



Amalgamated Bank

First Quarter 2019 Earnings Presentation

April 30, 2019



FORWARD-LOOKING STATEMENTS

Statements included in this presentation that are not historical in nature are intended to be, and are hereby identified as, forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. 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. In this presentation, these forward-looking statements include statements related to our sale of our indirect C&I portfolio. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to risk associated with the sale of our C&I portfolio that may result in that sale failing to close. Additional factors which could affect the forward looking statements can be found in Amalgamated’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the FDIC and available on the FDIC’s website at <https://efr.fdic.gov/fcxweb/efr/index.html>. Amalgamated Bank disclaims any obligation to update or revise any forward-looking statements contained in this presentation, which speak only as of the date hereof, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures including, without limitation, “Core Non-interest Income,” “Core Non-interest Income / Average Assets,” “Core Operating Revenue,” “Core Non-interest Expense,” “Core Non-interest Expense / Average Assets,” “Core Efficiency Ratio,” “Core Earnings,” “Core ROAA,” and “Core ROAE.”

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

Non-GAAP financial measures, however, have inherent limitations, are not required to be uniformly applied, and are not audited. Accordingly, these non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and we strongly encourage investors to review the GAAP financial measures included in this 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. Reconciliations of non-GAAP financial disclosures to comparable GAAP measures found in this presentation are set forth in the final pages of this presentation and also may be viewed on the company’s website, amalgamatedbank.com.

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

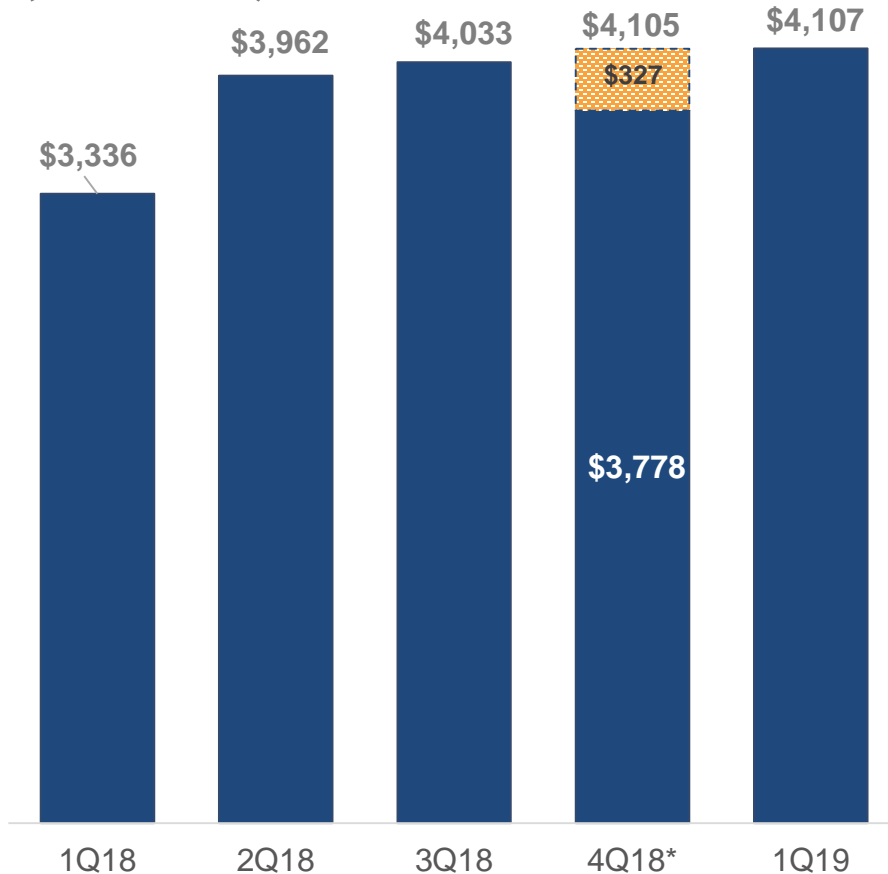
1Q19 Highlights

- ✓ Reported Net Income of \$10.8 million
- ✓ Reported EPS of \$0.33 per diluted share
- ✓ Core earnings¹ of \$10.7 million
- ✓ Core earnings per diluted share of \$0.33
- ✓ Deposit growth of \$1.8 million, or 0.2% annualized to the prior quarter
- ✓ Adjusted deposit growth of 34.8% annualized, compared to \$3.8 billion as of December 31, 2018
 - ✓ December 31, 2018 deposits included \$326.7 million of short term deposits which exited the bank at the beginning of January 2019
- ✓ Loan growth of \$56.4 million, or 7.0% annualized to the prior quarter
- ✓ 31 bps cost of deposits
- ✓ 3.65% Net Interest Margin

(1) See non-GAAP disclosures on page 16

Total Deposits

(\$ in millions)



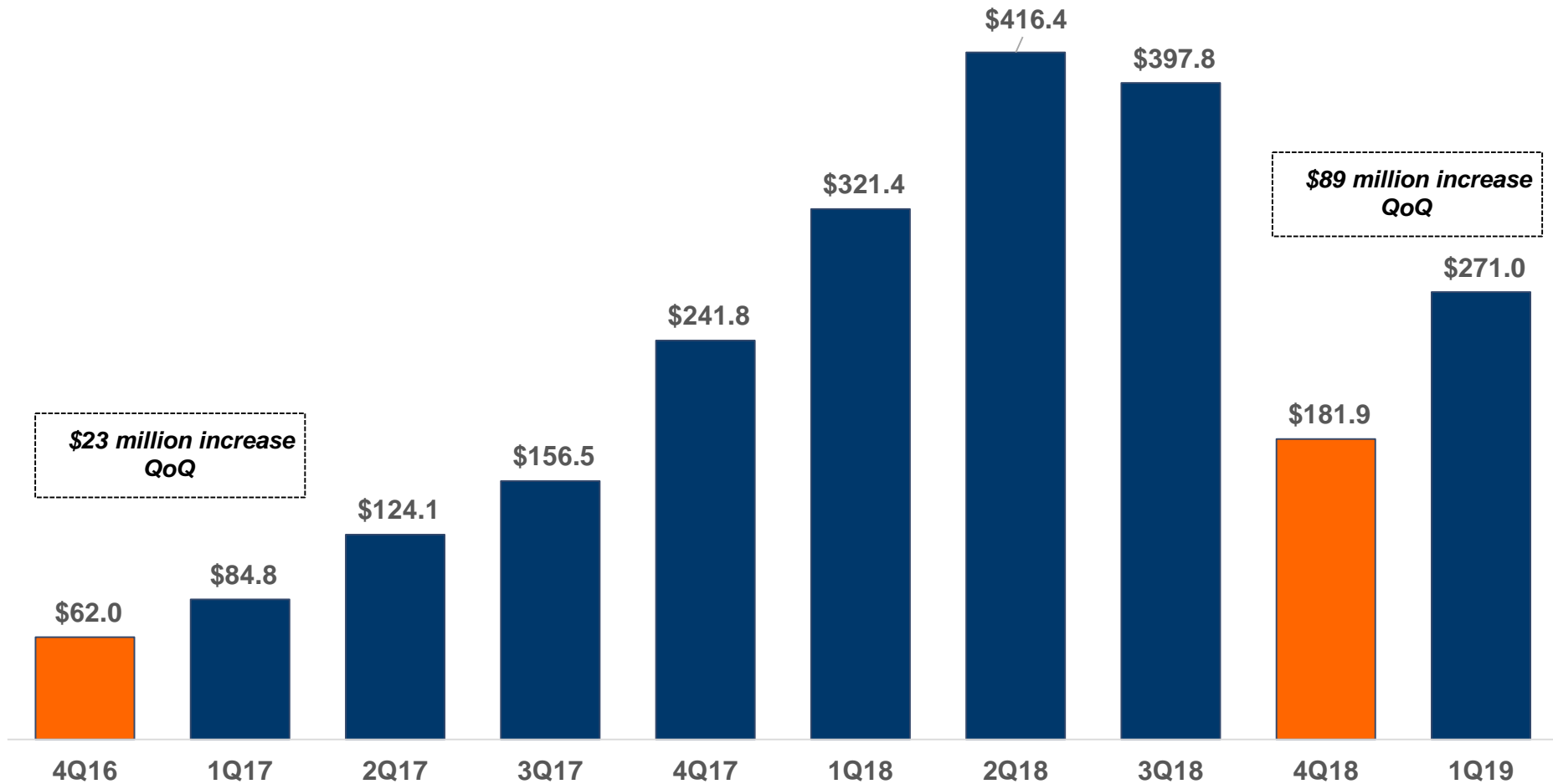
1Q19 Highlights

- ✓ Total deposits were \$4.1 billion, essentially flat compared to 4Q18
- ✓ On an adjusted basis, deposit growth of \$328.5 million, or 34.8% annualized, compared to \$3.8 billion on January 2, 2019
- ✓ \$144.0 million of non-interest bearing deposit growth compared to the linked quarter
- ✓ Non-interest-bearing deposits represented 41.6% of ending deposits in 1Q19

* December 31, 2018 deposits included \$326.7 million of short term deposits which exited the bank to start 2019

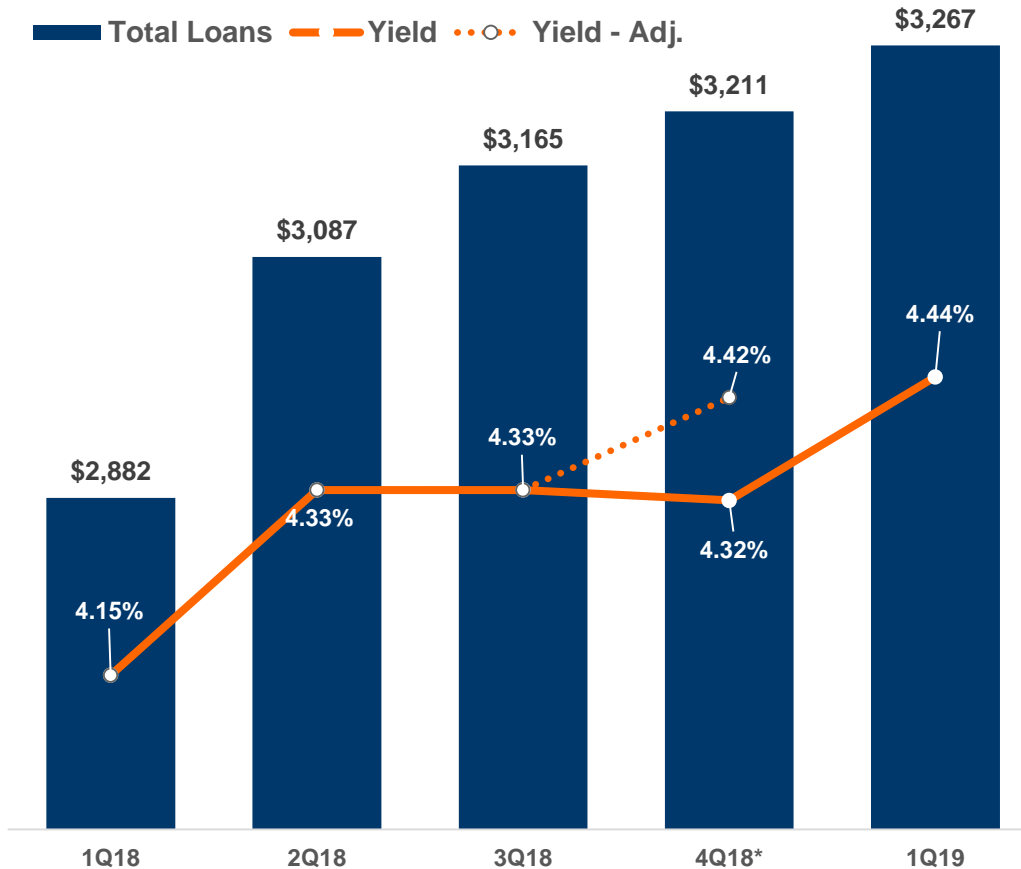
Political Deposits Trend

(\$ in millions)





Total Loans, Net (\$ in millions)



1Q19 Highlights

- ✓ Total loans increased \$56.4 million, or 7.0% annualized compared to 4Q18
- ✓ Since the NRB acquisition, growth in mission-oriented lending is approximately \$256.3 million (\$83.2 million in 1Q19)
- ✓ 1Q19 loan growth compared to the linked quarter was due to:
 - ✓ \$93.3 million increase in residential first liens and PACE loans
 - ✓ Offset by a strategic reduction in indirect C&I loans of \$29.3 million and a \$12.2 million reduction in CRE

* 4Q18 adjusted yield reflects exclusion of one-time adjustment of \$0.8mm of accrued interest receivable

Leverage Loans - March 31, 2019

Number of loans	Balance (\$MM)	Exposure (\$MM)	Reserves (\$MM)	Reserves (%)	Status - 4/29/2019
3	\$ 34.8	\$ 38.1	\$ 0.4	1.2%	Sold/Paid-off
5	31.3	44.5	0.4	1.3%	Performing
2	10.8	11.5	3.5	32.7%	Substandard
2	24.4	25.6	3.0	12.2%	Substandard - Unitranche
1	2.6	2.6	-	0.0%	TDR / Non-Accrual
Total - Leverage	\$ 103.8	\$ 122.3	\$ 7.3	7.1%	
Total - Post Sales	\$ 69.0	\$ 84.2	\$ 6.9	10.0%	

Non-Leverage Loans - March 31, 2019

Number of loans	Balance (\$MM)	Exposure (\$MM)	Reserves (\$MM)	Reserves (%)	Status - 4/29/2019
10	\$ 92.2	\$ 95.9	\$ 0.9	1.0%	Sold/Paid-off
2	10.8	18.8	0.1	1.2%	Performing
Total - Non Leverage	\$ 103.0	\$ 114.6	\$ 1.0	1.0%	
Total - Post Sales	\$ 10.8	\$ 18.8	\$ 0.1	1.2%	

Total Indirect C&I portfolio is ~\$80mm at the end of April 2019*

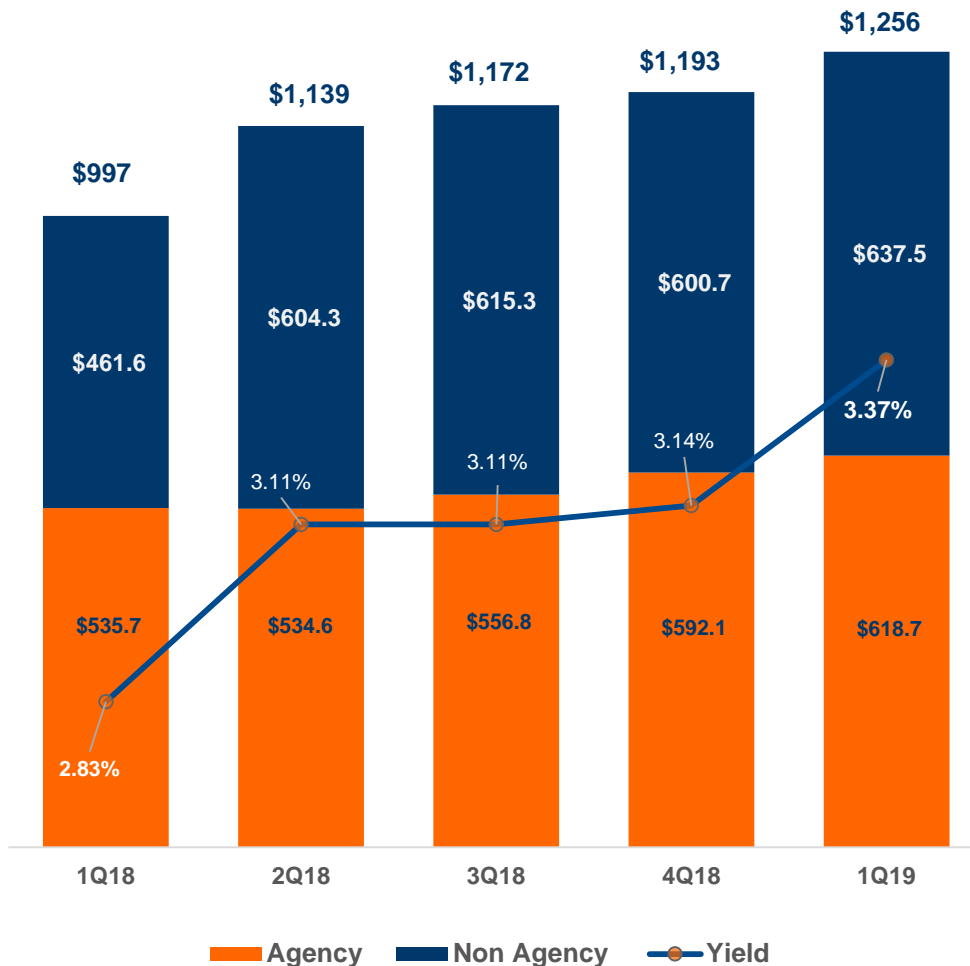
*Includes sales that have not settled as of April 2019



CASH AND INVESTMENT SECURITIES

Securities

(\$ in millions)



1Q19 Highlights

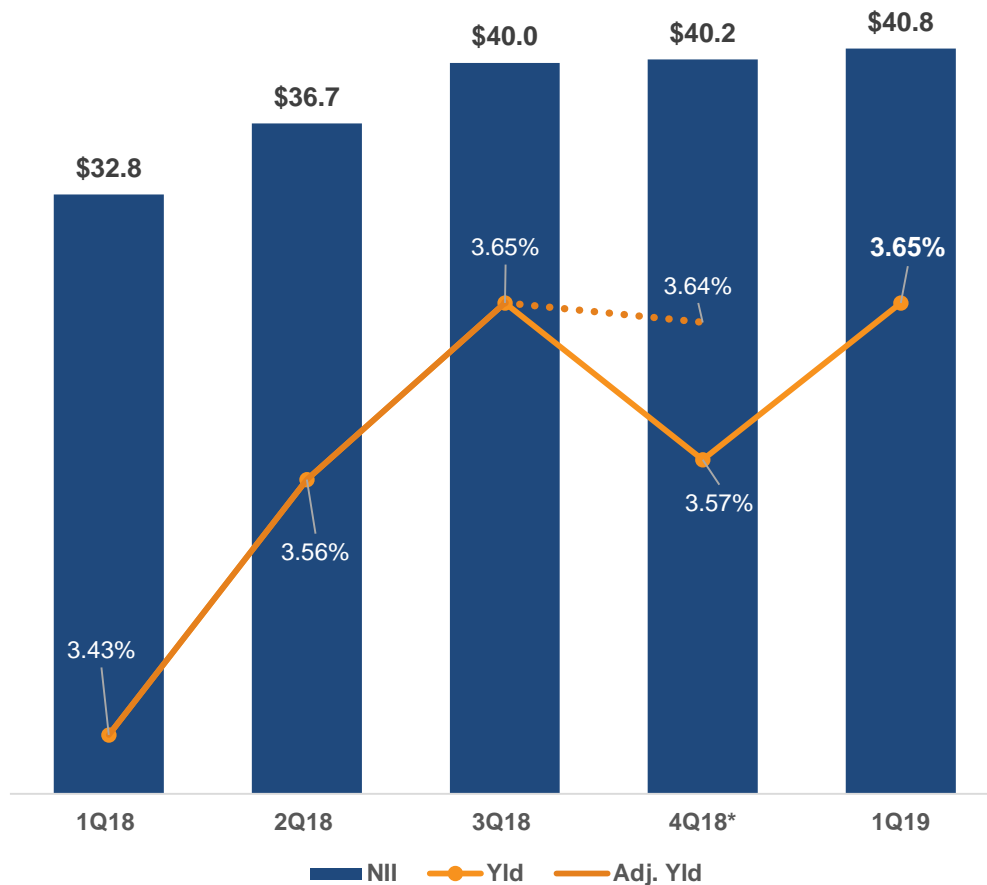
- ✓ Cash and Investment Securities totaled \$1.3 billion for 1Q19 versus \$1.2 billion in 4Q18
- ✓ Increase of \$63 million from 4Q18 was primarily due to purchases of ABS and agency securities
- ✓ 91% of all non-agency MBS/ABS securities are AAA rated and 99% are A rated or higher; all CLO's are AAA rated
- ✓ Yield on securities benefited from rising interest rates, reduced days in the period and reinvestment
- ✓ As of 1Q19 average subordination for the C&I and CLO is 41.5%



NET INTEREST INCOME AND MARGIN

Net Interest Income & Margin

(\$ in millions)



1Q19 Highlights

- ✓ Net interest income was \$40.8 million, an increase of 1.4% compared to \$40.2 million in 4Q18

- ✓ Up 24.3% compared to \$32.8 in 1Q18

1Q19 vs.1Q18 changes due to:

- ✓ Increases:

- Average net loans of \$375.3 million
- Yield on average loans of 29 basis points
- Average securities of \$275.6 million
- Yield on average securities and FHLB stock of 54 bps

- ✓ Partially offset by:

- An increase in average interest bearing deposits of \$441.8 million
- An increase in the rate paid on interest bearing deposits of 7 bps
- An increase in the rate paid on FHLB borrowings of 101 bps

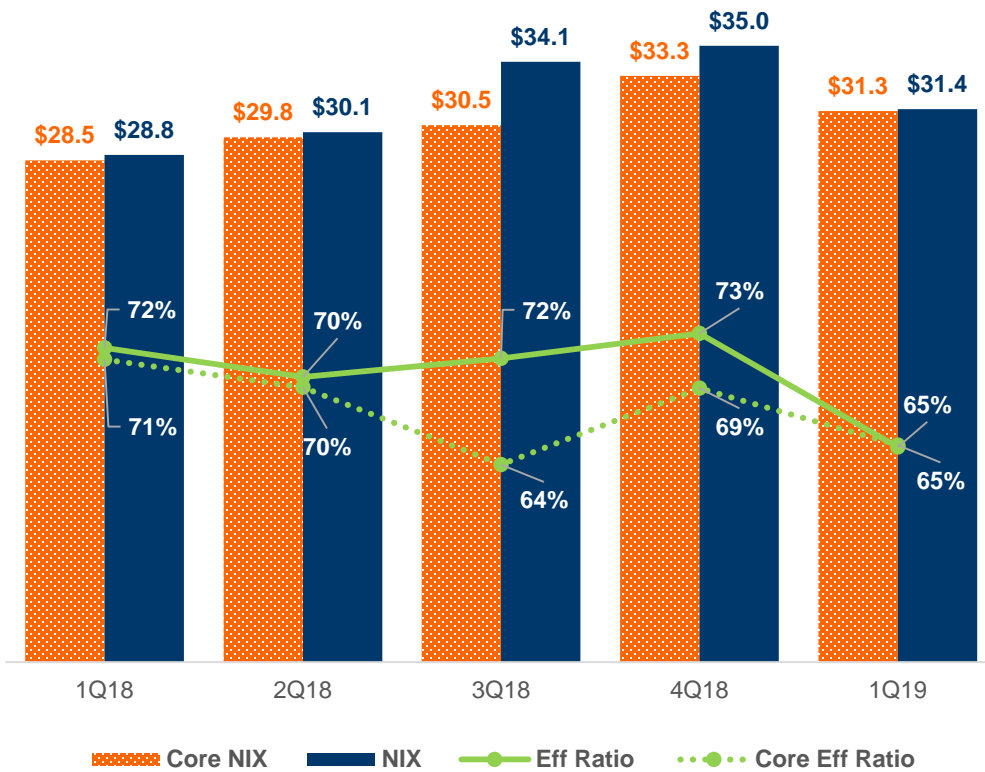
* 4Q18 adjusted NIM reflects exclusion of one-time adjustment of \$0.8mm of accrued interest receivable



NON-INTEREST EXPENSE AND EFFICIENCY

Non-Interest Expense

(\$ in millions)



1Q19 Highlights

- ✓ Core efficiency ratio of 65% for 1Q19¹
- ✓ Core non-interest expense for the 1Q19 was \$31.3 million, a \$2.0 million decrease from 4Q18 and \$2.8 million increase from 1Q18.

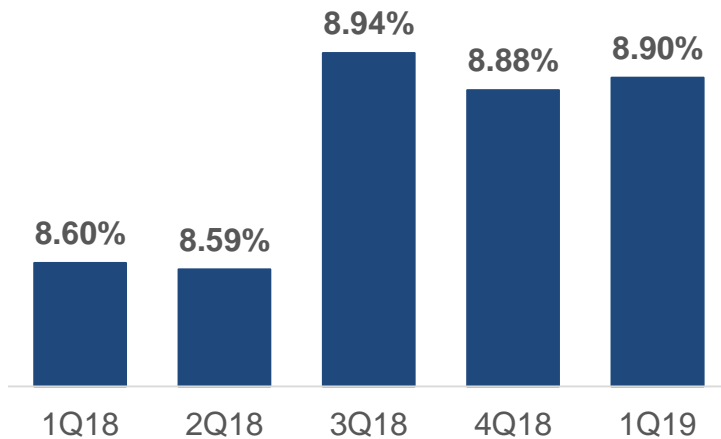
The year over year increase was due to:

- ✓ \$2.1 million increase in compensation and employee benefits
- ✓ \$0.4 million increase in data processing
- ✓ \$0.4 million amortization of the core deposit intangible from NRB acquisition
- ✓ \$0.2 million reduction in other expenses driven primarily by the release of \$0.6 million in off balance sheet provision in the 1Q19.

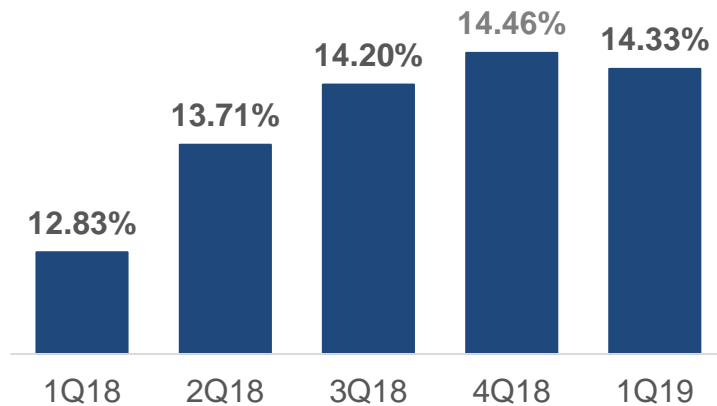
(1) See non-GAAP disclosures on page 17



Tier 1 Leverage Ratio



Total Risk Based Capital Ratio



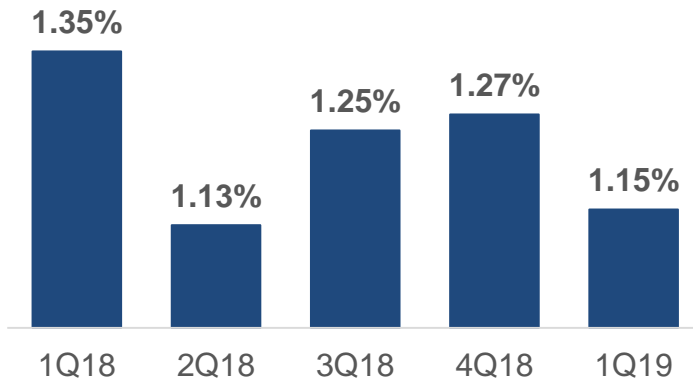
(1) Refer non-GAAP disclosures on page 17

1Q19 Highlights

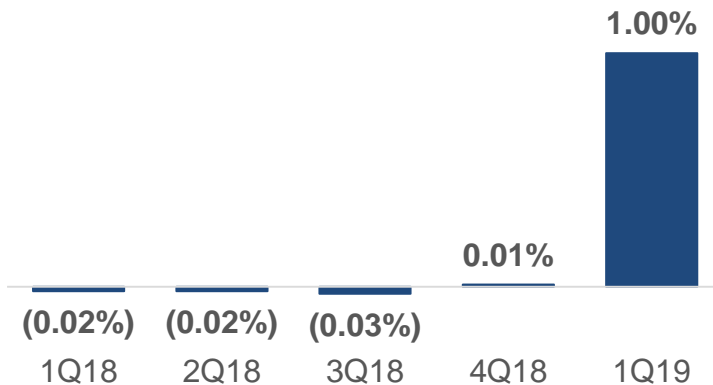
- ✓ Regulatory capital ratios remain well capitalized
 - ✓ Tier 1 leverage of 8.90% as of 1Q19, up 2 bps compared to the linked quarter
 - ✓ Total Risk Based Capital of 14.33%, down 13 bps compared to the linked quarter
 - ✓ Impact of lease accounting adoption was (10bps) on Tier 1 leverage ratio

- ✓ Tangible book value per share⁽¹⁾ of \$13.68, compared to \$13.16 as of 4Q18 and \$12.11 as of 1Q18

NPAs/ Total Assets



NCOs/ Average Loans⁽¹⁾



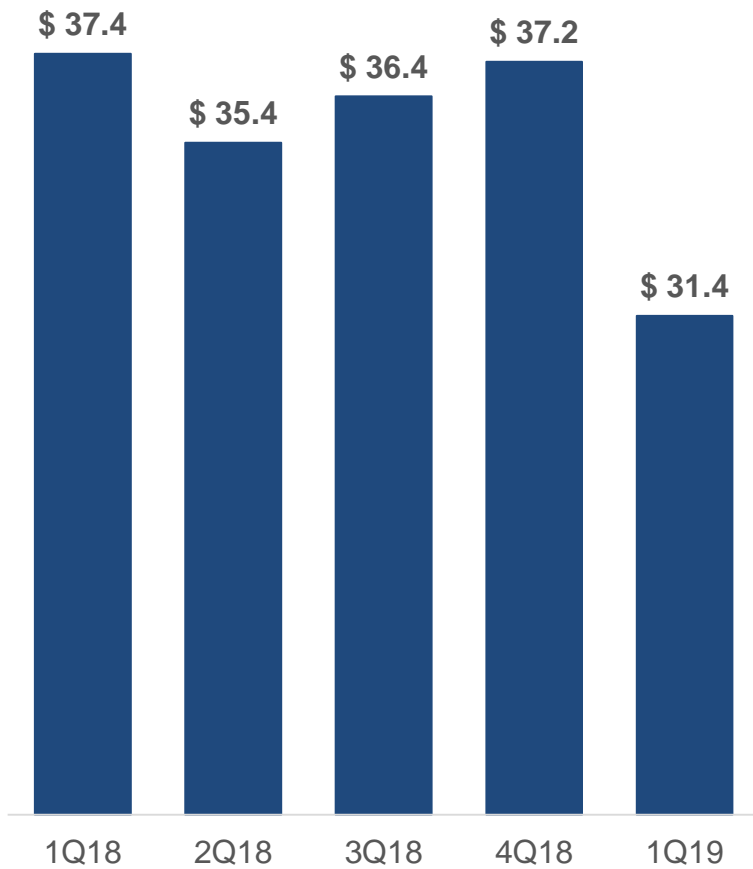
(1) Annualized

1Q19 Highlights

- ✓ Nonperforming assets were \$56.6 million as of 1Q19, compared to \$59.3 in 4Q18
- ✓ Net Charge-offs to average loans of 1.0% during the quarter versus 0.01% in the linked quarter, and (0.02%) in 1Q18
 - ✓ Increase was due to charge-off of one indirect C&I loan (\$8.4 million) in 1Q19

Allowance for Loan Losses

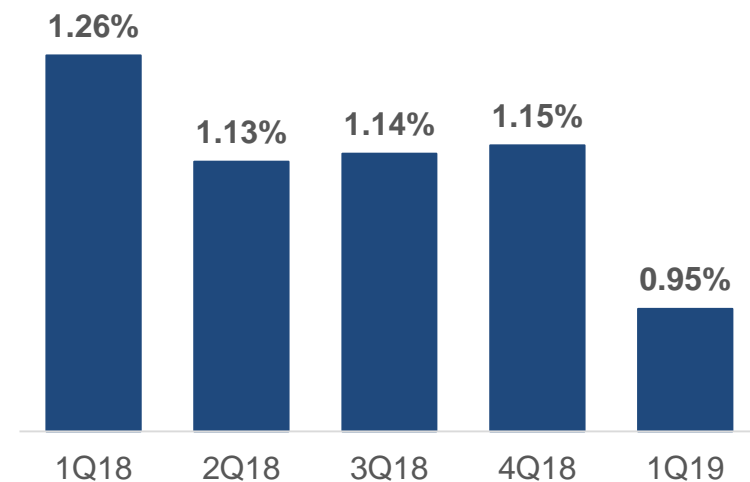
(\$ in millions)



1Q19 Highlights

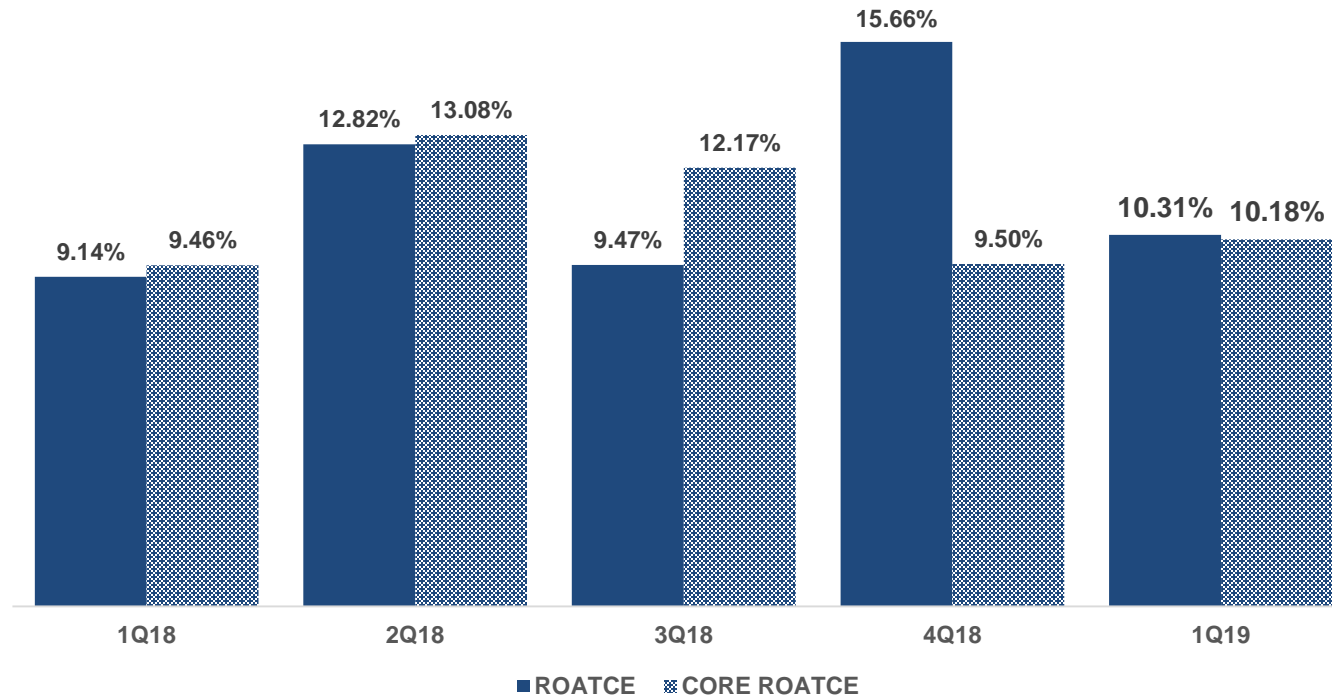
- ✓ Allowance for loan losses totaled \$31.4 million
 - ✓ Down \$5.8 million compared to 4Q18, primarily due to \$8.4 million in C&I charge-off
- ✓ 0.95% of total loans compared to 1.15% in 4Q18

Allowance for Loan Losses/ Total Loans





ROATCE



✓ Core ROATCE of 10.18% compared to 9.50% at 4Q18 and 9.46% at 1Q18

A photograph of a sunset over the ocean. The sun is in the upper right corner, creating a bright orange and yellow glow that reflects on the water's surface. The water transitions from a deep blue in the foreground to a lighter, more orange-tinged blue near the horizon. The word "Appendix" is written in a large, white, sans-serif font on the left side of the image.

Appendix



Reconciliation of Non-GAAP Financials



(in thousands)

	For the Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Core operating revenue			
Net interest income (GAAP)	\$ 40,773	\$ 40,205	\$ 32,801
Non interest income (GAAP)	7,417	7,555	7,015
Less: Securities loss, net and OTTI	(293)	129	103
<i>Core operating revenue (non-GAAP)</i>	<i>\$ 47,897</i>	<i>\$ 47,889</i>	<i>\$ 39,919</i>
Core non-interest expenses			
Non-interest expense (GAAP)	\$ 31,448	\$ 35,025	\$ 28,788
Less: Acquisition cost ⁽¹⁾	-	(1,633)	(275)
Less: Initial public offering and follow on cost ⁽²⁾	-	120	-
Less: Severance ⁽³⁾	(117)	(257)	23
<i>Core non-interest expense (non-GAAP)</i>	<i>\$ 31,331</i>	<i>\$ 33,255</i>	<i>\$ 28,536</i>
Core Earnings			
Net Income (GAAP)	\$ 10,813	\$ 15,984	\$ 7,661
Add: Securities loss, net and OTTI	(293)	129	103
Add: Acquisition cost ⁽¹⁾	-	1,633	275
Add: Initial public offering and follow on cost ⁽²⁾	-	(120)	-
Add: Severance ⁽³⁾	117	257	(23)
Less: Tax on notable items	45	(563)	(88)
Less: Deferred tax asset realization	-	(7,632)	-
<i>Core earnings (non-GAAP)</i>	<i>\$ 10,682</i>	<i>\$ 9,688</i>	<i>\$ 7,929</i>

(1) Expense related to New Resource Bank acquisition

(2) Costs related to first follow-on in November 2018

(3) Salary and COBRA reimbursement expense for positions eliminated



Reconciliation of Non-GAAP Financials

<i>(in thousands)</i>	For the Three Months Ended		
	March 31,	December 31,	March 31,
	2019	2018	2018
Tangible common equity			
Stockholders Equity (GAAP)	\$ 455,480	\$ 439,371	\$ 346,586
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Preferred Stock (GAAP)	-	-	(6,700)
Less: Goodwill (GAAP)	(12,936)	(12,936)	-
Less: Core deposit intangible (GAAP)	(7,713)	(8,102)	-
<i>Tangible common equity (non-GAAP)</i>	<u>\$ 434,697</u>	<u>\$ 418,199</u>	<u>\$ 339,752</u>
Average tangible common equity			
Average Stockholders Equity (GAAP)	\$ 446,464	\$ 426,290	\$ 346,927
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Preferred Stock (GAAP)	-	-	(6,700)
Less: Goodwill (GAAP)	(12,936)	(12,936)	-
Less: Core deposit intangible (GAAP)	(7,903)	(8,291)	-
<i>Average tangible common equity (non-GAAP)</i>	<u>\$ 425,491</u>	<u>\$ 404,929</u>	<u>\$ 340,093</u>
Core return on average assets			
Core earnings (numerator) (non-GAAP)	10,682	9,688	7,929
Divided: Total average assets (denominator) (GAAP)	4,787,874	\$ 4,680,235	4,054,776
<i>Core return on average assets (non-GAAP)</i>	0.90%	0.82%	0.79%
Core return on average tangible common equity			
Core earnings (numerator) (non-GAAP)	10,682	9,688	7,929
Divided: Total average tangible common equity (denominator) (non-GAAP)	425,491	404,929	340,093
<i>Core return on average tangible common equity (non-GAAP)</i>	10.18%	9.50%	9.46%
Core efficiency ratio			
Core non-interest expense (numerator) (non-GAAP)	31,331	33,255	28,536
Core operating revenue (denominator) (non-GAAP)	47,897	47,889	39,919
<i>Core efficiency ratio (non-GAAP)</i>	65.41%	69.44%	71.48%

