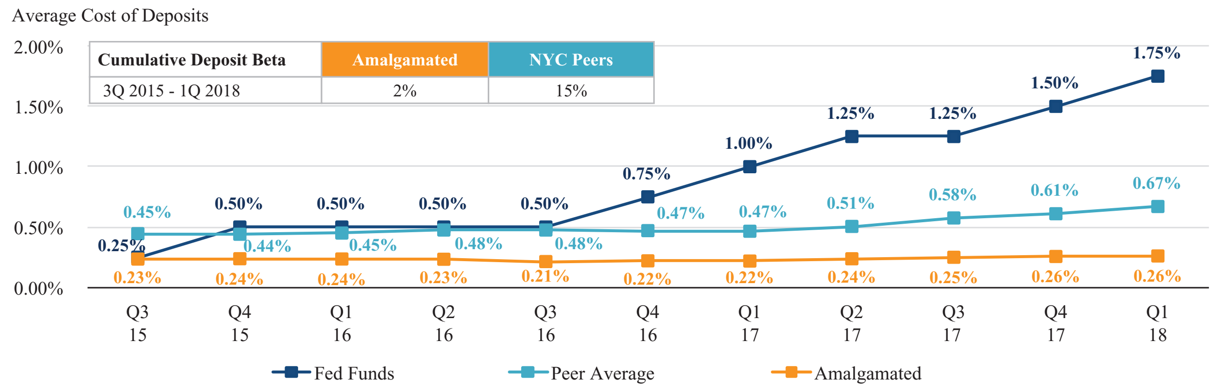
Average Cost of Deposits

	2014	2015	2016	2017	Q1 2018
Amalgamated	0.24%	0.23%	0.23%	0.24%	0.26%
New York Peers	0.35%	0.42%	0.47%	0.54%	0.67%

* *Peers include BDGE, CNOB, DCOM, FFIC, FLIC, LBAI, PFS and PGC*

As a result of this business strategy, we have generally been less reliant on price competition. Our business model has proven successful over the last two rising interest rate cycles, generating a deposit beta of 24% in the 2004-2006 interest rate cycle and only a 2% beta in the current rising interest rate cycle since the third quarter of 2015 through March 31, 2018.

Deposit elasticity during the current rising rate cycle



Source: SNL Financial; Note: Financial data as of the quarter available

[1] *Implied deposit elasticity calculated as change in average cost of deposits as a percent of the change in Fed Funds over same time period*

[2] *Peers include BDGE, CNOB, DCOM, FFIC, FLIC, LBAI, PFS and PGC*

Attractive Geographic Markets and Demonstrated Ability to Expand

Our physical geographic markets are the New York City metropolitan area, the Washington, D.C. metropolitan area, and the San Francisco metropolitan area. Our geographic focus mirrors our customer acquisition strategy in that we seek to penetrate markets which have a sizeable number of organizations that fit our target customer base. Based on research we commissioned in 2016, we believe that key portions of our target customer base in the New York metropolitan area, including 33% from values-driven philanthropies, 33% from social advocacy and human needs organizations, and 35% from labor unions, held approximately $40 billion in total assets. Given that as of March 31, 2018 we held approximately $1.9 billion in deposits in the New York metropolitan area, we believe we have significant opportunities for growth in this market, which is the largest banking market in the country. Based on this same research, we believe that the same select segments of our target customer base in the Washington, D.C. and San Francisco metropolitan areas held approximately $16 billion and $8 billion in assets, respectively (including 13% and 25% from values-driven philanthropies, 28% and 61% from social advocacy and human needs organizations, and 60% and 13% from labor unions, respectively).

As of March 31, 2018 we held approximately $812 million in deposits in the Washington, D.C. metropolitan area, we held approximately $50 million in the San Francisco metropolitan area, and New Resource Bank held approximately $286 million in deposits in the San Francisco metropolitan area. We seek to maximize our market penetration opportunities by focusing our deposit gathering and lending strategies in these densely populated progressive-oriented markets, thereby increasing our ability to attract customers who are likely to react favorably to our mission, values and reputation.

Furthermore, this same research has indicated that our target customer base in Chicago, Boston, and Los Angeles has $18 billion, $8 billion and $7 billion in assets, respectively (including 5%, 27%, and 9% from values-driven philanthropies, 22%, 30%, and 47% from social advocacy and human needs organizations, and 73%, 43%, and 44% from labor unions, respectively).

Leveraging our heritage as a socially responsible bank, we have attracted a national customer base. As a result, we offer a robust digital platform with tailored deposit products, commercial lending, and trust and treasury management products to service the particular banking needs of these clients. We believe that our continued growth will be driven by our ability to increase our amount of core deposits from our target customer base and the individuals within these organizations.

Disciplined Credit Risk Management

We have developed underwriting and credit risk management processes tailored to each of our products and verticals. Our comprehensive credit risk management is demonstrated by the strong credit performance of loans originated under our new management team. Our customers provide low-cost core deposits with limited credit needs, which allows us to prudently deploy our liquidity into assets with attractive risk-adjusted returns. As of March 31, 2018, our asset composition consists primarily of lower-risk first-lien 1-4 family real estate loans (21% of assets), multifamily loans (21% of assets), and securities (24% of assets). As a result of our unique business model, we are able to quickly reposition our asset composition to maintain a high-quality credit profile.

The strength of our credit risk management is driven by our team of experienced credit evaluators and underwriters. Credit risk management involves collaboration among our loan officers and relationship managers, underwriters, and credit approval, credit administration, portfolio management and collections and loan workout personnel. We have a comprehensive risk management process including policies and procedures for credit underwriting and monitoring, enabling us to grow our loan portfolio without compromising credit quality. We underwrite all loans including those that are not self-originated except for certain small dollar consumer loans acquired through pool purchases where we review and perform diligence on a sample of the loan pool. As of March 31, 2018, our non-accrual assets to total assets ratio was 0.54% (excluding performing troubled debt restructurings ("TDRs")). We believe our robust approach to risk management will enable us to grow our loan portfolio without compromising credit quality.

Experienced Management Team with Proven Results

Our executive management team consists of individuals with strong backgrounds and deep relationships with mission-driven organizations (including those within our target customer base), experienced financial operators and seasoned banking professionals. We believe a combination of these skill sets and backgrounds is required to successfully execute our strategy. Our President and Chief Executive Officer, Keith Mestrich, has 30 years of experience with banking and financial management of mission-driven organizations. When Mr. Mestrich took over leadership of the bank in 2014, he enhanced the existing management team with external hires and internal promotions. This team expanded our values-focused mission to a wider group of customers while repositioning the bank for improved risk management, enhanced profitability and increased sustainable growth. Such measures included building out our finance, treasury, credit and risk function with seasoned executives from the banking industry. The team developed our highly sophisticated asset allocation strategy to optimize risk-adjusted returns and reduce our reliance on high-cost wholesale borrowings. Our current management team has an average of 28 years of relevant experience.

Under the management team's leadership, the bank has reduced its cost of funds by 42 basis points from January 1, 2015 to December 31, 2017 and focused on expense reduction by closing 42% of the bank's branches and reducing headcount by nearly 10% from January 1, 2015 to December 31, 2017. We have exited legacy non-performing and substandard credits and discontinued unprofitable businesses and these actions have improved our core non-interest expense ratio from 3.55% for the year ended December 31, 2014 to 3.03% for the year ended December 31, 2017. For a reconciliation of this ratio to the equivalent GAAP ratio, see "*GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures*" above. We have successfully grown our New York and Washington, D.C. target customer base by a 7.3% and 54.5% compound annual deposit growth rate, respectively, during the three year period ended December 31, 2017. The execution of our strategic plan has resulted in 13 consecutive quarters of pre-tax profitability through March 31, 2018. We have also successfully completed the New Resource Bank Acquisition, which enabled us to expand into the San Francisco metropolitan area.

Our management team's commitment to our core constituencies provides unique insight into developing and maintaining strong customer relationships. We believe that management's strong track record of performance positions the bank favorably for continued organic and acquisition-related growth.

Our management team includes:

- Keith Mestrich, President, Chief Executive Officer and Director. Keith Mestrich has served as President and Chief Executive Officer of Amalgamated Bank since 2014. Mr. Mestrich has over three decades of experience in banking and financial management, many of those positions assisting the Bank's core constituencies in labor, nonprofits, political organizations and issue-advocacy campaigns. Mr. Mestrich joined Amalgamated in 2012 and directed the Bank's Washington, D.C. operation where he built Amalgamated's presence in the nation's capital. Since his appointment as President and Chief Executive Officer in 2014, Mr. Mestrich has led Amalgamated's turnaround efforts. Under his leadership, the Bank returned to profitability, improved its credit quality, installed a new management team and significantly grew its core deposit base. Mr. Mestrich has spearheaded initiatives to underscore Amalgamated's mission, including support of a $15 minimum wage (and raising the Bank's minimum wage to $15 per hour), acceptance of IDNYC as a primary form of ID and certification as a B Corporation. In 2017, Mr. Mestrich guided Amalgamated's acquisition of San Francisco-based New Resource Bank, creating one of the nation's leading socially responsible banks.
- Andrew LaBenne, Senior Executive Vice President and Chief Financial Officer. Andrew LaBenne has served as our Chief Financial Officer since April 2015 and also as a Senior Executive Vice President since April 2017. He also served as an Executive Vice President from April 2015 until April 2017. Before joining us, he served as Chief Financial Officer of Business Banking for JPMorgan Chase & Co. from August 2013 until April 2015 and spent 17 years at Capital One Financial in various positions in operations, marketing and finance, including as Chief Financial Officer of Retail Banking and Chief Financial Officer of Commercial Banking.
- Martin Murrell, Senior Executive Vice President and Chief Operating Officer. Martin Murrell has served as Senior Executive Vice President, Consumer Banking and Chief Operating Officer of Amalgamated Bank since April 2017. He joined Amalgamated Bank in our Washington D.C. office in April 2016 as our Executive Vice President and Head of Consumer Banking. Mr. Murrell has over 15 years of experience in the design, implementation and management of consumer digital financial services at American Express and Capital One Financial.
- Sam Brown, Executive Vice President, Director of Commercial Banking. Sam Brown joined Amalgamated in 2014 after serving as Director of the White House Business Council in the White House's Office of Public Engagement, a position he held from 2013 to 2014. As The Honorable Barack H. Obama, II, 44th President of the United States' liaison to the private sector, Mr. Brown worked on economic policies to help America's working families and businesses succeed. Before leading the Business Council, Mr. Brown held various positions between 2007 and 2012 serving President Obama. Mr. Brown also served as the founding Chief Operating Officer of Organizing for Action and Finance Chief of Staff for the Obama-Biden 2012 campaign. Mr. Brown holds a bachelor's degree from University of Southern California.
- Jim Lingberg, Senior Vice President, Chief Trust Officer. Jim Lingberg has over 25 years of experience in pension and investment management, real estate and capital markets. Since 2017, Mr. Lingberg is responsible for overseeing our investment management and trust businesses. He joined us in 2016 to lead the Eastern U.S. investment management sales and client service teams. Mr. Lingberg previously worked with the AFL-CIO Investment Trusts' funds, the Building Investment Trust, the Housing Investment Trust, the Equity Index Fund and the Urban Development Fund. From 2001 to 2015, Mr. Lingberg was a member of or led the marketing, investor relations and labor relations team in serving the Taft-Hartley and public fund investors in the four funds. From 1996 to 2001, he was a part of the accounting and finance team for the AFL-CIO Investment Trust entities, and also served as a member of the Portfolio and Investment Committees for the Housing Investment Trust. Mr. Lingberg began his career in 1991 at Price Waterhouse.
- Jamee Lubkemann, Executive Vice President and Director of Consumer Banking. Jamee Lubkemann joined Amalgamated Bank in 2017 after 11 years at American Express. Ms. Lubkemann served in

various roles at American Express including, leading Strategic Partnerships and Marketing for American Express Travel, managing relationships with key travel industry partners, and heading up travel marketing strategy for premium card members. While at American Express, Ms. Lubkemann also served as Vice President and General Manager of Personal Savings, where she oversaw growth and management of the high-yield savings and deposit portfolio. Ms. Lubkemann also held positions in Global Commercial Card Payments and Global Merchant Services.

- Mark Pappas, Executive Vice President and Chief Risk Officer. Mark Pappas joined Amalgamated as the Chief Audit Executive in August of 2015. In April 2018, he was appointed Chief Risk Officer of the Bank. Previous to his roles at Amalgamated, over an 11 year period, Mr. Pappas held various roles at Morgan Stanley in Internal Audit and Finance Risk executive leadership which included developing and implementing the global, firm-wide Sarbanes-Oxley compliance program. Prior to joining Morgan Stanley, Mr. Pappas held senior audit leadership positions at international and national banks, including Credit Suisse, Standard Chartered, Bankers Trust and Credit Agricole.
- James Paul, Executive Vice President and Chief Administrative Officer. James Paul joined Amalgamated in September 2011 as Senior Advisor to the Chief Executive Officer. He was named Chief of Staff in July 2014 and appointed Executive Vice President, Chief Administrative Officer in April 2018. Prior to joining us in 2011, he served as Chief Operating Officer for Ullico Inc., a labor owned insurance and financial services company and before that, Mr. Paul served as President of the Graphics Division of Chyron Corporation, a publicly traded international manufacturer of video broadcast equipment. He came to both Ullico and Chyron as the senior human resource executive and was later promoted to general management. Prior to that he served as Senior Vice President, Human Resources for TETE-TV, a joint venture of Bell Atlantic NYNEX, Pacific Telesis and Creative Artists Agency that was created to drive the partners' entry into the interactive entertainment and information markets.
- Arthur Prusan, Executive Vice President and Chief Credit Risk Officer. Arthur Prusan has served as our Chief Credit Risk Officer since April 2018 and has been with us since 2012. Prior to becoming our Chief Credit Risk Officer, he served as our Senior Vice President, Head of Credit Operations and as a Commercial & Industrial Senior Credit Officer. Before joining us, he served as Chief Administrative Officer for Global Business Services Americas at Deutsche Bank.
- Deborah Silodor, Executive Vice President and General Counsel. Deborah Silodor has served as an Executive Vice President and as our General Counsel since 2015. She served as our Deputy General Counsel from February 2009 to January 2015 and as our Assistant General Counsel from June 2007 to February 2009. Before joining us, she served as counsel in the law firm of Lowenstein Sandler in New Jersey from June 1999 until June 2007, where she specialized in commercial litigation. Earlier in her career, Ms. Silodor served as an enforcement attorney with the Office of Thrift Supervision.

Our Business Strategy

We have a clearly defined vision to be America's socially responsible bank. Our mission is inspired by our core value: *To help those who do good, do better*. Our mission and core values have enabled us to become a financial institution focused on serving values-based organizations and people. Our differentiated model of providing relationship-based, personalized-service and customized solutions while sharing our customers' values has driven the growth of our commercial banking, trust and investment management, and increasingly our consumer banking businesses.

We expect to further enhance our franchise value by continuing to develop organic relationships with our target customer base and maintaining our risk and expense discipline. We plan to expand our customer base by forming new relationships with our target customers in existing markets, and strategically expanding into new geographies and opportunistic acquisitions. We believe this will drive growth in our core banking business and our trust and investment management business. Protecting our values-based franchise also requires disciplined risk and expense management, which we believe is essential to our business strategy. Commitment to our customers' values is a central tenet of our differentiated business model and we expect it to continue to serve as the pillar of our broader business strategy.

Focus on Deposit-led Organic Growth

Our primary goal is to develop organic relationships in our target customer segments to support growth of our high quality, low-cost core deposit base. Our growth has been achieved by providing relationship-based, personalized-service and customized solutions. The success of our deposit gathering strategy has enabled us to become a primarily core deposit-funded institution, resulting in a lower cost funding base. Core deposits, which include checking accounts, money market accounts, and savings accounts, totaled $2.9 billion as of March 31, 2018 and represented 89% of total deposits. Our deposit strategy enables us to attract commercial depositors that also borrow and invest with the Bank. Our deposit growth in the New York metropolitan area has increased at a 7.3% compound annual growth rate from December 31, 2014 through December 31, 2017 despite our branch rationalization that resulted in the closure of 11 branches. Our deposit growth has in large part been driven by the growth of accounts greater than $1 million, which have increased by 76% since January 1, 2015 through December 31, 2017. Additionally, retail customers are increasingly looking for technology-enabled solutions to streamline their banking experience, reduce overall transaction time, and connect in a user-friendly manner. We have made significant investments in our digital capabilities and believe our current offerings will be attractive to our target customers and allow us to penetrate a national market. We believe our reputation within our target customer base positions us well to sustain our growth trajectory.

Geographic Expansion

We intend to consider strategic expansions, either organically or through acquisitions, into new markets that have a large constituency of socially responsible organizations and individuals. We are demonstrating our ability to grow through expansion in Washington, D.C. and through acquisitions with the recently completed acquisition of New Resource Bank, based in San Francisco. We intend to evaluate opportunities to efficiently expand our geographic footprint into other large metropolitan areas throughout the United States that share the same characteristics as San Francisco and our other current markets. Based on research we commissioned, potential markets that we believe have similar target customer bases with sizeable asset concentrations include Chicago, Boston, and Los Angeles. Other notable markets include Seattle and Austin.

We expect to continue to work to identify, from time to time, opportunistic acquisitions that are financially attractive, as demonstrated in the New Resource Bank Acquisition, and either enhance our penetration in existing markets or help us gain entry into new markets. Our ideal targets are banks that cater to segments of our target customer base. We believe that we will be well-positioned as an acquirer of choice because of our shared values, financial strength and operating model.

Grow Trust and Investment Management Business

We have been dedicated to serving the investment needs of our institutional clients for more than 40 years. We are committed to fostering strong client relationships and unparalleled understanding of our clients' goals and objectives. We offer a broad range of both index and actively-managed funds spanning equity, fixed-income, real estate and alternative investment strategies. As of March 31, 2018, assets under management were $11.6 billion. Additionally, we have $29.4 billion of assets under custody. The growth of our commercial banking business has fueled the continued growth of our trust and investment management business, as approximately one-third of our trust and investment management clients utilize our deposit products. Our existing commercial clients have large trust and investment management needs. As a result of our newly developed strategy, our bankers are taking a more holistic view of our clients' needs, which we believe we will increase our assets under management and assets under custody.

Our current infrastructure provides the necessary scale to increase our market presence among corporations, endowments, foundations and family offices. The development of our regional banking model places added emphasis on providing our clients the full suite of commercial banking products, including trust and custody services. We provide additional customized products to our clients, allowing us to expand our product suite and increase efficiency. We believe that our values, reputation and superior client service will help us broaden our existing client relationships and foster continued growth in the products and services we offer them. We believe that as our assets under management and assets under custody continue to grow, our trust and investment management business will meaningfully contribute to our profitability given the operating leverage from our fixed cost structure and the limited amount of capital required to support this business.

Maintain a Prudent Approach to Asset Allocation

Our business model has historically generated a substantial source of low-cost core deposits and we believe that it will continue to do so. As noted above, our target customers have historically had limited credit needs and we do not expect that these needs will change meaningfully. As such, our business model gives us access to excess liquidity, which we intend to prudently manage to optimize risk-adjusted returns. We expect that our lending strategy will continue to consist of real estate and Direct C&I loans, as well as additional C&I loans from the New Resource Bank Acquisition. We also expect to deploy these liquid assets to achieve attractive risk-adjusted returns. We have begun to deemphasize the Indirect C&I portfolio through loan sales and maturities; however, we believe the flexible nature of our asset composition is a key strength of our business strategy as it allows us to adjust to evolving pricing dynamics and credit conditions.

Focus on Optimizing Operating Leverage, Capital Return and Continued Profitability Enhancement

With the additions to our management team and the new locations in Washington, D.C. and San Francisco, we believe we have built a scalable platform to support future organic or acquisition growth without making significant additional investments, which we expect will improve operating efficiencies over time. We have demonstrated the ability to eliminate excess costs without sacrificing growth by reducing our number of branches, exiting unprofitable business lines, and eliminating unnecessary positions.

We are focused on optimizing our expense base to generate positive operating leverage. Examples of our cost savings opportunities may include redundancies due to new technology investments and reduction in occupancy cost to the extent we identify opportunities to shift certain back office jobs to more cost efficient locations.

Further, our conservative asset allocation strategy enables us to prudently calibrate our target capital levels, while maintaining a level in excess of the ratios required under law and regulation. To the extent that we generate capital in excess of our targets, we may work to return some excess capital to our stockholders, subject to applicable legal and regulatory limitations.

In addition to operating leverage and capital return, we believe that our business strategy focusing on low-cost organic deposit growth, business development (including enhancement of our trust and investment management services and the development of digital banking), asset sensitivity and potential geographic expansion should lead to a meaningful improvement in profitability and returns.

Underwriting and Credit Risk Management

Underwriting. Certain credit risks are inherent in all loans. These risks include risks resulting from uncertainties in the future value of collateral, risks resulting from changes in economic and industry conditions, and risks inherent in dealing with individual borrowers. Although we both originate and purchase pools of loans, we apply the following underwriting standards to all of our loans. We attempt to mitigate repayment risks by adhering to internal credit limits, a multi-layered approval process for loans, documentation examination, and follow-up procedures for any exceptions to credit policies. Our management, lending officers and credit administration team emphasize a strong risk management culture which is supported by comprehensive policies and procedures for credit underwriting, funding and administration that we believe has enabled us to maintain sound asset quality. Our underwriting methodology emphasizes analysis of global cash flow coverage, property cash flow in the case of real estate loans, loan to collateral value, and obtaining personal guaranties where appropriate. Also, in the case of most income-property loans, we require that borrowers are special purpose entities.

Our board of directors has assigned oversight responsibility for our credit risk functions to its credit policy committee, which is responsible for setting our credit appetite and approving our credit policy. This policy is updated periodically and reviewed in its entirety at least once per year. The board has established a management level credit committee, which is charged with formulating, subject to the credit policy committee's approval, and administering our credit policy. The management credit committee reviews and has the authority to approve, delay or deny all requests for new and existing credit exposures within the limits and practices established by our credit policy. Among other responsibilities, the management credit committee reviews and approves (i) all commercial credit exposure requests greater than $1 million and (ii) approves residential lending credit requests of more than $2 million. The credit policy committee must approve any loan over $25 million, as well as specific programs that are new to the bank or are subject to heightened risk.

Our management credit committee is chaired by the Executive Vice President-Chief Credit Risk Officer and includes our President and Chief Executive Officer, Senior Executive Vice President-Chief Financial Officer, Executive Vice President-Treasurer, Executive Vice President-Director of Commercial Banking, Senior Vice President-Senior Credit Officer, Senior Vice President-Senior Real Estate Credit Officer, Senior Vice President-Commercial Real Estate Lending, Executive Vice President-General Counsel, and Senior Vice President-Director of National Lending Support Team. Our management credit committee meets weekly to evaluate and approve credits brought by loan officers. Prior to submitting a loan for approval, the loan will have gone through several rounds of underwriting and credit review starting with deal screens, underwriting performed by the lending unit, a review of the underwriting by our credit risk management team, submission of a formal credit application memorandum that is also reviewed by our credit risk management team, and an approval to move forward by a senior credit officer. Particularly, during the underwriting process and prior to presentation to the management credit committee, the collateral properties on multifamily and commercial real estate loans are visited by the originating relationship manager, and, for loans of greater than $5 million, an additional visit is generally made by one of our senior credit officers prior to loan closing. There are no automatic factors that preclude a loan from being approved as we focus on the totality of the credit opportunity including the borrower's financial strength, industry, loan structure, strategic fit, and economics. In evaluating each potential loan relationship, we adhere to a disciplined underwriting evaluation process which includes, but is not limited to, the following:

- understanding the customer's financial condition and ability to repay the loan;
- verifying that the primary and secondary sources of repayment are adequate in relation to the amount and structure of the loan;
- observing appropriate LTV guidelines for collateral secured loans;
- maintaining our targeted levels of diversification for the loan portfolio, both as to type of borrower and geographic location of collateral;
- ensuring that each loan is properly documented with perfected liens on collateral; and
- the purpose of the loan.

There is a restricted industry list and certain underwriting requirements that must be met or the loan is considered an exception and must receive higher levels of review, where such review includes a review of the mitigations for the exception and a reason to continue reviewing the loan.

We use third party appraisers to appraise the properties on which we make loans. We choose these appraisers from a small group of qualified individuals and firms based on the specific type of property and the geographic area in which the property is located. Our First Vice President-Chief Appraiser selects the appraising individual or firm, orders the appraisal, and reviews the completed appraisal.

For 1-4 family residential loans (first lien), our general policy is not to exceed an LTV of 80% unless the borrower obtains mortgage insurance or there are strong compensating factors. The LTV generally declines as the amount of the loan increases. As of March 31, 2018, the weighted average LTV for our 1-4 family residential loans at origination was approximately 65%. For multifamily and commercial real estate loans, our policies are to obtain an appraisal on each loan and, generally, to not exceed an LTV of 80% and 75%, respectively.

Our stringent loan origination policies and underwriting standards have resulted in a low historical loan loss experience. Since 2012 and as of March 31, 2018, we have originated more than $600 million (with approximately $493 million on the books at March 31, 2018) of 1-4 family residential loans (including HELOCs) and, have not experienced any losses. Prior to 2009, however, we purchased more than $900 million of 1-4 family residential mortgages from third parties, which resulted in significant losses of approximately $28 million as of December 31, 2017. In 2009, the balance of 90 days or more delinquent loans was $48.1 million. Since the beginning of 2014, we have focused on managing this portfolio and have decreased our average annual loss rates from 97 basis points for the time period of 2010 through 2013 to 85 basis points for the time period of 2014 through 2017. Between 2014 and 2017, we averaged annual losses of $1.8 million on this purchased portfolio as compared to average annuals losses of $4.9 million between 2010 and 2013. The balance of 90 days or more delinquent loans has decreased from $48.1 million as of December 31, 2009 to $8.1 million ($8.7 million including loans held for sale) as of March 31, 2018.

Loans to One Borrower. In accordance with "loans-to-one-borrower" regulations promulgated by the NYDFS, we are generally limited to lending no more than 15% of our unimpaired capital and unimpaired surplus to any one borrower or borrowing entity. This limit may be increased by an additional 10% for loans secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of funds outstanding. To qualify for this additional 10%, we must perfect a security interest in the collateral and the collateral must have a market value at all times of at least 100% of the loan amount that exceeds 15% of our unimpaired capital and unimpaired surplus. At March 31, 2018, our regulatory limit on loans-to-one borrower was $59 million. Our management credit committee approval limit is $25 million, any loan over $25 million must be approved by the credit policy committee, and no loan in excess of $40 million has been made over the past five years. We regularly monitor concentration risk, which is the risk of lending too much to one particular customer or type of customer. Our loan policy establishes detailed concentration limits and sub limits by loan type and geography. Our management credit committee and our credit policy committee review our concentration reports on a quarterly basis.

Ongoing Credit Risk Management. Credit risk management involves a collaboration among our loan officers or relationship managers, underwriters, and credit approval, credit administration, portfolio management and collections or loan workout personnel. We apply our collection policies uniformly to both our portfolio loans and loans serviced for others. We conduct monthly loan quality meetings, attended by representatives from each of the aforementioned groups, including the business unit leaders. Our loan quality committee is our executive and senior management governing body for monitoring loan performance, focusing on loans with credit risk ratings of classified or criticized loans, or as determined by our Chief Credit Risk Officer or Senior Credit Officers. Loans that are deemed classified or criticized undergo a detailed monthly review by our loan quality committee. Criticized loans are special mention loans as they show potential weakness that if not addressed by management may lead to performance and collectability issues. Loans generally will not remain in this criticized category longer than six to nine months before the loan has been rectified and upgraded or has deteriorated further and downgraded. Classified loans are substandard-accruing loans, substandard non-accruing loans, and doubtful loans.

- Substandard-accruing loans have weaknesses that are likely to lead to collectability issues although it is expected that all principal will be repaid.
- Substandard non-accruing loans have weaknesses that are likely to lead collectability issues coupled with the possibility that not all of the principal will be collected.
- Doubtful loans have significant weaknesses coupled with a probability that some level of loss will be realized at some point in the future.

Loans generally will not remain in doubtful longer than six months before a loss is taken or the credit has been cured. Our review of classified and criticized loans includes an evaluation of the market conditions, the property's (or business entity's) trends, the borrower and guarantor status, the level of reserves required, and loan accrual status.

Our loan quality committee also reviews: delinquent loans, upcoming maturities, credit review cycles, and other credit monitoring reports across both the loan quality portfolio and non-loan quality portfolio, as well as non-performing residential lending and HELOC portfolios. The loan quality committee has approval authority for loan amendments and credit risk rate changes for reviewed credit exposures. A credit risk change requires a majority vote of the loan quality committee and is reported to the credit policy committee. After approval by loan quality committee, the credit risk change is verified through a control process in our system.

In accordance with our policy, we perform annual asset reviews of our multifamily, commercial real estate, and commercial and industrial loans. All loans in excess of $1 million of exposure are reviewed by us on an annual basis. As part of these credit reviews, we analyze recent financial statements of the borrower and any additional market data that may impact the borrower's ability to repay the loan. Upon completion, we update the grade assigned to each loan. Relationship managers are encouraged to bring potential credit issues to the attention of credit administration personnel. Our credit policy requires at least 40% of our loans to be reviewed by an independent third party to insure that our assigned risk grades are appropriate. Our current engagement requires the independent third party to review at least 65% of our loans by exposure. The loans are typically selected by the independent third party reviewer except that the reviewer must review all of our leveraged loans, loans with over $20 million exposure, asset-based lending transactions, municipality/public finance loans, and classified or criticized loans. Between 2015 and 2017, there have been seven downgrades and one upgrade; none of which were classified or criticized. Management reviews the reports prepared by the independent reviewers and presents these reports to the Audit Committee and the credit policy committee of the board. These asset review procedures provide management and the board with additional information for assessing our asset quality.

Information Technology Systems

We make continuous investments in order to maintain modern, efficient and scalable information technology systems. We are currently executing several initiatives to expand and enhance our digital banking services, which offers lower transaction costs and greater customer flexibility and convenience. We outsource most of our processing and services, which allows us to collaborate with industry-recognized vendors in each market niche, reduce our costs by leveraging the vendors' economies of scale and enables us to expand our capabilities as needed. We work with our third party vendors to ensure we are utilizing their applications efficiently and to their fullest capability. We currently have a number of separate agreements with our core systems provider. We use an integrated core system to originate and process loan and deposit accounts, which provides us with a high degree of automation, improves customer experience and reduces costs.

We continuously improve our cybersecurity posture and have implemented a multi-layered defense strategy to protect customer data. We actively monitor the cybersecurity threat landscape with a focus on the financial services sector for trends and new threats. Our Information Security department proactively identifies and monitors systems to analyze risk to the organization and implement mitigating controls where appropriate. Formal security awareness training is conducted regularly to increase overall employee awareness about cyber threats. In addition to maintaining a defensive cybersecurity strategy, we have a disaster recovery site in a geographically separate colocation data center. We also conduct regular business continuity and disaster recovery exercises to ensure our contingency plans support our operational needs and recovery time objectives.

Personnel

As of March 31, 2018, we had 401 full-time employees, 33% of whom are represented by a collective bargaining agreement. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements.

Certain of our service employees at our headquarters, including handypersons responsible for mechanical and technical repairs, are covered by the 2016 Independent Office Agreement between us and Local 32BJ, Service Employees International Union. The agreement, effective January 1, 2016, expires December 31, 2019 for all employees, except that the agreement with respect to security guards expires March 31, 2019. The agreement generally governs, among other things, the subject employees' compensation, vacation, severance, and working conditions and provides that the union will only strike under very limited circumstances.

Certain of our office and clerical employees are covered by the Collective Bargaining Agreement between the bank and Office & Professional Employees International Union, Local 153-AFL-CIO. This agreement expired June 30, 2018 but then runs from year to year until terminated by either party upon sixty days' notice—as of the date of this offering circular the parties have reached a verbal agreement to extend the agreement for up to two years. The agreement generally governs, among other things, the subject employees' compensation, vacation, severance, and working conditions and contains a "no-strike" clause, whereby, during the term of the agreement, the union will not strike and we will not initiate a lockout.

Properties

As of March 31, 2018, 12 of our branch offices and our one domestic representative office are leased and one branch office, located at 3770 E. Tremont Avenue, Bronx, New York is owned. Following the completion of the New Resource Bank Acquisition, we added one leased branch office in San Francisco, California and one leased loan production office in Boulder, Colorado. We believe that current facilities are adequate to meet our present and foreseeable needs, subject to possible future expansion.

We lease 133,276 square feet in a building located at 275 Seventh Avenue, New York, New York 10001 that serves as our corporate headquarters and also as a branch office location.

Legal Proceedings

We are subject to certain pending and threatened legal actions that arise out of the normal course of business. Management, following consultation with legal counsel, does not expect the ultimate disposition of any or a combination of these matters to have a material adverse effect on our business. However, given the nature, scope and complexity of the extensive legal and regulatory landscape applicable to our business (including laws and regulations governing consumer protection, fair lending, fair labor, privacy, ERISA, information security and anti-money laundering and anti-terrorism laws), we, like all banking organizations, are subject to heightened legal and regulatory compliance and litigation risk.

Significant Subsidiaries

We own a 99.6% equity interest and control the operations of our subsidiary Amalgamated Real Estate Management Company ("AREMCO"), which is a consolidated real estate investment trust holding certain of our purchased and originated loans. The income generated from the loans held in AREMCO is paid out to stockholders, including us, in the form of dividends. AREMCO calculates its annual dividend to equal or exceed

95% of the projected annual taxable income and during December of each year, the board of directors of AREMCO declares a dividend to be paid to stockholders in the following January. The dividend encompasses the outstanding tranches of AREMCO stock as follows: Class A Senior Preferred Stock, Class B Senior Preferred Stock, and Junior Preferred Stock.

For the year ending December 31, 2017, AREMCO had $5.4 million in taxable income. In December 2017, the board of directors of AREMCO declared a dividend payout of $5.5 million to be paid to stockholders on January 25, 2018. The dividend encompassed the outstanding tranches of AREMCO stock as follows; $2,336.95 per share of Class A Senior Preferred Stock, $5.00 per share of Class B Senior Preferred Stock, and $80.00 per share of Junior Preferred Stock. The dividend payable to us was approximately $5.5 million and was recorded as an adjustment to retained earnings.

For the year ending December 31, 2016, AREMCO had $6.6 million in taxable income. In December 2016, the board of directors of AREMCO declared a dividend payout of $6.6 million to be paid to stockholders on January 19, 2017. The dividend encompassed the outstanding tranches of AREMCO stock as follows; $3,359.95 per share of Class A Senior Preferred Stock, $5.00 per share of Class B Senior Preferred Stock, and $80.00 per share of Junior Preferred Stock. The dividend payable to us was approximately $6.6 million and was recorded as an adjustment to retained earnings.

We established Amdel, Inc., a consolidated, wholly-owned Delaware subsidiary, in 1999 to serve as custodian and investment manager of a partnership to engage in investment-related transactions—AmErin Partners. In August 2013, AmErin Partners was dissolved. As of December 31, 2015, Amdel remained a subsidiary with approximately $34.3 million in investment assets recorded at book value. However, in September 2016, we dissolved Amdel with no resulting impact to our consolidated financial statements.

We also have numerous other insignificant subsidiaries, including subsidiaries to hold our other real estate owned property (OREO), which is real estate property owned by us that is not directly related to our business.

SUPERVISION AND REGULATION

The following is a general summary of the material aspects of certain statutes and regulations applicable to us. These summary descriptions are not complete, and you should refer to the full text of the statutes, regulations, and corresponding guidance for more information. These statutes and regulations are subject to change, and additional statutes, regulations, and corresponding guidance may be adopted. We are unable to predict these future changes or the effects, if any, that these changes could have on the business, revenues, and results of operations of Amalgamated and its subsidiaries.

Overview

We are subject to extensive federal and state banking laws, regulations, and policies that are intended primarily for the protection of customers, depositors and other consumers, the FDIC's Deposit Insurance Fund (the "DIF"), and the banking system as a whole; not for the protection of our other creditors and stockholders. We are examined, supervised and regulated by the NYDFS and the FDIC (our primary federal regulator) as an FDIC-insured state-chartered bank that does not have a parent bank holding company and that is not a member of the Federal Reserve System (the "Federal Reserve"). The statutes enforced by, and regulations and policies of, these agencies affect most aspects of our business, including prescribing the permissible scope of our activities, permissible types of loans and investments, the amount of required reserves, requirements for branch offices, and various other requirements.

Our deposits are insured by the FDIC to the fullest extent permissible by law. As an insurer of deposits, the FDIC issues regulations, conducts examinations, requires the filing of reports and generally supervises the operations of all institutions to which it provides deposit insurance. In addition, because we are a state non-member bank, the FDIC is also our primary federal regulator. Accordingly, the approval of the FDIC is required for certain transactions in which we may engage, including any merger or consolidation involving us, a change in control over us, or the establishment or relocation of any of our branch offices. In reviewing applications seeking approval of such transactions, the FDIC may consider, among other things, the competitive effect and public benefits of the transactions, the capital position, financial and managerial resources and future prospects of the organizations involved in the transaction, the risks to the stability of the U.S. banking or financial system, the applicant's performance record under the Community Reinvestment Act (see "Community Reinvestment Act" below) and the effectiveness of the organizations involved in the transaction in combating money laundering activities. The FDIC also has the power to prohibit these and other transactions even if approval is not required, and could do so if we have otherwise failed to comply with all laws and regulations applicable to us.

New York Law

As a New York-chartered bank, New York law governs our licensing and regulation, including organizational and capital requirements, fiduciary powers, investment authority, branch offices and electronic terminals, declaration of dividends, changes of control and mergers, out of state activities, interstate branching and banking, debt offerings, borrowing limits, limits on loans to one obligor, liquidation, sale of shares or options in Amalgamated to its directors, officers, employees and others, the purchase by Amalgamated of its own shares, and the issuance of capital notes or debentures. The NYDFS is charged with our supervision and regulation.

Unsecured loans to one person generally may not exceed 15% of the sum of our capital stock, allowance for loan losses and capital notes and debentures, and both secured and unsecured loans to one person (excluding certain secured lending and letters of credit) at any given time generally may not exceed 25% of the sum of our capital stock, allowance for loan losses and capital notes and debentures. We are required to invest our funds in accordance with limitations under New York law and may only make investments that are permissible investments for banks, subject to any limitations under any other applicable law.

In addition to remedies available to the FDIC (which are discussed below), the Superintendent of the NYDFS may take possession of our bank if certain conditions exist, such as conducting business in an unsafe or unauthorized manner, impairments of capital, suspended payments of obligations, or violation of law.

Safety and Soundness Regulation

As an insured depository institution, we are subject to prudential regulation and supervision and must undergo regular on-site examinations by our banking agencies. The cost of examinations of insured depository institutions and any affiliates may be assessed by the appropriate agency against each institution or affiliate as it deems necessary or appropriate. We file quarterly consolidated reports of condition and income ("call reports") with the FDIC and DFS. The FDIC has developed a method for insured depository institutions to provide supplemental disclosure of the estimated fair market value of assets and liabilities, to the extent feasible and practicable, in any balance sheet, financial statement, report of condition or any other report of any insured depository institution.

The federal banking agencies have also adopted guidelines establishing safety and soundness standards for all insured depository institutions including our bank. The safety and soundness guidelines relate to, among other things, our internal controls, information systems, internal audit systems, loan underwriting and documentation, compensation, asset growth, and interest rate exposure. The standards assist the federal banking agencies with early identification and resolution of problems at insured depository institutions. If we were to fail to meet these standards, the FDIC could require us to submit a compliance plan and take enforcement action if an acceptable compliance plan were not submitted. In addition, the FDIC could terminate our deposit insurance if it determines that our financial condition was unsafe or unsound or that we engaged in unsafe or unsound practices that violated an applicable rule, regulation, order or condition enacted or imposed on us by our regulators.

Payment of Dividends

The power of the board of directors of an insured depository institution to declare a cash dividend or other distribution with respect to capital is subject to statutory and regulatory restrictions that limit the amount available for such distribution depending upon earnings, financial condition and cash needs of the institution, as well as general business conditions. Insured depository institutions are also prohibited from paying management fees to any controlling persons or, with certain limited exceptions, making capital distributions, including dividends, if after such transaction the institution would be less than adequately capitalized.

Under New York law, we are prohibited from declaring a dividend so long as there is any impairment of our capital stock. In addition, we would be required to obtain approval from the NYDFS prior to declaring a dividend if the dividend would cause the total aggregate amount of our dividends in the calendar year to exceed our total net profits for that calendar year combined with retained net profits of the preceding two years, less any required transfer to surplus or a fund for the retirement of any preferred stock.

Under certain circumstances, the FDIC may determine that the payment of a dividend would be an unsafe or unsound practice as a result of our financial condition and to prohibit the payment thereof. In particular, the FDIC has stated that excessive dividends can negate strong earnings performance and result in a weakened capital position and that dividends generally can be disbursed, in reasonable amounts, only after losses are eliminated and necessary reserves and prudent capital levels are established. In addition, the capital rules (and in particular, the capital conservation buffer, which is being phased in over a three-year period commencing on January 1, 2016), require us to maintain 2.5% in Common Equity Tier 1 capital in order to pay a cash dividend. See "—*Capital and Related Requirements*."

Capital and Related Requirements

We are subject to comprehensive capital adequacy requirements intended to protect against losses that we may incur. The FDIC's current capital rules implement the "Basel III" regulatory capital reforms and changes required by the Dodd-Frank Act. "Basel III" refers to two consultative documents released by the Basel Committee on Banking Supervision ("BCBS") in December 2009, a rules text released in December 2010 and revised in June 2011, and loss absorbency rules issued in January 2011, which include significant changes to bank capital, leverage, and liquidity requirements. The federal banking agencies issued proposed Basel III implementation rules in June 2012. On July 9, 2013, the FDIC approved final rules that substantially amended the regulatory risk-based capital rules applicable to Amalgamated, effective beginning January 1, 2015. The rules apply to all state and national banks and savings associations regardless of size and bank holding companies and savings and loan holding companies with more than $1 billion in total consolidated assets. More stringent requirements are imposed on "advanced approaches" banking organizations—those organizations with $250 billion or more in total consolidated assets, $10 billion or more in total foreign exposures, or that have opted in to the Basel II capital regime.

The FDIC's final capital rules include new risk-based capital and leverage ratios, which are being phased in from 2015 to 2019, and refine the definition of what constitutes "capital" for purposes of calculating those ratios. The new minimum capital-level requirements applicable to Amalgamated are:

- a new Common Equity Tier 1 risk-based capital ratio of 4.5%;
- a Tier 1 risk-based capital ratio of 6% (increased from the former 4% requirement);
- a total risk-based capital ratio of 8% (unchanged from the former requirement); and
- a leverage ratio of 4% (also unchanged from the former requirement).

The final rules also established a "capital conservation buffer" above the new regulatory minimum capital requirements, which must consist entirely of Common Equity Tier 1 capital, to be phased in over several years. The phase-in of the capital conservation buffer began on January 1, 2016, at a level of 0.625% of risk-weighted assets for 2016 and increased to 1.250% for 2017. The minimum buffer then will be 1.875% for 2018 and 2.500% for 2019 and thereafter, resulting in the following effective minimum capital ratios beginning in 2019: (i) a Common Equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital ratio of 8.5%, and (iii) a total capital ratio of 10.5%. Under the final rules, institutions are subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if their capital levels fall below the buffer amount. These limitations establish a maximum percentage of eligible retained income that could be utilized for such actions.

Under the current rule, Tier 1 capital is redefined to include two components: Common Equity Tier 1 capital and additional Tier 1 capital. The new and highest form of capital, Common Equity Tier 1 capital, consists solely of common stock (plus related surplus), retained earnings, accumulated other comprehensive income, and limited amounts of minority interests in the form of common stock. Additional Tier 1 capital includes other perpetual instruments historically included in Tier 1 capital, such as noncumulative perpetual preferred stock. Tier 2 capital consists of instruments that currently qualify as Tier 2 capital plus instruments that the rule has otherwise disqualified from Tier 1 capital treatment. Cumulative perpetual preferred stock, formerly includable in Tier 1 capital, is now included only in Tier 2 capital. Accumulated other comprehensive income is presumptively included in Common Equity Tier 1 capital and often would operate to reduce this category of capital. The rule provided a one-time opportunity at the end of the first quarter of 2015 for covered banking organizations to opt out of much of this treatment of Accumulated other comprehensive income. We made this opt-out election in order to avoid significant variations in the level of capital depending upon the impact of interest rate fluctuations on the fair value of our investment securities portfolio.

The final rules also prescribed a new standardized approach for risk weightings that expanded the risk-weighting categories from the four Basel I-derived categories (0%, 20%, 50% and 100%) to a much larger and more risk-sensitive number of categories, depending on the nature of the assets, generally ranging from 0%, for U.S. government and agency securities, to 600%, for certain equity exposures, and resulting in higher risk weights for a variety of asset categories.

In December 2017, the BCBS issued additional guidance finalizing the Basel III reforms. These additional reforms have been referred to colloquially, but not officially, as "Basel IV". These additional reforms further affect calculation of risk weighted assets for both banks using standardized approaches and banks using internal models. The reforms introduce new capital floors and affect calculations of credit, market and operational risks. These reforms once implemented may affect the capital costs of our business.

Prompt Corrective Action

As an insured depository institution, Amalgamated is required to comply with the capital requirements promulgated under the Federal Deposit Insurance Act (the "FDIA"). The FDIA requires each federal banking agency to take prompt corrective action ("PCA") to resolve the problems of insured depository institutions, including those that fall below one or more prescribed minimum capital ratios. The law requires each federal banking agency to promulgate regulations defining the following five categories in which an insured depository institution will be placed, based on the level of capital ratios: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," or "critically undercapitalized." As of December 31, 2017, the capital ratios of Amalgamated exceeded the minimum ratios established for a "well capitalized" institution.

The following is a list of the criteria for each PCA capital category:

- *Well Capitalized*—The institution exceeds the required minimum level for each relevant capital measure. A well capitalized institution:
    - has total risk-based capital ratio of 10% or greater; and
    - has a Tier 1 risk-based capital ratio of 8% or greater; and
    - has a common equity Tier 1 risk-based capital ratio of 6.5% or greater; and
    - has a leverage capital ratio of 5% or greater; and
    - is not subject to any order or written directive to meet and maintain a specific capital level for any capital measure.
- *Adequately Capitalized*—The institution meets the required minimum level for each relevant capital measure. The institution may not make a capital distribution if it would result in the institution becoming undercapitalized. An adequately capitalized institution:
    - has a total risk-based capital ratio of 8% or greater; and
    - has a Tier 1 risk-based capital ratio of 6% or greater; and
    - has a common equity Tier 1 risk-based capital ratio of 4.5% or greater; and
    - has a leverage capital ratio of 4% or greater.
- *Undercapitalized*—The institution fails to meet the required minimum level for any relevant capital measure. An undercapitalized institution:
    - has a total risk-based capital ratio of less than 8%; or
    - has a Tier 1 risk-based capital ratio of less than 6%; or
    - has a common equity Tier 1 risk-based capital ratio of less than 4.5% or greater; or
    - has a leverage capital ratio of less than 4%.
- *Significantly Undercapitalized*—The institution is significantly below the required minimum level for any relevant capital measure. A significantly undercapitalized institution:
    - has a total risk-based capital ratio of less than 6%; or
    - has a Tier 1 risk-based capital ratio of less than 4%; or

    - has a common equity Tier 1 risk-based capital ratio of less than 3% or greater; or
    - has a leverage capital ratio of less than 3%.
- *Critically Undercapitalized*—The institution fails to meet a critical capital level set by the appropriate federal banking agency. A critically undercapitalized institution has a ratio of tangible equity to total assets that is equal to or less than 2%.

The FDIA generally prohibits a depository institution from making any capital distributions (including payment of a dividend) or paying any management fee to its parent holding company if the depository institution would thereafter be "undercapitalized." Moreover, if the institution becomes less than adequately capitalized, it must adopt a capital restoration plan acceptable to the FDIC. The institution also would become subject to increased regulatory oversight and is increasingly restricted in the scope of its permissible activities. Except under limited circumstances consistent with an accepted capital restoration plan, an undercapitalized institution may not grow. An undercapitalized institution may not acquire another institution, establish additional branch offices or engage in any new line of business unless it is determined by the appropriate federal banking agency to be consistent with an accepted capital restoration plan or unless the FDIC determines that the proposed action will further the purpose of PCA. A critically undercapitalized institution is subject to having a receiver or conservator appointed to manage its affairs.

In addition to measures taken under the PCA provisions, insured banks may be subject to potential actions by the federal regulators for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency. Enforcement actions may include the issuance of cease and desist orders that can be judicially enforced, the imposition of civil money penalties, the issuance of directives to increase capital, formal and informal agreements, the imposition of a conservator or receiver, or removal and prohibition orders against "institution-affiliated" parties, and termination of insurance of deposits. The NYDFS also has broad powers to enforce compliance with New York laws and regulations.

Community Reinvestment Act and Fair Lending Requirements

We are subject to certain fair lending requirements and reporting obligations involving home mortgages lending operations. We are also subject to certain requirements and reporting obligations under the Community Reinvestment Act ("CRA"). The CRA generally requires federal banking agencies to evaluate the record of a financial institution in meeting the credit needs of its local communities, including low- and moderate-income neighborhoods. The CRA further requires the agencies to take into account our record of meeting community credit needs when evaluating applications for, among other things, new branches or mergers. We are also subject to analogous state CRA requirements in New York and other states in which we may establish branch offices. In connection with their assessments of CRA performance, the FDIC and DFS assign a rating of "outstanding," "satisfactory," "needs to improve," or "substantial noncompliance." Amalgamated received a "satisfactory" CRA Assessment Rating from both regulatory agencies in its most recent examinations. In addition to substantive penalties and corrective measures that may be required for a violation of certain fair lending laws, the federal banking agencies may take compliance with such laws and CRA into account when regulating and supervising other activities of the bank, including in acting on expansionary proposals.

Consumer Protection Regulations

The activities of Amalgamated are subject to a variety of statutes and regulations designed to protect consumers. Interest and other charges collected or contracted for by Amalgamated are subject to state usury laws and federal laws concerning interest rates. The loan operations of Amalgamated are also subject to federal laws applicable to credit transactions, such as:

- the Truth-In-Lending Act ("TILA") and Regulation Z, governing disclosures of credit and servicing terms to consumer borrowers and including substantial new requirements for mortgage lending and servicing, as mandated by the Dodd-Frank Act;

- the Home Mortgage Disclosure Act of 1975 and Regulation C, requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the communities they serve;
- the Equal Credit Opportunity Act and Regulation B, prohibiting discrimination on the basis of race, color, religion, or other prohibited factors in extending credit;
- the Fair Credit Reporting Act of 1978, as amended by the Fair and Accurate Credit Transactions Act and Regulation V, as well as the rules and regulations of the FDIC governing the use and provision of information to credit reporting agencies, certain identity theft protections and certain credit and other disclosures;
- the Fair Debt Collection Practices Act and Regulation F, governing the manner in which consumer debts may be collected by collection agencies; and
- the Real Estate Settlement Procedures Act and Regulation X, which governs aspects of the settlement process for residential mortgage loans.

The deposit operations of Amalgamated are also subject to federal laws, such as:

- the FDIA, which, among other things, limits the amount of deposit insurance available per account to $250,000 and imposes other limits on deposit-taking;
- the Right to Financial Privacy Act, which imposes a duty to maintain the confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records;
- the Electronic Funds Transfer Act and Regulation E, which governs automatic deposits to and withdrawals from deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services; and
- the Truth in Savings Act and Regulation DD, which requires depository institutions to provide disclosures so that consumers can make meaningful comparisons about depository institutions and accounts.

The Consumer Financial Protection Bureau (the "CFPB") is an independent regulatory authority housed within the Federal Reserve. The CFPB has broad authority to regulate the offering and provision of consumer financial products. The CFPB has the authority to supervise and examine depository institutions with more than $10 billion in assets for compliance with federal consumer laws. The authority to supervise and examine depository institutions with $10 billion or less in assets, such as Amalgamated, for compliance with federal consumer laws remains largely with those institutions' primary regulators. However, the CFPB may participate in examinations of these smaller institutions on a "sampling basis" and may refer potential enforcement actions against such institutions to their primary regulators. As such, the CFPB may participate in examinations of Amalgamated. In addition, states are permitted to adopt consumer protection laws and regulations that are stricter than the regulations promulgated by the CFPB, and state attorneys general are permitted to enforce consumer protection rules adopted by the CFPB against certain institutions.

The CFPB has issued a number of significant rules that impact nearly every aspect of the lifecycle of a residential mortgage loan. These rules implement Dodd-Frank Act amendments to the Equal Credit Opportunity Act, TILA and the Real Estate Settlement Procedures Act ("RESPA"). Among other things, the rules adopted by the CFPB require banks to: (i) develop and implement procedures to ensure compliance with a "reasonable ability-to-repay" test; (ii) implement new or revised disclosures, policies and procedures for originating and servicing mortgages, including, but not limited to, pre-loan counseling, early intervention with delinquent borrowers and specific loss mitigation procedures for loans secured by a borrower's principal residence, and mortgage origination disclosures, which integrate existing requirements under TILA and RESPA; (iii) comply with additional restrictions on mortgage loan originator hiring and compensation; and (iv) comply with new disclosure requirements and standards for appraisals and certain financial products.

Bank regulators take into account compliance with consumer protection laws when considering approval of a proposed expansionary proposals.

Anti-Money Laundering Regulation

As a financial institution, we must maintain anti-money laundering programs that include established internal policies, procedures and controls, a designated compliance officer, an ongoing employee training program, and testing of the program by an independent audit function. Financial institutions are prohibited from entering into specified financial transactions and account relationships and must meet enhanced standards for due diligence and "knowing your customer" in their dealings with foreign financial institutions, foreign customers and other high risk customers. Financial institutions must also take reasonable steps to conduct enhanced scrutiny of account relationships to guard against money laundering and to report any suspicious transactions. Recent laws, such as the USA PATRIOT ACT, enacted in 2001 and renewed through 2019, as described below, provide law enforcement authorities with increased access to financial information maintained by banks. Anti-money laundering obligations have been substantially strengthened as a result of the USA PATRIOT Act. Bank regulators routinely examine institutions for compliance with these obligations, and this area has become a particular focus of the regulators in recent years. In addition, the regulators are required to consider compliance in connection with the regulatory review of certain applications. In recent years, regulators have expressed concern over banking institutions' compliance with anti-money laundering requirements and, in some cases, have delayed approval of their expansionary proposals. The regulators and other governmental authorities have been active in imposing "cease and desist" orders and significant money penalty sanctions against institutions found to be in violation of the anti-money laundering regulations.

Amalgamated is also subject to New York anti-money laundering laws and regulations. In June 2016, the NYDFS adopted a final rule that requires certain New York-regulated financial institutions, including Amalgamated, to comply with enhanced anti-terrorism and anti-money laundering requirements beginning in 2017. The rule adds, among other anti-money laundering program requirements, greater specificity to certain transaction monitoring and filtering requirements and the obligation to conduct an ongoing, comprehensive risk assessment and expressly eliminates a regulated institution's ability to adjust its monitoring and filtering programs to limit the number of alerts generated. Beginning in April 2018, the rule also required chief information officers to submit certifications of compliance with these requirements annually. We will incur additional cost in complying with these requirements.

ERISA

Amalgamated is also subject to regulation under the fiduciary laws of Employee Retirement Income Security Act of 1974 ("ERISA"), and to regulations promulgated thereunder, insofar as we are a "fiduciary" or service provider under ERISA with respect to certain of our clients. When we act as an ERISA fiduciary, we represent ERISA plans by taking fiduciary responsibility with respect to such plan's transactions or investments. ERISA and the applicable provisions of the Code, impose certain duties on persons who are fiduciaries under ERISA, and prohibit certain transactions by the fiduciaries (and certain other related parties) to such plans. The foregoing laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict us from conducting certain business in the event that we fail to comply with such laws and regulations. Possible sanctions that may be imposed in the event of such noncompliance include the suspension of individual employees, limitations on the business activities for specified periods of time, revocation of registration, and other censures and fines and the potential of civil litigation.

USA PATRIOT Act

The USA PATRIOT Act became effective on October 26, 2001 and amended the Bank Secrecy Act. The USA PATRIOT Act provides, in part, for the facilitation of information sharing among governmental entities and financial institutions for the purpose of combating terrorism and money laundering by enhancing anti-money laundering and financial transparency laws, as well as enhanced information collection tools and enforcement mechanisms for the U.S. government, including:

- due diligence requirements for financial institutions that administer, maintain, or manage private bank accounts or correspondent accounts for non-U.S. persons;
- requiring standards for verifying customer identification at account opening;
- rules to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering;
- reports by nonfinancial trades and businesses filed with the Treasury Department's Financial Crimes Enforcement Network for transactions exceeding $10,000; and
- filing suspicious activities reports by brokers and dealers if they believe a customer may be violating U.S. laws and regulations.

The USA PATRIOT Act requires financial institutions to undertake enhanced due diligence of private bank accounts or correspondent accounts for non-U.S. persons that they administer, maintain, or manage. Bank regulators routinely examine institutions for compliance with these obligations and are required to consider compliance in connection with the regulatory review of applications.

Under the USA PATRIOT Act, the Financial Crimes Enforcement Network ("FinCEN") can send Amalgamated lists of the names of persons suspected of involvement in terrorist activities or money laundering. Amalgamated may be requested to search its records for any relationships or transactions with persons on those lists. If Amalgamated finds any relationships or transactions, it must report those relationships or transactions to FinCEN.

The Office of Foreign Assets Control

The Office of Foreign Assets Control ("OFAC"), which is an office in the U.S. Department of the Treasury, is responsible for helping to ensure that U.S. entities do not engage in transactions with "enemies" of the United States, as defined by various Executive Orders and Acts of Congress. OFAC publishes lists of names of persons and organizations suspected of aiding, harboring or engaging in terrorist acts; owned or controlled by, or acting on behalf of target countries, and narcotics traffickers. If a bank finds a name on any transaction, account or wire transfer that is on an OFAC list, it must freeze or block the transactions on the account. Amalgamated has appointed a compliance officer to oversee the inspection of its accounts and the filing of any notifications. Amalgamated checks high-risk OFAC areas such as new accounts, wire transfers and customer files. These checks are performed using software that is updated each time a modification is made to the lists provided by OFAC and other agencies of Specially Designated Nationals and Blocked Persons.

Financial Privacy and Cybersecurity

Under privacy protection provisions of the Gramm-Leach-Bliley Act of 1999 and related regulations, we are limited in our ability to disclose non-public information about consumers to nonaffiliated third parties. These limitations require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to a nonaffiliated third party. Federal banking agencies, including the FDIC, have adopted guidelines for establishing information security standards and cybersecurity programs for implementing safeguards under the supervision of the board of directors. These guidelines, along with related regulatory materials, increasingly focus on risk management and processes related to information technology and the use of third parties in the provision of financial services.

Amalgamated is also subject to New York financial privacy laws and regulations. The NYDFS issued a new rule, effective March 1, 2017, that requires banks, insurance companies, and other financial services institutions regulated by the NYDFS to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry. The cybersecurity rule adds specific requirements for these institutions' cybersecurity compliance programs and imposes an obligation to conduct an ongoing, comprehensive risk assessment and requires each institution's board of directors, or a senior officer, to submit annual certifications of compliance with these requirements. We will likely incur additional costs in complying with these requirements.

Transactions with Related Parties

Transactions between banks and their affiliates are limited by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a bank is any company or entity that controls, is controlled by or is under common control with the bank. In a holding company context, the parent bank holding company and any companies which are controlled by such parent holding company are affiliates of the bank.

Generally, Sections 23A and 23B of the Federal Reserve Act and Regulation W (i) limit the extent to which the bank or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10% of such institution's capital stock and surplus, and contain an aggregate limit on all such transactions with all affiliates to an amount equal to 20% of such institution's capital stock and surplus and (ii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to non-affiliates. The term "covered transaction" includes the making of loans, purchase of assets, issuance of a guarantee and other similar transactions. In addition, loans or other extensions of credit by the financial institution to the affiliate are required to be collateralized in accordance with the requirements set forth in Section 23A of the Federal Reserve Act.

The Federal Reserve Act and its implementing Regulation O also provide limitations on the ability of Amalgamated to extend credit to executive officers, directors and 10% stockholders ("insiders"). The law limits both the individual and aggregate amount of loans Amalgamated may make to insiders based, in part, on Amalgamated's capital position and requires certain board approval procedures to be followed. Such loans are required to be made on terms substantially the same as those offered to unaffiliated individuals and must not involve more than the normal risk of repayment. There is an exception for loans made pursuant to a benefit or compensation program that is widely available to all employees of the institution and does not give preference to insiders over other employees. Loans to executive officers are further limited to specific categories.

Change in Control

The approval of the NYDFS is required before any person or group of persons deemed to be acting in concert may acquire "control" of a banking institution, which includes Amalgamated. "Control" is defined as the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a banking institution through ownership of stock or otherwise and is presumed to exist if, among other things, any company owns, controls, or holds the power to vote 10% or more of the voting stock of a banking institution. As a general matter, any person or company that seeks to acquire 10% or more of our outstanding common stock must obtain prior regulatory approval.

In addition to the New York requirements, the federal Bank Holding Company Act prohibits a company from, directly or indirectly, acquiring 25% or more (5% if the acquirer is a bank holding company) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise directing the management or policies of our company without prior application to and the approval of the Federal Reserve. Moreover, under the Change in Bank Control Act, any person or group of persons acting in concert who intends to acquire 10% or more of any class of our voting stock or otherwise obtain control over us would be required to provide prior notice to and obtain the non-objection of the FDIC.

Incentive Compensation

Guidelines adopted by the federal banking agencies pursuant to the FDIA prohibit excessive compensation as an unsafe and unsound practice and describe compensation as excessive when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director or principal stockholder.

In June 2010, the federal banking agencies jointly adopted the Guidance on Sound Incentive Compensation Policies ("GSICP"). The GSCIP intended to ensure that banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. This guidance, which covers all employees that have the ability to expose the organization to material amounts of risk, either individually or as part of a group, is based upon a set of key principles relating to a banking organization's incentive compensation arrangements. Specifically, incentive compensation arrangements should (i) provide employee incentives that appropriately balance risk in a manner that does not encourage employees to expose their organizations to imprudent risk, (ii) be compatible with effective controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. Any deficiencies in Amalgamated's compensation practices could lead to supervisory or enforcement actions by the FDIC.

The Dodd-Frank Act requires the federal banking agencies and the SEC to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities, such as us, having at least $1 billion in total assets that encourage inappropriate risk-taking by providing an executive officer, employee, director or principal stockholder with excessive compensation, fees, or benefits or that could lead to material financial loss to the entity. In addition, these regulators must establish regulations or guidelines requiring enhanced disclosure to regulators of incentive-based compensation arrangements. The federal banking agencies proposed such regulations in April 2011 and issued a second proposed rule in April 2016. The second proposed rule would apply to all banks, among other institutions, with at least $1 billion in average total consolidated assets. Final regulations have not been adopted as of January 31, 2018. If adopted, these or other similar regulations would impose limitations on the manner in which we may structure compensation for our executives and other employees. The scope and content of the federal banking agencies' policies on incentive compensation are continuing to develop and are likely to continue evolving.

In October 2016, the NYDFS also announced a renewed focus on employee incentive arrangements and issued new guidance to New York State-regulated banks to ensure that these arrangements do not encourage inappropriate practices. The guidance listed adapted versions of the key principles from the Guidance on Sound Incentive Compensation Policies as minimum requirements and advised these banks that incentive compensation arrangements must be subject to effective risk management, oversight, and control.

Deposit Premiums and Assessments

As an FDIC-insured bank, we must pay deposit insurance assessments to the FDIC based on our average total assets minus our average tangible equity. Deposits are insured up to applicable limits by the FDIC and such insurance is backed by the full faith and credit of the U.S. Government.

As an institution with less than $10 billion in assets, our assessment rates are based on the level of risk we pose to the FDIC's deposit insurance fund (DIF). Pursuant to changes adopted by the FDIC that were effective July 1, 2016, the initial base rate for deposit insurance is between three and 30 basis points. Total base assessment after possible adjustments now ranges between 1.5 and 40 basis points. For established smaller institutions, like Amalgamated, the total base assessment rate is calculated by using supervisory ratings as well as (i) an initial base assessment rate, (ii) an unsecured debt adjustment (which can be positive or negative), and (iii) a brokered deposit adjustment.

Under the Dodd-Frank Act, the limit on FDIC deposit insurance was increased to $250,000. The coverage limit is per depositor, per insured depository institution for each account ownership category. The Dodd-Frank

Act also set a new minimum DIF reserve ratio at 1.35% of estimated insured deposits. In October 2010, the FDIC adopted a new DIF restoration plan to ensure that the fund reserve ratio reaches 1.35% by September 30, 2020, as required by the Dodd-Frank Act.

In addition, all FDIC-insured institutions are required to pay assessments to the FDIC to fund interest payments on bonds issued by the Financing Corporation ("FICO"), an agency of the federal government established to recapitalize the Federal Savings and Loan Insurance Corporation. These assessments, which may be revised based upon the level of deposits, will continue until the bonds mature in the years 2017 through 2019.

The FDIC may terminate the deposit insurance of any insured depository institution if it determines after a notice and hearing that the institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

Commercial Real Estate Guidance

In December 2015, the federal banking regulators released a statement entitled "Interagency Statement on Prudent Risk Management for Commercial Real Estate Lending" (the "CRE Guidance"). In the CRE Guidance, the federal banking regulators (i) expressed concerns with institutions that ease commercial real estate underwriting standards, (ii) directed financial institutions to maintain underwriting discipline and exercise risk management practices to identify, measure and monitor lending risks, and (iii) indicated that they will continue to pay special attention to commercial real estate lending activities and concentrations. The federal banking regulators previously issued guidance in December 2006, entitled "Interagency Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices," which stated that an institution that is potentially exposed to significant commercial real estate concentration risk should employ enhanced risk management practices. Specifically, the guidance states that such institutions should ensure (1) total commercial real estate loans represent 300% or more of the institution's total capital and (2) the outstanding balance of such institution's commercial real estate loan portfolio has increased by 50% or more during the prior 36 months.

The Volcker Rule

The Dodd-Frank Act prohibits (subject to certain exceptions) us and our affiliates from engaging in short-term proprietary trading in securities and derivatives and from investing in and sponsoring certain unregistered investment companies defined in the rule as "covered funds" (including not only such things as hedge funds, commodity pools and private equity funds, but also a range of asset securitization structures that do not meet exemptive criteria in the final rules). The statutory provision is commonly called the "Volcker Rule."

Effect of Governmental Monetary Policies

Our earnings are affected by domestic economic conditions and the monetary policies of the U.S. and its agencies. The Federal Open Market Committee's monetary policies have had, and are likely to continue to have, an important effect on the operating results of banks through its power to implement national monetary policy in order, among other things, to curb inflation or combat a recession. The monetary policies of the Federal Reserve Board have major effects on the levels of bank loans, investments and deposits through its open market operations in U.S. government securities and through its regulation of the discount rate on borrowings of member banks and the reserve requirements against member bank deposits. We cannot predict the nature or effect of future changes in such monetary policies.

Future Legislation and Regulation

Congress may enact legislation from time to time that affects the regulation of the financial services industry, and state legislatures may enact legislation from time to time affecting the regulation of financial institutions chartered by or operating in those states. Federal and state regulatory agencies also periodically propose and adopt changes to their regulations or change the manner in which existing regulations are applied or interpreted. The substance or impact of pending or future legislation or regulation, or the application thereof, cannot be predicted, although enactment of the proposed legislation has in the past and may in the future affect the regulatory structure under which we operate and may significantly increase our costs, impede the efficiency of our internal business processes, require us to increase our regulatory capital or modify our business strategy, or limit our ability to pursue business opportunities in an efficient manner. Our business, financial condition, results of operations or prospects may be adversely affected, perhaps materially, as a result.

MANAGEMENT

Executive Officers and Directors

Our executive officers and directors and their ages and positions with us as of June 30, 2018 are as follows:

Name	Age	Position
Executive Officers:		
Keith Mestrich *	51	President, Chief Executive Officer and Director
Andrew LaBenne	44	Senior Executive Vice President and Chief Financial Officer
Martin Murrell	55	Senior Executive Vice President and Chief Operating Officer
Sam Brown	36	Executive Vice President, Director of Commercial Banking
Jamee Lubkemann	41	Executive Vice President, Director of Consumer Banking
Mark Pappas	58	Executive Vice President and Chief Risk Officer
James Paul	75	Executive Vice President and Chief Administrative Officer
Arthur Prusan	51	Executive Vice President and Chief Credit Risk Officer
Deborah Silodor	58	Executive Vice President and General Counsel
Non-Employee Directors:(1)		
Lynne P. Fox *	60	Chair
Gary J. Bonadonna	64	Director
Donald E. Bouffard, Jr. *	73	Director
Clayola Brown	69	Director
Robert C. Dinerstein *	75	Director
Mark A. Finser *	58	Director
Kathy Hanshew	53	Director
Julie Kelly *	51	Director
Wilfredo Larancuent	66	Director
John McDonagh *	67	Director
David Melman	59	Director
Robert G. Romasco *	70	Director
Edgar Romney, Sr. *	75	Director
Steve R. Sleigh *	62	Director
Stephen J. Toy *	45	Director

(*) Persons currently expected to continue to be directors of the Bank following closing of this offering.

The business experience and background of each of our executive officers and directors is provided below. Other than as described below, no current director has any family relationship with any other director or any of our executive officers. Except as described in *Certain Relationships and Related Party Transactions* on page 161, there are no other arrangements or understandings between any executive officer or any director, on the one hand, and any other person, on the other hand, pursuant to which any director or executive officer was selected to be a director or executive officer, as the case may be.

Executive Officers

Keith Mestrich, President, Chief Executive Officer and Director

Keith Mestrich has served as President and Chief Executive Officer of Amalgamated Bank since 2014. Mr. Mestrich has over three decades of experience in banking and financial management, many of those positions assisting the Bank's core constituencies in labor, nonprofits, political organizations and issue-advocacy campaigns. Mr. Mestrich joined Amalgamated in 2012 and directed the Bank's Washington, D.C. operation where he built Amalgamated's presence in the nation's capital. Since his appointment as President and Chief Executive Officer in 2014, Mr. Mestrich has led Amalgamated's turnaround efforts. Under his leadership, the Bank returned to profitability, improved its credit quality, installed a new management team and significantly grew its core deposit base. Mr. Mestrich has spearheaded initiatives to underscore Amalgamated's mission, including support of a $15 minimum wage (and raising the Bank's minimum wage to $15 per hour), acceptance of IDNYC as a primary form of ID and certification as a B Corporation. In 2017, Mr. Mestrich guided Amalgamated's acquisition of San Francisco-based New Resource Bank, creating one of the nation's leading socially responsible banks . Before joining us, he served as the Chief Financial Officer and Deputy Chief of Staff for the Service Employee International Union from 2008 through 2012 and has extensive experience in the financial sector, assisting the bank's core constituencies in labor, non-profits, political organizations and issue-advocacy. Mr. Mestrich holds a bachelor's degree in political science and public policy from Kalamazoo College.

Andrew LaBenne, Senior Executive Vice President and Chief Financial Officer

Andrew LaBenne has served as our Chief Financial Officer since April 2015 and as a Senior Executive Vice President since April 2017. He also served as an Executive Vice President from April 2015 until April 2017. Before joining us, he served as Chief Financial Officer of Business Banking for JPMorgan Chase & Co. from August 2013 until April 2015. From 1996 until July 2013, Mr. LaBenne spent 17 years at Capital One Financial in various positions in operations, marketing and finance, including as Chief Financial Officer of Retail Banking and Chief Financial Officer of Commercial Banking. While at Capital One Financial, he played a key role in growing the institution's banking franchise through acquisitions and organic growth. He holds a bachelor's degree in engineering from the University of Michigan and an M.B.A. from the University of Virginia.

Martin Murrell, Senior Executive Vice President and Chief Operating Officer

Martin Murrell has served as Chief Operating Officer and Senior Executive Vice President, Consumer Banking at Amalgamated since April 2017. He joined Amalgamated in our Washington D.C. office in April 2016 as our Executive Vice President and Head of Consumer Banking. Mr. Murrell has over 15 years of experience in the design, implementation and management of consumer digital financial services. From November 2007 to April 2016, Mr. Murrell held various positions at American Express, including Head of Direct Deposits - where he was responsible for launching and leading the personal savings direct deposit business, VP Strategic Planning Group, and Vice President of Enterprise Strategic Initiatives. Before his time at American Express, he was a Vice President with Capital One Financial, where he launched its first online direct savings product, led an internal team focused on enhancing customer experience, and developed a number of secure consumer online payment systems. Mr. Murrell holds a Ph.D. in Nuclear Physics from The Queen's College, University of Oxford, and a bachelor's degree in Physics from the University of Durham.

Sam Brown, Executive Vice President, Director of Commercial Banking

Sam Brown joined Amalgamated in 2014 after serving as Director of the White House Business Council in the White House's Office of Public Engagement, a position he held from 2013 to 2014. As The Honorable Barack H. Obama, II, 44th President of the United States' liaison to the private sector, Mr. Brown worked on economic policies to help America's working families and businesses succeed. Before leading the Business Council, Mr. Brown held various positions between 2007 and 2012 serving President Obama. Mr. Brown also served as the founding Chief Operating Officer of Organizing for Action and Finance Chief of Staff for the Obama-Biden 2012 campaign. Mr. Brown holds a bachelor's degree from University of Southern California.

Jamee Lubkemann, Executive Vice President and Director of Consumer Banking

Jamee Lubkemann joined Amalgamated in 2017 after 11 years at American Express. Ms. Lubkemann served in various roles at American Express including, leading Strategic Partnerships and Marketing for

American Express Travel, managing relationships with key travel industry partners, and heading up travel marketing strategy for premium card members. While at American Express, Ms. Lubkemann also served as Vice President and General Manager of Personal Savings, where she oversaw growth and management of the high-yield savings and deposit portfolio. Ms. Lubkemann also held positions in Global Commercial Card Payments and Global Merchant Services. Prior to her time at American Express, Ms. Lubkemann held strategic planning and marketing positions at Omnicom Group and Citigroup. Ms. Lubkemann earned a Master of Business Administration from The Wharton School and a Bachelor of Arts in public relations from Penn State University.

Mark Pappas, Executive Vice President and Chief Risk Officer

Mark Pappas joined Amalgamated as the Chief Audit Executive in August of 2015. In April 2018, he was appointed Chief Risk Officer of the Bank. Previous to his roles at Amalgamated, over an 11 year period, Mr. Pappas held various roles at Morgan Stanley in Internal Audit and Finance Risk executive leadership which included developing and implementing the global, firm-wide Sarbanes-Oxley compliance program. Prior to joining Morgan Stanley, Mr. Pappas held senior audit leadership positions at international and national banks, including Credit Suisse, Standard Chartered, Bankers Trust and Credit Agricole. He is a past President of the Securities Industry & Financial Markets Association (SIFMA) Internal Auditors Division. Mr. Pappas is also a Certified Public Accountant and earned a Master of Business Administration degree in Finance from Fordham University and a Bachelor of Arts degree in Accounting and Information Systems from Queens College.

James Paul, Executive Vice President and Chief Administrative Officer

James Paul joined Amalgamated in September 2011 as Senior Advisor to the Chief Executive Officer. He was named Chief of Staff in July 2014 and appointed Executive Vice President, Chief Administrative Officer in April 2018. Prior to joining us in 2011, he served as Chief Operating Officer for Ullico Inc., a labor owned insurance and financial services company and before that, Mr. Paul served as President of the Graphics Division of Chyron Corporation, a publicly traded international manufacturer of video broadcast equipment. He came to both Ullico and Chyron as the senior human resource executive and was later promoted to general management. Prior to that he served as Senior Vice President, Human Resources for TETE-TV, a joint venture of Bell Atlantic NYNEX, Pacific Telesis and Creative Artists Agency that was created to drive the partners' entry into the interactive entertainment and information markets. Mr. Paul holds a Bachelor's Degree in Psychology from Princeton University and a Master's Degree in Industrial and Labor Relations from Cornell University.

Arthur Prusan, Executive Vice President and Chief Credit Risk Officer

Arthur Prusan has served as our Chief Credit Risk Officer since April 2018 and has been with us since 2012. Prior to becoming our Chief Credit Risk Officer, Mr. Prusan served as our Senior Vice President, Head of Credit Operations and as a Commercial & Industrial Senior Credit Officer. Before joining us, Mr. Prusan served as Chief Administrative Officer for Global Business Services Americas at Deutsche Bank. Mr. Prusan began his career at GE Capital, working in various business units where he led pricing and deal structuring for leases and loans. After his time at GE Capital, Mr. Prusan managed pricing and sales contracts at IPC. Mr. Prusan has previously worked at Goldman Sachs and UBS in various finance, administrative, business management, and operations positions. Mr. Prusan earned his MBA from Northwestern Kellogg School of Management and his Bachelor of Arts in Applied Math and Economics from Yale University.

Deborah Silodor, Executive Vice President and General Counsel

Deborah Silodor has served as an Executive Vice President and as our General Counsel since 2015. She served as our Deputy General Counsel from February 2009 to January 2015 and as our Assistant General Counsel from June 2007 to February 2009. Before joining us, she served as counsel in the law firm of Lowenstein Sandler in New Jersey from June 1999 until June 2007, where she specialized in commercial litigation. Earlier in her career, Ms. Silodor served as an enforcement attorney with the Office of Thrift

Supervision. She holds a bachelor's degree in History from Georgetown University and a J.D. degree from New York University School of Law.

Non-Employee Directors

Our board of directors currently consists of sixteen members, including our President and Chief Executive Officer. Our directors are elected at each annual stockholders meeting to serve a one-year term expiring at the next annual stockholders meeting and until their successors are elected and qualified. The business experience and background of each of our directors, other than Mr. Mestrich, is set forth below.

Lynne P. Fox

Lynne P. Fox has served as Chair of our Board of Directors since May 2016, and has been a member of our Board since February 2000. Ms. Fox is an attorney and is the elected President and Chair of the General Executive Board of Workers United, a position she has held since May 2016. Prior to that, she served as an Executive VP of WU from March 2009 to May 2016. She is also the elected Manager of the Philadelphia Joint Board of Workers United (and its predecessor labor organizations), a position she has held since December 1999. She is also an Executive Board member of the Service Employees International Union. She is responsible for overseeing a $5 million budget, strategic planning, and is responsible for representing approximately 75,000 members in the US and Canada. She has served as chief labor negotiator for over 100 collective bargaining agreements that, among other things, provide for health and pension benefits, and has responsibility for oversight of the investigation and processing of labor grievances. Ms. Fox serves as Chair of the Amalgamated Life Insurance Company, Chair of the Consolidated Retirement Fund, Chair of the Sidney Hillman Medical Center in Philadelphia, President of the Sidney Hillman Medical Center Apartments for the Elderly, Inc. in Philadelphia and is a Board member of the Philadelphia Airport Advisory Board. She previously was the Chair of the Investment Committee of the National Retirement Fund from 2016 to 2018. She is President of the Philadelphia Jewish Labor Committee, and Chair of the John Fox Scholarship Fund in Philadelphia. She also served as a Board member for the State Employee Retirement System in Pennsylvania from 2006-2011, which is a $28.3 billion Fund. She also serves as Chair and trustee on various other insurance and employee benefit funds.

Gary J. Bonadonna

Gary J. Bonadonna has served on our board of directors since June 1994. Mr. Bonadonna was elected Manager of the Rochester Regional Joint Board, UNITE, AFL-CIO, CLC and International Vice President of the Union of Needletrades, Industrial and Textile Employees, AFL-CIO, CLC (now Workers United) in June 1994, where he served until his retirement in October 2016. Mr. Bonadonna currently works part-time as Assistant to the Manager, Rochester Regional Joint Board, Workers United. Mr. Bonadonna was first elected to a union position in 1978 when he became Shop Chair for Xerox Corporation workers in the components assembly plant. He was re-elected Shop Chair in 1981, 1984 and 1987 unopposed, and held the position for twelve years. In 1980, he was elected to the Executive Board of Local 14-A and to the Rochester Regional Joint Board to serve as a Delegate. In 1983, he was elected to the Rochester and Vicinity AFL-CIO Labor Council to serve as a Delegate. Mr. Bonadonna serves on the board of directors of the Amalgamated Life Insurance Company, serves as Chair of the Compensation Committee of Amalgamated Life Insurance Company, and is Chair of our Compensation Committee. Mr. Bonadonna also serves on the board of directors of the Sidney Hillman Foundation.

Donald E. Bouffard, Jr.

Donald E. Bouffard has served on our board of directors since February 2012. Mr. Bouffard is a Certified Public Accountant who spent 34 years with Crowe Horwath LLP, a public accounting and consulting firm, until he retired in 2009. While at Crowe Horwath, he served as an external audit partner for 28 years in the Financial Institutions Group where he worked with more than 100 financial institution clients, both public and private, primarily serving as external auditor, but also providing services related to mergers and acquisitions, management succession planning, strategic planning and SEC reporting. Mr. Bouffard served on Crowe Horwath's Executive Committee for ten years. He currently serves on the board of directors and is Chair of the Audit Committee of Wilmington Savings Bank, Wilmington, Ohio, and previously served on the board of directors of the Notre Dame National Monogram Club and was Chair of the Boland-Brennan-Riehle Committee, which oversees a $6 million scholarship fund for children of former Notre Dame athletes. Mr. Bouffard is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants, and he previously served as a member of the American Institute of Certified Public Accountants Savings and Loan Committee.

Clayola Brown

Clayola Brown has served on our board of directors since February 1991. Ms. Brown has served as the International Vice President of Workers United since 1970 and as a member of the General Executive Board of Workers United since its formation in March 2009. Ms. Brown also serves as the National President of the A. Philip Randolph Institute, a non-profit organization that acts as a liaison between the labor movement and the minority community, located in Washington, D.C., a position she has held since August 2014. Ms. Brown began her career working for the Textile Workers Union of America. She became education director for the newly merged Amalgamated Clothing and Textile Workers Union ("ACTWU"); then its civil rights director. She was elected manager for ACTWU's laundry division affiliate, serving in this capacity for more than 13 years. She was elected an International Vice President of ACTWU in 1991 and has been reelected in that capacity in every election since then, with ACTWU and its successors, currently Workers United. In 1995, she was elected to the AFL-CIO Executive Council and served on that body for 10 years. Ms. Brown currently serves on a number of boards and organizations including: the board of America's Agenda; American Income Life Insurance; Coalition of Black Trade Unionists; National Coalition of Black Civic Participation; Sidney Hillman Foundation; and serves as a representative member of the Labor Advisory Committee for Trade Negotiations and Trade Policy. She also serves as Vice President and director of the New York Branch of the NAACP, and serves on the advisory board of Master Your Card.

Robert C. Dinerstein

Robert C. Dinerstein has served on our board of directors since August 2011. Mr. Dinerstein is Chair of Veracity Worldwide, a strategic risk assessment firm that advises companies doing business in emerging markets, a position he has held since October 2009. Before that, he was Chair of Crossbow Ventures, Inc., a venture capital firm, from 2005 until 2010. He also was a shareholder and served as global co-chair of the financial institutions practice at Greenberg Traurig, LLP, a full service international law firm, from October 2006 until August 2008. Before that, he was a senior executive with UBS AG, having served as Vice Chair, Americas Global General Counsel, and as a member of the board and management committee of its Investment Bank, with responsibility for all legal, compliance and regulatory matters. Before joining UBS, Mr. Dinerstein was Executive Vice President and General Counsel of Shearson Lehman Brothers and was also Vice President and General Counsel of Citicorp's Investment Bank. Mr. Dinerstein serves as a trustee of Sheltering Arms. He is also a former trustee of Phipps Houses, a leading developer of affordable housing, and was previously a member of the Council on Foreign Relations, a member of the executive committee of the board of the Institute of International Bankers, and on the Advisory Board of the School of International and Public Affairs of Florida International University. He was Chair of Everybody Wins, a literacy and mentoring organization; was formerly a member of the board of The Red Cross of Greater New York; and was formerly a trustee of the Alzheimer's Association.

Mark A. Finser

Mark A. Finser was a founding member of New Resource Bank and served as Chair until it was acquired by Amalgamated in 2018. Mr. Finser started his career in social finance in 1984 as a founder of RSF Social Finance

("RSF"), an organization focused on developing innovative social finance tools to serve the unmet needs of clients and partners. As President and Chief Executive Officer of RSF, Mr. Finser grew the organization's assets to $120 million by 2007, when he transitioned into the Chairman of the Board of Trustees. As an active member of the social finance community, Mr. Finser has served on several boards, including B Lab, Yggdrasil Land Foundation, and Gaia Herbs. Mr. Finser also works with high net worth individuals and families to develop a strategy to align financial resources with personal values. As part of this work, Mr. Finser serves as an independent trustee for families and multigenerational beneficiaries.

Naomi Kathryn "Kathy" Hanshew

Kathy Hanshew was appointed to our board of directors in February 2018. Ms. Hanshew is the Manager of the Chicago and Midwest Regional Joint Board of Workers United, a position she has held since November 2017. Before then, she served as Assistant Manager of the same organization from May 2016 to November 2017. She also served as the Chief of Staff of the Chicago and Midwest Regional Joint Board of Workers United from October 2012 until April 2016 and as Area Director from January 2007 to September 2012. Ms. Hanshew also serves as a trustee or director on various insurance and employee benefit funds.

Julie Kelly

Julie Kelly has served on our board of directors since April 2010. Ms. Kelly is the General Manager of the New York New Jersey Regional Joint Board of Workers United and an International Vice President and member of the General Executive Board of Workers United, positions she has held since 2010. She has worked in the labor movement since 1989 and has been with Workers United and its predecessor organizations in a number of capacities since 2000. Ms. Kelly is President of Local 169 Realty Corporation, a director of Amalgamated Life Insurance Company, and a trustee of the Amalgamated National Health Fund, Amalgamated Retail Fund, Consolidated Retirement Fund, the National Retirement Fund and the Union Health Center. She also served as former President of the Clothing Workers Center, a historic organization that has provided a home for tens of thousands of ACTWU workers for over a century.

Wilfredo Larancuent

Wilfredo Larancuent has served on our board of directors since February 2005. Mr. Larancuent is the Secretary and Treasurer of the Laundry, Distribution and Food Service Joint Board of Workers United and its predecessor labor organizations, a position he has held since 2016. Before serving as Secretary and Treasurer, he served as Manager of the same organization, a position he held from 2000 to 2016. Mr. Larancuent started his career with the International Ladies Garment Workers Union in 1978. He serves on the Advisory Committee of the New York State AFL-CIO and the Working Families Party. He is a trustee of the Laundry, Dry Cleaning & Allied Industries Health and Pension Fund, Consolidated Retirement Fund and was previously a trustee of the National Retirement Fund. He is a board member of New York Communities for Change. He also previously served as a director of the Union Health Center and a board member of the New York Immigration Coalition.

John McDonagh

John McDonagh has served on our board of directors since January 2013. Mr. McDonagh retired from JPMorgan Chase Bank N.A. (together with its predecessor organizations, "JPM") in February 2011 as a Managing Director of JPM's Global Special Credit Group, having served in various credit capacities at JPM over a career spanning approximately 38 years, including as a division executive for Chase Real Estate Department and as a director for Chase Bank of Florida. In his final position at JPM, which he occupied from 1998 until his retirement, Mr. McDonagh was responsible for, among other things, the restructuring of large corporate credits, usually over $1.0 billion and involving borrowers in various industries. From 2009 until his retirement, Mr. McDonagh also served on JPM's bank-wide management Real Estate Committee. From 2003 through his retirement, he also served on the management committee responsible for reviewing the warehouse position of

JPM's Commercial Mortgage Securitization Group. Before that, he served on JPM's Fund Performance Review Committee investigating performance of investments sold to pension funds from 1996 until 1998.

David Melman

David Melman has served on our board of directors since February 1998. Mr. Melman is the Manager of the Pennsylvania Joint Board of Workers United and Executive Vice President and member of the General Executive Board of Workers United, positions he has held since 1999. Mr. Melman has served in a variety of roles with Workers United and its predecessor labor organizations, including the International Ladies Garment Workers Union, since 1985. He serves as a trustee of the National Retirement Fund, the Consolidated Retirement Fund, and the Amalgamated National Health Fund. Mr. Melman is also a director of Amalgamated Life Insurance Company, ALICO Services Corporation and Fund Administrators, Inc. He also serves as Chair and Secretary-Treasurer of the Pennsylvania Joint Board Education Fund and Chair of the Pennsylvania Joint Board, Workers United PAC.

Robert G. Romasco

Robert G. Romasco has served on our board since September 2014. Mr. Romasco served as President, chief volunteer spokesperson, of AARP from 2012 until 2014, and served on AARP's board of directors from 2006 until 2014, where he served as AARP's Secretary-Treasurer; Chair of the board's Audit & Finance Committee; and Chair of the National Policy Council. Before that, Mr. Romasco served as Senior Vice President of customer, distribution, and new business development for QVC, Inc. from November 2005 until June 2006. Before joining QVC, he served as Chief Executive Officer of J.C. Penney Direct Marketing Services, a $1 billon insurance company serving the leading credit card firms; Senior Vice President of American Century Investments; Director of Strategic Customer Development for Corporate Decisions Inc.; and as Chief Financial Officer of Epsilon, a pioneer in the database marketing industry. Mr. Romasco has served on the advisory board of the Eugene Bay Foundation, which makes grants to community-building organizations in Philadelphia. He currently serves as an advisory board member of Eastwood, Inc., a privately held leader in direct marketed auto restoration components.

Edgar Romney, Sr.

Edgar Romney, Sr. has served on our board of directors since July 1995. Mr. Romney Sr. became President of Workers United upon its formation in March 2009 through June 2009, and has been its Secretary-Treasurer since July 2009. He is also a member of the General Executive Board of Workers United and Vice President of Service Employees International Union, positions he has held since September 2009. Mr. Romney Sr. joined the former International Ladies' Garment Workers' Union (ILGWU) in 1962 as a shipping clerk. He later became an Organizer and Business Agent with Local 99 ILGWU and, in 1976, was asked to serve as Director of Organization for the largest ILGWU affiliate – Local 23-25. Two years later, he was elected Assistant Manager of Local 23-25, and in 1983, became the local's Manager-Secretary and an ILGWU Vice President. Mr. Romney Sr. served as Manager-Secretary of Local 23-25 until 2004, when he became Manager of the New York Metropolitan Area Joint Board, formed by the consolidation of the five local unions that represent apparel workers in the New York area. In 1989, Mr. Romney Sr. was elected ILGWU Executive Vice President, becoming the first African-American to hold that position, and in 1995, he became Executive Vice President of UNITE – the union that grew out of the merger of the ILGWU and ACTWU. He was elected to the position of Secretary-Treasurer of UNITE in 2003. With the merger of UNITE and HERE in 2004, Mr. Romney Sr. became Executive Vice President of UNITE HERE, a position he held until the separation of UNITE and HERE in 2009. Mr. Romney Sr. also served as Secretary-Treasurer of the Change to Win Coalition from September 2003 until 2009. He continues to serve on numerous boards of directors and is Co-Chair of the Garment Industry Day Care Center of Chinatown; National Secretary of the A. Philip Randolph Institute; Vice President of IndustriALL and the New York State AFL-CIO; Secretary Treasurer of the Garment Industry Development Corporation; and an executive board member of the New York City Central Labor Council and the Workmen's Circle. Mr. Romney Sr. is the father of Mr. Romney Jr., who is the Northeast Regional Director for Amalgamated.

Stephen R. Sleigh

Stephen R. Sleigh has served on our board of directors since March 2015. In March 2015, he started a consulting business, Sleigh Strategy LLC, to provide strategic advice aligning business and workforce interests. Mr. Sleigh previously was the Director of the International Association of Machinists National Pension Fund from April 2011 to March 2015, and was the Director of Strategic Resources for the International Association of Machinists, a position he held from September 1994 to September 2006. He also served as a Partner at The Yucaipa Companies from September 2006 until March 2011. Before that, he worked as Research Director of the International Brotherhood of Teamsters and Deputy Director of the Center for Labor-Management Policy Studies. Mr. Sleigh is a current member and past President of the Labor and Employment Relations Association. He has served as a director of the Baltimore Branch of the Federal Reserve Bank of Richmond, appointed by the Federal Reserve Board. Mr. Sleigh is the author of two books, On Deadline (1998) and Economic Restructuring and Emerging Patterns of Industrial Relations (1993). Mr. Sleigh serves as the director representative for the investment funds affiliated with The Yucaipa Companies, LLC (the "Yucaipa Funds"), pursuant to the Yucaipa Funds' contractual director nomination right. See "*Certain Relationships and Related Party Transactions*" beginning on page 161 of this offering circular.

Stephen J. Toy

Stephen J. Toy has served on our board since April 2012. Mr. Toy is Co-Head of WL Ross & Co. LLC and is responsible for sourcing and overseeing private equity fund investments. He serves on the Board of Directors of International Automotive Components Group, WLR Euro Wagon Management Ltd., Plascor Participacoes Industrials, SA, Four Rivers Investment Management and Permian Basin Materials LLC. He is a former Director and President of WL Ross Holdings Corporation, a former Director of EXCO Resources, Inc. and a former member of the Audit Committee of Kansai Sawayake Bank Ltd., a Japanese retail bank. Mr. Toy serves as the director representative for the investment funds affiliated with WL Ross & Co. LLC (the "WL Ross Funds"), pursuant to the WL Ross Funds' contractual director nomination right. See "*Certain Relationships and Related Party Transactions*" beginning on page 161 of this offering circular.

Director to be added to our board upon completion of the Offering

Patricia Diaz Dennis

Patricia Diaz Dennis will join our board of directors upon the closing of this offering. Ms. Diaz Dennis comes to Amalgamated with decades of corporate experience, having served on the boards of CarrAmerica, Massachusetts Mutual Life Insurance Company, Citadel Communications Corporation, and Telemundo Group, among others. In 1995 she joined SBC Communications, Inc., the company that later became AT&T, as a Senior Vice President, serving in a variety of positions including General Counsel and Secretary of SBC West from May 2002 until August 2004, and Senior Vice President and Assistant General Counsel of AT&T from August 2004 until she retired in November 2008. Before joining SBC, Ms. Diaz Dennis was appointed by two Presidents and confirmed by the United States Senate to three federal government positions. President Ronald Reagan named her to the National Labor Relations Board in 1983, and appointed her as a commissioner of the Federal Communications Commission three years later. After becoming partner and communications group practice chair of Jones, Day, Reavis & Pogue, Ms. Diaz Dennis returned to public service in 1992, when President George H. W. Bush appointed her Assistant Secretary of State for Human Rights and Humanitarian Affairs. From 1993 until 1995, Ms. Diaz Dennis served as special counsel for communications matters to the law firm of Sullivan & Cromwell. The former Chair of the National Board of Directors of the Girl Scouts of the USA, Ms. Diaz Dennis has also served on the World Bank Sanctions Board and the NPR Board of Directors. She is currently a director of Entravision Communications Corporation and U.S. Steel, sits on the advisory boards of the NHP Foundation, LBJ Family Wealth Advisors, The Global Fund, and WGU Texas, and is the Chair-Elect of the World Affairs Council of San Antonio. She is a member of the California, Texas, and District of Columbia bars, and is admitted to practice before the U.S. Supreme Court.

Committees of the Board of Directors

Our board committees are currently composed as follows:

Director	Executive	Audit	Compensation	Governance and Nominating	Compliance and Operational Risk	Independent Nominee Selection	Trust	Credit Policy
Keith Mestrich	●			●			●	●
Lynne P. Fox	● Chair		●	●		●		
Gary J. Bonadonna			● Chair		●			
Donald E. Bouffard		● Chair						●
Clayola Brown				●	●		● Chair	
Robert C. Dinerstein		●			● Chair	●Chair		
Mark A. Finser							●	
Kathy Hanshew				●				
Julie Kelly	●		●				●	
Wilfredo Larancuent				●		●	●	
John McDonagh	●	●						● Chair
David Melman				●	●			●
Robert G. Romasco				● Chair	●		●	
Edgar Romney, Sr.	●			●				●
Steve Sleigh						●	●	●
Stephen J. Toy			●			●		

Family Relationships

Edgar Romney, Sr. one of our directors, is the father of Edgar Romney, Jr., an Executive Vice President and Northeast Regional Director of the Bank. Mr. Romney, Jr. previously served as Executive Vice President and Chief Risk Officer.

Legal Proceedings

There have been no events under any bankruptcy act, no criminal proceedings, no judgments, injunctions, orders or decrees material to the evaluation of the ability and integrity of any of our directors or executive officers during the past 10 years or control persons during the past five years. No executive officer, director, or persons nominated for such positions has been involved in the last 10 years in any of the following:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time,
- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses),
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting such person’s involvement in any type of business, securities or banking activities,
- Being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.
- Having any government agency, administrative agency, or administrative court impose an administrative finding, order, decree, or sanction against them as a result of their involvement in any type of business, securities, or banking activity.

- Being the subject of a pending administrative proceeding related to their involvement in any type of business, securities, or banking activity.
- Having any administrative proceeding been threatened against them related to their involvement in any type of business, securities, or banking activity.

Director Independence

Upon the completion of this offering, we anticipate that our common stock will be listed on The Nasdaq Global Market. Under the listing requirements and rules of the Nasdaq, independent directors must constitute a majority of a listed company's board of directors within 12 months after its initial public offering. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

We intend to rely on the phase-in rules of Nasdaq with respect to the independence of our board of directors. In accordance with this phase-in provision, a majority of our board of directors will be independent within one year of the effective date of the registration statement of which this offering circular is a part. We have established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. We intend to rely on the phase-in provisions provided under Nasdaq for the membership requirements of the (i) Compensation Committee and (ii) Nominating and Corporate Governance Committee.

Upon consummation of this offering, we intend to restructure our board of directors and reduce the size of the board from 16 to 13 members consisting of Mr. Mestrich, Mr. Finser (the former chair of New Resource Bank board of directors), five directors (which will include Ms. Fox, Ms. Kelly, and Mr. Romney, Sr. and two independent directors, as noted below) designated by Workers United, one director designated by WL Ross & Co., one director designated by The Yucaipa Companies, LLC, and the other four existing independent directors—Mr. Bouffard, Mr. Dinerstein, Mr. McDonagh, and Mr. Romasco. As of the date of this offering circular, we have appointed Patricia Diaz Dennis to our board, effective upon consummation of the offering. We also intend to appoint another independent director to be designated by Workers United, which we anticipate will be done shortly following completion of the offering.

Our board of directors has evaluated the independence of its members and our director nominees based upon the rules of Nasdaq. As part of this evaluation, our board of directors considered the current and prior relationships that each non-employee director has with our Bank and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each non-employee director, and the matters discussed under "*Certain Relationships and Related Party Transactions*." Our board of directors also considered the following:

- Mr. Mestrich is the Bank's President and Chief Executive Officer and is therefore not considered to be independent;
- Mr. Romney, Sr.'s son, Edgar Romney, Jr., is an Executive Vice President and Northeast Regional Director of the Bank;
- Each of Mr. Bonadonna, Ms. Brown, Ms. Fox, Ms. Hanshew, Ms. Kelly, Mr. Larancuent, Mr. Melman and Mr. Romney, Sr. is an employee of Workers United or a Workers United affiliate, which is the Bank's largest stockholder and a registered bank holding company;
- Ms. Fox (as Chair), Mr. Romney, Sr., Ms. Hanshew, Ms. Kelly, Mr. Larancuent, Mr. Melman, and Mr. Mestrich serve as trustees of the Consolidated Retirement Fund—an ERISA multiemployer plan under which each of the Bank and Workers United are participating employers. This fund maintains a significant deposit relationship, custody relationship, and investment management relationship with the Bank, and each of Mr. Bonadonna, Ms. Brown, Ms. Fox, Ms. Hanshew, Ms. Kelly, Mr. Larancuent, Mr. Melman, Mr. Mestrich, and Mr. Romney, Sr. directly benefit from the Bank's participation in the plan;

- Mr. Bonadonna, Ms. Fox (as Chair), Ms. Hanshew, Ms. Kelly, Mr. Melman, and Mr. Romney, Sr. serve as directors of the Amalgamated Life Insurance Company, a life insurance company established in 1943 by the founder of the predecessor to Workers United. Amalgamated Life Insurance Company and its affiliated companies have a significant deposit relationship with the Bank. Additionally, funds for which Amalgamated Life Insurance Company provides third-party administrative services for also maintain significant deposit, custody and investment management relationships with the Bank; and
- Ms. Fox, Ms. Hanshew, Ms. Kelly, Mr. Melman, and Mr. Romney, Sr. serve as trustees of the National Retirement Fund—an ERISA multiemployer plan in which Workers United is an associated union, as one-half of the trustees are appointed by Workers United and another union, and the other half are appointed by the employers who sponsor the plan. This fund has a significant deposit relationship, custody relationship, and investment management relationship with the Bank.

Applying these standards and considerations, our board of directors has affirmatively determined that Mr. Bouffard, Mr. Dinerstein, Mr. Finser, Mr. McDonagh, Mr. Romasco, Mr. Sleigh, and Mr. Toy are each an independent director, as defined under the applicable rules.

Leadership Structure

Our board of directors meets at least six times a year and our executive committee meets during the months when the board of directors does not meet. Our board of directors does not have a policy regarding the separation of the roles of Chief Executive Officer and director, as the board believes that it is in the best interests of our Bank to make that determination from time to time based on the position and direction of our Bank and the membership of the board. The board has determined that having our Chief Executive Officer serve as a director is in accordance with applicable New York banking law as well as in the best interests of our stockholders at this time. This structure makes best use of the Chief Executive Officer's extensive knowledge of our Bank and the banking industry. The board views this arrangement as also providing an efficient nexus between our organization and the board, enabling the board to obtain information pertaining to operational matters expeditiously.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors. The full text of our code of business conduct and ethics, and any amendments thereto, will be available on our corporate website.

Board Committees

Our board of directors has established standing committees in connection with the discharge of its responsibilities. These committees include, among others, the audit committee, compensation committee, governance and nominating committee, credit committee, compliance and operational risk committee, and trust committee. Our board of directors also may establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our corporate governance documents. The composition and responsibilities of each committee are described below. Members will serve on these committees so long as they are a member of the board of directors until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Mr. Bouffard, Mr. Dinerstein, and Mr. McDonagh, with Mr. Bouffard serving as chair of the audit committee. Our audit committee performs the duties required of audit committees under 12 C.F.R. § 363.5 for insured depository institutions. Our audit committee has responsibility for, among other things:

- selecting and hiring our independent registered public accounting firm, and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results; and
- preparing the audit committee report required by the Exchange Act rules to be included in our annual proxy statement.

The rules of Nasdaq require our audit committee to be composed entirely of independent directors, subject to certain limited exceptions. Applicable FDIC regulations also require that our audit committee be composed of "outside directors who are independent of management." Our board of directors has affirmatively determined that each of the members of our audit committee meet the definition of "independent directors" and "outside directors" under the rules of Nasdaq and FDIC regulations, respectively. In addition, as a bank with more than $3 billion in assets, under applicable FDIC regulations, our audit committee includes members with banking or related financial management expertise, has access to its own outside counsel, and does not include any large customers of the Bank. Our board of directors also has determined that Mr. Bouffard qualifies as an "audit committee financial expert" as defined by Exchange Act rules.

Our board of directors has adopted a written charter for our audit committee, which will be available on our corporate website.

Compensation Committee

Our compensation committee consists of Mr. Bonadonna, Ms. Fox, Ms. Kelly, and Mr. Toy, with Mr. Bonadonna serving as chair of the committee. The compensation committee is responsible for, among other things:

- reviewing and approving compensation of our executive officers including salary, long-term incentives, cash incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans;
- reviewing and recommending compensation policies and practices for our employees and considering whether risks arise from such policies and practices;
- evaluating the compensation of our directors;
- reviewing and discussing annually with management any executive compensation disclosure required by Exchange Act rules; and
- administrating, reviewing and making recommendations with respect to our equity compensation plans.

Our board of directors has evaluated the independence of the members of our compensation committee and has determined that Mr. Toy is an "independent director" under Nasdaq standards. Mr. Toy also satisfies the independence requirements and additional independence criteria under Rule 10C-1 under the Exchange Act, qualifies as a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act.

We are permitted to phase in our compliance with the independent compensation committee requirements set forth by the Nasdaq listing standards as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing, and (3) all independent members within one year of listing. Within one year of our listing on The Nasdaq Global Market, we expect that the non-independent directors will have resigned from our compensation committee and that any new directors added to the compensation committee will be independent under Nasdaq listing rules, a non-employee director, as defined in Rule 16b-3 promulgated under, the Exchange Act.

Our board of directors has adopted a written charter for our compensation committee, which will be available on our corporate website.

Governance and Nominating Committee

Our governance and nominating committee consists of Mr. Romasco, Ms. Brown, Ms. Hanshew, Mr. Larancuent, Mr. Melman, Mr. Mestrich, and Mr. Romney, Sr., with Mr. Romasco serving as chair of the committee. The governance and nominating committee is responsible for, among other things:

- assisting our board of directors in identifying individuals qualified to become directors and recommending director nominees for each annual or special meeting of stockholders or for any vacancies or newly created directorships that may occur between such meetings to the board of directors;
- reviewing periodically the governance principles adopted by the board of directors and developing and recommending governance principles applicable to our board of directors;
- making recommendations to the board of directors as to determinations of director independence;
- overseeing the evaluation of our board of directors; and
- recommending members for each board committee of our board of directors.

Our board of directors has evaluated the independence of the members of our governance and nominating committee and has determined that Mr. Romasco is “independent” under Nasdaq standards. We are permitted to phase in our compliance with the independent governance and nominating committee requirements set forth by the Nasdaq listing standards as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing, and (3) all independent members within one year of listing. Within one year of our listing on The Nasdaq Global Market, we expect that the non-independent directors will have resigned from our governance and nominating committee and that any new directors added to the nominating and corporate governance committee will be independent under Nasdaq listing rules.

Our board of directors has adopted a written charter for our corporate governance and nominating committee, which will be available on our corporate website.

Credit Policy Committee

Our credit policy committee consists of Mr. McDonagh, Mr. Bouffard, Mr. Melman, Mr. Mestrich, Mr. Romney, Sr., and Mr. Sleigh, with Mr. McDonagh serving as chair of the committee. The credit policy committee is responsible for, among other things:

- assisting the board of directors in fulfilling its oversight responsibilities;
- reviewing and approving credits above board-specified dollar limits;
- monitoring the performance and quality of our credit portfolio;
- overseeing the administration and effectiveness of, and compliance with, our credit policies; and

- reviewing and assessing the adequacy of the allowance for loan and lease losses.

Compliance and Operational Risk Committee

Our compliance and operational risk committee consists of Mr. Dinerstein, Mr. Bonadonna, Ms. Brown, Mr. Melman, Mr. Romasco, and Mr. Toy, with Mr. Dinerstein serving as chair of the committee. The compliance and operational risk committee is responsible for, among other things:

- overseeing our risk management framework, including policies and practices relating to the identification, measurement, monitoring and controlling our principal business risks;
- ensuring that our risk management framework is commensurate with its structure, risk profile, complexity, activities and size; and
- providing an open forum for communications between management, third parties and our board of directors to discuss risk and risk management.

Trust Committee

Our trust committee consists of Ms. Brown, Mr. Finser, Ms. Kelly, Mr. Larancuent, Mr. Mestrich, Mr. Romasco, and Mr. Sleigh, with Ms. Brown serving as chair of the committee. The trust committee is responsible for, among other things:

- assisting the board of directors in fulfilling its oversight responsibilities;
- ensuring that trust management is operating the department in a manner that is consistent with the FDIC's Statement of Principles of Trust Department Management;
- conducting periodic, comprehensive reviews of each trust department account;
- providing written policies that address important trust department activities, including account reviews, deviations from approved criteria, and internal and external audit procedures; and
- reviewing and assessing reports from supervisory agencies and trust management.

Independent Nominee Selection Committee

Our independent nominee selection committee consists of Mr. Dinerstein, Ms. Fox, Mr. Larancuent, Mr. Sleigh, and Mr. Toy, with Mr. Dinerstein serving as chair of the committee. The independent nominee selection committee is responsible for, among other things:

- designating nominees for the board of directors who are independent and not associated with any stockholder of the Bank or the Bank;
- retaining and terminating search firms to assist in identifying potential independent nominees;
- conducting its own annual performance evaluation; and
- assisting the board of directors in any other matters as requested.

The independent nominee selection committee is required by the investor rights agreement that we entered in connection with our 2012 private placement, as more fully discussed in "*Certain Relationships and Related Party Transactions*" below. This investor rights agreement will terminate and the independent nominee selection committee disbanded upon the closing of this offering if, as we anticipate, the offering generates gross proceeds to the selling stockholders of at least $75,000,000 (net of any underwriting discount or other underwriting fees, commissions or expenses) and our shares of common stock are listed on a national securities exchange at the conclusion of the offering.

Compensation Committee Interlocks and Insider Participation

For the year ended December 31, 2017, our compensation committee consisted of Gary J. Bonadonna, Lynne P. Fox, Julie Kelly, and Stephen J. Toy. None of them has at any time been an officer or employee of Amalgamated or, except as disclosed in the *Certain Relationships and Related Party Transactions* of this offering circular, has had any relationship with Amalgamated of the type that is required to be disclosed under Item 404 of Regulation S-K. During 2017, none of our executive officers served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of another entity that had one or more executive officers serving as a member of the board of directors or compensation committee of Amalgamated.

EXECUTIVE COMPENSATION

Our "named executive officers" are the individuals who served as our principal executive officer, our two other most highly compensated executive officers who were serving as executive officers at the end of 2017, and two officers who would have been among those two other most highly compensated executive officers had he been serving as an executive officer at the end of 2017. Our named executive officers as of December 31, 2017 are noted in the following table, along with their positions:

Name	Title
Keith Mestrich	President and Chief Executive Officer
Andrew LaBenne	Senior Executive Vice President and Chief Financial Officer
Martin Murrell	Senior Executive Vice President and Chief Operating Officer
Duane Crisco	Former Executive Vice President and Chief Lending Officer
Rupert Allan	Former Executive Vice President and Chief Trust Officer

Under applicable SEC rules, although Mr. Crisco's and Mr. Allan's employment with Amalgamated ended on October 2, 2017, both are included in this offering circular because both would have been one of our most highly compensated executive officers for 2017 had the former executive been serving as an executive officer on December 31, 2017.

Summary Compensation Table

The following table sets forth information concerning all compensation awarded to, earned by or paid to our named executive officers for all services rendered in all capacities to us and our subsidiaries for the year ended December 31, 2017.

	Year	Salary ($)	Bonus ($)[1]	Stock Awards ($)	SARs Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Keith Mestrich President and Chief Executive Officer	2017	$571,731	$550,000	—	$475,504[2]	—	—	$70,000[3]	$1,667,235
Andrew LaBenne Senior Executive Vice President and Chief Financial Officer	2017	400,000	275,000	—	380,420[2]	—	—	—	1,055,420
Martin Murrell Senior Executive Vice President and Chief Operating Officer	2017	336,539	225,000	—	142,696[2]	—	—	—	704,235
Duane Crisco[4] Former Executive Vice President and Chief Lending Officer	2017	300,000	300,000	—	114,170[2]	—	—	149,231[5]	863,401
Rupert Allan[6] Former Executive Vice President and Chief Trust Officer	2017	300,000	120,000	—	285,328[2]	—	—	78,462[7]	783,790

(1) These amounts reflect annual incentive payments determined by our compensation committee based on the achievement of certain performance criteria and performance of the individual. See "*Annual Cash Incentive Payments*" below for a description of how our compensation committee determined the incentive payments awarded to Mr. Mestrich, Mr. LaBenne, Mr. Murrell, Mr. Crisco and Mr. Allan. With respect to Mr. Murrell, this amount includes $50,000 related to the remainder of his sign-on bonus, which was paid on the one-year anniversary of the start date of his employment under the terms of his offer letter described below. With respect to Mr. Crisco and Mr. Allan, these amounts reflect each executive's fiscal year 2017 bonus amount based on achievement of certain performance criteria and performance of the individual prior to separation from the Bank.
(2) Represents the grant date fair value of stock appreciation rights, or SARs, awarded in 2017, as determined in accordance with ASC Topic 718. Although the table above indicates the full grant date value of the awards granted in 2017, the SARs vest over a three-year period. See "*Long-Term Incentive Plan*" below for a description of the terms of the grants of stock appreciation rights shown in this column. Each of Mr. Crisco and Mr. Allan separated from the Bank on October 2, 2017 and stayed on the payroll until January 1, 2018—as a result, each executive received full vesting of the first year of their 2017 SARs and all remaining unvested SARs were forfeited.
(3) Represents payment of a housing allowance.
(4) Mr. Crisco separated from the Bank as our as Executive Vice President and Chief Lending Officer on October 2, 2017. See "*Separation Arrangement with Duane Crisco*" below for a description of the terms of his separation arrangement with the Bank.
(5) This amount includes (i) in connection with Mr. Crisco's termination, a severance payment of $69,231 and payment for unused but accrued vacation/personal days of $30,000, plus (ii) a $50,000 housing allowance payment.
(6) Mr. Allan separated from the Bank as our Executive Vice President, Chief Trust Officer on October 2, 2017. See "*Separation Arrangement with Rupert Allan*" below for a description of the terms of his separation arrangement with the Bank.
(7) This amount includes a severance payment of $69,231 and payment for unused but accrued vacation/personal days of $9,231.

Employment Agreement with Keith Mestrich

We entered into an amended and restated employment agreement with Mr. Mestrich on July 5, 2017, but effective as of July 1, 2017, to serve as our President and Chief Executive Officer. Mr. Mestrich's employment agreement has a term that expires on June 30, 2020 (which can be extended by Mr. Mestrich until September 30, 2020). Under the employment agreement, Mr. Mestrich will receive an annual base salary of $695,000 through June 30, 2019, which will then increase to $720,000 on July 1, 2019.

In addition to his base salary, Mr. Mestrich is eligible to receive an annual incentive payment for each fiscal year, specified as a percentage of his base salary, based on the achievement of multiple specific annual quantitative and qualitative performance metrics established by the board (or a committee thereof). Under his employment agreement, he is entitled to an annual target incentive of 64.2% of his base salary in 2017, 65.5% of his base salary in 2018, and 66.7% of his base salary in 2019 and thereafter, which we refer to herein as his "Annual Bonus Target." Mr. Mestrich is also entitled to incentive compensation pursuant to other long term incentive plans adopted by the board. Mr. Mestrich's employment agreement also entitles him to participate in all of our employee benefit plans and programs which are generally available to our other senior executives.

We may terminate Mr. Mestrich's employment with or without cause, and Mr. Mestrich may terminate his employment with or without good reason. Mr. Mestrich is also eligible for certain severance benefits upon a change in control. Further detail on our severance obligations to Mr. Mestrich, including the definitions of "cause," "good reason" and "change in control," are set forth below under the heading "*Potential Payments Upon Termination or Change in Control*."

Mr. Mestrich's employment agreement also contains provisions that prohibit the disclosure of our confidential information during the term of the agreement and at any time thereafter. In addition, his agreement also includes non-solicitation and non-competition provisions that generally preclude Mr. Mestrich, for a period of one year following the termination of the agreement for any reason, or during the severance period described below, if longer, from directly or indirectly, (a) soliciting our customers, suppliers or current employees, and (b) organizing, establishing, owning, operating, managing, controlling, engaging in, participating in, investing in or permitting his name to be used by, consulting or advising or rendering services for, or otherwise engaging in the business of providing financial products or services to Taft-Hartley Act employee benefit plans, labor unions, employee benefit plans associated with labor unions or other entities affiliated with labor unions, subject to certain conditions and exceptions.

Offer Letter with Andrew LaBenne

In 2015, Mr. LaBenne entered into an offer letter with us to serve as our Executive Vice President and Chief Financial Officer. Under the offer letter, Mr. LaBenne:

- receives an annual base salary of $400,000;
- is eligible to participate in our Annual Incentive Plan, with an annual target incentive of 50% of his base salary;
- is eligible to participate in our Long-Term Incentive Plan; and
- is entitled to participate in our comprehensive benefits programs.

Offer Letter with Martin Murrell

In 2016, Mr. Murrell entered into an offer letter with us to serve as our Executive Vice President of Consumer Banking. Since that time, Mr. Murrell has been promoted to serve as Senior Executive Vice President and Chief Operating Officer.

Although there is no employment agreement between us and Mr. Murrell, under the 2016 offer letter, Mr. Murrell:

- received an initial annual base salary of $300,000, which was increased from $300,000 to $350,000 upon his promotion;
- is eligible to participate in our Annual Incentive Plan, with an annual target incentive of 50% of his base salary;
- is eligible to participate in our Long-Term Incentive Plan;
- is entitled to participate in our comprehensive benefits programs; and
- was eligible for a signing bonus of $100,000, payable in two installments of $50,000—one within 30-days of his start date and one upon the completion of his first year of employment in April 2017.

Separation Arrangement with Duane Crisco

On November 6, 2017, we entered into a separation agreement with Duane Crisco, Executive Vice President, Chief Lending Officer, in connection with Mr. Crisco's departure from the Bank on October 2, 2017, effective January 1, 2018. Pursuant to the separation agreement, Mr. Crisco received a lump sum payment in the amount of $369,230.82, $300,000 of which represents Mr. Crisco's fiscal year 2017 bonus amount based on achievement of certain performance criteria prior to October 2, 2017 and $69,230.82 of which represents 12 weeks' base salary, provided that Mr. Crisco agreed to (i) a general release of claims against the Bank and its affiliates; (ii) a confidentiality provision; (iii) a non-disparagement provision; and (iv) continued adherence to the then in effect Code of Ethics (including the non-solicitation provision). Additionally, the separation agreement provided Mr. Crisco (i) health insurance coverage through (a) January 31, 2018 or (b) when coverage was obtained from another source after January 1, 2018 but before January 31, 2018, whichever was sooner; and (ii) reimbursement of the payment of his (and his family's, if applicable) COBRA premiums for (a) up to three months beginning February 1, 2018 to April 30, 2018 or (b) until coverage is obtained from another source, whichever is sooner.

Separation Arrangement with Rupert Allan

On October 11, 2017 we entered into a separation agreement with Rupert Allan, Executive Vice President, Chief Trust Officer, in connection with Mr. Allan's departure from the Bank on October 2, 2017, effective January 1, 2018. Pursuant to the separation agreement, Mr. Allan received a lump sum payment in the amount of $189,230.82, $120,000.00 of which represents Mr. Allan's fiscal year 2017 bonus amount based on achievement of certain performance criteria prior to October 2, 2017 and $69,230.82 of which represents 12 weeks' base salary, provided that Mr. Allan agreed to (i) a general release of claims against the Bank and its affiliates; (ii) a confidentiality provision; (iii) a mutual non-disparagement provision; and (iv) continued adherence to the then in effect Code of Ethics (including the non-solicitation provision). Additionally, the separation agreement provided Mr. Allan: (i) health insurance coverage through (a) January 31, 2018 or (b) when coverage was obtained from another source after January 1, 2018 but before January 31, 2018, whichever was sooner; and (ii) reimbursement of the payment of his (and his family's, if applicable) COBRA premiums for (a) up to three months beginning February 1, 2018 to April 30, 2018 or (b) until coverage is obtained from another source, whichever is sooner.

Long-Term Incentives

Long-Term Incentive Plan

Our Compensation Committee has approved the Amalgamated Bank Long-Term Incentive Plan to provide incentives and awards to certain select employees and directors. The long-term incentive plan is administered by our Compensation Committee, which has sole authority to determine, among other matters, participants in the plan and awards under the plan. Under the long-term incentive plan, the Compensation Committee may grant Stock Appreciation Rights (or SARs) to any participant, to be evidenced by a separate award agreement, as set forth more fully below. Under the long-term incentive plan, the Bank may only grant SARs or cash incentive awards.

As of March 31, 2018, there were a total of 120,097 SARs outstanding, with strike prices ranging from $220.00 (the 2015 SARS awards) to $293.00 (the 2018 SARs awards). As of June 30, 2018, there were 117,100 SARs outstanding.

Grants. At the sole discretion of the Compensation Committee, any SAR may be exercisable, in whole or in part, immediately upon the grant thereof, or only after the occurrence of a specific event, or only in installments, which installments may vary.

Terms. Each award agreement must specify a term at the end of which the SAR will expire, subject to early termination. No SAR can have a term that exceeds ten years from the grant date, and the SAR may only be exercised when the fair market value of a share of our common stock exceeds the exercise price of the SAR.

Exercise. The per share exercise price of a SAR will be determined by the Compensation Committee and must be no less than 100% of the fair market value of a share of our common stock on the date of grant. The Compensation Committee will determine the time, circumstances and conditions under which a SAR is exercisable.

Payment. Upon the exercise of a SAR, the participant will receive a cash payment of an amount determined by multiplying (i) the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price of the share, by (ii) the number of shares of our common stock with respect to which the SAR has been exercised, subject to certain limitations.

Effect of Termination of Service. Unless the award agreement specifies otherwise, the following provisions will apply to SARs:

- *Disability.* If a participant's service with us is terminated because of disability, the participant can exercise all vested SARs up to the earlier of the expiration of the term of such SAR or three year following such termination, and all unvested SARs will continue to vest according to the vesting schedule in the award agreement and can be exercised, once vested, up to three years from the vesting date.
- *Retirement.* If a participant retires after age 65, the participant can exercise the SAR up to the earlier of the expiration of the term of such SAR or within three years following such termination, provided the participant was entitled to exercise the SAR on the date of termination.
- *Death*. If a participant dies, all unvested SARs will immediately vest and can be exercised within one year following the participant's death by such participant's estate.
- *Cause*. If the Compensation Committee determines that a participant is terminated for cause, all SARs will be immediately terminated.
- *Termination other than for Disability, Retirement, Death or Cause*. The participant will have the right to exercise a SAR up to the earlier of the expiration of the term of such SAR or three months following such termination, provided the participant was entitled to exercise the SAR on the date of termination.
- *Limitations on Repricing.* Except in limited circumstances related to a change in capitalization or change in control, the terms of outstanding awards may not be amended to reduce the exercise price of an outstanding SAR or cancel outstanding SARs in exchange for cash, other awards, or SARs with an exercise price that is less than the exercise price of the original SAR, without stockholder approval.

Each of Mr. Crisco and Mr. Allan were terminated from their respective positions with the Bank on October 2, 2017 and stayed on the payroll until January 1, 2018—as a result, each executive received full vesting of their 2017 SARs. Accordingly, their SARs that were unvested as of January 1, 2018 were forfeited.

SARs Conversion

On July 26, 2018 we converted each of the outstanding SARs into nonqualified stock option awards on a one-for-one basis, at the same strike price, on the same terms, and on same vesting schedule as the original SARs award. Following the conversion of the 117,100 SARs outstanding at June 30, 2018, the Bank expects to reserve for issuance pursuant to the converted options 2,342,000 shares, as adjusted to give effect to the Stock Dividend. The conversion will allow the Bank to transition from a liability, cash settled accounting expense that requires a quarterly update (a variable expense) to a more standard equity settled accounting expense (a fixed expense). The Bank expects to change the classification from a liability to stockholders' equity. We do not intend to issue any additional SARs. The converted stock options will be governed by individual option agreements.

Incentive Plan Compensation

2017 Annual Incentive Plan

On April 26, 2017, our Compensation Committee adopted the Amalgamated Bank 2017 Annual Incentive Plan, effective January 1, 2017, referred to herein as the "incentive plan," which is intended to, among other things, align participants with the Bank's strategic plan and critical performance goals while ensuring incentives are appropriately risk-balanced.

Under the incentive plan, the Compensation Committee set a bank-wide performance goal, the "corporate performance goal," based on discussions with management and a review of our annual operating budget. For 2017, the corporate performance goal was pre-tax operating income, which was defined to include proposed and accrued incentive plan payments, but excluded securities activities, the cost of debt prepayment, the gain on eliminating the curtailment of post-retirement benefits and branch restructuring costs. Under the incentive plan, if our pre-tax operating income for 2017 was at least $15.1 million, the incentive plan would be funded at 73%, and to fully fund the incentive plan, our pre-tax operating income had to be at least $19.6 million. The Compensation Committee did not set a minimum threshold performance level for pre-tax operating income in order to fund the incentive plan. The Compensation Committee then set individual performance goals for each participant in the plan, specific to each participant's operational role and department. After the Compensation Committee determined at what level the incentive plan would be funded based on our pre-tax operating income, the Compensation Committee used these individual performance goals to evaluate each participant's performance and determine actual pay-out amounts for each participant under the plan.

For 2017, the named executive officers were entitled to a target incentive award under the incentive plan of the following percentages of base salary, which could be increased at the Compensation Committee's discretion to 200% of the annual target (or by the full board of directors with respect to Mr. Mestrich): Mr. Mestrich, 64.2% of base salary; Mr. LaBenne, 50% of base salary; Mr. Murrell, 50% of base salary; Mr. Crisco, 100% of base salary; and Mr. Allan, 40% of base salary.

2017 Annual Incentive Awards

We achieved pre-tax operating income, as defined above, of $20.2 million for 2017, which was above the corporate performance goal set by the Compensation Committee, thereby fully funding the incentive plan. The compensation committee then evaluated each named executive officer's performance against their individual performance goals for 2017 to determine actual incentives awarded under the plan. Based on this review, the compensation committee awarded the following incentive payments to our named executive officers:

- Mr. Mestrich received a cash incentive award of 82% of his base salary, or $550,000;
- Mr. LaBenne received a cash incentive award of 69% of his base salary, or $275,000; and
- Mr. Murrell received a cash incentive award of 50% of his base salary, or $175,000 (such amount excludes the partial payment in 2017 for his 2016 sign-on bonus).

In reviewing Mr. Mestrich's individual performance goals and determining the amount of his cash incentive award, the compensation committee noted Mr. Mestrich's 2017 achievements included, among other things, exceeding core earnings projections by more than 15%, reducing our efficiency ratio by at least 3%, continuing development and progress on our consumer digital banking channel, developing and implementing a branch consolidation plan, maintaining a high standard of regulatory compliance, deepening our brand recognition, and building a strong and focused team.

In reviewing Mr. LaBenne's individual performance goals and determining the amount of his cash incentive award, the compensation committee noted Mr. LaBenne's 2017 achievements included, among other things, assuring completion of our objectives on operational effectiveness and efficiency, obtaining balance sheet optimization by effectively managing our interest rate risk and ensuring adequate liquidity and capital, and developing and implementing positive organizational changes in the accounting department.

In reviewing Mr. Murrell's individual performance goals and determining the amount of his cash incentive award, the compensation committee noted Mr. Murrell's 2017 achievements included, among other things, continuing development and effective implementation of our centralized product development initiatives, returning our branch network to profitability, maintaining deposit base stability, maintaining a high standard of compliance and risk management, maintaining our existing level of customer support, and leading our delivery of reliable digital platforms for customers.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table provides a summary of equity awards outstanding as of December 31, 2017 for the named executive officers.

	Stock Appreciation Rights Awards				
Name	Number of Securities Underlying Unexercised SARs (#) Exercisable	Number of Securities Underlying Unexercised SARs (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned SARs (#)	SARs Exercise Price ($)	SARs Expiration Date
Keith Mestrich	5,834	2,917(1)	—	$220.00	1/1/2025
	2,676	5,350(2)	—	240.00	1/1/2026
	—	7,001(3)	—	275.00	1/1/2027
Andrew LaBenne	4,668	2,333(1)	—	220.00	1/1/2025
	2,141	4,280(2)	—	240.00	1/1/2026
	—	5,601(3)	—	275.00	1/1/2027
Martin Murrell	803	1,605(2)	—	240.00	1/1/2026
	—	2,100(3)	—	275.00	1/1/2027
Duane Crisco	—	700(1)	—	220.00	1/1/2025
	—	642(2)(4)	—	240.00	1/1/2026
	—	560(3)(4)	—	275.00	1/1/2027
Rupert Allan	3,501	1,751(1)	—	220.00	1/1/2025
	1,605	1,605(2)(4)	—	240.00	1/1/2026
	—	1,401(3)(4)	—	275.00	1/1/2027

(1) Represents SAR awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2015.

(2) Represents SAR awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2016.

(3) Represents SAR awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2017.

(4) Each of Mr. Crisco and Mr. Allan separated from the Bank on October 2, 2017 and stayed on the payroll until January 1, 2018—as a result, each executive received full vesting of the first year of their 2017 SARs, and full vesting of the second year of their 2016 SARs. All remaining unvested SARs were forfeited.

Potential Payments Upon Termination or Change in Control

Change in Control Plan

The Bank believes that reasonable and appropriate change in control benefits are necessary in order to be competitive in the Bank's executive attraction and retention efforts. Therefore, in July 2018, the compensation committee of our board of directors adopted a Change in Control Plan that provides severance and change in control benefits to the participants. Upon (i) an involuntary termination without cause, or (ii) the participant resigns for good reason, either of which occur within 90 days prior to or within 12 months following a change in control, participants in our Change in Control Plan will be entitled to receive the sum of (x) the participant's accrued annual base salary, (y) the participant's accrued target bonus (which shall be pro-rated based on the portion of the bonus period prior to the change in control date), and (z) a lump sum cash payment equal to 12 months base salary plus the participant's prior average 3-years' bonus. Participants are further eligible to receive (i) a payout of accrued vacation, (ii) continued COBRA health benefits at active employee rates for the shorter of 12 months or the applicable COBRA period, and (iii) full vesting of any unvested equity award granted prior to such termination.

The participants of the Change in Control Plan are the following officers:

- Chief Financial Officer
- Chief Operating Officer
- General Counsel
- Chief Risk Officer
- Director of Commercial Banking
- Chief Administrative Officer
- Director of Consumer Banking

Change in Control under Mr. Mestrich's Employment Agreement

Mr. Mestrich's employment agreement provides that his employment may be terminated:

- by us for cause (as defined below) on written notice;
- by us because of his poor performance on written notice;
- by him without good reason (as defined below) on 45-days advance written notice;
- upon his death or disability;
- by him for good reason (as defined below) with prior written notice; and
- by us without cause (as defined below).

Under his employment agreement, he is entitled to certain severance payments upon termination in certain circumstances as outlined below.

Termination Without Cause by Amalgamated Bank or for Good Reason by Mr. Mestrich

If Mr. Mestrich's employment is terminated without cause by us (other than in connection with a change in control, discussed below) or for good reason by him, he is entitled to receive, beginning on the 60th day after such termination, and subject to his execution of a valid release agreement, an amount equal to the sum of (i)(a) 18-months of his base salary as in effect on the date of such termination, minus (b) $180,000, and (ii) his Annual Bonus Target as in effect for the year of termination, payable in equal monthly installments over a period of 18 months.

For purposes of his employment agreement, "cause" is generally defined to mean the occurrence of any one or more of the following events:

- his conviction of a felony or any crime involving dishonesty or theft;
- conduct in connection with his employment that is fraudulent, unlawful or grossly negligent;
- his willful misconduct;
- his material breach of his obligations under this agreement;
- any act of dishonesty by him that results or is intended to result in personal gain or enrichment at our expense; or
- his willful failure to comply with a material policy of Amalgamated.

For purposes of his employment agreement, "good reason" is generally defined to mean the occurrence of any one or more of the following events:

- a reduction in his base salary;
- a substantial diminution in his duties or responsibilities;

- our breach of any material covenant or obligation under the agreement; or
- the relocation of his principal work location to a location outside of New York county.

Change in Control

For purposes of Mr. Mestrich's employment agreement, a "change in control" means the consummation of a transaction or series of related transactions that results in (i) a person or group (other than Workers United) becoming the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of our securities, or (ii) the transfer or disposition of all or substantially all of our business and assets (whether by sale of assets, merger or otherwise).

If we terminate Mr. Mestrich without cause within 12 months following a change in control or within 90-days before a change in control, and Mr. Mestrich can reasonably demonstrate that such termination was at the request of the eventual acquirer in connection with a change in control, he is entitled to receive, beginning on the 60th day after such termination, and subject to his execution of a valid release agreement, an amount equal to the sum of (i)(a) 24-months of his base salary as in effect on the date of such termination, minus (b) $240,000, and (ii) two times his Annual Bonus Target as in effect for the year of termination, payable in equal monthly installments over a period of 24 months.

Compensation of Directors for Fiscal Year 2017

Each non-employee director receives an annual cash retainer as compensation for his or her services as a member of the Board of Directors as follows:

- $54,000 for our board chair;
- $54,000 for each director that is not appointed by either the Workers United Related Parties or our PE Investors; and
- $30,000 for each director that is appointed by either the Workers United Related Parties or our PE Investors.

In addition, the chairs of our board committees also receive an additional cash retainer of $12,000. We pay each director their applicable annual fee in monthly installments. Our directors also participate in our long-term incentive plan. We do not pay our "inside" employee-director, Mr. Mestrich, any additional compensation for his services as a director.

The following table provides the compensation paid to our non-employee directors for the year ended December 31, 2017.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	SARs Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Lynne P. Fox	$66,000	—	$23,840	—	—	—	$89,840
Gary J. Bonadonna	42,000	—	14,327	—	—	—	56,327
Donald E. Bouffard, Jr.	66,000	—	23,840	—	—	—	89,840
Clayola Brown	42,000	—	14,327	—	—	—	56,327
Robert C. Dinerstein	66,000	—	23,840	—	—	—	89,840
Mark A. Finser [2]	—	—	—	—	—	—	—
Kathy Hanshew [3]	—	—	—	—	—	—	—
Julie Kelly	30,000	—	14,327	—	—	—	44,327
Wilfredo Larancuent	30,000	—	14,327	—	—	—	44,327
John McDonagh	66,000	—	23,840	—	—	—	89,840
David Melman	30,000	—	14,327	—	—	—	44,327
Richard Monje [4]	30,000	—	—	—	—	—	30,000
Robert G. Romasco	66,000	—	23,840	—	—	—	89,840
Edgar Romney, Sr.	30,000	—	14,327	—	—	—	44,327
Steve Sleigh [5]	30,000	—	14,327	—	—	—	44,327
Stephen J. Toy	30,000	—	14,327	—	—	—	44,327

(1) Represents the grant date fair value of stock appreciation rights, or SARs, awarded in 2017, as determined in accordance with ASC Topic 718. Although the table above indicates the full grant date value of the awards granted in 2017, the SARs vest over a three-year period. See "*Long-Term Incentive Plan*" above for a description of the terms of the grants of stock appreciation rights shown in this column.
(2) Mr. Finser was appointed as a director in May 2018 following the consummation of the New Resource Bank Acquisition.
(3) Ms. Hanshew was appointed as a director in February 2018.
(4) Mr. Monje resigned from our board of directors on December 5, 2017.
(5) Mr. Sleigh's fees were paid to Yucaipa Corporate Initiatives Fund II, LP.

In addition to the compensation described above, non-employee directors are reimbursed for reasonable business expenses relating to their attendance at meetings of our board of directors, including expenses relating to lodging, meals and transportation to and from the meetings.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information about the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of our common stock as of June 30, 2018 and after the completion of the offering (assuming the underwriters do not exercise the option to purchase additional shares of our common stock) for:

- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each person known to us to be the beneficial owner of more than 5% of our common stock, including the selling stockholders.

Unless otherwise noted in the footnotes below, the address of each beneficial owner listed in the table is c/o Amalgamated Bank, 275 Seventh Avenue, New York, NY 10001. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all shares of our common stock that they beneficially own, subject to applicable community property laws. All information related to the selling stockholders and the stockholders owning 5% or more of our common stock is based solely upon information furnished to us by such stockholders. Unless otherwise indicated in the footnotes below, based on the information supplied to us by or on behalf of the selling stockholders, no selling stockholder is a broker-dealer or an affiliate of a broker-dealer.

We have based our calculation of the percentage of beneficial ownership on 1,588,579 shares of common stock outstanding as of June 30, 2018 and after the completion of this offering (31,771,584 upon giving effect to the Stock Dividend of 19 additional shares of common stock per share of common stock outstanding which was effected July 27, 2018). For each individual, entity or group, this percentage is determined by assuming the named person, entity or group exercises all rights to acquire stock which he, she or it has the right to acquire within 60 days, but that no other person, entity or group exercises any such rights.

	Shares of Common Stock Beneficially Owned as of March 31, 2018 (As Adjusted)**			Shares of Common Stock Beneficially Owned After the Offering[(1) (2)] (As Adjusted)**	
Name of Beneficial Owner	**Number**	**Percentage**	**Shares of Common Stock Being Sold in This Offering**	**Number**	**Percentage**
Named Executive Officers and Directors					
Keith Mestrich	800	*	—	800	*
Andrew LaBenne	500	*	—	500	*
Martin Murrell	—	—	—	—	—
Duane Crisco	—	—	—	—	—
Rupert Allan	—	—	—	—	—
Lynne P. Fox	1,000	*	—	1,000	*
Gary J. Bonadonna	500	*	—	500	*
Donald E. Bouffard, Jr.	—	—	—	—	—
Clayola Brown	200	*	—	200	*
Robert C. Dinerstein	—	—	—	—	—
Mark A. Finser	16,840	*	—	16,840	*
Kathy Hanshew	—	—	—	—	—
Julie Kelly	—	—	—	—	—

	Shares of Common Stock Beneficially Owned as of March 31, 2018 (As Adjusted)**			Shares of Common Stock Beneficially Owned After the Offering[(1)] [(2)] (As Adjusted)**	
Name of Beneficial Owner	**Number**	**Percentage**	**Shares of Common Stock Being Sold in This Offering**	**Number**	**Percentage**
Wilfredo Larancuent	—	—	—	—	—
John McDonagh	—	—	—	—	—
David Melman	—	—	—	—	—
Robert G. Romasco	—	—	—	—	—
Edgar Romney, Sr.	500	*	—	500	*
Steve Sleigh	—	—	—	—	—
Stephen J. Toy	—	—	—		—
All directors and executive officers as a group (20 persons)	20,340	*	—	20,340	*
Greater than 5% Stockholders					
New York-New Jersey Joint Board, Workers United	2,249,986	7.08%	579,143	1,670,843	5.26%
Workers United	11,024,049	34.70%	2,837,536	8,186,513	25.77%
WLR Recovery Fund IV, L.P.[(4)]	4,238,540	13.34%	1,017,247	3,221,293	10.14%
Yucaipa Corporate Initiatives Fund II, L.P.[(5)]	4,436,000	13.96%	795,772	3,640,228	11.46%
Selling Stockholders					
Workers United Related Parties					
Chicago & Midwest Regional Joint Board, Workers United	661,647	2.08%	170,306	491,341	1.55%
Laundry, Distribution & Food Service Joint Board, Workers United	388,483	1.22%	99,988	288,495	*
Local 50, Workers United	114,600	*	—	114,600	*
Mid-Atlantic Regional Joint Board, Workers United	365,539	1.15%	94,095	271,444	*
New York-New Jersey Joint Board, Workers United	2,249,986	7.08%	579,143	1,670,843	5.26%
New York Metropolitan Area Joint Board, Workers United	140,808	*	51,350	89,458	*
Pennsylvania Joint Board, Workers United	516,717	1.63%	133,005	383,712	1.21%
Philadelphia Joint Board, Workers United	753,662	2.37%	215,726	537,936	1.69%
Rochester Regional Joint Board Fund for the Future	182,920	*	47,085	135,835	*
Rochester Regional Joint Board, Workers United	716,232	2.25%	184,355	531,877	1.67%
Southern Regional Joint Board, Workers United	206,654	*	53,183	153,471	*
Western States Regional Joint Board, Workers United	164,700	*	42,390	122,310	*
Workers United	11,024,049	34.70%	2,837,536	8,186,513	25.77%
Workers United Canada Council	37,841	*	9,747	28,094	*

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned as of March 31, 2018 (As Adjusted)**		Shares of Common Stock Being Sold in This Offering	Shares of Common Stock Beneficially Owned After the Offering[(1) (2)] (As Adjusted)**	
	Number	Percentage		Number	Percentage
Investment funds affiliated with WL Ross & Co. LLC					
WLR Recovery Fund IV, L.P.[(4)]	4,238,540	13.34%	1,017,247	3,221,293	10.14%
WLR IV Parallel ESC, L.P.[(6)]	15,740	*	3,778	11,962	*
WLR Recovery Fund V, L.P.[(7)]	988,620	3.11%	237,268	751,352	2.36%
WLR V Parallel ESC, L.P.[(8)]	9,280	*	2,227	7,053	*
Investment funds affiliated with The Yucaipa Companies, LLC					
Yucaipa Corporate Initiatives Fund II, L.P.[(5)]	4,436,000	13.96%	795,772	3,640,228	11.46%
Yucaipa Corporate Initiatives (Parallel) Fund II, L.P.[(5)]	805,680	2.54%	144,528	661,152	2.08%

* Represents less than 1% of total outstanding shares.

** As adjusted reflects the 20:1 stock dividend effected on July 27, 2018.

(1) Amount excludes any shares that might be purchased in the directed share program, if any.

(2) Assumes the sale of all shares included in this offering circular. Does not include shares of common stock which may be sold pursuant to the underwriters' option to purchase additional shares of common stock. Certain selling stockholders and/or their affiliates may purchase shares in the offering at the initial public offering price; however, no selling stockholder's post-offering beneficial ownership is expected to exceed its pre-offering ownership amounts as reflected in the table.

(3) For purposes of the tabular disclosure above, all fractional shares have been rounded down to the nearest whole share, based on total shares owned by each record holder.

(4) The general partner of WLR Recovery Fund IV, L.P. ("Recovery IV") is WLR Recovery Associates IV LLC. The managing member of WLR Recovery Associates IV LLC is WL Ross & Co. LLC, which is an indirect wholly owned subsidiary of Invesco Ltd. The address of each of the entities and persons identified in this footnote is c/o WL Ross & Co. LLC, 1166 Avenue of the Americas, New York, NY 10036.

(5) Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. are both private equity funds affiliated with The Yucaipa Companies, LLC. Ronald W. Burkle indirectly controls both Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. and their general partner. As a result, Mr. Burkle may be deemed to have voting and dispositive power with respect to the shares of Class A common stock owned by Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. and therefore may be deemed to be the beneficial owner of such shares; however, Mr. Burkle disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. is 9130 W. Sunset Blvd., Los Angeles, California 90069.

(6) The general partner of WLR IV Parallel ESC, L.P. ("Parallel IV") is Invesco WLR IV Associates LLC. Invesco WLR IV Associates LLC and WLR Recovery Associates IV LLC have entered into a parallel investment agreement pursuant to which WLR Recovery Associates IV LLC has been appointed as representative and attorney-in-fact of Parallel IV to, among other things, exercise all rights, powers and privileges with respect to the common stock held by Parallel IV and to take whatever action, including voting such common stock, as WLR Recovery Associates IV LLC in its discretion deems necessary or advisable. The address of each of the entities and persons identified in this footnote is c/o WL Ross & Co. LLC, 1166 Avenue of the Americas, New York, NY 10036.

(7) The general partner of WLR Recovery Fund V, L.P. (“Recovery V”) is WLR Recovery Associates V LLC. The managing member of WLR Recovery Associates V LLC is WL Ross & Co. LLC, which is an indirect wholly owned subsidiary of Invesco Ltd. The address of each of the entities and persons identified in this footnote is c/o WL Ross & Co. LLC, 1166 Avenue of the Americas, New York, NY 10036.

(8) The general partner of WLR V Parallel ESC, L.P. (“Parallel V”) is Invesco WLR V Associates LLC. Invesco WLR V Associates LLC and WLR Recovery Associates V LLC have entered into a parallel investment agreement pursuant to which WLR Recovery Associates V LLC has been appointed as representative and attorney-in-fact of Parallel V to, among other things, exercise all rights, powers and privileges with respect to the common stock held by Parallel V and to take whatever action, including voting such common stock, as WLR Recovery Associates V LLC in its discretion deems necessary or advisable. The address of each of the entities and persons identified in this footnote is c/o WL Ross & Co. LLC, 1166 Avenue of the Americas, New York, NY 10036.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above, the following is a summary of material provisions of various transactions we have entered into with our executive officers, directors, 5% or greater stockholders and entities affiliated with them since January 1, 2017. We believe the terms and conditions set forth in such agreements are reasonable and customary for transactions of this type.

Directed Share Program

At our request, the underwriters have reserved up to 335,936 shares of our common stock offered by this offering circular for sale, at the initial public offering price, to our directors, executive officers, employees and certain other persons who have expressed an interest in purchasing our common stock in this offering. We will offer these shares to the extent permitted under applicable regulations in the United States through a directed share program. See "*Underwriting — Directed Share Program*."

Policies and Procedures Regarding Related Person Transactions

Transactions by the Bank or us with related persons are subject to a formal written policy, as well as regulatory requirements and restrictions. These requirements and restrictions include Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve's Regulation W (which govern certain transactions by the Bank with its affiliates) and the Federal Reserve's Regulation O (which governs certain loans by the Bank to its executive officers, directors, and principal stockholders). We have adopted policies to comply with these regulatory requirements and restrictions.

Arrangements with the WL Ross Funds and the Yucaipa Funds

On September 23, 2011, as amended on April 11, 2012, we entered into a Securities Purchase Agreement with WLR Recovery Fund IV, L.P., WLR IV Parallel ESC, L.P., WLR Recovery Fund V, L.P., and WLR V Parallel ESC, L.P. (the "WL Ross Funds"), whereby the WL Ross Funds purchased, for aggregate cash consideration of $50 million, 262,609 shares of our common stock and, as a result, currently beneficially own 18.72% of our outstanding common stock as of December 31, 2017. Additionally on September 23, 2011, as amended on April 11, 2012, we entered into a Securities Purchase Agreement with Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. (the "Yucaipa Funds" and, collectively with the WL Ross Funds, the "PE Investors"), whereby the Yucaipa Funds purchased, for aggregate cash consideration of $49.9 million, 262,084 shares of our common stock and, as a result, currently beneficially own 18.68% of our outstanding common stock as of December 31, 2017.

Registration Rights Agreement

In connection with the 2012 amendments to the Securities Purchase Agreements with the PE Investors, we entered into a registration rights agreement, dated April 11, 2012, for the benefit of the PE Investors with respect to our common stock sold to the PE Investors in the private placement. This registration rights agreement will remain in effect following this offering. Under the terms of the registration rights agreement, the PE Investors can demand registration of their shares (a "Demand Registration") six months after we complete an initial public offering (the "Demand Registration Period"). However, the registration rights agreement provides that we do not have to effect any Demand Registration: (i) unless the anticipated aggregate offering price, net any underwriting discounts or commission, is at least $10 million; (ii) within 90 days after the effective date of a previous Demand Registration or a previous registration under which the demanding PE Investor had piggyback rights; or (iii) if we have previously received a Demand Registration from another PE Investor, or we have filed a registration statement pursuant to another section of the registration rights agreement, and in either case, the effectiveness of the applicable registration statement is still pending and being diligently pursued. Further, we may postpone any Demand Registration for up to 120 days the filing or the effectiveness of a registration statement for a Demand

Registration if the board determines such postponement is necessary to avoid premature disclosure of a material matter required to be disclosed in the prospectus associated with the registration statement. Each of WL Ross Funds and the Yucaipa Funds also have piggyback registration rights under the registration rights agreement when either the bank or the other investor initiates a registered offering.

The registration rights agreement also required us to file a registration statement with the SEC for an IPO of at least $75,000,000 (a "Qualified Registration Event") not later than October 11, 2014 and to use reasonable best efforts to complete the offering as promptly as practicable thereafter. Although the registration rights agreement provides that the minimum offering size of the IPO is required to be $75,000,000, we are obligated to issue and sell such number of shares as is requested by the managing underwriters for the successful marketing of the offering, so long as the offering would not cause the Workers United Related Parties to collectively cease to own in the aggregate a majority of the outstanding shares of our common stock following the offering.

Investor Rights Agreement with PE Investors

In connection with the 2012 amendments to the Securities Purchase Agreements with the PE Investors, we entered into an investor rights agreement with the PE Investors and certain key holders, including the Workers United Related Parties, which includes Workers United and any joint boards, locals or similar organizations authorized under the constitution of Workers United (the "2012 Investor Rights Agreement"). The 2012 Investor Rights Agreement is currently in effect but will terminate upon the closing of this offering.

Pursuant to the 2012 Investor Rights Agreement, the board of directors must have exactly 15 members, including one director nominated by the WL Ross Funds and one director nominated by the Yucaipa Funds—we requested approval to increase this requirement to 16 directors subsequent to consummation of the New Resource Bank Acquisition. However, if either the WL Ross Funds or the Yucaipa Funds own the lesser of (i) 25% of the original number of shares of common stock held by them or (ii) 5% of the total voting power, then their respective right to designate a board nominee shall terminate, their respective nominee shall resign or be removed, and the size of the board shall be reduced accordingly. The board is required to have an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Compliance Committee, and a Trust Committee at all times, and the nominees of the WL Ross Funds and the Yucaipa Funds are each entitled to serve on at least two committees.

The parties to the 2012 Investor Rights Agreement are entitled to (i) certain information rights, (ii) the right to participate in another party's negotiated sale of its equity in the Bank, and (iii) preemptive rights in certain circumstances. The 2012 Investor Rights Agreement also provides that 60% of the entire board is required for a quorum and requires both the approval of a majority of the entire board and the prior approval of the holders of voting securities representing at least two-thirds of the total voting power then outstanding for the specified actions with respect to the bank or any material subsidiary of the bank. Additionally, the 2012 Investor Rights Agreement requires approval of a majority of the entire board for certain actions with respect to the bank or any material subsidiary of the bank.

Side Letter Agreements with PE Investors

In connection with the termination of the 2012 Investor Rights Agreement, we will enter into a Side Letter Agreement with each of the PE Investors (the "Side Letter Agreements").

The following is a summary of certain provisions of the Side Letter Agreements. For more detail, you should refer to the Side Letter Agreements.

Pursuant to the Side Letter Agreements, so long as a PE Investor and its affiliates own a number of shares representing 5.0% of our Class A Common Stock then outstanding, we shall take all requisite corporate action to effect the nomination of one director designated by such PE Investor (an "Investor Nominee"); provided, however, that in the event that such PE Investor no longer owns 5% of our Class A Common Stock at any time, such PE Investor shall notify us and use its best efforts to have the Investor Nominee immediately resign. The PE Investor who has the right to designate the Investor Nominee shall have the exclusive right to nominate the replacement for an Investor Nominee upon the death, disability, resignation, retirement, disqualification, removal of the Investor Nominee or otherwise, except in the event that such vacancy is created because the PE Investor no longer owns 5.0% of our Class A Common Stock then outstanding.

Pursuant to the Side Letter Agreements, we are required to reimburse any Investor Nominee for expenses incurred by such Investor Nominee in connection with his or her attendance at regular or special meetings of our board, our board committees, the board of one of our subsidiaries, or a committee of the board of one of our subsidiaries. The Side Letter Agreements provide the PE Investors with certain information rights, including audited annual financial statements, unaudited quarterly financial statements, business plans, budgets, projections, and other financial and operating information reports we prepare in the ordinary course of business. Additionally, the Side Letter Agreements provide that we shall maintain directors' and officers' liability insurance and fiduciary liability insurance for each Investor Nominee and each Investor Nominee shall have the right to enter into an indemnification agreement with us.

Each PE Investor is subject to certain confidentiality obligations under the Side Letter Agreements and is entitled to pursue business ventures similar or dissimilar to the business of the Bank and its subsidiaries, even if competitive with the business of the Bank and that shall not be deemed wrongful or improper. However, the PE Investors will be subject to the following policy: a business or corporate opportunity offered to any person who is a director but not an officer of the Bank and who is a director, officer, employee, partner, member or stockholder of a PE Investor or one of its affiliates shall belong to the Bank only if such opportunity is expressly offered to such person in his or her capacity as a director of the Bank, and otherwise shall belong to the PE Investor. Neither the PE Investor nor Investor Nominee will be obligated to refer or present any particular business opportunity to the Bank even if such opportunity is relevant to the Bank or its business. No act or omission by a PE Investor or any of its affiliates in accordance with this policy will be considered contrary to (i) any fiduciary duty that a PE Investor or any of its affiliates may owe to the Bank or to any other stockholder by reason of the PE Investor being a stockholder of the Bank, or (ii) any fiduciary duty a director nominated by a PE Investor who is also a director, officer or employee of the PE Investor or any of its affiliates to the Bank or any of its stockholders.

Arrangements with Workers United

The Bank agreed to pay costs and expenses, including legal fees and expenses, incurred by Workers United in connection with this offering and the negotiation of the 2018 Investor Rights Agreement (discussed below). Through May 31, 2018, the Bank paid offering related expenses to counsel for Workers United of approximately $61,300 and to a consultant of Workers United of approximately $112,150.

Investor Rights Agreement with Workers United

The 2012 Investor Rights Agreement will terminate by its terms upon consummation of this offering as long as the offering is a Qualifying Registration Event. Therefore, to provide for certain agreements with respect to the corporate governance and certain other matters related to the Bank, upon the closing of this offering, we intend to enter into an investor rights agreement upon consummation of this offering and receipt of any necessary regulatory approvals or non-objections (the "2018 Investor Rights Agreement") with the Workers United Related Parties. In addition, the Bank has other banking relationships with Workers United and, as of March 31, 2018, Workers United had $75.8 million of deposits with the bank.

The following is a summary of certain provisions of the 2018 Investor Rights Agreement. For more detail, you should refer to 2018 Investor Rights Agreement.

Pursuant to the 2018 Investor Rights Agreement, so long as the Workers United Related Parties, together with its affiliates and permitted transferees, owns a number of that shares that represent: (i) 10% of the total voting power, the board of directors must have exactly 13 members; and (ii) 20% of the total voting power, the Workers United Related Parties shall have the right to designate the chair of the board of directors.

Additionally, so long as the Workers United Related Parties, together with its affiliates and permitted transferees, owns a number of shares that represents: (i) at least 20% of the total voting power, then the Workers United Related Parties shall have the right to nominate five board members, two of which must be "independent" in accordance with the rules of the Nasdaq and applicable law (an "Independent Nominee"); (ii) between 15% and 19.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate four board members, two of which must be Independent Nominees; (iii) between 10% and 14.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate three board members, one of which must be an Independent Nominee; and (iv) between 5% and 9.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate two board members, one of which must be an Independent Nominee. Pursuant to the 2018 Investors Rights Agreement, we will take all requisite corporate action to effect the nomination of each director named by the Workers United Related Parties. In the event that a Workers United Related Parties nominee resigns as a result of a decrease in its total voting power, the board of directors shall elect an Independent Nominee to fill the vacancy thereby created. If a Workers United Related Parties nominee resigns for any reason other than as a result of a decrease in the total voting power of the Workers United Related Parties, then the Workers United Related Parties shall have the exclusive right to replace such board member.

Under the 2018 Investor Rights Agreement, the board of directors will be required to have an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Credit/Enterprise Risk Committee, and a Trust Committee (each, a "Designated Committee") at all times. Subject to applicable law, regulations and regulatory guidance, if the Workers United Related Parties are entitled to designate two Independent Nominees, then at least one of the Independent Nominees shall serve on each of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee; provided, however, that, in the event the Workers United Related Parties are only entitled to designate one Independent Nominee, that Independent Nominee shall serve on at least two of the Designated Committees. In any event, a board member designated by the Workers United Related Parties shall chair the Trust Committee. In addition, pursuant to the 2018 Investor Rights Agreement, the chair of the board (who may be a Workers United Related Parties nominee) shall be the chair of the Executive Committee.

Pursuant to the 2018 Investor Rights Agreement, the Workers United Related Parties must: (i) have entered into an agreement with the underwriters prior to the date of the 2018 Investor Rights Agreement, pursuant to which the Workers United Related Parties agree not to sell or transfer any share of common stock for 180 days following the closing of this offering without the prior written consent of the underwriters; and (ii) agree not to sell or transfer any share of Class A common stock for a one-year period following the closing of this offering without our written consent. Following the restrictive periods above, the Workers United Related Parties, together with its affiliates and other permitted transferees, may sell their shares privately or to the public in accordance with the limitations comparable to those imposed upon resales by affiliates of a non-bank issuer under Rule 144 promulgated under the Securities Act. Accordingly, beginning one year after completion of this offering, the Workers United Related Parties will be entitled to sell a number of shares of Class A Common Stock within any three-month period that does not exceed the greater of:

- 1.0% of the number of shares of our Class A Common Stock then outstanding, which will equal approximately 15,885 shares (or 317,715 shares of Class A Common Stock giving effect to the Stock Dividend) immediately after this offering;
- the average weekly trading volume in our common stock during the four calendar weeks preceding the date of the sale; provided, however, that the Workers United Related Parties may exceed this volume limitation with the consent of the Bank, which shall not be unreasonably withheld; and

- Sales by the Workers United Related Parties will also be subject to manner of sale provisions comparable to those imposed by Rule 144.

Under the terms of the 2018 Investor Rights Agreement, at any time following the date that is six months after the closing of this offering, the Workers United Related Parties can demand that we prepare an offering circular for an underwritten public offering within 30 days of the Workers United Related Parties' written notice stating its intent to conduct such public offering for all or part of its shares of Class A common stock (a "Demand Offering"). The Workers United Related Parties will be entitled to one Demand Offering in any 90-day period. However, the 2018 Investor Rights Agreement provides that we do not have to effect any Demand Offering unless the anticipated aggregate offering price, net any underwriting discounts or commission, is at least $50 million. Further, we may postpone any Demand Offering for up to 120 days if the board of directors determines such postponement is necessary to avoid premature disclosure of a material matter required to be disclosed in the offering circular, except that we cannot postpone any Demand Offering unless we concurrently (A) require the suspension of sales in the open market by our senior executives and directors in accordance with our insider trading policy and (B) refrain from any public offering and open market purchases during the postponement. If we do postpone the delivery of an offering circular, the Workers United Related Parties shall be entitled to withdraw its request, in which case the offering will not count as one of the permitted Demand Offerings. We must provide written notice to the Workers United Related Parties of any postponement of the delivery of an offering circular.

In the event that the Bank proposes to effect an underwritten offering of its Class A common stock for itself or any other stockholder, the Workers United Related Parties will also have the rights under the 2018 Investor Rights Agreement to participate in that underwritten offering. We are generally responsible for all offering fees and expenses of a Demand Offering or an offering in which the Workers United Related Parties participate, including reimbursement of reasonable attorneys' fees to the Workers United Related Parties, but not including any underwriting discounts or commissions or transfer taxes attributable to the sale of Class A Common Stock in such an offering. The demand and piggyback participation rights granted to the Workers United Related Parties under the 2018 Investor Rights Agreement are intended to be equivalent to those granted to the PE Investors under their existing registration rights agreement.

Additionally, in the event that we prepare an offering circular for the sale of the Workers United Related Parties' class A Common stock in accordance with the provisions described in the preceding paragraphs, we must indemnify the Workers United Related Parties and its officers, directors, employees, and affiliates from claims, damages, liabilities, and expenses that arise out of or are based upon any untrue statement or alleged untrue statement in that offering circular, any omission or alleged omission of a material fact required to be stated therein or necessary to make statements therein not misleading in that offering circular, or any violation of the Exchange Act or "blue sky" laws, except insofar and to the extent as the same are made in reliance and in conformity with information relating to the Workers United Related Parties furnished in writing to us by the Workers United Related Parties expressly for use therein. In the event the Workers United Related Parties provide information and affidavits that we request for use in connection with that offering circular, the Workers United Related Parties must indemnify us and our officers, directors, employees, and affiliates from claims, damages, liabilities, and expenses that arise out of or are based upon any untrue statement or alleged untrue statement in our offering circular, any omission or alleged omission of a material fact required to be stated therein or necessary to make statements therein not misleading in our offering circular, or any violation of the Exchange Act or "blue sky" laws, but only to the extent that the same are made in reliance and in conformity with information relating to the Workers United Related Parties furnished in writing to us by the Workers United Related Parties expressly for use therein.

The Workers United Related Parties also intend to enter into an Ownership Agreement among themselves (the "Ownership Agreement"), pursuant to which they will agree not to transfer any of their Class A Common Stock unless the transfer complies with the 2018 Investor Rights Agreement. Pursuant to the Ownership Agreement, the Workers United Related Parties will also agree that, before offering any of their Class A

Common Stock to an unaffiliated third party, they will first offer the other Workers United Related Parties the opportunity to purchase such shares.

Interests of Certain Directors in the Consolidated Retirement Plan

Workers United, several of its affiliates, and the Bank are participating employers to the Consolidated Retirement Fund (the "CRF"), an ERISA multiemployer plan. Under our bylaws, any decision by the Bank to withdraw, in a complete or partial withdrawal, from the CRF, or to amend its participation in the CRF in a manner materially detrimental to its participants, shall require approval by not less than two thirds of the disinterested board members with such vote to be held at a board meeting at which all board members are given notice and an opportunity to participate in the discussion. In making such decision, the directors shall take into account each of the factors set forth in Section 7015(2) of the New York Banking Law and that the Bank is committed, as part of its mission and marketing efforts, to progressive pay policies for its employees. Each of the following Bank directors is a participant under the CRF and, therefore, directly benefits from the Bank's participation in the CRF: Mr. Bonadonna, Ms. Brown, Ms. Fox, Ms. Hanshew, Ms. Kelly, Mr. Larancuent, Mr. Melman, Mr. Mestrich, and Mr. Romney, Sr. In addition, Ms. Fox (as Chair), Mr. Romney, Sr., Ms. Kelly, Mr. Larancuent, Mr. Melman, and Mr. Mestrich, also serve as trustees of the CRF. The Amalgamated Life Insurance Company is the other principal participant in the CRF. Mr. Romney, Sr., Ms. Hanshew, Mr. Bonadonna, Ms. Fox, Ms. Kelly, and Mr. Melman are board members of The Amalgamated Life Insurance Company. In order to mitigate any potential conflict of interest between their positions as board members and participants in the CRF, these individuals would not be considered disinterested and therefore would not vote on any decision by the Bank to withdraw, in a complete or partial withdrawal, from the CRF, or to amend its participation in the CRF in a manner materially detrimental to its participants. See "*Risk Factors—We participate in a multi-employer non-contributory defined benefit pension plan for both our unionized and non-unionized employees, which could subject us to substantial cash funding requirements in the future*" on page 44 of this offering circular for discussion of the risks regarding the CRF.

DESCRIPTION OF CAPITAL STOCK

The following descriptions include summaries of the material terms of our capital stock. Because it is a summary, it may not contain all the information that is important to you. For a complete description, you should refer to the more detailed provisions of our organization certificate, as amended (our "organization certificate"), and the second amended and restated bylaws (our "bylaws"), and applicable law.

Please note that, with respect to any of our shares held in book-entry form through The Depository Trust Company or any other share depositary, the depositary or its nominee will be the sole registered and legal owner of those shares, and references in this prospectus to any "stockholder" or "holder" of those shares means only the depositary or its nominee. Persons who hold beneficial interests in our shares through a depositary will not be registered or legal owners of those shares and will not be recognized as such for any purpose. For example, only the depositary or its nominee will be entitled to vote the shares held through it, and any dividends or other distributions to be paid, and any notices to be given, in respect of those shares will be paid or given only to the depositary or its nominee. Owners of beneficial interests in those shares will have to look solely to the depositary with respect to any benefits of share ownership, and any rights they may have with respect to those shares will be governed by the rules of the depositary, which are subject to change from time to time. We have no responsibility for those rules or their application to any interests held through the depositary.

General

On July 13, 2018, the Bank amended its organization certificate to change the par value of its common stock from $10.00 per Class A common share to $0.01 per Class A common share and increased its authorized shares of Class A common stock from 2,100,000 shares to 70,000,000 shares. As of the date of this offering circular, the authorized capital stock of Amalgamated consists of 70,000,000 shares of Class A common stock, par value $0.01 per share, 100,000 shares of Class B common stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, par value $0.01 per share. On July 20, 2018, we announced a stock dividend of 20 shares for each share outstanding, which was effected on July 27, 2018. As of July 27, 2018, after giving effect to the Stock Dividend, there were 31,771,584 shares of our Class A common stock issued and outstanding (based on 1,588,579 shares of our Class A common stock actually issued and outstanding) which were held by approximately 181 record holders. No shares of either our Class B common stock or preferred stock are currently outstanding. This summary of the material rights and features of our capital stock does not purport to be exhaustive and is qualified in its entirety by reference to our organization certificate and bylaws, and to applicable New York banking law.

Common Stock

Dividends. Subject to the rights and preferences of the holders of any outstanding shares of preferred stock, dividends may be declared and paid on our common stock (both Class A and Class B) from any lawfully available funds. However, dividends may only be declared by our board of directors and the board's ability to declare dividends is subject to limitations under applicable law and regulation. For more information, see "*Dividend Policy*" and "*Supervision and Regulation – Payment of Dividends*".

Liquidation or Dissolution. In the event of a liquidation, dissolution, or winding-up of Amalgamated, holders of our common stock (both Class A and Class B) are entitled to share equally and ratably in our assets, if any, remaining after the payment of all debts and liabilities (including our deposit liabilities) and the liquidation preference of any outstanding preferred stock.

Voting Powers. Holders of our Class A common stock are entitled to one vote per share on all matters on which the holders of Class A common stock are entitled to vote. Any holders of our Class B common stock would have no voting powers, either general or special, except as otherwise provided by law. Under our bylaws, the holders of a majority of shares issued, outstanding, and entitled to vote, present in person or by proxy, will constitute a quorum to transact business, including the election of directors, except where the vote of a higher percentage of the shares issued, outstanding and entitled to vote is required by our organization certificate or our bylaws, in which case such higher percentage will be necessary to constitute a quorum with respect to the relevant matter. Once a quorum is present, except as otherwise provided by law, our organization certificate, our bylaws or in respect of the election of directors, all matters to be voted on by our stockholders must be approved by a majority of shares constituting a quorum. In the case of an election of directors, where a quorum is present a plurality of the votes cast will be sufficient to elect each director. No holders of our common stock (neither Class A nor Class B) are entitled to cumulative voting.

Preemptive or Other Rights. Generally, our common stockholders have no preemptive rights or other right to purchase, subscribe for or take any part of any shares of capital stock in the Bank of any class or series whatsoever. The outstanding shares of common stock are, and the shares of common stock offered hereby, when issued and delivered against payment therefor, will be, fully paid and nonassessable, except as provided by Section 114 of New York Banking Law. The rights, preferences, and privileges of common stockholders are subject to those of any classes or series of preferred stock that we may issue in the future.

Preferred Stock

On May 30, 2018, we completed the repurchase of the 67 shares of outstanding Series B preferred stock. In accordance with New York banking law, we revised our organization certificate to eliminate the repurchased shares and the Series B preferred stock designation. As such, we currently have no outstanding shares of preferred stock.

We are authorized to issue "blank check" preferred stock, which may be issued in one or more series upon authorization of our board of directors. Our board of directors is authorized to fix the designation of the series, the number of authorized shares of any series, the relative rights, preferences and limitations applicable to each series of preferred stock. The authorized shares of our preferred stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange on which our securities may be listed.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Transfer Restrictions

The shares of common stock currently outstanding were offered and sold pursuant to an exemption from registration under the Securities Act and other exemptions provided by the laws of the United States and other jurisdictions where such securities were offered and sold. Shares of our common stock may only be transferred or sold in compliance with all applicable state, federal and foreign securities laws.

Ownership Limitations

Federal and state banking laws prevent any holder of the Bank's capital stock from acquiring "control" of the Bank, as defined under applicable statutes and regulations, without obtaining the prior approval of the Federal Reserve, the FDIC or the NYDFS, as applicable.

Listing and Trading

Our Class A common stock is not currently listed on any securities exchange. We have applied to list our common stock on The Nasdaq Global Market under the symbol "AMAL."

Anti-takeover Effects

The provisions of our organization certificate and bylaws and the New York Banking Law summarized in the following paragraphs may have anti-takeover effects and may delay, defer, or prevent a tender offer or takeover attempt that a stockholder might consider to be in such stockholder's best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders, and may make removal of management more difficult.

Authorized but Unissued Stock. Upon the affirmative vote or written consent of at least a majority of our entire board of directors, the authorized but unissued shares of Class A common stock, Class B common stock and "blank check" preferred stock will be available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued and unreserved shares of Class A common stock, Class B common stock and preferred stock may enable the board of directors to issue shares to persons friendly to current management, which could render more difficult or discourage any attempt to obtain control of the bank by means of a proxy contest, tender offer, merger or otherwise, and thereby protect the continuity of the bank's management.

Number, Term, and Removal of Directors. Our bylaws provide that the number of directors shall be fixed from time to time by resolution of at least a majority of the directors then in office, but may not consist of fewer than seven nor more than 21 members. In accordance with the 2018 Investor Rights Agreement, we will have 13 directors following the closing of this offering. In an uncontested election, our directors are elected to one-year terms by a majority of the votes, cast at a meeting of stockholders at which a quorum is present by the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. Otherwise, in a contested election, our directors are elected to one-year terms by a plurality vote. Any one or more of our directors may be removed from the board for cause by a majority vote of the stockholders or the board of directors. Our bylaws provide that all vacancies on the board of directors not exceeding one-third of the entire board may be filled by a majority of the remaining directors for the unexpired term. All vacancies exceeding one-third of the entire board will be filled by the vote of a majority of stockholders entitled to vote thereon.

Ability to Call a Special Meeting. Our bylaws provide that a special meeting of the stockholders will be called when requested by at least two-thirds of all outstanding shares entitled to vote at the meeting requested to be called; provided, however, that a stockholder of record must first submit a request in writing to the President that the board fix a record date for the purpose of determining the stockholders entitled to demand that the President call such special meeting. If the board fails to adopt a resolution fixing a record date within 10 days of a proper request, the record date shall be deemed to be 20 days from the President's receipt of the request. A special meeting of the stockholders shall not be called unless stockholders of record as of the record date who hold, in the aggregate, not less than two-thirds of the outstanding shares of the Bank entitled to vote at the meeting requested to be called, promptly provide one or more demands to call such special meeting in writing and in proper form to the President at the principal executive offices of the Bank within 60 days of the record date.

Stockholder Proposals. Our bylaws require that a stockholder who wishes to nominate a director or propose business to be considered by the stockholders at the annual stockholders meeting shall provide proper notice of the nomination or business to be considered to the President not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder must be delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, then the 10th day following the day on which public announcement of the date of such meeting is first made by the Bank. Additionally, a stockholder may nominate a director at a special meeting of the stockholders called for the purpose of electing directors by providing proper notice of such nomination to the President not earlier than the close of business on the 120th day prior to the date of such special meeting and not later than the close of business on the later of the 90th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, then the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board to be elected at such meeting.

Indemnification of Directors, Officers, and Employees

Our bylaws state that we shall, to the fullest extent permitted by applicable law, indemnify each person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of Amalgamated, or serves or served at our request any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding or any appeal therein. We also may advance expenses to any person entitled to indemnification in advance of the final disposition thereof if such person undertakes to (i) repay such amount in full if such person is ultimately found not to be entitled to indemnification and (ii) repay such amount in part to the extent that the expenses so advanced exceeded the amount to which such person was entitled to be indemnified.

In addition to the indemnification required in our bylaws, we may from time to time enter into indemnification agreements with member of our board of directors. These agreements provide for the indemnification of our directors for certain expenses and liabilities incurred in connection with any action, suit, proceeding, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were, or serving at the Bank's request, as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. We believe that these charter and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Limitation of Liability for Directors

Other than the right to indemnification described immediately above, our organization certificate and bylaws do not limit the liability of its directors.

Stockholder Vote on Fundamental Issues

Under New York banking law, a plan of merger by a bank must generally be approved by the affirmative vote of the holders of at least two-thirds of the votes entitled to be cast on the plan regardless of the class or voting group to which the shares belong, and two-thirds of the votes entitled to be cast on the plan within each voting group entitled to vote as a separate voting group on the plan. However, in accordance with New York banking law, a New York bank's stockholders are only entitled to vote on a plan of merger if (i) the total assets of the merging corporation exceed 10% of the total assets of the receiving corporation; (ii) the name or the authorized shares of the receiving corporation changes; or (iii) any other change or amendment to our organization certificate or bylaws of the receiving corporation is made that requires stockholder approval. A corporation's articles of incorporation may require a lower or higher vote for approval, but the required vote must be at least a majority of the votes entitled to be cast on the plan by each voting group entitled to vote separately on the plan. Our organization certificate and bylaws do not alter the default rules of New York law.

UNDERWRITING

Barclays Capital Inc. and J.P. Morgan Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a underwriter agreement among us, the selling stockholders and the underwriters, the selling stockholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the selling stockholders, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
Keefe, Bruyette & Woods, *a Stifel Company*	
Piper Jaffray & Co.	
Raymond James & Associates, Inc.	
Sandler O’Neill & Partners, L.P.	
Total	6,718,729

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The offering of the shares by the underwriters is subject to receipt and acceptance and the underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us and the selling stockholders that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this offering circular and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may re-allow, a discount not in excess of $ per share to other dealers. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to the selling stockholders	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us and the selling stockholders.

Option to Purchase Additional Shares

The selling stockholders have granted an option to the underwriters, exercisable for 30 days after the date of this offering circular, to purchase up to 1,007,809 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Directed Share Program

At our request, the underwriters have reserved up to 5% of the shares of common stock being offered under this offering circular for sale at the initial public offering price to our directors, officers, certain employees and certain other persons associated with us. The sales will be made by J.P. Morgan Securities LLC, an underwriter of this offering, through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares of common stock available to the general public. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock.

No Sales of Similar Securities

We and the selling stockholders, our executive officers and directors and certain of our other existing security holders (including certain stockholders that acquired their shares in connection with the New Resource Bank Acquisition) have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this offering circular without first obtaining the written consent of Barclays Capital Inc. and J.P. Morgan Securities LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- Offer, pledge, sell or contract to sell any common stock,
- Sell any option or contract to purchase any common stock,
- Purchase any option or contract to sell any common stock,
- Grant any option, right or warrant for the sale of any common stock,
- Lend or otherwise dispose of or transfer any common stock,
- Request or demand that we file a registration statement related to the common stock, or
- Enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Nasdaq Stock Market Listing

We have applied to list the shares on the Nasdaq Global Market. In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Before this offering, there has been no established public market for our common stock. The initial public offering price will be determined through negotiations among us, the selling stockholders and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- The valuation multiples of publicly-traded companies that the representatives believe to be comparable to us,

- Our financial information,
- The history of, and the prospects for, our company and the industry in which we compete,
- An assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,
- The present state of our development, and
- The above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option. “Naked” short sales are sales in excess of the option to purchase additional shares. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute offering circulars by electronic means, such as e-mail. In addition, the representatives may facilitate Internet distribution for this offering to certain of their Internet subscription customers. The representatives may allocate a limited number of shares for sale to their online brokerage customers. An electronic offering circular is available on the Internet web site maintained by each of the representatives. Other than the offering circular in electronic format, the information on each of the representatives' website is not part of this offering circular.

Other Relationships

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for the issuer and its affiliates, for which they received or may in the future receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer or its affiliates. If the underwriters or their affiliates have a lending relationship with us, the underwriters or their affiliates routinely hedge, and the underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the shares of common stock offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the shares of common stock offered hereby. The underwriters and certain of their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, in the ordinary course of business, certain of the underwriters in this offering purchase mortgages, including mortgages originated by the Bank. Under certain circumstances disputes could arise based on the representations and warranties made in, and the terms and conditions of, these transactions, and whether any repurchases from the foregoing disputes are required. There are currently no such disputes or requests outstanding for repurchase.

Notice to Investors

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), no offer to the public of the Class A common stock to the public may be made in that Relevant Member State other than under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State, subject to obtaining the prior consent of the Dealer Managers for any such offer; or
3. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Class A common stock shall result in a requirement to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a prospectus supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offer to the public of the Class A common stock" in relation to any Class A common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Class A common stock to be offered so as to enable an investor to decide to purchase or subscribe the Class A common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State; the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Germany

This offering circular does not constitute a prospectus pursuant to Section 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and does therefore not allow any public offering of the Class A common stock in Germany. The Class A common stock may only be offered and sold in Germany in accordance with the exceptions from the prospectus requirement provided for in the German Securities Prospectus Act and any other applicable laws in Germany governing the issue, sale and offering of securities.

Notice to Prospective Investors in the United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")), in connection with the issue or sale of the shares of common stock, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Bank.

Anything done by any person in relation to the shares of common stock in, from or otherwise involving the United Kingdom must only be done in compliance with all applicable provisions of the FSMA.

Notice to Prospective Investors in Switzerland

This document as well as any other material relating to the securities which are the subject of the offering contemplated by this offering circular (the "Shares") does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Shares are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the Shares with the intention to distribute them to the public. The investors will be individually approached by the Issuer from time to time. This document as well as any other material relating to the Shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the Issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland. By accepting this document and any other materials relating to the Shares or by subscribing to the Shares, investors are deemed to have acknowledged and agreed to abide by these restrictions. Investors are advised to consult with their financial, legal or tax advisers before investing in the Shares.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) *of* *the Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering there has been no established public market for our common stock. A significant public market for our common stock may never develop or be sustained. We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of common stock (including shares issued on the exercise of options, warrants or convertible securities, if any) or the perception that such sales could occur, could adversely affect the market price of our common stock and our ability to raise additional capital through a future sale of securities.

Because we are a bank, offers and sales of shares of our common stock are not subject to the registration requirements of the Securities Act. Except for the lock-up agreements (see "*Underwriting*") and the lock-up agreement and resale restrictions applicable to the Workers United Related Parties pursuant to the 2018 Workers United Investor Rights Agreement and certain other stockholders, all of our outstanding shares may be resold without restriction or registration under the Securities Act. After completion of the offering, we will have 31,771,584 shares issued and outstanding (which gives effect to the Stock Dividend). Of these, 13,005,935 shares will be owned by Workers United Related Parties and the remainder will be owned by other investors.

Taking into account the lock-up agreements described below, assuming the underwriters do not release any parties from these agreements and based on information available to the Bank, the following shares will be eligible for sale in the public market at the following times, assuming the successful completion of this offering:

- We believe, beginning on the effective date of this offering, the shares of common stock sold in this offering in addition to approximately 2,106,486 other shares of common stock not subject to lock-up agreements (which are primarily held by certain stockholders that acquired their shares in the New Resource Bank Acquisition), will be immediately available for sale in the public market;
- Beginning 180 days after the date of this offering circular, the expiration date for the lock-up agreements, approximately an additional 9,940,434 shares of common stock (which are held by the PE Investors, executive officers and directors of the Bank, and certain locked-up stockholders that acquired their shares in the New Resource Bank Acquisition) will be eligible for sale; and
- Beginning one year after the close of this offering, the expiration of the transfer restrictions under the 2018 Investor Rights Agreement applicable to the Workers United Related Parties, approximately an additional 13,005,935 shares of our common stock will be eligible for sale, subject to the restrictions described below.

Lock-Up Agreements. In addition, we have received lock-up agreements from certain stockholders of the Bank that acquired their shares in the New Resource Bank Acquisition. See the section entitled "*Underwriting*" for a description of lock-up agreements in connection with this offering.

Registration Rights Agreement. As described under the heading "*Certain Relationships and Related Party Transactions—Registration Rights Agreement*," in connection with our 2012 private placement, we entered into registration rights agreements for the benefit of certain of our stockholders. Under these agreements, we agreed, among other things, to file registration statements that would allow those stockholders to resell the shares of common stock acquired in our private placement transactions.

2018 Investor Rights Agreement. As described under the heading "*Certain Relationships and Related Party Transactions—Arrangements with Workers United*," we anticipate entering into an investor rights agreement pursuant to which we will agree, among other things, to file registration statements that would allow the Workers United Related Parties to resell their shares of common stock following a one-year lock-up in connection with this offering, and the agreement will also contain a restriction on the Workers United Related Parties to sell their shares in accordance with Rule 144 after the expiration of that one-year period.

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

This section summarizes certain United States federal income and estate tax consequences of the purchase, ownership and disposition of shares of our common stock by a non-U.S. holder (as defined below). It applies to you only if you acquire your shares of our common stock in this offering and you hold the shares of our common stock as capital assets for United States federal income tax purposes. You are a non-U.S. holder if you are, for United States federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from our common stock.

This section does not consider the specific facts and circumstances that may be relevant to a particular non-U.S. holder and does not address United States federal alternative minimum tax consequences or the treatment of a non-U.S. holder under the laws of any state, local or foreign taxing jurisdiction. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws (including if you are a United States expatriate, "controlled foreign corporation", "passive foreign investment company", a partnership or other pass-through entity for United States federal income tax purposes, tax-exempt organization, insurance company, bank or other financial institution, dealer in securities, trader in securities that elects to use a mark-to-market method of accounting, person who has acquired our common stock as compensation or otherwise in connection with the performance of services, or person who will hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction). This section is based on the tax laws of the United States, including the Code, existing and proposed Treasury regulations, and administrative and judicial interpretations, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If an entity classified as a partnership for United States federal income tax purposes holds the shares of our common stock, the United States federal income tax treatment of a partner of such partnership will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding shares of our common stock should consult its tax advisor with regard to the United States federal income tax treatment of an investment in our common stock.

You should consult your tax advisor regarding the United States federal tax consequences of acquiring, holding and disposing of shares of our common stock in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

Dividends

If we make a distribution of cash or other property (other than certain distributions of our stock) in respect of our common stock, the distribution generally will be treated as a dividend to the extent of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits will generally be treated first as a tax-free return of capital, on a share-by-share basis, to the extent of your tax basis in our common stock (and will reduce your basis in such common stock), and, to the extent such portion exceeds your tax basis in our common stock, the excess will be treated as gain from the taxable disposition of the common stock, the tax treatment of which is discussed below under "Gain on Taxable Disposition of Common Stock".

Except as described below, if you are a non-U.S. holder, distributions paid to you that are characterized as dividends for United States federal income tax purposes are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. If you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to us or another payor:

- a valid Internal Revenue Service ("IRS") Form W-8BEN or, in the case of a foreign entity stockholder, an IRS Form W-8BEN-E, or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments; or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with Treasury regulations.

If you are eligible for a reduced rate of United States withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid to you are "effectively connected" with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to us or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-United States person; and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

"Effectively connected" dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations.

If you are a corporate non-U.S. holder, "effectively connected" dividends that you receive may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Taxable Disposition of Common Stock

If you are a non-U.S. holder, you generally will not be subject to United States federal income tax on gain that you recognize on a taxable disposition of shares of our common stock unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the United States;
- you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist; or
- we are or have been a United States real property holding corporation for United States federal income tax purposes and, so long as our common stock continues to be regularly traded on an established securities market, you held, directly or indirectly, at any time during the five-year period ending on the date of disposition, more than 5% of our common stock and you are not eligible for any treaty exemption.

If you are a non-U.S. holder and the gain from the taxable disposition of shares of our common stock is effectively connected with your conduct of a trade or business in the United States (and, if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the United States), you will be subject to tax on the net gain derived from the sale at rates applicable to United States citizens, resident aliens and domestic United States corporations. If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. If you are an individual non-U.S. holder described in the second bullet point immediately above, you will be subject to a flat 30% tax, or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate, on the gain derived from the sale, which may be offset by United States source capital losses, even though you are not considered a resident of the United States.

We have not been, are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

FATCA Withholding

Pursuant to sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act and related Treasury regulations and administrative guidance (collectively, "FATCA"), a 30% withholding tax ("FATCA withholding") may be imposed on certain payments to you or to certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such persons fail to comply with certain information reporting requirements. Such payments will include dividends and, after January 1, 2019, the gross proceeds from the sale or other disposition of shares of our common stock. Payments of dividends that you receive in respect of shares of our common stock could be subject to this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold shares of our common stock through a non-U.S. person (e.g., a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding). Payments of gross proceeds from a sale or other disposition of shares of our common stock could also be subject to FATCA withholding unless such disposition occurs before January 1, 2019. You should consult your tax advisor regarding the relevant U.S. law and other official guidance on FATCA withholding.

Backup Withholding and Information Reporting

If you are a non-U.S. holder, we and other payors are required to report payments of dividends on IRS Form 1042-S even if the payments are exempt from United States withholding tax. You are otherwise generally exempt from backup withholding and information reporting requirements with respect to dividend payments and the payment of the proceeds from the sale of shares of our common stock effected at a United States office of a broker provided that either (i) the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished a valid IRS Form W-8BEN or, in the case of a foreign entity stockholder, Form W-8BEN-E, or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of shares of our common stock effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

Currently, the back-up withholding tax rate is 24%. Any amount withheld under the backup withholding rules from a payment to a non-U.S. holder is allowable as a credit against the non-U.S. holder's United States federal income tax, which may entitle the non-U.S. holder to a refund, provided that the non-U.S. holder timely provides the required information to the IRS. Non-U.S. holders should consult with their tax advisors regarding the application of backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding.

In addition, certain foreign brokers may be required to report the amount of gross proceeds from the sale or other taxable disposition of shares of our common stock under FATCA if you are presumed to be a United States person.

Federal Estate Taxes

Shares of our common stock held by a non-U.S. holder at the time of death will be included in the holder’s gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the shares of our common stock by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each a "Plan"), as well as arrangements that are subject to provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to Title I of ERISA or Section 4975 of the Code (such arrangements "Non-ERISA Arrangements", and such provisions "Similar Laws").

THE FOLLOWING IS MERELY A SUMMARY, HOWEVER, AND SHOULD NOT BE CONSTRUED AS LEGAL ADVICE OR AS COMPLETE IN ALL RELEVANT RESPECTS. ALL INVESTORS ARE URGED TO CONSULT THEIR LEGAL ADVISORS BEFORE INVESTING IN US AND TO MAKE THEIR OWN INDEPENDENT DECISION.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such Plan or the management or disposition of the assets of such a Plan, or who renders investment advice for a fee or other compensation to such a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in shares of our common stock with a portion of the assets of any Plan or Non-ERISA Arrangement, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan or Non-ERISA Arrangement and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan or Non-ERISA Arrangement including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest", within the meaning of ERISA, or "disqualified persons", within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, and a prohibited transaction may result in the disqualification of an IRA. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition of shares of our common stock by a Plan with respect to which we or an underwriter is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition of our common stock. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code for the acquisition and the disposition of the common stock, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more and receives no less than "adequate consideration" in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Representation

Accordingly, by acceptance of the shares of our common stock, each purchaser or subsequent transferee of our common stock will be deemed to have represented and warranted either that (i) no portion of such purchaser's or transferee's assets used to acquire such shares constitutes assets of any Plan or (ii) the purchase of our common stock by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

Responsibility for Purchase

Purchasers of our common stock have exclusive responsibility for ensuring that their acquisition and holding of our common stock does not violate the fiduciary or prohibited transaction rules of ERISA or the Code, or any similar provision of applicable Similar Laws. In addition, the foregoing discussion is general in nature, is not intended to be all-inclusive, and is based on laws in effect on the date of this prospectus. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing shares of our common stock on behalf of, or with the assets of, any Plan or Non-ERISA Arrangement consult with counsel regarding the potential applicability of ERISA, Section 4975 of the Code and Similar Laws to such investment and whether an exemption would be applicable to the purchase of shares of our common stock.

LEGAL MATTERS

Nelson Mullins Riley & Scarborough LLP, New York, New York will pass upon the validity of the shares of our Class A common stock offered under this offering circular. Certain legal matters will be passed upon for the underwriters by Sullivan & Cromwell LLP, New York, New York.

EXPERTS

The consolidated financial statements of Amalgamated Bank and subsidiaries as of December 31, 2017 and 2016 and for the years ended December 31, 2017 and 2016 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of this firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the FDIC to register our Class A common stock under Section 12(b) of the Exchange Act. Upon effectiveness of our registration statement, we will be subject to the reporting and other requirements of the FDIC, which are substantially similar to the reporting requirements of the Exchange Act. In accordance with Sections 12, 13 and 14 of the Exchange Act and as a bank that is not a member of the Federal Reserve System, we will file certain reports, proxy materials, information statements and other information with the FDIC, copies of which can be inspected and copied at the public reference facilities maintained by the FDIC, at the Public Reference Section, Room F-6043, 550 17th Street, N.W., Washington, DC 20429. Requests for copies may be made by telephone at (202) 898-8913 or by fax at (202) 898-3909. Certain financial information filed by us with the FDIC is also available electronically at the FDIC's website at http://www.fdic.gov/efr/, which after the offering will include the Exchange Act and certain other filings we make with the FDIC.

We also will maintain an "Investor Relations" page on our website containing additional information about us at http://www.amalgamatedbank.com, which information after the offering will include the Exchange Act filings and certain other filings we make with the FDIC. None of the information about us maintained on the FDIC's website or our website is incorporated into this offering circular by reference.

INDEX TO FINANCIAL STATEMENTS*

Amalgamated Bank and Subsidiaries - Audited Consolidated Financial Statements for the Years Ended December 31, 2017 and 2016

Amalgamated Bank and Subsidiaries - Unaudited Consolidated Financial Statements

* None of the per share amounts that follow in these financial statements have been restated to give effect to the Stock Dividend.

KPMG

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Amalgamated Bank:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial condition of Amalgamated Bank and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 2012.

New York, New York
April 13, 2018

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Financial Condition
As of December 31, 2017 and 2016
(Dollars in thousands)

	2017	2016
Assets		
Cash and due from banks	$ 7,130	$ 7,470
Interest-bearing deposits in banks	109,329	133,165
Total cash and cash equivalents	116,459	140,635
Securities:		
Available for sale, at fair value (includes pledged securities of $265,562 and $898,177, respectively)	943,359	1,174,035
Held-to-maturity (fair value of $9,718 and $10,053, respectively and includes pledged securities of $6,000)	9,601	9,785
Loans receivable, net of deferred loan origination fees	2,815,878	2,544,743
Allowance for loan losses	(35,965)	(35,658)
Loans receivable, net	2,779,913	2,509,085
Federal Home Loan Bank of New York stock, at cost	20,970	30,483
Accrued interest and dividends receivable	11,177	9,711
Premises and equipment, net	22,422	25,521
Bank-owned life insurance	72,960	71,267
Deferred tax asset, net	39,307	49,824
Other real estate owned	1,907	2,946
Other assets	23,087	19,207
Total assets	$4,041,162	$4,042,499
Liabilities and Stockholders' Equity		
Deposits	$3,233,108	$3,009,458
Borrowed funds	402,605	638,870
Accrued interest payable	1,434	2,922
Other liabilities	59,947	50,139
Total liabilities	3,697,094	3,701,389
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock:		
Class B - par value $100,000 per share; 77 shares authorized; 67 shares issued and outstanding	6,700	6,700
Common Stock:		
Class A - par value $10 per share; 2,100,000 shares authorized; 1,403,049 shares issued and outstanding	14,030	14,030
Additional paid-in capital	230,022	230,022
Retained earnings	99,506	93,129
Accumulated other comprehensive loss, net of taxes	(6,324)	(2,905)
Total Amalgamated Bank stockholders' equity	343,934	340,976
Noncontrolling interests	134	134
Total stockholders' equity	344,068	341,110
Total liabilities and stockholders' equity	$4,041,162	$4,042,499

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Income
For the years ended December 31, 2017 and 2016
(Dollars in thousands, except for per share amounts)

	2017	2016
INTEREST AND DIVIDEND INCOME		
Loans	$110,988	$ 97,803
Securities	25,768	26,801
Federal Home Loan Bank of New York stock	1,657	1,411
Interest-bearing deposits in banks	645	637
Total interest and dividend income	139,058	126,652
INTEREST EXPENSE		
Deposits	7,368	6,414
Borrowed funds	10,393	16,886
Total interest expense	17,761	23,300
NET INTEREST INCOME	121,297	103,352
Provision for loan losses	6,672	7,557
Net interest income after provision for loan losses	114,625	95,795
NON-INTEREST INCOME		
Trust department fees	18,526	17,781
Service charges on deposit accounts	7,021	6,846
Bank-owned life insurance	2,004	1,591
(Loss) gain on sale of investment securities available for sale, net	(615)	3,084
Other than temporary impairment (OTTI) of securities, net	(826)	(21)
Gain on sale of loans, net	168	453
Gain on other real estate owned, net	126	858
Other	966	1,198
Total non-interest income	27,370	31,790
NON-INTEREST EXPENSE		
Compensation and employee benefits, net	56,575	59,692
Occupancy and depreciation	18,674	18,903
Professional fees	10,025	10,707
FDIC deposit insurance	2,494	3,667
Data processing	9,199	7,799
Office maintenance and depreciation	4,338	4,200
Advertising and promotion	3,860	4,160
Borrowed funds prepayment fees	7,615	2,019
Other	9,494	5,743
Total non-interest expense	122,274	116,890
Income before provision for income taxes	19,721	10,695
Provision for income taxes	13,613	137
Net income	6,108	10,558
Net income attributable to noncontrolling interests	—	—
Net income attributable to Amalgamated Bank and subsidiaries	$ 6,108	$ 10,558
Earnings per common share - basic and diluted	$ 4.24	$ 7.56

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2017 and 2016
(Dollars in thousands)

	2017	2016
Net income	$ 6,108	$10,558
Other comprehensive (loss) income, net of taxes:		
Net actuarial gain arising during the year	325	32
Reclassification adjustment to pension plans and other postretirement benefits for prior service credit included in net income	(9,834)	(1,288)
Net actuarial gain and prior service credit	(9,509)	(1,256)
Net unrealized gains on securities available for sale:		
Unrealized holding gains	3,311	5,377
Reclassification adjustment for losses (gains) realized in income	1,441	(3,063)
Net unrealized gains	4,752	2,314
Other comprehensive (loss) income, before tax	(4,757)	1,058
Related deferred income tax benefit (expense)	2,023	(465)
Total other comprehensive (loss) income, net of taxes	(2,734)	593
Total comprehensive income, net of taxes	$ 3,374	$11,151

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2017 and 2016
(Dollars in thousands)

	Preferred Stock Class B	Common Stock Class A	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total
Balance at December 31, 2015	$6,700	$13,829	$232,272	$82,599	$(3,498)	$1,084	$332,986
Net income	—	—	—	10,558	—	—	10,558
Dividend declared on AREMCO Sr. Preferred class B shares and Jr. Preferred shares	—	—	—	(22)	—	—	(22)
Redemption of AREMCO class E shares	—	—	—	—	—	(950)	(950)
Issuance of class A common stock	—	303	(303)	—	—	—	—
Redemption of class A common stock	—	(102)	(1,953)	—	—	—	(2,055)
Reclassification of equity from prior years	—	—	6	(6)	—	—	—
Other comprehensive income, net of taxes	—	—	—	—	593	—	593
Balance at December 31, 2016	6,700	14,030	230,022	93,129	(2,905)	134	341,110
Net income	—	—	—	6,108	—	—	6,108
Dividend declared on AREMCO Sr. Preferred class B shares and Jr. Preferred shares	—	—	—	(22)	—	—	(22)
Dividend paid on class A common stock	—	—	—	(260)	—		(260)
Dividend paid on class B preferred stock	—	—	—	(134)	—	—	(134)
Impact of Tax Cuts and Jobs Act related to accumulated other comprehensive income reclassification	—	—	—	685	(685)	—	—
Other comprehensive loss net of taxes	—	—	—	—	(2,734)	—	(2,734)
Balance at December 31, 2017	$6,700	$14,030	$230,022	$99,506	$(6,324)	$ 134	$344,068

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(Dollars in thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 6,108	$ 10,558
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,965	4,331
Deferred income tax (benefit) expense	13,224	(407)
Provision for loan losses	6,672	7,557
Accretion of net deferred loan fees, origination costs and net discount on loans	(690)	(157)
Net amortization on securities	1,392	2,067
Net loss on OTTI recognized in earnings	826	21
Net loss (gain) on sale of securities available for sale	615	(3,084)
Net gain on sale of loans	(168)	(453)
Net gain on sale of other real estate owned	(126)	(858)
Net gain on redemption of bank-owned life insurance	311	—
Proceeds from sales of loans held for sale	4,734	904
Increase in cash surrender value of bank-owned life insurance	(2,004)	(1,591)
Increase in accrued interest and dividends receivable	(1,466)	(453)
(Increase) decrease in other assets	(9,247)	991
Decrease in accrued interest payable	(1,488)	(611)
Increase (decrease) increase in other liabilities	279	(9,554)
Net cash provided by operating activities	23,937	9,261
CASH FLOWS FROM INVESTING ACTIVITIES		
Originations and purchases of loans, net of principal repayments	(288,563)	(251,340)
Purchase of securities available for sale	(418,828)	(430,424)
Proceeds from sales of loans	10,970	—
Purchase of securities held to maturity	(1,100)	—
Maturities, principal payments and redemptions of securities available for sale	252,234	186,941
Proceeds from sales of securities available for sale	399,216	166,974
Maturities, principal payments and redemptions of securities held to maturity	1,257	386
Purchase of bank-owned life insurance	—	(10,000)
Net decrease of Federal Home Loan Bank of New York stock	9,513	720
Purchases of premises and equipment, net	(1,866)	(2,526)
Proceeds from sale of other real estate owned	2,063	4,308
Net cash used in investing activities	(35,104)	(334,961)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	223,650	275,974
Net (decrease) in FHLB advances	(201,625)	(13,150)
Net (decrease) in repurchase agreements	(34,645)	(40,000)
Net increase in federal funds purchased	5	—
Redemption of Class A common stock	—	(2,055)
Redemption of non-controlling interest	—	(950)
Cash dividends paid	(394)	—
Net cash (used in) provided by financing activities	(13,009)	219,819
Decrease in cash and equivalents	(24,176)	(105,881)
Cash and cash equivalents at beginning of year	140,635	246,516
Cash and cash equivalents at end of year	$ 116,459	$ 140,635
Supplemental disclosures of cash flow information:		
Interest paid during the year	$ 19,249	$ 23,911
Income taxes paid (refunded) during the year	$ 1,144	$ (754)
Schedule of noncash investing activities:		
Loans transferred to other real estate owned	$ 898	$ 4,385

See accompanying notes to consolidated financial statements

ORGANIZATION, BACKGROUND AND RECENT DEVELOPMENTS

Amalgamated Bank (Bank), headquartered in New York City, is a New York State chartered, interstate commercial bank with trust powers whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). The Bank was founded in 1923 by the Amalgamated Clothing Workers of America that, through intervening mergers, later became Workers United. The Bank is principally regulated by the FDIC and the New York State Department of Financial Services and undergoes periodic examinations by each. The Bank is also subject to regulation by certain other banking authorities in states or districts where the Bank maintains branches. In addition to New York, the Bank has a branch in Washington, D.C. The Bank's commercial banking and trust businesses are national in scope. The Bank provides a full range of banking services to individual and corporate customers and competes with banking and financial institutions in its markets. The Bank is party to a collective bargaining agreement covering approximately 33% of its employees.

Significant subsidiaries of the Bank include the following:

Amalgamated Real Estate Management Company (AREMCO) **-** AREMCO is a consolidated real estate investment trust (REIT) subsidiary in which the Bank owns all outstanding common shares, substantially all outstanding preferred shares and controls the operations. As of December 31, 2017, AREMCO had Class B Senior Preferred Stock and Junior Preferred Stock owned by shareholders other than the Bank recorded at $134,000 which are reflected in the accompanying financial statements. On December 30, 2016, the Bank repurchased all of the outstanding Class E Senior Preferred Stock at face value for $950,000.

A summary of notable developments in 2017 and 2016 follows:

AREMCO Dividend Declaration **–** In December 2017, the Board of Directors of AREMCO declared a dividend to be paid to shareholders on January 25, 2018. The dividend encompassed the outstanding tranches of AREMCO stock as follows; $2,336.95 per share of Class A senior preferred stock, $5.00 per share of Class B senior preferred stock, and $80.00 per share of junior preferred stock. The dividend payable was approximately $22,000 as of December 31, 2017 and was recorded as an adjustment to retained earnings within the Consolidated Statements of Financial Condition.

Bank Dividend Payment **–** In August 2017 the Bank declared and paid an ordinary dividend to its Class A common stock shareholders and its Class B preferred stock shareholders. The dividend encompassed the outstanding tranches of Bank stock as follows; $0.19 per share of Class A common stock, $2,000.00 per share of Class B preferred stock. The dividends paid were $260,000 and $134,000, respectively and were recorded as adjustments to retained earnings within the Consolidated Statements of Financial Condition.

Bank-Owned Life Insurance (BOLI) Purchases **–** In March 2016, the Bank purchased a $10,000,000 policy from an independent issuer, adding to its previously existing portfolio of policies. The Bank is the owner and beneficiary of these policies which cover certain employees. The policies are recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement. The Bank recorded $2,004,000 in income from these policies in 2017 as compared to $1,590,000 in 2016. However, the 2017 BOLI income contained $311,000 of recorded death benefit gains. There were no such gains in 2016. The BOLI policies are recorded within the Consolidated Statements of Financial Condition.

Branch Closures **–** In December of 2016 and April of 2017, the Board of Directors of the Bank formally approved the decision to close two under-performing branches located in Pasadena, California and Manhattan, New York, respectively. Subsequent to the Board's approval, management notified and received approval from the relevant regulatory authorities. The branches were closed in April of 2017 and the leases were terminated in December of 2017. The Bank incurred related branch exit expense of $2,105,000 in 2017.

In August of 2016, the Board of Directors of the Bank formally approved the decision to close an under-performing branch located in Manhattan, New York. Subsequent to the Board's approval, management notified and received approval from the relevant regulatory authorities in New York. The branch was closed in December of 2016 and the Bank incurred related branch exit expense of $947,000. In August of 2016, the Bank completed the exit of one of its previously closed New York branches and incurred related branch exit expense of $73,000.

The following table summarizes the Bank's total branch exit expense that is recorded within the Consolidated Statements of Income line items as follows:

	2017	2016
Compensation and employee benefits, net	$ 229,000	$ —
Occupancy	1,876,000	1,020,000
Total	$2,105,000	$1,020,000

Prior Pension Service Cost Recapture – In 2012 the Bank made a change in postretirement benefits for current and former employees that reduced future benefits and resulted in a curtailment of the current liability associated with the existing benefit plan. The result of this curtailment was a reduction in expense that was recorded in other comprehensive income and expected to accrete into income over the following 14 years based on actuarial calculations.

In April 2017, the Bank cancelled the remaining portion of this post-retirement plan for current employees which resulted in the recapture of most of the remaining expense recorded in other comprehensive income. The impact was a reduction in employee benefit expense of $9,838,000 in the second quarter of 2017. This recapture is further disclosed in Note 13, Employee Benefit plans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Accounting Policy, Consolidation and the Use of Estimates

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

The accompanying consolidated financial statements include the accounts of the Bank and its majority-owned and wholly-owned subsidiaries. All significant inter-company transactions and balances are eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statement, as well as the reported amounts of revenues and expenses during the reporting period. In particular, estimates and assumptions are used in measuring the fair value of certain financial instruments, determining the appropriateness of the allowance for loan losses, evaluating potential other-than-temporary securities impairment, assessing the ability to realize deferred tax assets, and the fair value of stock appreciation rights. Estimates and assumptions are based on available information and judgment; therefore actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks, interest-bearing deposits in other banks and federal funds sold with original maturities of three months or less. The Bank had $5,012,000 and $5,602,000 of cash deposits in other banks in excess of the FDIC insurance limits as of December 31, 2017 and December 31, 2016, respectively. This exposure is monitored as part of the Bank's counterparty credit review which is conducted at least annually.

Securities

Purchases of equity securities that have readily determinable fair values and all investments in debt securities are designated as either trading, available for sale or held to maturity depending on the intent and ability to hold the securities. The initial designation is made at the time of purchase. During the years ended December 31, 2017 and 2016, there were no transfers of securities between the trading, available for sale or held to maturity categories. Additionally, as of December 31, 2017 and December 31, 2016, the Bank had no securities designated as trading.

Securities available for sale are carried at fair value, with any net unrealized appreciation or depreciation in fair value reported net of taxes as a component of accumulated other comprehensive income (loss) in stockholders' equity. Debt securities held to maturity are carried at amortized cost provided management does not have the intent to sell these securities and does not anticipate that it will be necessary to sell these securities before the full recovery of principal and interest, which may be at maturity.

Management conducts a periodic evaluation of securities available for sale and held to maturity to determine if the amortized cost basis of a security has been other-than-temporarily impaired (OTTI). The evaluation of other-than-temporary impairment is a quantitative and qualitative process, which is subject to risks and uncertainties. If the amortized cost of an investment exceeds its fair value, management evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than amortized cost, the probability of a near-term recovery in value, whether management intends to sell the security and whether it is more likely than not that the Bank will be required to sell the security before full recovery of the investment or maturity. Management also considers specific adverse conditions related to the financial health, projected cash flow and business outlook for the investee, including industry and sector performance, operational and financing cash flow factors and rating agency actions.

For equity securities, once a decline in fair value is determined to be other than temporary, an impairment charge is recorded through current earnings based upon the estimated fair value of the security at time of impairment and a new cost basis in the investment is established. For debt investment securities deemed to be other-than-temporarily impaired, the investment is written down to fair value with the estimated credit loss charged to current earnings and the noncredit-related impairment loss charged to other comprehensive income. If market, industry and/or investee conditions deteriorate, the Bank may incur future impairments.

Premiums (discounts) on debt securities are amortized (accreted) to income using the level yield method to the contractual maturity date adjusted for actual prepayment experience.

Realized gains and losses on sale of securities are determined using the specific identification method and are reported in non-interest income.

Loans Held for Sale

Loans held for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to current earnings. Gains or losses resulting from sales of loans held for sale, net of unamortized deferred fees and costs, are recognized at the time of sale and are included in gains on sales of loans, net on the Consolidated Statements of Income. The Bank had $4,186,000 of loans classified as held for sale as of December 31, 2017 comprised of non-performing residential loans from our purchased mortgage portfolio. In 2016, the Bank had $569,000 of loans classified as held for sale comprised of originated residential mortgages. Loans held for sale are included in other assets in the Consolidated Statements of Financial Condition.

Loans and Loan Interest Income Recognition

Loans are stated at the principal amount outstanding, net of partial charge-offs, deferred origination costs and fees and purchase premiums and discounts. Loan origination and commitment fees and certain direct and indirect costs incurred in connection with loan originations are deferred and amortized to income over the life of the related loans as an adjustment to yield. Premiums on purchased mortgages are amortized to income using the level yield method.

Interest on loans is generally recognized on the accrual basis. Interest is not accrued on loans that are more than 90 days delinquent and any interest that was accrued but not received on such loans is reversed from interest income once the loan becomes 90 days delinquent or is deemed to be uncollectible. Interest subsequently received on such loans is recorded as interest income or alternatively as a reduction in the amortized cost of the loan if there is significant doubt as to the collectability of the unpaid principal balance. Loans are returned to accrual status when principal and interest amounts contractually due are brought current and future payments are reasonably assured.

A loan is impaired when, based on current information and events, it is probable that the Bank will not be able to collect all amounts due, both principal and interest, according to the contractual terms. Individual loans which are deemed to be impaired are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or at the loan's observable market price or the fair value of the collateral net of estimated selling costs if the loan is collateral dependent. Individual loan impairment evaluation is generally limited to multifamily, commercial real estate, commercial and industrial, construction and certain restructured 1-4 family residential loans. Smaller balance homogenous loans including home equity lines of credit and consumer loans, as well as non-restructured 1-4 family residential loans, are collectively evaluated for impairment. When assessing such homogenous loans for impairment, management considers regulatory guidance concerning the classification and management of retail credits. The aggregate amount of individually and collectively measured loan impairment is included as a component of the allowance for loan losses.

Loans are considered Troubled Debt Restructurings (TDRs) if the borrower is experiencing financial difficulty and is afforded a concession by the Bank, such as, but not limited to: (i) payment deferral; (ii) a reduction of the stated interest rate for the remaining contractual life of the loan; (iii) an extension of the loan's original contractual term at a stated interest rate lower than the current market rate for a new loan with similar risk; (iv) capitalization of interest; or (v) forgiveness of principal or interest. Generally, TDRs are placed on non-accrual status (and reported as non-performing loans) until the loan qualifies for return to accrual status. A TDR loan is considered impaired. A loan extended or renewed at a stated interest rate equal to the market interest rate for new debt with similar risk is not considered to be a TDR.

Allowance for Loan Losses

The allowance for loan losses ("allowance") is a valuation allowance for probable incurred credit losses. The Bank monitors its entire loan portfolio on a regular basis and considers numerous factors including (i) end-of-period loan levels and portfolio composition, (ii) observable trends in non-performing loans, (iii) the Bank's historical loan loss experience, (iv) known and inherent risks in the portfolio, (v) underwriting practices, (vi) adverse situations which may affect the borrower's ability to repay, (vii) the estimated value and sufficiency of any underlying collateral, (viii) credit risk grading assessments, (ix) loan impairment, and (x) economic conditions.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. Additions to the allowance are charged to expense, and realized losses, net of recoveries, are charged to the allowance. Based on the determination of management, the overall level of allowance is periodically adjusted to account for the inherent and specific risks within the entire portfolio. Based on review of the classified loans and the overall allowance levels as they relate to the entire loan portfolio at December 31, 2017, management believes the allowance is adequate.

Generally, a loan is considered a potential charge-off when it is in default of either principal or interest for a period of 180 days as of the end of the prior month. Depending on loan type, a charge-off may be considered sooner than the 180-day period. In addition to delinquency criteria, other triggering events may include, but are not limited to, notice of bankruptcy by the borrower or guarantor, death of the borrower, and deficiency balance from the sale of collateral.

Some financial instruments, such as loan commitments, credit lines, letters of credit, and overdraft protection, are issued to meet customer financing needs. These are agreements to provide credit or to support the credit of others, as long as conditions established in the contract are met, and usually have expiration dates. Commitments may expire without being used. Off-balance sheet risk to credit loss exists up to the face amount of these instruments, although material losses are not anticipated. The same credit policies are used to make such commitments as are used for loans, often including obtaining collateral at exercise of the commitment. An allowance is calculated and recorded in other liabilities within the Consolidated Statements of Financial Condition.

While management uses available information to recognize losses on loans, future additions or reductions to the allowance may be necessary due to changes in one or more evaluation factors; management's assumptions as to rates of default, loss or recovery, or management's intent with regard to disposition. A shift in lending strategy may warrant a change in the allowance due to a changing credit risk profile. In addition, various regulatory agencies, as an integral part of the examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to, or charge-offs against, the allowance based on their judgment about information available to them at the time of their examination.

Other Real Estate Owned

Other real estate owned ("OREO") properties acquired through, or in lieu of, foreclosure are recorded initially at fair value less costs to sell. Any write-down of the recorded investment in the related loan is charged to the allowance for loan losses upon transfer to OREO. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Costs relating to the development and improvement of other real estate owned are capitalized. Costs relating to holding other real estate owned, including real estate taxes, insurance and maintenance, are charged to expense as incurred.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation of furniture, fixtures, and equipment is computed by the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are generally depreciated over ten years. Equipment, computer hardware and computer software are normally depreciated over three to seven years. Amortization of leasehold improvements is computed by the straight-line method over their estimated useful lives or the terms of the leases, whichever is shorter. Repairs and maintenance are charged to expense as incurred.

Bank-Owned Life Insurance

The Bank invests in bank-owned life insurance (BOLI). BOLI involves the purchase of life insurance policies by the Bank on a chosen group of employees. The Bank is the owner and beneficiary of the policies. The insurance and earnings thereon is used to offset a portion of future employee benefit costs. BOLI is carried at the cash surrender value of the underlying policies. Earnings from BOLI, as well as changes in cash surrender value, are recognized as non-interest income.

Securities Sold Under Agreements to Repurchase

The Bank enters into sales of securities under agreements to repurchase with selected security dealers and commercial banks. The counterparties have agreed to sell, and the Bank has agreed to repurchase, the same securities at maturity of the agreements. Such transfers are accounted for as secured financing transactions since the Bank maintains effective control over the transferred securities and the transfers do not otherwise satisfy the criteria for sale accounting. Securities transferred pursuant to such agreements remain reflected as an asset in the Bank's Consolidated Statements of Financial Condition while the proceeds received are reflected as a liability to the counterparty. As December 31, 2017 and 2016 none of the Bank's repurchase agreements represented repurchase-to-maturity transactions.

Advertising Costs

The Bank expenses advertising and promotion costs as incurred.

Income Taxes

There are two components of income tax expense: current and deferred. Current income tax expense (benefit) approximates cash to be paid (refunded) for income taxes for the applicable period. Deferred income tax expense (benefit) results from differences between assets and liabilities measured for financial reporting and for income-tax return purposes.

The Bank records as a deferred tax asset on its balance sheet an amount equal to the tax credit and tax loss carry-forwards and tax deductions (tax benefits) that we believe will be available to us to offset or reduce the amounts of our income taxes in future periods. Under applicable federal and state income tax laws and regulations, such tax benefits will expire if not used within specified periods of time. Accordingly, the ability to fully utilize our deferred tax asset may depend on the amount of taxable income that we generate during those time periods. At least once each year, or more frequently, if warranted, we make estimates of future taxable income that we believe we are likely to generate during those future periods. If we conclude, on the basis of those estimates and the amount of the tax benefits available to us, that it is more likely than not that we will be able to fully utilize those tax benefits prior to their expiration, we recognize the deferred tax asset in full on our balance sheet. If, however, we conclude on the basis of those estimates and the amount of the tax benefits available to us that it has become more likely than not that we will be unable to utilize those tax benefits in full prior to their expiration, then we would establish (or increase any existing) a valuation allowance to reduce the deferred tax asset on our balance sheet to the amount which we believe we are more likely than not to be able to utilize. Such a reduction is implemented by recognizing a non-cash charge that would have the effect of increasing the provision, or reducing any benefit, for income taxes that we would otherwise have recorded in our Consolidated Statements of Income. The determination of whether and the extent to which we will be able to utilize our deferred tax asset involves management judgments and assumptions that are subject to period-to-period changes as a result of changes in tax laws, changes in the market, or economic conditions that could affect our operating results or variances between our actual operating results and our projected operating results, as well as other factors.

When measuring the amount of current taxes to be paid (or refunded) management considers the merit of various tax treatments in the context of statutory, judicial and regulatory guidance. Management also considers results of recent tax audits and historical experience. While management considers the amount of income taxes payable (or receivable) to be appropriate based on information currently available, future additions or reductions to such amounts may be necessary due to unanticipated events or changes in circumstances. Management has not taken, and does not expect to take, any position in a tax return which it deems to be uncertain.

Interest and penalties, if any, related to the underpayment of income taxes are recorded as a component of non-interest expense in the Consolidated Statements of Income.

Post-Retirement Benefit Plans

The Bank sponsors several post-retirement benefit plans for current and former employees. Contributions to the trustee of a multi-employer defined benefit pension plan are recorded as expense in the period of contribution. Plan obligations and related expenses for other post retirement plans are calculated using actuarial methodologies. The measurement of such obligations and expenses requires management to make certain assumptions, in particular the discount rate, which is evaluated on an annual basis. Other factors include retirement patterns, mortality and turnover assumptions. The Bank uses a December 31 measurement date for its post retirement benefit plans.

Long-term Incentive Plan

The Bank administers a Board approved stock appreciation rights (SARs) plan to provide for the grant of long-term incentive awards to its executive management team and directors. The Bank accounts for its SARs plan under FASB ASC No. 718 which requires the recording of compensation cost for SARs granted to employees in return for employee service. The cost is measured using the fair value of the awards and is expensed over the employee service period, which is normally the vesting period of the awards. As of December 31, 2017 and December 31, 2016, SARs were available for exercise using a price per share of $293.00 and $275.00, respectively. The Bank's SARs plan is further described in Note 14, Employee Benefit Plans.

Other Activity

As part of the Bank's trust department activities, the department manages a private equity fund through a subadvisor from which the Bank is entitled to receive a performance fee contingent on the Fund's performance upon liquidation of the Fund. As of December 31, 2016 the Fund recorded a liability to the Bank in the amount of $460,800 which represents the performance fee the Bank would be entitled to if all assets of the Fund were liquidated as of that date at their then estimated value. The Bank evaluated the realizability of this receivable in accordance with the Securities and Exchange issued Staff Accounting Bulletin No. 104 which provides additional guidance around revenue recognition for fee based arrangements. Given the illiquid nature of the underlying Fund investments, significant fluctuations in price over the year and the contingent payment being received based on the remaining value in the Fund upon liquidation, which also includes meeting all other obligations of the Fund, the Bank determined that this receivable is uncertain at this time and has not recorded it in the Consolidated Financial Statements.

While the Fund has not determined the contingent payment to the Bank as of December 31, 2017, it has provided an estimated statement amount of $500,300. The Bank has not recorded this amount as of December 31, 2017 under the same view as the December 31, 2016 receivable discussed above. The Bank will begin to record a receivable and the corresponding revenue associated with this performance fee if and when the expected receipt of payments are determined to be an appropriate receivable in accordance with the Fund's payout structure.

Subsequent Events

The Bank has evaluated subsequent events for recognition or disclosure through April 13, 2018, the date the Consolidated Financial Statements were available to be issued. In December 2017, the Bank announced a definitive agreement to acquire New Resource Bancorp in a 100% stock transaction. New Resource Bancorp is based in San Francisco, California and had approximately $349,000,000 in assets as of December 31, 2017. NRB has one branch in San Francisco and a loan production office in Boulder, Colorado. New Resource shareholders will receive 0.0315 shares of Amalgamated Bank stock for every share of New Resource Bancorp stock. As of the issuance date, the agreement remains subject to regulatory approval and approval by New Resource Bancorp shareholders. The agreement had no impact on the Consolidated Financial Statements.

3. NEW ACCOUNTING PRONOUNCEMENTS

In October 2017, the AICPA issued clarification guidance with regard to the definition of a Public Business Entity (PBE). In accordance with FASB Accounting Standards Update (ASU) No. 2013-12, "Definition of a Public Business Entity - An Addition to the Master Glossary", the FASB Accounting Standards Codification (ASC) glossary was amended to include one definition of public business entity (PBE) in future use of accounting principles generally accepted in the United States of America (U.S. GAAP). This update does not affect previously existing requirements. Accordingly, the Bank has evaluated the impact of this update on its previous status as a non-PBE and has concluded the Bank now qualifies as a PBE. As a result, the Bank now evaluates all accounting pronouncements and related effective dates as a public business entity.

Adoption of New Accounting Standards and Newly Issued Not Yet Effective Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" which implements a common revenue standard that clarifies the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. While the guidance in ASU 2014-09 supersedes most existing industry-specific revenue recognition accounting guidance, most of the Bank's revenue comes from financial instruments, i.e. loans and securities, which are not within the scope of ASU 2014-09. The Bank determined its trust advisory fee service agreements and retail banking service charges on deposit accounts within non-interest income are in scope of the amended guidance. As a result of the Bank's assessment of revenue recognition, it has determined the recognition, measurement and presentation of services charges on deposit accounts and fees for trust advisory services is in compliance with the amended guidance. The Bank has not identified any material differences in the amount and timing of revenue recognition for these revenue streams that are within the scope of ASU 2014-09. The Bank adopted the guidance in the first quarter of 2018, using the modified retrospective method of adoption. Adoption did not have a material impact on the Bank's Consolidated Financial Statements.

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" which amended existing guidance to allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act ("Tax Act"). Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption, including adoption in an interim period, permitted. The Bank adopted ASU 2018-02 at December 31, 2017 and reclassified $685,000 from accumulated other comprehensive loss to retained earnings.

In March 2016, the FASB issued ASU 2016-09, "Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting" simplifies several aspects of the stock compensation guidance in Topic 718 and other related guidance. The amendments focus on income tax accounting upon vesting or exercise of share-based payments, award classification, liability classification exception for statutory tax withholding requirements, estimating forfeitures, and cash flow presentation. ASU 2016-09 is effective for the Bank for annual reporting periods beginning after December 15, 2017 and did not have any impact on the Bank's Consolidated Financial Statements upon adoption.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments - Overall (Subtopic 825-10) – Recognition and Measurements of Financial Assets and Financial Liabilities" which requires that: (i) equity investments with readily determinable fair values must be measured at fair value with changes in fair value recognized in net income, (ii) equity investments without readily determinable fair values must be measured at either fair value or at cost adjusted for changes in observable prices minus impairment with changes in value recognized in net income, (iii) entities that record financial liabilities at fair value due to a fair value option election recognize changes in fair value in OCI if it is related to instrument-specific credit risk, and (iv) entities must assess whether a valuation allowance is required for deferred tax assets related to available-for-sale debt securities. ASU No. 2016-01 is effective for annual reporting periods beginning after December 15, 2017 and did not have any effect on the Bank's Consolidated Financial Statements upon adoption.

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)". The new lease accounting standard requires the recognition of a right of use asset and related lease liability by lessees for leases classified as operating leases under current GAAP. Topic 842, which replaces the current guidance under Topic 840, retains a distinction between finance leases and operating leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by lessee also will not significantly change from current GAAP. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize right of use assets and lease liabilities. The standard is effective for annual reporting periods beginning after December 15, 2018. A modified retrospective transition approach must be applied for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Transition accounting for leases that expired before the earliest comparative period presented is not required. Based on leases outstanding at December 31, 2017, the Bank does not anticipate a material impact on the Bank's Consolidated Statements of Income, but does anticipate an increase in the Consolidated Statements of Financial Condition as a result of recognizing right of use assets and lease liabilities.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" which clarifies on how certain cash receipts and cash payments should be classified and presented in the statement of cash flow. The ASU includes guidance on eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The ASU is effective for annual reporting periods beginning after December 15, 2017 and it should be applied using a retrospective transition method to each period presented. This standard is not expected to have a significant impact on the presentation of the Bank's Consolidated Statements of Cash Flows.

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 also provides for recording credit losses on available for sale debt securities through an allowance account. ASU 2016-13 also requires certain incremental disclosures. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2019. The Bank is currently evaluating the impact of the ASU on the Bank's Consolidated Financial Statements.

4. OTHER COMPREHENSIVE INCOME (LOSS)

The Bank 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. 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 Bank 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:

Years Ended December 31, (in thousands)	**2017**	**2016**
Change in post retirement obligation	$(9,585)	$(1,151)
Change in other benefit obligation	76	(105)
Change in total benefit obligation, before taxes	(9,509)	(1,256)
Income tax effect	3,870	450
Net Change in Total Benefit Obligation	$(5,639)	$ (806)
Unrealized holding gains on available for sale securities	$ 3,311	$ 5,377
Reclassification adjustment for losses (gains) realized in income	1,441	(3,063)
Change in unrealized gains on available for sale securities	4,752	2,314
Income tax effect	(1,847)	(915)
Net Change in unrealized gains on available for sale securities	**2,905**	**1,399**
Total	$(2,734)	$ 593

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

Details about Accumulated Other Comprehensive Income (Loss) (in thousands)	Balance as of January 1, 2017	Current Period Change	Income Tax Effect	Impact of Tax Act	Balance as of December 31, 2017
Unrealized gains (losses) on Benefits Plans	$ 2,861	$(9,509)	$ 3,870	$ (77)	$(2,855)
Unrealized (losses) gains losses on available for sale securities	(5,766)	4,752	(1,847)	(608)	(3,469)
Total	$(2,905)	$(4,757)	$ 2,023	$(685)	$(6,324)

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

Years Ended December 31, (in thousands)	2017	2016	Affected Line Item in the Consolidated Statements of Income
Realized losses (gains) on sale of available for sale securities	$ 615	(3,084)	(Loss) gain on sale of investment securities available for sale, net
Recognized losses on OTTI securities	826	21	Other than temporary impairment (OTTI) of securities, net
Income tax (benefit) expense	(397)	1,207	Provision for income taxes
Total reclassification, net of income tax	$ 1,044	(1,856)	
Prior service credit on pension plans and other postretirement benefits	$(9,834)	(1,288)	Compensation and employee benefits, net
Income tax expense	3,870	450	Provision for income taxes
Total reclassification, net of income tax	$(5,964)	(838)	
Total reclassifications, net of income tax	$(4,920)	(2,694)	

5. INVESTMENT SECURITIES

The amortized cost and fair value of investment securities available for sale and held to maturity as of December 31, 2017 are as follows:

	December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Available for sale:				
Mortgage-related:				
GSE residential certificates	$107,893	$ 143	$(1,586)	$106,450
GSE CMOs	171,761	599	(3,138)	169,222
Non-GSE residential certificates	63,194	41	(277)	62,958
GSE commercial certificates	232,585	370	(1,974)	230,981
Non-GSE commercial certificates	31,698	92	(6)	31,784
	607,131	1,245	(6,981)	601,395
Other debt:				
U.S. Treasury	200	—	(2)	198
GSE obligations	—	—	—	—
ABS	275,265	1,694	(140)	276,819
Trust preferred	24,927	—	(1,629)	23,298
Corporate	27,459	1,027	—	28,486
Other	1,000	—	(1)	999
	328,851	2,721	(1,772)	329,800
Equity:				
Access Capital Equity Fund	12,164	—	—	12,164
	12,164	—	—	12,164
Total available for sale	$948,146	$3,966	$(8,753)	$943,359
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 5,079	$ 86	$ —	$ 5,165
GSE residential certificates	824	36	—	860
Non-GSE commercial certificates	398	24	—	422
	6,301	146	—	6,447
Other debt	3,300	—	(29)	3,271
Total held to maturity	$ 9,601	$ 146	$ (29)	$ 9,718

As of December 31, 2017, available for sale and held to maturity securities with a fair value of $265,562,000 and $6,000,000, respectively were pledged to the Federal Home Loan Bank of New York to secure outstanding advances, letters of credit and to provide additional borrowing potential.

The amortized cost and fair value of investment securities available for sale and held to maturity as of December 31, 2016 are as follows:

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Available for sale:				
Mortgage-related:				
GSE residential certificates	$ 139,445	$ 413	$ (2,095)	$ 137,763
GSE CMOs	273,399	252	(3,860)	269,791
Non-GSE residential certificates	53,074	4	(281)	52,797
GSE commercial certificates	269,871	721	(1,896)	268,696
Non-GSE commercial certificates	102,963	295	(288)	102,970
	838,752	1,685	(8,420)	832,017
Other debt:				
U.S. Treasury	200	—	—	200
GSE obligations	45,691	243	—	45,934
ABS	213,539	668	(440)	213,767
Trust preferred	36,846	—	(3,411)	33,435
Corporate	34,492	863	—	35,355
Other	1,054	1	(1)	1,054
	331,822	1,775	(3,852)	329,745
Equity:				
Access Capital Equity Fund	13,000	—	(727)	12,273
	13,000	—	(727)	12,273
Total available for sale	$1,183,574	$3,460	$(12,999)	$1,174,035
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 5,115	$ 195	$ —	$ 5,310
GSE residential certificates	916	35	—	951
	6,031	230	—	6,261
Other debt	3,754	38	—	3,792
Total held to maturity	$ 9,785	$ 268	$ —	$ 10,053

The following 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 December 31, 2017. 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	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
Due within one year	$ 7,015	$ 7,201	$2,200	$2,200
Due after one year through five years	21,653	21,833	1,100	1,071
Due after five years through ten years	138,621	138,833	—	—
Due after ten years	161,562	161,933	—	—
	$328,851	$329,800	$3,300	$3,271

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

	Year Ended December 31,	
	2017	2016
	(In thousands)	
Proceeds	$ 399,216	$ 166,974
Realized gains	$ 1,902	$ 3,084
Realized losses	(2,517)	—
Net realized (loss) gain	$ (615)	$ 3,084

The Bank controls and monitors inherent credit risk in its securities portfolio through diversification, concentration limits, periodic securities reviews, and by investing 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 securities as of December 31, 2017 and 2016, 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:

	December 31, 2017					
	Less Than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)					
Mortgage-related:						
GSE residential certificates	$ 44,288	$ (399)	$ 40,067	$ (1,187)	$ 84,355	$(1,586)
GSE CMOs	38,746	(373)	68,975	(2,765)	107,721	(3,138)
Non-GSE residential certificates	14,299	(45)	31,639	(232)	45,938	(277)
GSE commercial certificates	82,492	(524)	70,995	(1,450)	153,487	(1,974)
Non-GSE commercial certificates	3,215	(6)	—	—	3,215	(6)
Other debt:						
ABS	32,239	(107)	6,906	(33)	39,145	(140)
Trust preferred	—	—	23,299	(1,629)	23,299	(1,629)
US Treasury	198	(2)	—	—	198	(2)
Other	999	(1)	—	—	999	(1)
	$ 216,476	$ (1,457)	$ 241,881	$ (7,296)	$458,357	$(8,753)

	December 31, 2016					
	Less Than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)					
Mortgage-related:						
GSE residential certificates	$ 36,143	$ (158)	$ 56,060	$ (1,937)	$ 92,203	$ (2,095)
GSE CMOs	129,235	(790)	113,191	(3,070)	242,426	(3,860)
Non-GSE residential certificates	52,093	(281)	—	—	52,093	(281)
GSE commercial certificates	134,409	(1,793)	9,378	(103)	143,787	(1,896)
Non-GSE commercial certificates	33,363	(93)	25,200	(195)	58,563	(288)
Other debt:						
ABS	71,375	(379)	14,939	(61)	86,314	(440)
Trust preferred	—	—	33,435	(3,411)	33,435	(3,411)
Other	1,002	(1)	—	—	1,002	(1)
Equity:						
Access Capital Equity Fund	—	—	12,273	(727)	12,273	(727)
	$ 457,620	$ (3,495)	$ 264,476	$ (9,504)	$722,096	$(12,999)

The temporary impairment of equity and fixed income securities (mortgage-related securities, U.S. Treasury and GSE securities, trust preferred securities and corporate debt) 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.

Commencing in 2008 the fair value of the Bank's investments in trust preferred securities was negatively impacted by the global economic crisis and recession and its related effect on the financial services sector. Management considers that the temporary impairment of the Bank's investments in trust preferred securities as of December 31, 2017 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. As of December 31, 2017, temporarily impaired trust preferred securities consist of direct investments in the trust preferred issuances of three large financial institutions. As of December 31, 2017 the amortized cost and fair value of the Bank's investment in these trust preferred securities was $24,927,000 and $23,299,000, respectively. All of the trust preferred securities were rated investment grade by not less than three 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 December 31, 2017, excluding GSE, US Treasury and TRUPS, discussed above, the temporarily impaired securities totaled $89,298,000 with an unrealized loss of $425,000. With the exception of $1,073,000 which were not rated, the remaining securities were rated investment grade by at least one NRSROs with no ratings below investment grade. All issues were current as to their interest payments. Management considers that the temporary impairment of these investments as of December 31, 2017 is primarily due to an increase in market interest rates since the time these investments were acquired.

During the year ended December 31, 2017, the Bank recorded an OTTI loss of $826,000 compared to a $21,000 OTTI loss for the year ended December 31, 2016. The loss was primarily driven by a decision to sell an equity CRA security in January of 2018 which required loss recognition in 2017.

For all the Bank's security investments that are temporarily impaired as of December 31, 2017, management does not intend to sell any investments, does not believe it will be necessary to do so and believes the Bank has the ability to hold these investments. As of December 31, 2017 management expects to collect all amounts due according to the contractual terms of these investments. 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 and Equity Securities.

Events which may cause material declines in the fair value of debt and equity security 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 December 31, 2017; however it is reasonably possible that the Bank may recognize OTTI in future periods.

6. FEDERAL HOME LOAN BANK STOCK

As a condition of membership with the Federal Home Loan Bank of New York (FHLBNY), the Bank is required to hold FHLBNY stock in an amount equal to 0.125% of its aggregate mortgage related assets plus 4.5% of its outstanding FHLBNY advances. The Bank's holdings of FHLBNY stock are pledged against outstanding advances.

FHLBNY stock is a non-marketable equity security and is, therefore, reported at cost, which equals par value (the amount at which shares have been redeemed in the past). The investment is periodically evaluated for impairment based on, among other things, the capital adequacy of the FHLBNY and its overall financial condition.

Dividend income on FHLBNY stock amounted to approximately $1,657,000 and $1,411,000 during the year ended December 31, 2017 and 2016, respectively.

7. LOANS RECEIVABLE, NET

Loans receivable are summarized as follows:

	December 31,	
	2017	2016
	(In thousands)	
Commercial and industrial	$ 687,417	$ 719,965
Multifamily mortgages	902,475	747,804
Commercial real estate mortgages	352,475	384,950
Construction and land development mortgages	11,059	8,350
Total commercial portfolio	1,953,426	1,861,069
Residential 1-4 family 1st mortgages	769,058	640,306
Residential 1-4 family 2nd mortgages	31,559	40,922
Consumer and other	61,929	4,180
Total retail portfolio	862,546	685,408
	2,815,972	2,546,477
Net deferred loan origination fees	(94)	(1,734)
	2,815,878	2,544,743
Allowance for loan losses	(35,965)	(35,658)
	$2,779,913	$2,509,085

As of December 31, 2017, the Bank's loan portfolio includes concentrations in multifamily, residential 1-4 family 1st and 2nd mortgages, commercial and industrial (C&I) and commercial real estate (CRE) comprising approximately 32%, 29%, 24%, and 13% respectively, of the total outstanding loan balance. The Bank generally requires collateral on all real estate exposures and for new originations generally requires loan-to-value ratios of no greater than 80% at the time of origination. Additionally, the Bank had $4,186,000 million in residential 1-4 family 1st mortgages held for sale at December 31, 2017, which were comprised entirely of non-accrual loans and were recorded in Other Assets in the Consolidated Statements of Financial Condition.

Payments on multifamily and CRE mortgage loans generally depend on the income produced by the underlying properties which, in turn, depends on their successful operation and management. Accordingly, the ability of the Bank's borrowers to repay these loans may be affected by adverse conditions in the local real estate market and the local economy. While the Bank generally requires that such loans be qualified on the basis of the collateral property's current cash flows, appraised value, and debt service coverage ratio (among other factors), there can be no assurance that its underwriting policies will protect the Bank from credit-related losses or delinquencies.

The Bank seeks to minimize the risks involved in commercial and industrial lending by underwriting such loans on the basis of the cash flows produced by the business, by requiring such loans to be collateralized by various business assets (including inventory, equipment, and accounts receivable, among others). While the Bank generally requires such loans be qualified on the basis of the cash flows produced by the business and/or an appropriate level of collateral, the capacity of a borrower to repay a C&I loan is substantially dependent on the degree to which the business is successful. Additionally, the collateral underlying such loans may decline over time, may not be conducive to appraisal, or may fluctuate in value.

In 2017, the Bank purchased three pools of adjustable and 15-year fixed rate mortgages consisting of 126 loans having unpaid principal balances (UPB) totaling $123,450,000. In 2016, the Bank conducted a similar purchase of one pool of 15-year fixed rate mortgages consisting of a total of 45 loans and an UPB totaling $30,642,000. The Bank has experienced no losses or significant delinquencies on these purchased pools. The Bank purchased two pools of fixed rate student refinancing loans made to employed borrowers with completed degrees. The purchases had unpaid principal balances (UPB) totaling $59,575,000. The Bank has experienced no losses or significant delinquencies on these purchased pools. In addition, the Bank purchased three individual small business loans totaling $8,936,000. These loans are unconditionally guaranteed by the U.S. Government. During the years ended December 31, 2017 and 2016, the Bank originated residential 1-4 family 1st and 2nd mortgages totaling $121,715,000 and $197,217,000, respectively.

The following table presents information regarding the quality of the Bank's loans as of December 31, 2017:

	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest (1)	Total Past Due	Current and Not Accruing Interest	Current	Total Loans Receivable
				(In thousands)			
Commercial and industrial	$ —	$ —	$6,971	$ 6,971	$12,569	$ 667,877	$ 687,417
Multifamily mortgages	—	—	—	—	—	902,475	902,475
Commercial real estate mortgages	—	—	—	—	—	352,475	352,475
Construction and land development mortgages	—	—	—	—	—	11,059	11,059
Total commercial portfolio	—	—	6,971	6,971	12,569	1,933,886	1,953,426
Residential 1-4 family 1st mortgages	7,547	5,689	—	13,236	635	755,187	769,058
Residential 1-4 family 2nd mortgages	1,169	780	—	1,949	—	29,610	31,559
Consumer and other	86	26	—	112	—	61,817	61,929
Total retail portfolio	8,802	6,495	—	15,297	635	846,614	862,546
	$8,802	$6,495	$6,971	$22,268	$13,204	$2,780,500	$2,815,972

(1) At December 31, 2017, the Bank had five loans with a total outstanding balance of $6,971,000, all related to one relationship, that had matured. These loans were well secured and in the process of renewal. The loans all continued to make payments and accrue interest during this period. In the first quarter of 2018, the loan agreements were signed and all loans returned to current status.

The following table presents information regarding the quality of the Bank's loans as of December 31, 2016:

	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
				(In thousands)			
Commercial and industrial	$ 45	$ —	$—	$ 45	$10,462	$ 709,458	$ 719,965
Multifamily mortgages	—	—	—	—	—	747,804	747,804
Commercial real estate mortgages	—	—	—	—	—	384,950	384,950
Construction and land development mortgages	—	—	—	—	—	8,350	8,350
Total commercial portfolio	45	—	—	45	10,462	1,850,562	1,861,069
Residential 1-4 family 1st mortgages	7,580	26,827	—	34,407	—	605,899	640,306
Residential 1-4 family 2nd mortgages	1,159	—	—	1,159	—	39,763	40,922
Consumer and other	184	45	—	229	—	3,951	4,180
Total retail portfolio	8,923	26,872	—	35,795	—	649,613	685,408
	$8,968	$26,872	$—	$35,840	$10,462	$2,500,175	$2,546,477

Interest that would have been earned on nonaccrual loans, but was not reported as interest income was approximately $674,000 and $1,548,000 for the years ended December 31, 2017 and 2016, respectively. Interest payments received on nonaccrual loans are generally used to reduce the recorded investment of the loan. Interest income recognized on nonaccrual loans totaled $135,000 and $228,000 for the years ended December 31, 2017 and 2016, respectively.

In general, a modification or restructuring of a loan constitutes a TDR if the Bank grants a concession to a borrower experiencing financial difficulty. Loans modified in TDRs are placed on non-accrual status until the

Bank 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 Bank'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.

The following table presents information regarding the Bank's TDRs as of December 31, 2017:

	Accruing	Non-Accrual (1)	Total
		(In thousands)	
Residential 1-4 family 1st mortgages	$24,927	$ 2,216	$27,143
Residential 1-4 family 2nd mortgages	2,819	—	2,819
Commercial real estate mortgages	5,900	—	5,900
Commercial and industrial	10,335	12,569	22,904
	$43,981	$14,785	$58,766

(1) Does not include $1,932 in loans held for sale included in Other Assets

The following table presents information regarding the Bank's TDRs as of December 31, 2016:

	Accruing	Non-Accrual	Total
		(In thousands)	
Residential 1-4 family 1st mortgages	$27,389	$12,941	$40,330
Commercial real estate mortgages	8,323	—	8,323
Commercial and industrial	5,839	897	6,736
	$41,551	$13,838	$55,389

The financial effects of TDRs granted for the twelve months ended December 31, 2017 are as follows (dollar amounts in thousands):

			Weighted Average Interest Rate		
	Number of Loans	Recorded Investment	Pre-Modification	Post-Modification	Charge-off Amount
Residential 1-4 family 1st mortgages	7	$ 1,510	6.44%	3.30%	$ —
Residential 1-4 family 2nd mortgages	16	2,819	5.36%	4.99%	—
Commercial and industrial	2	7,677	6.80%	8.14%	7,447
	25	$12,006	6.42%	6.79%	$7,447

During the twelve months ended December 31, 2017 there were two residential 1-4 family 1st mortgage TDR loans in the amount of $506,000 that re-defaulted, out of which none were again modified as a TDR. There were also two residential 1-4 family 1st mortgage TDR loans held for sale in the amount of $452,000 that re-defaulted.

The financial effects of TDRs granted for the twelve months ended December 31, 2016 are as follows (dollar amounts in thousands):

	Number of Loans	Recorded Investment	Weighted Average Interest Rate Pre-Modification	Weighted Average Interest Rate Post-Modification	Charge-off Amount
Residential 1-4 family 1st mortgages	21	$ 5,868	5.99%	3.20%	$1,546
Commercial and industrial	1	5,798	6.00%	6.00%	—
	22	$11,666	5.99%	4.59%	$1,546

During the twelve months ended December 31, 2016 there were ten residential 1-4 family 1st mortgage TDR loans in the amount of $2,945,000 that re-defaulted, out of which four were again modified as a TDR.

The following tables summarize the Bank's loan portfolio by credit quality indicator as of December 31, 2017:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Credit Quality Indicator:					
Pass	$647,206	$897,506	$335,778	$11,059	$1,891,549
Special Mention	20,039	—	—	—	20,039
Substandard	20,172	4,969	16,697	—	41,838
	$687,417	$902,475	$352,475	$11,059	$1,953,426

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Credit Quality Indicator:				
Pass	$763,369	$30,779	$61,903	$856,051
Substandard	5,689	780	26	6,495
	$769,058	$31,559	$61,929	$862,546

The following tables summarize the Bank's loan portfolio by credit quality indicator as of December 31, 2016:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Credit Quality Indicator:					
Pass	$653,635	$742,709	$346,656	$8,350	$1,751,350
Special Mention	33,391	5,095	4,771	—	43,257
Substandard	32,939	—	33,523	—	66,462
	$719,965	$747,804	$384,950	$8,350	$1,861,069

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Credit Quality Indicator:				
Pass	$613,479	$40,922	$4,135	$658,536
Substandard	26,827	—	45	26,872
	$640,306	$40,922	$4,180	$685,408

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 Bank will sustain some loss); 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 Bank's loan portfolio for impairment by portfolio as of December 31, 2017:

	Commercial	Retail	Total
		(In thousands)	
Loans receivable:			
Individually evaluated for impairment	$ 21,201	$ 34,038	$ 55,239
Collectively evaluated for impairment	1,932,225	828,508	2,760,733
	$1,953,426	$862,546	$2,815,972

The following table provides information regarding the Bank's allowance for loan losses by portfolio based upon the method of evaluating loan impairment as of December 31, 2017:

	Commercial	Retail	Total
		(In thousands)	
Allowance for loan losses:			
Individually evaluated for impairment	$ 5,626	$ 1,518	$ 7,144
Collectively evaluated for impairment	18,674	10,147	28,821
	$24,300	$11,665	$35,965

The following table provides information regarding the methods used to evaluate the Bank's loan portfolio for impairment by portfolio as of December 31, 2016:

	Commercial	Retail	Total
		(In thousands)	
Loans receivable:			
Individually evaluated for impairment	$ 24,624	$ 53,261	$ 77,885
Collectively evaluated for impairment	1,836,445	632,147	2,468,592
	$1,861,069	$685,408	$2,546,477

The following table provides information regarding the Bank's allowance for loan losses by portfolio based upon the method of evaluating loan impairment as of December 31, 2016:

	Commercial	Retail	Total
	(In thousands)		
Allowance for loan losses:			
Individually evaluated for impairment	$ 1,540	$ 1,908	$ 3,448
Collectively evaluated for impairment	23,639	8,571	32,210
	$25,179	$10,479	$35,658

The activities in the allowance for loan losses by portfolio for the year ended December 31, 2017 are as follows:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
	(In thousands)				
Balance at beginning of year	$16,069	$5,299	$3,665	$146	$25,179
Provision for loan losses	5,667	(19)	(771)	42	4,919
Charge-offs	(7,458)	—	—	—	(7,458)
Recoveries	1,177	—	483	—	1,660
Ending Balance	$15,455	$5,280	$3,377	$188	$24,300

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
	(In thousands)			
Balance at beginning of year	$ 6,478	$ 3,903	$ 98	$10,479
Provision for loan losses	2,063	(808)	498	1,753
Charge-offs	(1,638)	(4,524)	(345)	(6,507)
Recoveries	1,679	4,112	149	5,940
Ending Balance	$ 8,582	$ 2,683	$ 400	$11,665

The activities in the allowance for loan losses by portfolio for the year ended December 31, 2016 are as follows:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
	(In thousands)				
Balance at beginning of year	$13,060	$6,068	$4,323	$ 96	$23,547
Provision for loan losses	6,666	(769)	(658)	50	5,289
Charge-offs	(3,758)	—	—	—	(3,758)
Recoveries	101	—	—	—	101
Ending Balance	$16,069	$5,299	$3,665	$146	$25,179

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
	(In thousands)			
Balance at beginning of year	$ 5,486	$ 4,444	$ 187	$10,117
Provision for loan losses	3,125	(1,134)	277	2,268
Charge-offs	(2,626)	(1,814)	(583)	(5,023)
Recoveries	493	2,407	217	3,117
Ending Balance	$ 6,478	$ 3,903	$ 98	$10,479

The following is additional information regarding the Bank's individually impaired loans and the allowance for loan losses related to such loans as of December 31, 2017 and 2016:

	December 31, 2017			
	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
	(In thousands)			
Loans without a related allowance:				
Residential 1-4 family 1st mortgages	$ 4,108	$22,219	$11,644	$ —
Commercial real estate mortgages	—	4,162	—	—
Commercial and industrial	2,732	1,366	2,732	—
	6,840	27,746	14,376	—
Loans with a related allowance:				
Residential 1-4 family 1st mortgages	27,144	20,038	31,694	1,354
Residential 1-4 family 2nd mortgages	2,786	1,393	2,786	164
Commercial real estate mortgages	5,900	2,950	5,900	300
Commercial and industrial	12,569	14,435	15,814	5,326
	48,399	38,816	56,194	7,144
Total individually impaired loans:				
Residential 1-4 family 1st mortgages	31,252	42,257	43,338	1,354
Residential 1-4 family 2nd mortgages	2,786	1,393	2,786	164
Commercial real estate mortgages	5,900	7,112	5,900	300
Commercial and industrial	15,301	15,801	18,546	5,326
	$55,239	$66,562	$70,570	$7,144

	December 31, 2016			
	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
	(In thousands)			
Loans without a related allowance:				
Residential 1-4 family 1st mortgages	$40,329	$41,965	$47,434	$ —
Commercial real estate mortgages	8,323	10,400	8,323	—
	48,652	52,365	55,757	—

	December 31, 2016			
	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
	(In thousands)			
Loans with a related allowance:				
Residential 1-4 family 1st mortgages	$12,932	$17,090	$18,473	$1,908
Commercial and industrial	16,301	9,025	19,041	1,540
	29,233	26,115	37,514	3,448
Total individually impaired loans:				
Residential 1-4 family 1st mortgages	53,261	59,055	65,907	1,908
Commercial real estate mortgages	8,323	10,400	8,323	—
Commercial and industrial	16,301	9,025	19,041	1,540
	$77,885	$78,479	$93,271	$3,448

As of December 31, 2017 and 2016 mortgage loans with an unpaid principal balance of $814,160,000 and $651,070,000, respectively, are pledged to the FHLBNY to secure outstanding advances and letters of credit.

There were three related party loans outstanding as of December 31, 2017 and three outstanding as of December 31, 2016 with total principal balances of $1,286,000 and $879,000, respectively. As of December 31, 2017, all related party loans were current.

8. PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	December 31,	
	2017	2016
	(In thousands)	
Buildings, premises and improvements	$ 38,905	$ 41,596
Furniture, fixtures and equipment	8,615	17,594
Projects in process	276	567
	47,796	59,757
Accumulated depreciation and amortization	(25,374)	(34,236)
	$ 22,422	$ 25,521

Depreciation and amortization expense charged to operations amounted to approximately $4,965,000 and $4,331,000 for the years ended December 31, 2017 and 2016, respectively.

9. DEPOSITS

Deposits are summarized as follows:

	December 31,			
	2017		2016	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(Dollar amounts in thousands)			
Savings accounts	$ 303,906	0.14%	$ 295,846	0.11%
Money market deposit accounts	943,514	0.41%	1,018,611	0.25%
NOW accounts	207,018	0.25%	187,968	0.12%
Non-interest bearing demand deposit accounts	1,387,570	—	1,020,767	—
Time deposits	391,100	0.77%	486,266	0.57%
	$3,233,108	0.24%	$3,009,458	0.20%

Note: The weighted average rate for total deposits includes non-interest bearing demand deposit accounts.

The scheduled maturities of time deposits as of December 31, 2017 are as follows (in thousands):

2018	$336,352
2019	32,440
2020	12,276
2021	3,510
2022	1,785
Thereafter	4,737
	$391,100

Time deposits of $100,000 or more aggregated to $237,291,000 and $304,551,000 as of December 31, 2017 and 2016, respectively.

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 $98,701,000 and $128,640,000 as of December 31, 2017 and 2016, respectively. The average balance of such deposits was approximately $114,201,000 and $116,363,000 for the years ended December 31, 2017 and 2016, respectively.

Total deposits include deposits from Workers United and other related entities in the amounts of $77,543,000 and $42,312,000 as of December 31, 2017 and 2016, respectively.

Included in total deposits are state and municipal deposits totaling $100,630,000 and $125,000,000 as of December 31, 2017 and 2016, respectively. Such deposits are secured by letters of credit issued by the FHLBNY or by securities pledged with the FHLBNY.

Interest expense on deposits is summarized as follows:

	Year Ended December 31,	
	2017	2016
	(In thousands)	
Savings accounts	$ 390	$ 300
Money market deposit accounts	3,050	2,479
NOW accounts	413	234
Time deposits	3,515	3,401
	$7,368	$6,414

10. BORROWED FUNDS

Borrowed funds are summarized as follows:

	December 31,			
	2017		2016	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(Dollar amounts in thousands)			
FHLBNY advances	$402,600	1.49%	$604,225	2.33%
Fed Funds Purchased	5	0.00%	—	0.00%
Securities sold under agreements to repurchase	—	0.00%	34,645	3.27%
	$402,605	1.49%	$638,870	2.38%

FHLBNY advances are collateralized by the FHLBNY stock owned by the Bank plus a pledge of other eligible assets comprised of securities and mortgage loans. The value of the other eligible assets has an estimated market value net of haircut totaling approximately $1,068,954,000 (comprised of securities of $254,794,000 and mortgage loans of $814,160,000). The pledged securities and mortgage loans have been delivered to the FHLBNY. The fair value of assets pledged to the FHLBNY is required to be not less than 110% of the outstanding advances. As a member of the FHLBNY, the Bank may borrow, on a secured basis, up to approximately 22.2 times the amount of FHLBNY stock owned by the Bank. The maximum available borrowings can be increased by the purchase of additional shares of such capital stock.

The following table summarizes certain information with regard to securities sold under agreements to repurchase (or repurchase agreements) as of and for the years ended December 31, 2017 and 2016:

	2017	2016
As of December 31:		
Carrying value	$—	$34,645
Fair value of underlying collateral	—	34,659
During the year ended December 31:		
Average balance during the year	812	65,547
Maximum month-end balance during the year	—	74,645

The securities underlying the repurchase agreements were delivered to custodial accounts for the benefit of the counterparties with whom the transactions were executed. The counterparties may have sold, loaned or otherwise disposed of the securities in the normal course of their operations. The Bank retains the right of substitution of collateral throughout the terms of the agreements. Cash collateral, if any, is placed on deposit with the counterparty in an interest-bearing account. The Bank's remaining repurchase agreements were unwound in January 2017.

The following table summarizes the carrying value of significant categories of borrowed funds as of December 31, 2017 by contractual maturity (in thousands):

	FHLBNY Advances	Repurchase Agreements
	(Dollars in thousands)	
2018	$355,825	$ 5
2019	30,200	—
2020	16,575	—
2021	—	—
	$402,600	$ 5

None of the FHLBNY advances are structured to provide the counterparty with the option to require the Bank to prepay the borrowings before maturity. However, the Bank has the option to prepay the borrowings subject to paying a prepayment fee based on market conditions existing at the time of prepayment. During the year ended December 31, 2017 the Bank elected to prepay borrowed funds totaling $414,645,000 and incurred related prepayment fees of approximately $7,615,363. Prepayments of $80,000,000 and related fees of approximately $2,019,000 were incurred during the year ended December 31, 2016.

Interest expense on borrowed funds is summarized as follows:

	Year Ended December 31,	
	2017	2016
	(In thousands)	
FHLBNY advances	$10,360	$14,664
Securities sold under agreements to repurchase	27	2,213
Fed Funds Purchased	6	9
	$10,393	$16,886

11. REGULATORY CAPITAL

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital requirements that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. The Bank's capital amounts and classifications also are subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk weighted assets, and of Tier 1 capital (as defined in the regulations) to average assets. Management believes as of December 31, 2017 and 2016, the Bank met all capital adequacy requirements.

On January 1, 2015, the Basel III Capital Rules became effective and include transition provisions through January 1, 2019. These rules provide for the following minimum capital to risk-weighted assets ratios as of January 1, 2015: a) 4.5% based upon common equity tier 1 capital; b) 6.0% based upon tier 1 capital; and c) 8.0% based upon total regulatory capital. A minimum leverage ratio (tier 1 capital as a percentage of total average assets) of 4.0% is also required under the Basel III Capital Rules.

When fully phased in, the Basel III Capital Rules will additionally require institutions to retain a capital conservation buffer, composed of common equity tier 1 capital of 2.5% above these required minimum capital ratio levels. When the capital conservation buffer is fully phased in on January 1, 2019, the Bank will effectively have the following minimum capital to risk-weighted assets ratios: a) 7.0% based upon common equity tier 1 capital; b) 8.5% based upon tier 1 capital; and c) 10.5% based upon total regulatory capital. The Bank also made the one-time election to continue to exclude the effects of accumulated other comprehensive income or loss items included in stockholders' equity for the purposes of determining the regulatory capital ratios.

As of December 31, 2017, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Bank must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. Since that notification, there are no conditions or events that management believes have changed the institution's category.

The Bank's actual capital amounts and ratios are presented in the following table (dollars in thousands):

	Actual		For Capital Adequacy Purposes		To Be Considered Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	Basel III					
December 31, 2017						
Total capital to risk weighted assets	$377,087	12.80%	$235,591	8.00%	$294,489	10.00%
Tier I capital to risk weighted assets	340,250	11.55%	176,693	6.00%	235,591	8.00%
Tier I capital to average assets	340,250	8.41%	161,792	4.00%	202,239	5.00%
Common equity tier 1 to risk weighted assets	335,557	11.39%	132,520	4.50%	191,418	6.50%
	Basel III					
December 31, 2016						
Total capital to risk weighted assets	$366,698	12.87%	$227,956	8.00%	$284,945	10.00%
Tier I capital to risk weighted assets	330,960	11.61%	170,967	6.00%	227,956	8.00%
Tier I capital to average assets	330,960	8.23%	160,814	4.00%	201,018	5.00%
Common equity tier 1 to risk weighted assets	329,269	11.56%	128,225	4.50%	185,214	6.50%

12. INCOME TAXES

The components of the provision for income taxes for the years ended December 31, 2017 and 2016 are as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
	(In thousands)	
Current:		
Federal	$ 22	$ 729
State and local	367	412
	389	1,141
Deferred:		
Federal	14,605	3,275
State and local	(1,381)	(4,279)
	13,224	(1,004)
Total income tax provision (benefit)	$13,613	$ 137

A reconciliation of the expected income tax expense at the statutory federal income tax rate of 35% to the Bank's actual income tax benefit and effective tax rate for the years ended December 31, 2017 and 2016 is as follows:

	Year Ended December 31, 2017 Amount	%	Year Ended December 31, 2016 Amount	%
	(In thousands)			
Tax expense at federal income tax rate	$ 6,902	35.00%	$ 3,743	35.00%
Increase (decrease) resulting from:				
Tax exempt income	(702)	(3.56)%	(556)	(5.20)%
Change in DTA rate	788	4.00%	1,156	10.81%
State tax, net of federal benefit	568	2.88%	434	4.06%
Pension recycling	(3,508)	(17.79)%	(362)	(3.38)%
Valuation allowance	(4,480)	(22.72)%	(4,318)	(40.37)%
Change due to new legislation	13,935	70.66%	—	0.00%
Other	110	0.56%	40	0.37%
Total	$13,613	69.03%	$ 137	1.28%

As of December 31, 2017 the Bank had remaining federal, state and local NOL carryforwards of approximately $16,300,000, $114,300,000 and $85,400,000, respectively, which are available to offset future federal, state and local income and which expire over varying periods from 2028 through 2034.

On December 22, 2017, the President signed the Tax Cuts and Jobs Act ("Act"), resulting in significant changes to existing tax law, including a lower federal statutory tax rate of 21%. The Act was effective as of January 1, 2018. In the fourth quarter of 2017, the Bank recorded a charge of $13,935,000, which was offset by a full valuation release of $4,480,000 and consisted primarily of the deferred tax asset remeasurement from the previous 35% federal statutory rate to the new 21% federal statutory tax rate. Also on December 22, 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, which provides a measurement period of up to one year from the enactment date to refine and complete the accounting. The Bank has completed its accounting for the effects of the Act, and has made reasonable estimates of the effect of the change in federal statutory tax rate and remeasurement of deferred tax assets based on the rate at which they are expected to reverse in the future.

Deferred income tax assets and liabilities result from temporary differences between the carrying value of assets and liabilities for financial reporting purposes and for income tax return purposes. These assets and liabilities are measured using the enacted tax rates and laws that are currently in effect and are reported net in the accompanying Consolidated Statement of Financial Condition. The significant components of the net deferred tax assets and liabilities at December 31, 2017 and 2016, are as follows:

	December 31,	
	2017	2016
	(In thousands)	
Deferred tax assets:		
Excess tax basis over carrying value of assets:		
Allowance for loan losses	$14,375	$21,216
Nonaccrual interest income	731	2,495
Postretirement and other employee benefits	3,335	3,625
Net deferred loan fees	26	682
Available for sale securities carried at fair value for financial statement purposes	1,317	3,773
Depreciation and amortization	2,069	2,023
Leasing transactions	4,177	6,547
Federal, state and local net operating loss carryforward	10,036	11,613
Other, net	3,241	2,330
Gross deferred tax asset	39,307	54,304
Valuation Allowance	—	(4,480)
Deferred tax asset, net	$39,307	$49,824

As of December 31, 2017, the Bank’s deferred tax assets were valued without an allowance as management concluded that it is more likely than not that the entire amount may not be realized. ASC 740, Income Taxes, provides for the recognition of deferred tax assets if realization of such assets is more likely than not. Based upon the weight of available evidence, which includes historical operating performance, recently reported cumulative net income and more certainty in accurately forecasting the Bank’s future results, the previous valuation allowance against the Bank’s net deferred tax assets was released and taken as a benefit to the income tax provision. Management reassesses the need for a valuation allowance on an annual basis, or more frequently if warranted. If it is later determined that a valuation allowance is required, it generally will be an expense to the income tax provision in the period such determination is made.

The Bank has no uncertain tax positions. The Bank and its subsidiaries are subject to Federal, New York State, California, District of Columbia, New Jersey and New York City income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination; with a tax examination presumably to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. As of December 31, 2017, the Bank is subject to possible examination by federal, state, and local taxing authorities for 2015 and subsequent tax years.

Income tax receivable, which is included in other assets, totaled $6,300,000 million and $6,200,000 million as of December 31, 2017 and 2016, respectively.

13. EARNINGS PER SHARE

The two-class method is used in the calculation of basic and diluted earnings per share. Under the two-class method, earnings available to common shareholders for the period are allocated between common shareholders and participating securities according to participation rights in undistributed earnings. Our SARs are not considered participating securities and the Bank has no other participating securities. As a result, our basic and diluted earnings per share are identical. The factors used in the earnings per share computation follow:

Years Ended December 31,	2017	2016
(in thousands, except per share data)		
Net income	$6,108	$10,558
Dividends paid on preferred stock	(156)	(22)
Income attributable to common stock	5,952	10,536
Weighted average common shares outstanding	1,403	1,393
Basic eanrings per common share	$ 4.24	$ 7.56

14. EMPLOYEE BENEFIT PLANS

The Bank offers various pension and retirement benefit plans, as well as a long term incentive plan to eligible employees and directors. Significant benefit plans are described as follows:

Pension Plan

The Bank participates in a multi-employer non-contributory pension plan which covers substantially all full-time employees, both unionized and non-unionized. Employees generally qualify for participation in the plan on the first January 1st or July 1st after attaining age 21 and complete 1,000 Hours of Service in a 12 consecutive month period. The collective bargaining agreement covering the unionized employees was last renewed in July 2015. Under the terms of this plan, participants vest 100% upon completion of five years of service, as defined in the plan document. Plan assets are invested in the Consolidated Retirement Fund (CRF). The Employer Identification Number of the CRF is 13-3177000 and the Plan Number is 001.

As a multi-employer plan, the Administrator of the CRF does not make separate actuarial valuations with respect to each employer, nor are plan assets so segregated. The benefits provided by the CRF are being funded by the Bank and other participating employers through contributions to the Administrator, which are necessary to maintain the CRF on a sound actuarial basis. Contributions are calculated based on a percentage of participants' qualifying base salary, which percentage is determined from time to time by the CRF Board of Trustees.

The Pension Protection Act of 2006 (PPA) ranks the funded status of multi-employer plans depending upon a plan's current and projected funding. A plan is in the Red Zone (Critical Status) if it has a current funded percentage (as defined) of less than 65%. A plan is in the Yellow Zone (Endangered Status) if it has a current funded percentage of less than 80%, or projects a credit balance deficit within seven years. A plan is in the Green Zone if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years. For the 2018 and 2017 plan years, pursuant to the PPA, the CRF was certified to be in the Green Zone (i.e. neither Critical Status nor Endangered Status).

The following table summarizes certain information regarding contributions made by the Bank to the CRF:

	Contributions (in thousands)	Bank contributions greater than 5% of total contributions received by the CRF?
Year Ended December 31,		
2017	$5,652	Yes
2016	5,209	Yes

The amounts of contributions presented in the preceding table represent expense recorded by the Bank during the respective periods.

Post-retirement Health and Life Insurance Plan

The Bank's policy is to fund the cost of healthcare benefits in amounts determined in accordance with the plan provisions.

The following table summarizes the plan's benefit obligation, the changes in the plan's benefit obligation, changes in plan assets and the plan's funded status:

	Year Ended December 31, 2017	2016
	(In thousands)	
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	$ 898	$802
Service cost	7	20
Interest cost	23	34
Amendments	(453)	—
Actuarial (gain) loss	(15)	62
Benefits paid	(20)	(20)
Benefit obligation at end of year	440	898
Change in plan assets:		
Employer contributions	20	20
Benefits paid	(20)	(20)
Plan assets at end of year	—	—
Benefit obligation at end of year	$ 440	$898

The following table provides a summary of the amounts recognized in the consolidated statements of financial condition:

	December 31,	
	2017	2016
	(In thousands)	
Benefit obligation, included in other liabilities	$ 440	$ 898
Accumulated other comprehensive loss (income) before tax effect:		
Net actuarial loss	$3,804	$ 4,053
Prior service credit	(435)	(10,269)
Total (before tax effects)	$3,369	$ (6,216)

Components of net periodic benefit expense and other comprehensive income (loss) are as follows:

	2017	2016
	(In thousands)	
Net periodic benefit:		
Service cost	$ 7	$ 20
Interest cost	23	34
Prior service credit amortization	(449)	(1,288)
Prior service credit due to curtailments	(9,838)	—
Recognition of actuarial loss	234	199
Net periodic benefit	(10,023)	(1,035)
Other changes recognized in other comprehensive income (loss):		
Net regular actuarial (gain) loss	(15)	62
Prior service credit amortization	449	1,288
Prior service credit due to curtailments	9,838	—
Prior service credit due to amendment	(453)	
Recognition of actuarial (loss)	(234)	(199)
Total recognized in other comprehensive income (loss):	9,585	1,151
Total recognized in comprehensive income	$ (438)	$ 116

The net actuarial loss and prior service credit that is expected to be amortized from accumulated other comprehensive income (loss) and into net periodic (benefit) expense during the year ended December 31, 2018 is $234,000 and ($449,000), respectively.

The following table summarizes certain assumptions used to measure the plan obligation at the end of the year as well as net periodic benefit expense during the year:

	2017	2016
To measure the plan obligation as of December 31:		
Discount rate	3.40%	4.10%
To measure net periodic benefit expense for the year ended December 31:		
Discount rate	4.10%	4.30%
Initial health care cost trend rate	NA	NA
Ultimate health care cost trend rate	NA	NA
Rate of compensation increase	NA	NA

Future estimated post-retirement health and life benefit payments are expected to be approximately $34,000 per annum during the period 2018 through 2027.

Other Retirement Benefit Plans

The Bank provides other non-qualifying supplemental retirement plan benefits to certain existing and former directors and employees. These plans generally contain vesting provisions and service requirements. These plans are unfunded and represent a general obligation of the Bank.

The following table summarizes the plans' benefit obligation, the changes in the plans' benefit obligation, changes in the plans' assets and the plans' funded status:

	Year Ended December 31,	
	2017	2016
	(In thousands)	
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	$5,437	$5,632
Service cost	—	—
Interest cost	177	197
Actuarial (gain) loss	(67)	113
Curtailments	—	—
Benefits paid	(522)	(505)
Benefit obligation at end of year	5,025	5,437
Change in plan assets:		
Employer contributions	522	505
Benefits paid	(522)	(505)
Plan assets at end of year	—	—
Benefit obligation at end of year	$5,025	$5,437

The following table provides a summary of the amounts recognized in the consolidated statements of financial condition for the plans:

	December 31,	
	2017	2016
	(In thousands)	
Benefit obligation, included in other liabilities	$5,025	$5,437
Accumulated other comprehensive income (loss) before tax effect:		
Net actuarial loss	$ 570	$ 646

Components of net periodic benefit expense and other comprehensive income (loss) for the plans are as follows:

	Year Ended December 31,	
	2017	2016
	(In thousands)	
Net periodic expense:		
Interest cost	$177	$197
Recognition of actuarial loss	9	8
Net periodic expense	186	205
Other changes recognized in other comprehensive income (loss):		
Net regular actuarial loss (gain)	(67)	113
Recognition of actuarial gain	(9)	(8)
Total recognized in other comprehensive income (loss)	(76)	105
Total recognized in comprehensive income	$110	$310

The net actuarial loss that is expected to be amortized from accumulated other comprehensive income (loss) and into net periodic expense during the year ending December 31, 2018 is $9,000.

The following table summarizes certain weighted average assumptions used to measure the plans' obligation at the end of the year as well as net periodic benefit expense during the year:

	2017	2016
To measure the plans obligation as of December 31:		
Discount rate	3.13%	3.42%
To measure net periodic benefit expense for the year ended December 31:		
Discount rate	3.43%	3.68%

Future estimated benefit payments are expected to be approximately $448,000 per annum during the period 2018 through 2027.

The Bank also offers two retirement savings plans which are qualified under Section 401(k) of the Internal Revenue Code (401(k) Plan). Substantially all employees are eligible to participate, and participants can contribute up to 15% of their salary subject to certain limitations. The Bank does not make contributions to the 401(k) Plan and as such does not incur any direct compensation expense related to the 401(k) Plan.

Long Term Incentive Plans

During the years ended December 31, 2017 and 2016, the Bank issued SARs shares of 40,771 and 38,437 respectively to the executive management team and directors using a baseline share price of $275.00 and $240.00 per share, respectively. The shares vest evenly over a three-year period and are exercisable at the option of the vested holders until the termination of each tranche after 10 years, beginning in 2025. As of December 31, 2017, the Bank was valued at a range of $279.90 to $306.56 per share using an independent valuation, which was reviewed and approved by the Compensation Committee of the Board of Directors of the Bank. The approximate midpoint of the range, $293.00 per share, was selected by the committee for the value of the SARs at December 31, 2017 for both the exercise of vested SARs and the issuance of new SARs.

A summary of the status of the Bank's stock appreciation rights as of December 31, 2017 and 2016 follows:

	Number of SARs	Weighted Average Exercise Price	Aggregate Intrinsic Value @ $293/ Share
Outstanding, December 31, 2015	39,735	$220	
Granted	38,437	240	
Excercised	(2,100)	220	
Forfeited	(1,400)	220	
Outstanding, December 31, 2016	74,672	230	$4,682,316
Granted	40,771	275	733,878
Excercised	(2,042)	226	(136,226)
Forfeited	(7,364)	264	(215,502)
Outstanding, December 31, 2017	106,037	245	5,064,466
Vested and Excercisable, December 31, 2017	73,564	237	$4,119,487

The weighted average remaining contractual life of the outstanding SARs at December 31, 2017 is 8.0 years. The weighted average remaining life of the SARs exercisable at December 31, 2017 is 7.7 years. The range of exercise prices is $220.00 to $275.00 per share.

The fair value of each SAR granted in 2017 was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0.0%, risk-free interest rate of 2.10%, expected life of 6.0 years, and expected volatility of 20%. The volatility percentage was based on the average expected volatility of similar public financial institutions to the Bank. The weighted average fair value of the SARs granted in 2017 was $67.92 per share.

The fair value of each SAR granted in 2016 was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0.0%, risk-free interest rate of 1.94%, expected life of 6.0 years, and expected volatility of 20%. The volatility percentage was based on the average expected volatility of similar public financial institutions to the Bank. The weighted average fair value of the SARs granted in 2016 was $68.64 per share.

Total SAR compensation costs to employees and directors for the years ended December 31, 2017 and 2016 was $3,663,000 and $2,102,000 in expense respectively, and is recorded within the Consolidated Statements of Income. Of the unvested portion of the SARs, $1,755,000 will be recognized in 2018, assuming no further changes in the fair value of the awards. The fair value of all awards outstanding as of December 31, 2017 and 2016 was $9,106,000 and $6,017,000 respectively. Cash payments of $99,000 were made in 2017 related to the exercise of vested SAR awards at $275.00 per share.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Fair value is a market-based measurement incorporating assumptions that independent, knowledgeable market participants would use, including assumptions about risk; and considers attributes specific to the asset or liability. The measurement of fair value assumes the transaction occurs in the principal (or most advantageous) market for the asset or liability.

The Bank uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value measurements are recorded on a recurring basis for certain assets and liabilities when fair value is the measure for accounting purposes, such as investment securities classified as available-for-sale and derivatives. Certain other assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

Financial instruments recorded at fair value in the consolidated statements of financial condition are categorized based on a three-level fair value hierarchy that prioritizes techniques used to measure the fair value of assets and liabilities, based on the transparency and reliability of inputs to valuation methodologies. 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, 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:

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Available for sale securities:				
Mortgage-related:				
GSE residential certificates	$ —	$106,450	$—	$106,450
GSE CMOs	—	169,222	—	169,222
Non-GSE residential certificates	—	62,958	—	62,958
GSE commercial certificates	—	230,981	—	230,981
Non-GSE commercial certificates	—	31,784	—	31,784
Other debt:				
U.S. Treasury	198	—	—	198
GSE obligations	—	—	—	—
ABS	—	276,819	—	276,819
Trust preferred	—	23,298	—	23,298
Corporate	—	28,486	—	28,486
Other	—	999	—	999
Equity	12,164	—	—	12,164
Total assets carried at fair value	$12,362	$930,997	$—	$943,359

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Available for sale securities:				
Mortgage-related:				
GSE residential certificates	$ —	$ 137,763	$—	$ 137,763
GSE CMOs	—	269,791	—	269,791
Non-GSE residential certificates	—	52,797	—	52,797
GSE commercial certificates	—	268,696	—	268,696
Non-GSE commercial certificates	—	102,970	—	102,970
Other debt:				
U.S. Treasury	200	—	—	200
GSE obligations	—	45,934	—	45,934
ABS	—	213,767		213,767
Trust preferred	—	33,435	—	33,435
Corporate	—	35,355	—	35,355
Other	—	1,054	—	1,054
Equity	12,273	—	—	12,273
Total assets carried at fair value	$12,473	$1,161,562	$—	$1,174,035

During the years ended December 31, 2017 and 2016, there were no transfers of financial instruments between Level 1 and Level 2. There were no financial instruments measured at fair value and categorized as Level 3 in the consolidated statement of financial condition during the years ended December 31, 2017 and 2016.

Certain assets such as impaired loans and other real estate owned are measured at fair value on a non-recurring basis. Included in loans receivable are impaired loans with a fair value of approximately $48,095,000 and $74,437,000 as of December 31, 2017 and 2016, respectively. Included in other assets are impaired loans held for sale with a fair value of $4,186,000 and 0 as of December 31, 2017 and 2016, respectively. The fair value of other real estate owned was $2,527,000 and $3,337,000 as of December 31, 2017 and 2016. These fair values, which would generally be considered Level 3 measurements, were determined using various valuation techniques including consideration of appraised values and other pertinent real estate data.

A description of the methods, factors and significant assumptions utilized in estimating the fair values for significant categories of financial instruments follows:

- Securities – Investments in fixed income securities are generally valued based on evaluations provided an independent pricing service. These evaluations represent an exit price or their opinion as to what a buyer would pay for a security, typically in an institutional round lot position, in a current sale. The pricing service utilizes evaluated pricing techniques that vary by asset class and incorporate available market information and, because many fixed income securities do not trade on a daily basis, applies available information through processes such as benchmark curves, benchmarking of available securities, sector groupings and matrix pricing. Model processes, such as option adjusted spread models, are used to value securities that have prepayment features. In those limited cases where pricing service evaluations are not available for a fixed income security, management will typically value those instruments using observable market inputs in a discounted cash flow analysis. Held to maturity securities are generally categorized as Level 2.
- Loans receivable – Loans are valued using a present value technique that incorporates management's assumptions as to what a market participant would assume given the attributes of the loans. The observable

U.S. Treasury yield curve is a significant input to the valuation. Assumptions, including prepayment speeds and credit spreads, are based on observable market data where possible or alternatively are based on terms currently offered on loans to borrowers of similar credit quality. As a result, the valuation method for performing loans, which is consistent with certain guidance provided in accounting standards, does not fully incorporate the "exit price" approach to fair value. Fair values for loans considered impaired are based on discounted cash flows using the loan's initial effective interest rate or the fair value of the underlying collateral in the case of collateral dependent loans. The methods used to estimate the fair value of loans are extremely sensitive to the assumptions and estimates used. While management has attempted to use assumptions and estimates that best reflect the Bank's loan portfolio and current market conditions, a greater degree of subjectivity is inherent in these values than in those determined in active markets. Loans would generally be categorized as Level 3.

- Deposits – Deposits without a defined maturity date are valued at the amount payable on demand. Certificates of deposit, which are categorized as Level 2, are valued using a present value technique that incorporates current rates offered by the Bank for certificates of comparable remaining maturity.
- Borrowed funds – FHLBNY advances and repurchase agreements are valued using a present value technique that incorporates current rates offered by the FHLBNY for advances of comparable remaining maturity. FHLBNY advances and repurchase agreements are categorized as Level 2. For senior unsecured debt, management considers that the carrying value of the debt represents a reasonable approximation of fair value.
- FHLBNY stock – FHLBNY stock is a non-marketable equity security categorized as Level 2 and reported at cost, which equals par value (the amount at which shares have been redeemed in the past). No significant observable market data is available for this security.
- Other – The Bank holds or issues other financial instruments for which management considers the carrying value to approximate fair value. Such items include cash and due from banks; interest-bearing deposits in banks, loans held for sale and accrued interest receivable and payable. Many of these items are short term in nature with minimal risk characteristics.

For those financial instruments that are not recorded at fair value in the consolidated statements of financial condition, but are measured at fair value for disclosure purposes, management follows the same fair value measurement principles and guidance as for instruments recorded at fair value.

There are significant limitations in estimating the fair value of financial instruments for which an active market does not exist. Due to the degree of management judgment that is often required, such estimates tend to be subjective, sensitive to changes in assumptions and imprecise. Such estimates are made as of a point in time and are impacted by then-current observable market conditions; also such estimates do not give consideration to transaction costs or tax effects if estimated unrealized gains or losses were to become realized in the future. Because of inherent uncertainties of valuation, the estimated fair value may differ significantly from the value that would have been used had a ready market for the investment existed and the difference could be material. Lastly, consideration is not given to nonfinancial instruments, including various intangible assets, which could represent substantial value. Fair value estimates are not necessarily representative of the Bank's total enterprise value.

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

	December 31,			
	2017		2016	
	Financial Statement Basis	Estimated Fair Value	Financial Statement Basis	Estimated Fair Value
	(In thousands)			
Financial assets:				
Cash and cash equivalents	$ 116,459	$ 116,459	$ 140,635	$ 140,635
Available for sale securities	943,359	943,359	1,174,035	1,174,035
Held to maturity securities	9,601	9,718	9,785	10,053
Loans receivable, net	2,779,913	2,748,875	2,509,085	2,524,679
FHLBNY stock	20,970	20,970	30,483	30,483
Accrued interest and dividends receivable	11,177	11,177	9,711	9,711
BOLI	72,960	72,960	71,267	71,267
Other assets (1)	4,186	4,186	569	569
Financial liabilities:				
Deposits payable on demand	2,842,008	2,842,008	2,523,192	2,523,192
Time deposits	391,100	391,341	486,266	486,618
Borrowed funds	402,605	401,844	638,870	648,292
Accrued interest payable	1,434	1,434	2,922	2,922

(1) Loans held for sale recorded in other assets

16. COMMITMENTS, CONTINGENCIES AND OFF BALANCE SHEET RISK

Lease Commitments

Minimum rental commitments under non-cancelable operating leases (with initial or remaining terms in excess of one year) for Bank premises are summarized as follows (in thousands):

Year Ending December 31,	
2018	$ 9,934
2019	9,965
2020	9,912
2021	9,731
2022	9,360
Thereafter	35,607
	$84,509

Rent expense for Bank premises charged to non-interest expense for the years ended December 31, 2017 and 2016 was $9,713,000 and $10,632,000, respectively. Certain leases include escalation provisions relating to real estate taxes and periodic annual increases.

Credit Commitments

The Bank is party to various credit related financial instruments with off balance sheet risk. The Bank, 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.

As of December 31, 2017, the following financial instruments were outstanding whose contract amounts represent credit risk (in thousands):

	Contract Amount
Commitments	$259,310
Letters of Credit	8,736
	$268,046

Commitments to extend credit are agreements 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 Bank'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 Bank 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 Bank considers this carrying value, which is not material, to approximate the estimated fair value of these financial instruments.

The Bank reserves for the credit risk inherent in off balance sheet credit commitments. This reserve, which is included in other liabilities, amounted to approximately $890,000 and $1,469,000 as of December 31, 2017 and 2016, respectively.

Other Commitments and Contingencies

The Bank is required to maintain a certain average level of funds on deposit with the Federal Reserve Bank of New York (FRBNY) to satisfy contractual clearing requirements. As of December 31, 2017 the Bank was required to maintain deposit reserves with the FRBNY in the amount of $4,661,000. This requirement is permitted to be reduced by the amount of available vault cash. Due to the Board of Governors of the Federal Reserve System's decision to pay interest on required and excess reserves, the Bank has maintained a significant portion of its available cash on deposit with the FRBNY in the form of excess reserves. The entire balance on deposit with the FRBNY amounted to approximately $105,865,000 and $129,424,000 as of December 31, 2017 and 2016, respectively.

Certain interest-bearing deposits in banks have been pledged by the Bank to secure borrowed funds and for other business purposes. The Bank had no such pledged cash deposits as of December 31, 2017 and 2016.

In the ordinary course of business, there are various legal proceedings pending against the Bank. 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 Bank.

AMALGAMATED BANK
AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2018 and 2017

(Unaudited)

AMALGAMATED BANK AND SUBSIDIARIES

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AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Financial Condition
For the periods ended March 31, 2018 and December 31, 2017
(Dollars in thousands)

	For the periods ended March 31, 2018	December 31, 2017
Assets		
Cash and due from banks	$ 9,768	$ 7,130
Interest-bearing deposits in banks	43,772	109,329
Total cash and cash equivalents	53,540	116,459
Securities:		
Available for sale, at fair value (includes pledged securities of $380,280 and $265,562, respectively)	975,998	943,359
Held-to-maturity (fair value of $9,406 and $9,718, and includes pledged securities of $5,916 and $6,000, respectively)	9,353	9,601
Loans held for sale, at fair value	36,855	—
Loans receivable, net of deferred loan origination fees	2,919,291	2,815,878
Allowance for loan losses	(37,382)	(35,965)
Loans receivable, net	2,881,909	2,779,913
Federal Home Loan Bank of New York stock, at cost	20,933	20,970
Accrued interest and dividends receivable	11,610	11,177
Premises and equipment, net	21,622	22,422
Bank-owned life insurance	72,540	72,960
Deferred tax asset, net	38,439	39,307
Other real estate owned	1,098	1,907
Other assets	30,138	23,087
Total assets	$4,154,035	$4,041,162
Liabilities and Stockholders' Equity		
Deposits	$3,335,567	$3,233,108
Borrowed funds	401,775	402,605
Accrued interest payable	1,514	1,434
Other liabilities	68,593	59,947
Total liabilities	3,807,449	3,697,094
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock:		
Class B - par value $100,000 per share; 77 shares authorized; 67 shares issued and outstanding	6,700	6,700
Common Stock:		
Class A - par value $10 per share; 2,100,000 shares authorized; 1,403,049 shares issued and outstanding	14,030	14,030
Additional paid-in capital	230,022	230,022
Retained earnings	107,167	99,506
Total accumulated other comprehensive (loss), net of taxes	(11,467)	(6,324)
Total Amalgamated Bank stockholders' equity	346,452	343,934
Noncontrolling interests	134	134
Total stockholders' equity	346,586	344,068
Total liabilities and stockholders' equity	$4,154,035	$4,041,162

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Income
For the three months ended March 31, 2018 and 2017
(Dollars in thousands, except for per share amounts)

	For the three months ended March 31,	
	2018	**2017**
INTEREST AND DIVIDEND INCOME		
Loans	$29,174	$26,393
Securities	6,242	6,512
Federal Home Loan Bank of New York stock	391	424
Interest-bearing deposits in banks	436	156
Total interest and dividend income	36,243	33,485
INTEREST EXPENSE		
Deposits	2,089	1,618
Borrowed funds	1,353	3,569
Total interest expense	3,442	5,187
NET INTEREST INCOME	32,801	28,298
Provision for loan losses	851	1,007
Net interest income after provision for loan losses	31,950	27,291
NON-INTEREST INCOME		
Trust department fees	4,649	4,794
Service charges on deposit accounts	1,779	1,737
Bank-owned life insurance	404	423
(Loss) gain on sale of investment securities available for sale, net	(101)	423
Other than temporary impairment (OTTI) of securities, net	(2)	—
Gain on sale of loans, net	29	16
Loss on other real estate owned, net	(27)	(33)
Other	284	124
Total non-interest income	7,015	7,484
NON-INTEREST EXPENSE		
Compensation and employee benefits, net	15,376	15,707
Occupancy and depreciation	4,002	4,386
Professional fees	3,193	2,656
FDIC deposit insurance	554	632
Data processing	2,336	2,014
Office maintenance and depreciation	947	997
Advertising and promotion	646	669
Borrowed funds prepayment fees	—	1,174
Other	1,734	2,252
Total non-interest expense	28,788	30,487
Income before provision for income taxes	10,177	4,288
Provision for income taxes	2,516	1,439
Net income	7,661	2,849
Net income attributable to noncontrolling interests	—	—
Net income attributable to Amalgamated Bank and subsidiaries	$ 7,661	$ 2,849
Earnings per common share - basic and diluted	$ 5.46	$ 2.03

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2018 and 2017
(Dollars in thousands)

	For the three months ended March 31,	
	2018	**2017**
Net income	$ 7,661	$2,849
Other comprehensive income, net of taxes:		
Net actuarial gain arising during the year	72	51
Reclassification adjustment to pension plans and other postretirement benefits for prior service credit included in net income	(7)	(322)
Net actuarial gain and prior service credit	65	(271)
Net unrealized (losses) gains on securities available for sale:		
Unrealized holding (losses) gains	(7,264)	2,002
Reclassification adjustment for losses (gains) realized in income	103	(423)
Net unrealized (losses) gains	(7,161)	1,579
Other comprehensive (loss) income, before tax	(7,096)	1,308
Related deferred income tax benefit (expense)	1,953	(535)
Total other comprehensive (loss) income, net of taxes	(5,143)	773
Total comprehensive income, net of taxes	$ 2,518	$3,622

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the periods ended March 31, 2018 and December 31, 2017
(Dollars in thousands)

	Preferred Stock Class B	Common Stock Class A	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2017	$6,700	14,030	230,022	99,506	(6,324)	343,934	134	344,068
Net income	$ —	—	—	7,661	—	7,661	—	7,661
Other comprehensive loss net of taxes	$ —	—	—	—	(5,143)	(5,143)	—	(5,143)
Balance at March 31, 2018	$6,700	14,030	230,022	107,167	(11,467)	346,452	134	346,586

See accompanying notes to consolidated financial statements

AMALGAMATED BANK AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the periods ended March 31, 2018 and December 31, 2017
(Dollars in thousands)

	For the periods ended March 31, 2018	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income attributable to Amalgamated Bank	$ 7,661	$ 2,849
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	998	1,108
Deferred income tax expense	2,821	1,274
Provision for loan losses	851	1,007
Accretion of net deferred loan fees, origination costs and net discount on loans	(259)	(85)
Net amortization on securities	143	457
Net loss on OTTI recognized in earnings	2	—
Net loss (gain) on sale of securities available for sale	101	(423)
Net gain on sale of loans	(29)	(16)
Net loss on sale of other real estate owned	27	33
Proceeds from sales of loans held for sale	3,973	933
Decrease (increase) in cash surrender value of bank-owned life insurance	420	(423)
Increase in accrued interest and dividends receivable	(433)	(390)
Increase in other assets	(11,012)	(16,130)
Increase (decrease) in accrued interest payable	80	(241)
Increase in other liabilities	8,711	25,205
Net cash provided by operating activities	14,055	15,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Originations and purchases of loans, net of principal repayments	(139,427)	(54,654)
Purchase of securities available for sale	(185,424)	(113,974)
Purchase of securities held to maturity	(2,000)	—
Proceeds from sales of securities available for sale	54,846	106,128
Maturities, principal payments and redemptions of securities available for sale	90,543	72,991
Maturities, principal payments and redemptions of securities held to maturity	2,237	39
Net decrease of Federal Home Loan Bank of New York stock	37	3,860
Purchases of premises and equipment	(198)	(787)
Proceeds from sale of other real estate owned	782	473
Net cash (used in) provided by investing activities	(178,604)	14,076
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	102,459	66,081
Net decrease in FHLB advances	(825)	(85,775)
Net decrease in repurchase agreements	—	(34,645)
Net decrease in federal funds purchased	(5)	—
Net cash provided by (used in) financing activities	101,629	(54,339)
Decrease in cash and equivalents	(62,919)	(25,105)
Cash and cash equivalents at beginning of year	116,459	140,635
Cash and cash equivalents at end of year	$ 53,540	$ 115,530
Supplemental disclosures of cash flow information:		
Interest paid during the year	$ 3,362	$ 5,428
Income taxes paid during the year	$ 318	$ —
Schedule of noncash investing activities:		
Loans transferred to other real estate owned	$ —	$ 224

See accompanying notes to consolidated financial statements

1. BASIS OF PRESENTATION

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

The accompanying unaudited consolidated financial statements include the accounts of the Bank and its majority-owned and wholly-owned subsidiaries. All significant inter-company transactions and balances are eliminated in consolidation. In the opinion of Amalgamated Bank's (the "Bank") management, all adjustments necessary for a fair presentation of the consolidated financial position and the results of operations for the interim periods presented have been included. These unaudited consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto in the Bank's Audited Financial Statements for the twelve months ended December 31, 2017.

2. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

In the first quarter of 2018, the Bank adopted ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" which implements a common revenue standard that clarifies the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. While the guidance in ASU 2014-09 supersedes most existing industry-specific revenue recognition accounting guidance, most of the Bank's revenue comes from financial instruments, i.e. loans and securities, which are not within the scope of ASU 2014-09. The Bank determined its trust advisory fee service agreements and retail banking service charges on deposit accounts within non-interest income were in scope of the amended guidance. The Bank adopted Topic 606 using the modified retrospective method applied to all in scope revenue streams and adoption did not result in a change to the accounting for any in scope revenue streams. As such, no cumulative effect adjustment to retained earnings was recorded at January 1, 2018. Additionally, as a result of the Bank's ongoing assessment of Topic 606, it has determined the recognition, measurement and presentation of services charges on deposit accounts and fees for trust advisory services is in compliance with the amended guidance. The Bank has not identified any material differences in the amount and timing of revenue recognition for these revenue streams that are within the scope in the first quarter of 2018.

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" which amended existing guidance to allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act ("Tax Act"). Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption, including adoption in an interim period, permitted. The Bank adopted ASU 2018-02 at December 31, 2017 and reclassified $685,000 from accumulated other comprehensive loss to retained earnings.

In March 2016, the FASB issued ASU 2016-09, "Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting" simplifies several aspects of the stock compensation guidance in Topic 718 and other related guidance. The amendments focus on income tax accounting upon vesting or exercise of share-based payments, award classification, liability classification exception for statutory tax withholding requirements, estimating forfeitures, and cash flow presentation. ASU 2016-09 is effective for the Bank for annual reporting periods beginning after December 15, 2017 and did not have any impact on the Bank's Consolidated Financial Statements upon adoption.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments - Overall (Subtopic 825-10) – Recognition and Measurements of Financial Assets and Financial Liabilities" which requires that: (i) equity investments with readily determinable fair values must be measured at fair value with changes in fair value recognized in net income, (ii) equity investments without readily determinable fair values must be measured at either fair value or at cost adjusted for changes in observable prices minus impairment with changes in value recognized in net income, (iii) entities that record financial liabilities at fair value due to a fair value option election recognize changes in fair value in OCI if it is related to instrument-specific credit risk, and (iv) entities must assess whether a valuation allowance is required for deferred tax assets related to available-for-sale debt securities. ASU No. 2016-01 is effective for annual reporting periods beginning after December 15, 2017 and did not have any effect on the Bank's Consolidated Financial Statements upon adoption.

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)". The new lease accounting standard requires the recognition of a right of use asset and related lease liability by lessees for leases classified as operating leases under current GAAP. Topic 842, which replaces the current guidance under Topic 840, retains a distinction between finance leases and operating leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by lessee also will not significantly change from current GAAP. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize right of use assets and lease liabilities. The standard is effective for annual reporting periods beginning after December 15, 2018. A modified retrospective transition approach must be applied for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Transition accounting for leases that expired before the earliest comparative period presented is not required. Based on leases outstanding at March 31, 2018, the Bank does not anticipate a material impact on the Bank's Consolidated Statements of Income, but does anticipate an increase in the Consolidated Statements of Financial Condition as a result of recognizing right of use assets and lease liabilities.

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 also provides for recording credit losses on available for sale debt securities through an allowance account. ASU 2016-13 also requires certain incremental disclosures. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2019. The Bank is currently evaluating the impact of the ASU on its Consolidated Financial Statements.

3. OTHER COMPREHENSIVE (LOSS) INCOME

The Bank 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. 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 Bank 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 (loss) income components and related income tax effects were as follows:

Periods ended March 31,	**2018**	**2017**
(in thousands)		
Change in post retirement obligation	$ 58	$ (273)
Change in other benefit obligation	7	2
Change in total benefit obligation, before taxes	65	(271)
Income tax effect	(18)	100
Net Change in Total Benefit Obligation	**(47)**	**(171)**
Unrealized holding (losses) gains on available for sale securities	$(7,264)	$2,002
Reclassification adjustment for losses (gains) realized in income	103	(423)
Change in unrealized (losses) gains on available for sale securities	(7,161)	1,579
Income tax effect	1,971	(635)
Net Change in unrealized gains on available for sale securities	**(5,190)**	**944**
Total	**$(5,143)**	**$ 773**

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

Details about Accumulated Other Comprehensive Loss	**Balance as of January 1, 2018**	**Current Period Change**	**Income Tax Effect**	**Balance as of March 31, 2018**
(in thousands)				
Unrealized (losses) gains on Benefits Plans	$(2,855)	$ 65	$ (18)	$ (2,808)
Unrealized (losses) gains losses on available for sale securities	$(3,469)	$(7,161)	$1,971	$ (8,659)
Total	$(6,324)	$(7,096)	$1,953	$(11,467)

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

Periods ended March 31,	**2018**	**2017**	**Affected Line Item in the Consolidated Statements of Income**
(in thousands)			
Realized losses (gains) on sale of available for sale securities	$101	(423)	Loss (gain) on sale of investment securities available for sale, net
Recognized losses on OTTI securities	2	—	Net loss on OTTI recognized in earnings
Income tax (benefit) expense	(28)	167	Provision for income taxes
Total reclassification, net of income tax	$ 75	(256)	
Prior service credit on pension plans and other postretirement benefits	$ (7)	(322)	Compensation and employee benefits, net
Income tax expense	2	127	Provision for income taxes
Total reclassification, net of income tax	$ (5)	(195)	
Total reclassifications, net of income tax	$ 69	(451)	

4. INVESTMENT SECURITIES

The amortized cost and fair value of investment securities available for sale and held to maturity as of March 31, 2018 and December 31, 2017 are as follows:

	March 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Available for sale:				
Mortgage-related:				
GSE residential certificates	$ 98,830	$ —	$ (2,716)	$ 96,114
GSE CMOs	198,582	699	(4,777)	194,504
GSE commercial certificates & CMO	230,962	42	(4,231)	226,773
Non-GSE residential certificates	93,530	50	(909)	92,671
Non-GSE commercial certificates	50,602	66	(6)	50,662
	672,506	857	(12,639)	660,724
Other debt:				
U.S. Treasury	200	—	(3)	197
ABS	261,856	1,135	(440)	262,551
Trust preferred	24,929	—	(1,448)	23,481
Corporate	27,455	591	—	28,046
Other	1,000	—	(1)	999
	315,440	1,726	(1,892)	315,274
Total available for sale	$987,946	$2,583	$(14,531)	$975,998
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 5,070	$ 34	$ —	$ 5,104
GSE residential certificates	815	19	(0)	834
Non GSE commercial certificates	368	—	—	368
	6,253	53	(0)	6,306
Other debt	3,100	—	(0)	3,100
Total held to maturity	$ 9,353	$ 53	$ (0)	$ 9,406

As of March 31, 2018, available for sale and held to maturity securities with a fair value of $380,280,000 and $5,916,000, respectively were pledged to the Federal Home Loan Bank of New York to secure outstanding advances, letters of credit and to provide additional borrowing potential.

	December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Available for sale:				
Mortgage-related:				
GSE residential certificates	$107,893	$ 143	$(1,586)	$106,450
GSE CMOs	171,761	599	(3,138)	169,222
Non-GSE residential certificates	63,194	41	(277)	62,958
GSE commercial certificates	232,585	370	(1,974)	230,981
Non-GSE commercial certificates	31,698	92	(6)	31,784
	607,131	1,245	(6,981)	601,395
Other debt:				
U.S. Treasury	200	—	(2)	198
GSE obligations	—	—	—	—
ABS	275,265	1,694	(140)	276,819
Trust preferred	24,927	—	(1,629)	23,298
Corporate	27,459	1,027	—	28,486
Other	1,000	—	(1)	999
	328,851	2,721	(1,772)	329,800
Equity:				
Access Capital Equity Fund	12,164	—	—	12,164
	12,164	—	—	12,164
Total available for sale	$948,146	$3,966	$(8,753)	$943,359
Held to maturity:				
Mortgage-related:				
GSE commercial certificates	$ 5,079	$ 86	$ —	$ 5,165
GSE residential certificates	824	36	—	860
Non-GSE commercial certificates	398	24	—	422
	6,301	146	—	6,447
Other debt	3,300	—	(29)	3,271
Total held to maturity	$ 9,601	$ 146	$ (29)	$ 9,718

The following 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, 2018. 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	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
Due within one year	$ 7,009	$ 7,092	$ —	$ —
Due after one year through five years	14,198	14,275	3,100	3,100
Due after five years through ten years	103,190	102,714	—	—
Due after ten years	191,043	191,193	—	—
	$315,440	$315,274	$3,100	$3,100

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

	For the Three months ended March 31, 2018	For the Three months ended March 31, 2017
	(In thousands)	
Proceeds	$54,846	$106,108
Realized gains	$ 141	$ 1,006
Realized losses	(242)	(583)
Net realized gain/loss	$ (101)	$ 423

The Bank controls and monitors inherent credit risk in its securities portfolio through diversification, concentration limits, periodic securities reviews, and by investing 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 securities as of March 31, 2018, 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, 2018					
	Less Than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)					
Mortgage-related:						
GSE residential certificates	$ 62,566	$(1,178)	$ 33,548	$(1,538)	$ 96,114	$ (2,716)
GSE CMOs	42,966	(991)	65,106	(3,786)	108,072	(4,777)
Non-GSE residential certificates	48,459	(427)	30,046	(482)	78,505	(909)
GSE commercial certificates	152,450	(2,208)	64,337	(2,023)	216,787	(4,231)
Non-GSE commercial certificates	13,908	(6)	—	—	13,908	(6)
GSE Obligation	—	—	—	—	—	—
Other debt:	—					
ABS	28,796	(327)	6,195	(113)	34,991	(440)
Trust preferred	—	—	23,481	(1,448)	23,481	(1,448)
Corporate	—	—	—	—	—	—
US Treasury	197	(3)	—	—	197	(3)
Other	999	(1)	—	—	999	(1)
	$350,341	$(5,141)	$222,713	$(9,390)	$573,054	$(14,531)

The temporary impairment of fixed income securities (mortgage-related securities, U.S. Treasury and GSE securities, trust preferred securities and corporate debt) 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.

As of March 31, 2018, excluding GSE and US Treasury, the temporarily impaired securities totaled $151,884,000 with an unrealized loss of $2,804,000. With the exception of $999,000 which were not rated, the remaining securities were rated investment grade by at least one NRSROs with no ratings below investment grade. All issues were current as to their interest payments. Management considers that the temporary impairment of these investments as of March 31, 2018 is primarily due to an increase in market interest rates since the time these investments were acquired.

During the quarter ended March 31, 2018, the Bank recorded an OTTI loss of $2,000 compared to no OTTI loss for the quarter ended March 31, 2017.

For all the Bank's security investments that are temporarily impaired as of March 31, 2018, management does not intend to sell any investments, does not believe it will be necessary to do so and believes the Bank has the ability to hold these investments. As of March 31, 2018 management expects to collect all amounts due according to the contractual terms of these investments. 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 and Equity Securities.

Events which may cause material declines in the fair value of debt and equity security 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, 2018; however it is reasonably possible that the Bank may recognize OTTI in future periods.

5. LOANS RECEIVABLE, NET

Loans receivable are summarized as follows:

	For the periods ended March 31, 2018	December 31, 2017
	(In thousands)	
Commercial and industrial	$ 666,827	$ 687,417
Multifamily mortgages	892,773	902,475
Commercial real estate mortgages	338,064	352,475
Construction and land development mortgages	11,582	11,059
Total commercial portfolio	1,909,246	1,953,426
Residential 1-4 family 1st mortgages	890,027	769,058
Residential 1-4 family 2nd mortgages	30,360	31,559
Consumer and other	88,040	61,929
Total retail portfolio	1,008,427	862,546
	2,917,673	2,815,972
Net deferred loan origination costs (fees)	1,618	(94)
	2,919,291	2,815,878
Allowance for loan losses	(37,382)	(35,965)
	$2,881,909	$2,779,913

Additionally, the Bank had $635,000 and $4,186,000 in residential 1-4 family 1st mortgages held for sale at March 31, 2018 and December 31, 2017, respectively, which were comprised entirely of non-accrual loans and were recorded in Other Assets in the Consolidated Statements of Financial Condition.

The following table presents information regarding the quality of the Bank's loans as of March 31, 2018:

	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
				(In thousands)			
Commercial and industrial	$ —	$ —	$488	$ 488	$12,408	$ 653,931	$ 666,827
Multifamily mortgages	—	—	—	—	—	892,773	$ 892,773
Commercial real estate mortgages	—	—	—	—	—	338,064	$ 338,064
Construction and land development mortgages	—	—	—	—	—	11,582	$ 11,582
Total commercial portfolio	—	—	488	488	12,408	1,896,350	1,909,246
Residential 1-4 family 1st mortgages	5,300	6,546	—	11,846	1,138	877,043	$ 890,027
Residential 1-4 family 2nd mortgages	1,701	627	—	2,328	—	28,032	$ 30,360
Consumer and other	198	28	—	226	—	87,814	$ 88,040
Total retail portfolio	7,199	7,201	—	14,400	1,138	992,889	1,008,427
	$7,199	$7,201	$488	$14,888	$13,546	$2,889,239	$2,917,673

The following table presents information regarding the quality of the Bank's loans as of December 31, 2017:

	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest (1)	Total Past Due	Current and Not Accruing Interest	Current	Total Loans Receivable
				(In thousands)			
Commercial and industrial	$ —	$ —	$6,971	$ 6,971	$12,569	$ 667,877	$ 687,417
Multifamily mortgages	—	—	—	—	—	902,475	902,475
Commercial real estate mortgages	—	—	—	—	—	352,475	352,475
Construction and land development mortgages	—	—	—	—	—	11,059	11,059
Total commercial portfolio	—	—	6,971	6,971	12,569	1,933,886	1,953,426
Residential 1-4 family 1st mortgages	7,547	5,689	—	13,236	635	755,187	769,058
Residential 1-4 family 2nd mortgages	1,169	780	—	1,949	—	29,610	31,559
Consumer and other	86	26	—	112	—	61,817	61,929
Total retail portfolio	8,802	6,495	—	15,297	635	846,614	862,546
	$8,802	$6,495	$6,971	$22,268	$13,204	$2,780,500	$2,815,972

(1) At December 31, 2017, the Bank had five loans with a total outstanding balance of $6,971,000, all related to one relationship that had matured. These loans were well secured and in the process of renewal. The loans all continued to make payments and accrue interest during this period. In the first quarter of 2018, the loan agreements were signed and all loans returned to current status.

In general, a modification or restructuring of a loan constitutes a TDR if the Bank grants a concession to a borrower experiencing financial difficulty. Loans modified in TDRs are placed on non-accrual status until the Bank 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 Bank'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.

The following table presents information regarding the Bank's TDRs as of March 31, 2018:

	Accruing	Non-Accrual (1)	Total
		(In thousands)	
Residential 1-4 family 1st mortgages	$23,594	$ 3,554	$27,148
Residential 1-4 family 2nd mortgages	2,417	—	2,417
Commercial real estate mortgages	5,898	—	5,898
Commercial and industrial	982	12,408	13,390
	$32,891	$15,962	$48,853

(1) Does not include $149 in loans held for sale included in Other Assets

The following table presents information regarding the Bank's TDRs as of December 31, 2017:

	Accruing	Non-Accrual (1)	Total
		(In thousands)	
Residential 1-4 family 1st mortgages	$24,927	$ 2,216	$27,143
Residential 1-4 family 2nd mortgages	2,819	—	2,819
Commercial real estate mortgages	5,900	—	5,900
Commercial and industrial	10,335	12,569	22,904
	$43,981	$14,785	$58,766

(1) Does not include $1,932 in loans held for sale included in Other Assets

The following tables summarize the Bank's loan portfolio by credit quality indicator as of March 31, 2018:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Credit Quality Indicator:					
Pass	$626,202	$889,111	$321,496	$11,582	$1,848,392
Special Mention	19,658	3,662	—	—	23,320
Substandard	20,966	—	16,568	—	37,534
	$666,827	$892,773	$338,064	$11,582	$1,909,246

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Credit Quality Indicator:				
Pass	$883,481	$29,733	$88,012	$1,001,226
Substandard	6,546	627	28	7,201
	$890,027	$30,360	$88,040	$1,008,427

The following tables summarize the Bank's loan portfolio by credit quality indicator as of December 31, 2017:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Credit Quality Indicator:					
Pass	$647,206	$897,506	$335,778	$11,059	$1,891,549
Special Mention	20,039	—	—	—	20,039
Substandard	20,172	4,969	16,697	—	41,838
	$687,417	$902,475	$352,475	$11,059	$1,953,426

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Credit Quality Indicator:				
Pass	$763,369	$30,779	$61,903	$856,051
Substandard	5,689	780	26	6,495
	$769,058	$31,559	$61,929	$862,546

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 Bank will sustain some loss); 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 Bank's loan portfolio for impairment by portfolio as of March 31, 2018:

	Commercial	Retail	Total
		(In thousands)	
Loans receivable:			
Individually evaluated for impairment	$ 19,214	$ 33,969	$ 53,183
Collectively evaluated for impairment	1,890,032	974,458	2,864,490
	$1,909,246	$1,008,427	$2,917,673

The following table provides information regarding the Bank's allowance for loan losses by portfolio based upon the method of evaluating loan impairment as of March 31, 2018:

	Commercial	Retail	Total
		(In thousands)	
Allowance for loan losses:			
Individually evaluated for impairment	$ 7,590	$ 1,702	$ 9,292
Collectively evaluated for impairment	17,331	10,759	28,090
	$24,921	$12,461	$37,382

The following table provides information regarding the methods used to evaluate the Bank's loan portfolio for impairment by portfolio as of December 31, 2017:

	Commercial	Retail	Total
		(In thousands)	
Loans receivable:			
Individually evaluated for impairment	$ 21,201	$ 34,038	$ 55,239
Collectively evaluated for impairment	1,932,225	828,508	2,760,733
	$1,953,426	$862,546	$2,815,972

The following table provides information regarding the Bank's allowance for loan losses by portfolio based upon the method of evaluating loan impairment as of December 31, 2017:

	Commercial	Retail	Total
		(In thousands)	
Allowance for loan losses:			
Individually evaluated for impairment	$ 5,626	$ 1,518	$ 7,144
Collectively evaluated for impairment	18,674	10,147	28,821
	$24,300	$11,665	$35,965

The activities in the allowance for loan losses by portfolio for the year ended March 31, 2018 are as follows:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Balance at beginning of year	$15,455	$5,280	$3,377	$188	$24,300
Provision for loan losses	1,323	(525)	(182)	5	621
Charge-offs	—	—	—	—	—
Recoveries	—	—	—	—	—
Ending Balance	$16,778	$4,755	$3,195	$193	$24,921

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Balance at beginning of year	$8,582	$2,683	$400	$11,665
Provision for loan losses	620	(610)	220	230
Charge-offs	(75)	(203)	(91)	(369)
Recoveries	388	499	48	935
Ending Balance	$9,515	$2,369	$577	$12,461

The activities in the allowance for loan losses by portfolio for the year ended December 31, 2017 are as follows:

	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Total Commercial Portfolio
			(In thousands)		
Balance at beginning of year	$16,069	$5,299	$3,665	$146	$25,179
Provision for loan losses	5,667	(19)	(771)	42	4,919
Charge-offs	(7,458)	—	—	—	(7,458)
Recoveries	1,177	—	483	—	1,660
Ending Balance	$15,455	$5,280	$3,377	$188	$24,300

	Residential 1-4 Family 1st Mortgages	Residential 1-4 Family 2nd Mortgages	Consumer and Other	Total Retail Portfolio
		(In thousands)		
Balance at beginning of year	$ 6,478	$ 3,903	$ 98	$10,479
Provision for loan losses	2,063	(808)	498	1,753
Charge-offs	(1,638)	(4,524)	(345)	(6,507)
Recoveries	1,679	4,112	149	5,940
Ending Balance	$ 8,582	$ 2,683	$ 400	$11,665

The following is additional information regarding the Bank's individually impaired loans and the allowance for loan losses related to such loans as of March 31, 2018 and December 31, 2017:

	March 31, 2018			
	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
		(In thousands)		
Loans without a related allowance:				
Residential 1-4 family 1st mortgages	$ 4,138	$ 4,123	$ 5,723	$ —
Commercial real estate mortgages	—	—	—	—
Commercial and industrial	982	1,857	982	—
	5,120	5,980	6,705	—
Loans with a related allowance:				
Residential 1-4 family 1st mortgages	26,783	26,964	30,269	1,325
Residential 1-4 family 2nd mortgages	3,048	2,917	3,048	377
Commercial real estate mortgages	5,898	5,899	5,899	300
Commercial and industrial	12,334	12,452	15,822	7,290
	48,063	48,231	55,038	9,292
Total individually impaired loans:				
Residential 1-4 family 1st mortgages	30,921	31,087	35,992	1,325
Residential 1-4 family 2nd mortgages	3,048	2,917	3,048	377
Commercial real estate mortgages	5,898	5,899	5,899	300
Commercial and industrial	13,316	14,309	16,804	7,290
	$53,183	$54,211	$61,743	$9,292

	December 31, 2017			
	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
	(In thousands)			
Loans without a related allowance:				
Residential 1-4 family 1st mortgages	$ 4,108	$22,219	$11,644	$ —
Commercial real estate mortgages	—	4,162	—	—
Commercial and industrial	2,732	1,366	2,732	—
	6,840	27,746	14,376	—
Loans with a related allowance:				
Residential 1-4 family 1st mortgages	27,144	20,038	31,694	1,354
Residential 1-4 family 2nd mortgages	2,786	1,393	2,786	164
Commercial real estate mortgages	5,900	2,950	5,900	300
Commercial and industrial	12,569	14,435	15,814	5,326
	48,399	38,816	56,194	7,144
Total individually impaired loans:				
Residential 1-4 family 1st mortgages	31,252	42,257	43,338	1,354
Residential 1-4 family 2nd mortgages	2,786	1,393	2,786	164
Commercial real estate mortgages	5,900	7,112	5,900	300
Commercial and industrial	15,301	15,801	18,546	5,326
	$55,239	$66,562	$70,570	$7,144

As of March 31, 2018 and December 31, 2017 mortgage loans with a balance of $826,612,000 and $814,160,000, respectively, are pledged to the FHLBNY to secure outstanding advances and letters of credit.

There were three related party loans outstanding as of March 31, 2018 and three outstanding as of December 31, 2017 with total principal balances of $1,279,000 and $1,286,000, respectively. As of March 31, 2018, all related party loans were current.

6. DEPOSITS

Deposits are summarized as follows:

	For the periods ended March 31,		December 31,	
	2018		2017	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(In thousands)			
Savings accounts	$ 309,751	0.15%	$ 303,906	0.14%
Money market accounts	984,092	0.37%	943,514	0.41%
NOW accounts	203,066	0.35%	207,018	0.25%
Non-interest bearing demand deposit accounts	1,457,299	—	1,387,570	—
Time deposits	381,358	0.78%	391,100	0.77%
	$3,335,567	0.24%	$3,233,108	0.24%

The scheduled maturities of time deposits as of March 31, 2018 are as follows:

Maturities as of March 31, 2018	
2018	$298,532
2019	57,278
2020	12,812
2021	5,028
2022	1,777
2023	519
Thereafter	5,412
	$381,358

Time deposits of $100,000 or more aggregated to $231,556,000 and $237,291,000 as of March 31, 2018 and December 31, 2017, respectively.

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 $97,257,000 and $98,701,000 as of March 31, 2018 and December 31, 2017, respectively. The average balance of such deposits was approximately $97,321,000 and $114,201,000 for the three months ended March 31, 2018 and the year ended December 31, 2017, respectively.

Total deposits include deposits from Workers United and other related entities in the amounts of $75,845,000 and $77,543,000 as of March 31, 2018 and December 31, 2017, respectively.

Included in total deposits are state and municipal deposits totaling $101,018,000 and $100,630,000 as of March 31, 2018 and December 31, 2017, respectively. Such deposits are secured by letters of credit issued by the FHLBNY or by securities pledged with the FHLBNY.

Interest expense on deposits is summarized as follows:

	As of and for the Three Months Ended March 31,	
	2018	**2017**
	(In thousands)	
Savings accounts	$ 105	$ 77
Money market deposit accounts	875	635
NOW accounts	148	61
Time deposits	962	845
	$2,089	$1,618

7. BORROWED FUNDS

Borrowed funds are summarized as follows:

	March 31, 2018		December 31, 2017	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(Dollar amounts in thousands)			
FHLBNY advances	$401,775	1.60%	$402,600	1.49%
Fed Funds Purchased	—		5	0.00%
	$401,775	1.60%	$402,605	1.49%

FHLBNY advances are collateralized by the FHLBNY stock owned by the Bank plus a pledge of other eligible assets comprised of securities and mortgage loans. As of March 31, 2018, the value of the other eligible assets has an estimated market value net of haircut totaling approximately $1,191,353,000 (comprised of securities of $364,741,000 and mortgage loans of $826,612,000). The pledged securities and mortgage loans have been delivered to the FHLBNY. The fair value of assets pledged to the FHLBNY is required to be not less than 110% of the outstanding advances. As a member of the FHLBNY, the Bank may borrow, on a secured basis, up to approximately 22.2 times the amount of FHLBNY stock owned by the Bank. The maximum available borrowings can be increased by the purchase of additional shares of such capital stock.

The following table summarizes the carrying value of significant categories of borrowed funds as of March 31, 2018 by contractual maturity:

	FHLBNY Advances
	(Dollars in thousands)
2018	$355,000
2019	30,200
2020	16,575
2021	—
	$401,775

None of the FHLBNY advances are structured to provide the counterparty with the option to require the Bank to prepay the borrowings before maturity. However, the Bank has the option to prepay the borrowings subject to paying a prepayment fee based on market conditions existing at the time of prepayment. No borrowing were prepaid during the quarter ended March 31, 2018. During the quarter ended March 31, 2017 the Bank elected to prepay borrowed funds totaling $44,645,000 and incurred related prepayment fees of approximately $1,174,358.

Interest expense on borrowed funds is summarized as follows:

(In thousands)	For the Three months ended March 31, 2018	For the Three months ended March 31, 2017
FHLBNY advances	$1,353	$3,536
Securities sold under agreements to repurchase	—	27
Fed Funds Purchased	—	6
	$1,353	$3,569

8. EARNINGS PER SHARE

The two-class method is used in the calculation of basic and diluted earnings per share. Under the two-class method, earnings available to common shareholders for the period are allocated between common shareholders and participating securities according to participation rights in undistributed earnings. Our SARs are not considered participating securities and the Bank has no other participating securities. As a result, our basic and diluted earnings per share are identical. The factors used in the earnings per share computation follow:

	As of and for the Three Months Ended March 31,	
	2018	2017
(in thousands, except per share data)		
Net income	$7,661	$2,849
Dividends paid on preferred stock	0	—
Income attributable to common stock	$7,661	$2,849
Weighted average common shares outstanding	1,403	1,403
Basic earnings per common share	$ 5.46	$ 2.03

9. EMPLOYEE BENEFIT PLANS

Long Term Incentive Plans

During the three months ended March 31, 2018, the Bank issued SARs shares of 31,671 to the executive management team and directors using a baseline share price of $293.00 per share. The outstanding shares vest evenly over a three-year period and are exercisable at the option of the vested holders until the termination of each tranche after 10 years, beginning in 2025. As of December 31, 2017, the Bank was valued at a range of $279.90 to $306.56 per share using an independent valuation, which was reviewed and approved by the Compensation Committee of the Board of Directors of the Bank. The approximate midpoint of the range, $293.00 per share, was selected by the committee for the value of the SARs at December 31, 2017 for both the exercise of vested SARs and the issuance of new SARs.

A summary of the status of the Bank's stock appreciation rights as of March 31, 2018 follows:

	Numbers of SARs	Weighted Avg Exercise Price	Aggregate Intrinsic Value @ $293 / Share
Outstanding, December 31, 2017	106,037	$245	$5,064,466
Granted	31,671	293	—
Exercised	(14,463)	237	(814,544)
Forfeited	(3,148)	275	(55,464)
Outstanding, March 31, 2018	120,097	258	4,194,458
Vested and Exercisable, March 31, 2018	59,030	$237	$3,303,665

The weighted average remaining contractual life of the outstanding SARs at March 31, 2018 is 8.3 years. The weighted average remaining life of the SARs exercisable at March 31, 2018 is 7.5 years. The range of exercise prices is $220.00 to $293.00 per share.

The fair value of each SAR granted in 2018 was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0.0%, risk-free interest rate of 2.27%, expected life of 6.0 years, and expected volatility of 20%. The volatility percentage was based on the average expected volatility of similar public financial institutions to the Bank. The weighted average fair value of the SARs granted in 2018 was $73.65 per share.

The fair value of each SAR granted in 2017 was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0.0%, risk-free interest rate of 2.10%, expected life of 6.0 years, and expected volatility of 20%. The volatility percentage was based on the average expected volatility of similar public financial institutions to the Bank. The weighted average fair value of the SARs granted in 2017 was $67.92 per share.

Total SAR compensation costs to employees and directors for the three months ended March 31, 2018 was $432,000 in expense, and is recorded within the Consolidated Statements of Income. The fair value of all awards outstanding as of March 31, 2018 was $10,627,000. Cash payments of $815,000 were made in the three months ended March 31, 2018 related to the exercise of vested SAR awards at $293.00 per share.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. 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, 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, 2018			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Available for sale securities:				
Mortgage-related:				
GSE residential certificates	$—	$ 96,114	$—	$ 96,114
GSE CMOs	—	194,504	—	194,504
Non-GSE residential certificates	—	92,671	—	92,671
GSE commercial certificates	—	226,773	—	226,773
Non-GSE commercial certificates	—	50,662	—	50,662
Other debt:				
U.S. Treasury	$197	$ —	$—	$ 197
ABS	—	262,551	—	262,551
Trust preferred	—	23,481	—	23,481
Corporate	—	28,046	—	28,046
Other	—	999	—	999
Total assets carried at fair value	$197	$975,801	$—	$975,998

During the quarter ended March 31, 2018 and year ended December 31, 2017, there were no transfers of financial instruments between Level 1 and Level 2 and there were no financial instruments measured at fair value and categorized as Level 3 in the consolidated statement of financial condition.

Certain assets such as impaired loans and other real estate owned are measured at fair value on a non-recurring basis. Included in loans receivable are impaired loans with a fair value of approximately $43,891,000 and $48,095,000 as of March 31, 2018 and December 31, 2017, respectively. Included in other assets are impaired loans held for sale with a fair value of $635,000 and $4,186,000 as of March 31, 2018 and December 31, 2017, respectively. The fair value of other real estate owned was $1,329,000 and $2,527,000 as of March 31, 2018 and December 31, 2017, respectively. These fair values, which would generally be considered Level 3 measurements, were determined using various valuation techniques including consideration of appraised values and other pertinent real estate data.

A description of the methods, factors and significant assumptions utilized in estimating the fair values for significant categories of financial instruments follows:

- Securities – Investments in fixed income securities are generally valued based on evaluations provided an independent pricing service. These evaluations represent an exit price or their opinion as to what a buyer would pay for a security, typically in an institutional round lot position, in a current sale. The pricing service utilizes evaluated pricing techniques that vary by asset class and incorporate available market information and, because many fixed income securities do not trade on a daily basis, applies available information through processes such as benchmark curves, benchmarking of available securities, sector groupings and matrix pricing. Model processes, such as option adjusted spread models, are used to value securities that have prepayment features. In those limited cases where pricing service evaluations are not available for a fixed income security, management will typically value those instruments using observable market inputs in a discounted cash flow analysis. Held to maturity securities are generally categorized as Level 2.

- Loans receivable – Loans are valued using a present value technique that incorporates management's assumptions as to what a market participant would assume given the attributes of the loans. The observable U.S. Treasury yield curve is a significant input to the valuation. Assumptions, including prepayment speeds and credit spreads, are based on observable market data where possible or alternatively are based on terms currently offered on loans to borrowers of similar credit quality. As a result, the valuation method for performing loans, which is consistent with certain guidance provided in accounting standards, does not fully incorporate the "exit price" approach to fair value. Fair values for loans considered impaired are based on discounted cash flows using the loan's initial effective interest rate or the fair value of the underlying collateral in the case of collateral dependent loans. The methods used to estimate the fair value of loans are extremely sensitive to the assumptions and estimates used. While management has attempted to use assumptions and estimates that best reflect the Bank's loan portfolio and current market conditions, a greater degree of subjectivity is inherent in these values than in those determined in active markets. Loans would generally be categorized as Level 3.
- Deposits – Deposits without a defined maturity date are valued at the amount payable on demand. Certificates of deposit, which are categorized as Level 2, are valued using a present value technique that incorporates current rates offered by the Bank for certificates of comparable remaining maturity.
- Borrowed funds – FHLBNY advances and repurchase agreements are valued using a present value technique that incorporates current rates offered by the FHLBNY for advances of comparable remaining maturity. FHLBNY advances and repurchase agreements are categorized as Level 2. For senior unsecured debt, management considers that the carrying value of the debt represents a reasonable approximation of fair value.
- FHLBNY stock – FHLBNY stock is a non-marketable equity security categorized as Level 2 and reported at cost, which equals par value (the amount at which shares have been redeemed in the past). No significant observable market data is available for this security.
- Other – The Bank holds or issues other financial instruments for which management considers the carrying value to approximate fair value. Such items include cash and due from banks; interest-bearing deposits in banks, loans held for sale and accrued interest receivable and payable. Many of these items are short term in nature with minimal risk characteristics.

For those financial instruments that are not recorded at fair value in the consolidated statements of financial condition, but are measured at fair value for disclosure purposes, management follows the same fair value measurement principles and guidance as for instruments recorded at fair value.

There are significant limitations in estimating the fair value of financial instruments for which an active market does not exist. Due to the degree of management judgment that is often required, such estimates tend to be subjective, sensitive to changes in assumptions and imprecise. Such estimates are made as of a point in time and are impacted by then-current observable market conditions; also such estimates do not give consideration to transaction costs or tax effects if estimated unrealized gains or losses were to become realized in the future. Because of inherent uncertainties of valuation, the estimated fair value may differ significantly from the value that would have been used had a ready market for the investment existed and the difference could be material. Lastly, consideration is not given to nonfinancial instruments, including various intangible assets, which could represent substantial value. Fair value estimates are not necessarily representative of the Bank's total enterprise value.

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

	March 31, 2018		December 31, 2017	
	Financial Statement Basis	Estimated Fair Value	Financial Statement Basis	Estimated Fair Value
	(In thousands)			
Financial assets:				
Cash and cash equivalents	$ 53,540	$ 53,540	$ 116,459	$ 116,459
Available for sale securities	975,998	975,998	943,359	943,359
Held to maturity securities	9,353	9,406	9,601	9,718
Loans held for sale	36,855	36,855	—	—
Loans receivable, net	$2,881,909	$2,823,282	$2,779,913	$2,748,875
FHLBNY stock	20,933	20,933	20,970	20,970
Accrued interest and dividends receivable	11,610	11,610	11,177	11,177
BOLI	72,540	72,540	72,960	72,960
Other assets (1)	635	635	4,186	4,186
Financial liabilities:				
Deposits payable on demand	2,954,208	2,954,208	2,842,008	2,842,008
Time deposits	381,358	381,784	391,100	391,341
Borrowed funds	401,775	400,935	402,605	401,844
Accrued interest payable	1,514	1,514	1,434	1,434

(1) loans held for sale recorded in other assets

11. COMMITMENTS, CONTINGENCIES AND OFF BALANCE SHEET RISK

Credit Commitments

The Bank is party to various credit related financial instruments with off balance sheet risk. The Bank, 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.

As of March 31, 2018, the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount
	(In thousands)
Commitments	$232,777
Letters of Credit	8,422
	$241,199

Commitments to extend credit are agreements 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 Bank'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 Bank 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 Bank considers this carrying value, which is not material, to approximate the estimated fair value of these financial instruments.

The Bank reserves for the credit risk inherent in off balance sheet credit commitments. This reserve, which is included in other liabilities, amounted to approximately $881,000 and $890,000 as of March 31, 2018 and December 31, 2017, respectively.

6,718,729 Shares

Amalgamated Bank

Class A Common Stock

Offering Circular

, 2018

Barclays

J.P. Morgan

Keefe, Bruyette & Woods

A Stifel Company

Piper Jaffray

Raymond James & Associates, Inc.

Sandler O'Neill + Partners, L.P.

Until and including , 2018 (25 days after the date of this offering circular), all dealers that effect transactions in our Class A common stock, whether or not participating in this offering, may be required to deliver an offering circular. This delivery requirement is in addition to the obligation of dealers to deliver an offering circular when acting as underwriters and with respect to their unsold allotments or subscriptions.