UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 27, 2022 (December 31, 2021)

Amalgamated Financial Corp.
(Exact name of registrant as specified in its charter)

Delaware	001-40136	85-2757101
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

275 Seventh Avenue, New York, New York 10001
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (212) 895-8988

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	AMAL	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR § 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On January 27, 2022, Amalgamated Financial Corp. ("Company") issued a press release announcing financial results for fourth quarter and full year ended December 31, 2021. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 7.01 Regulation FD Disclosure.

On January 27, 2022, the Company will hold an earnings conference call and webcast at 11:00 a.m. (Eastern Time) to discuss financial results for the third quarter ended September 30, 2021. The press release contains information about how to access the conference call and webcast. A copy of the slide presentation to be used during the earnings call and webcast is furnished as Exhibit 99.2 to this Current Report on Form 8-K. The slide presentation is also available on our website, www.amalgamatedbank.com, under the "Investor Relations" section.

The information in this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits The following exhibit index lists the exhibits that are either filed or furnished with this Current Report on Form 8-K:

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated January 27, 2022.
99.2	Slide Presentation.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMALGAMATED FINANCIAL CORP.

By:	/s/ Priscilla Sims Brown
Name:	Priscilla Sims Brown
Title:	Chief Executive Officer

Date: **January 27, 2022**

amalgamated FINANCIAL CORP.

Amalgamated Financial Corp. Reports Fourth Quarter 2021 Financial Results

NEW YORK – (Globe Newswire) -- January 27, 2022: Amalgamated Financial Corp. (the “Company” or “Amalgamated”) (Nasdaq: AMAL), the holding company for Amalgamated Bank (the “Bank”), today announced financial results for the fourth quarter ended December 31, 2021[1].

Fourth Quarter 2021 Highlights

- Net income of $15.9 million, or $0.50 per diluted share, compared to $14.4 million, or $0.46 per diluted share, for the third quarter of 2021 and $13.8 million, or $0.44 per diluted share for the fourth quarter of 2020.
- Total assets exceeded $7.0 billion for the first time.
- Deposits increased $131.8 million to $6.4 billion on a linked quarter basis.
- Political deposits remained strong and stable at $989.6 million as of December 31, 2021.
- Cost of deposits was 0.09%, down four basis points from the fourth quarter of 2020.
- Net loans, not including PACE assessments, increased $189.9 million, or 6.2%, to $3.3 billion, on a linked quarter basis.
- Total PACE assessments grew $206.4 million, or 49%, on a year over year basis to $627.4 million. Of which, Commercial PACE assessments grew $158.4 million to $175.7 million from $17.3 million on a year over year basis and $6.6 million during the quarter.
- Net interest margin improved to 2.77% compared to 2.70% for the third quarter of 2021 while declining from 3.06% for the fourth quarter of 2020.
- Nonaccrual loans improved to $28.2 million or 0.85% of total loans as of December 31, 2021, compared to $45.5 million or 1.46% of total loans on a linked quarter basis.
- Credit quality improved with classified or criticized assets declining by $79.9 million or 26% to $230.9 million on a linked quarter basis and by $137.4 million or 37% on a year over year basis.
- Regulatory capital remains above bank “well capitalized” standards, including on a pro-forma basis as of December 31, 2021 after giving effect to the pending Amalgamated Bank of Chicago (“ABOC”) acquisition.
- Subordinated debt of $85.0 million raised to help fund the ABOC acquisition, now targeted to close early in the second quarter of 2022.

Priscilla Sims Brown, President and Chief Executive Officer, commented, “I am very proud of our results as they clearly highlight the potential that exists within Amalgamated as we execute on our strategic plan. Importantly, we delivered meaningful loan growth, compared to the linked quarter, as our early focus on driving loan growth during the second half of 2021 has started to take hold. We also recruited a talented and experienced leader for our Commercial Real Estate business to manage our team and lending platform, protect our existing book of business, improve credit quality, and gain new share in our markets. This is a key focus and a strategic priority for the year ahead as we strive to deliver our goal of high single digit loan growth in 2022 and sustained profitability. Of note, our deposit franchise remains a competitive advantage for Amalgamated with one of the lowest cost of funds in the industry at 9 basis points. During the fourth quarter, we grew deposits 2% from the linked quarter while our political deposit franchise held steady at approximately $1.0 billion, which exceeded our expectations given the natural contraction that we typically experience following a national election year.”

Brown continued, “We ended the year strongly, with momentum and are well positioned to accelerate growth and profitability into the year ahead. I am very pleased that we were able to attract talent to Amalgamated which demonstrates the unique opportunity we offer in the market. We have a brand and reach in our socially responsible markets which rivals the big banks within an institution where people can lead and make a real impact. This is very appealing as we establish Amalgamated as an employer of choice in the major markets where we do business. Our immediate focus in 2022 is to add experienced bankers and underwriters who can help us to grow our platform and accelerate growth in our focus markets and segments. Our acquisition of Amalgamated Bank of Chicago will provide market expansion into the Midwest while offering

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[1] Effective March 1, 2021, the Company acquired all of the outstanding stock of the Bank in a reorganization effected under New York law and in accordance with the terms of a Plan of Acquisition dated September 4, 2020. In this release, unless the context indicates otherwise, references to “we,” “us,” and “our” refer to the Company and the Bank. However, if the discussion relates to a period before the effective date, the terms refer only to the Bank.

significant revenue and cost synergies when the deal closes over the next few months. We have been working closely with the ABOC team to prepare for the integration once the deal closes and are very pleased with the receptivity from the ABOC employees to the potential for the combined bank once we merge."

Results of Operations, Quarter Ended December 31, 2021

Net income for the fourth quarter of 2021 was $15.9 million, or $0.50 per diluted share, compared to $14.4 million, or $0.46 per diluted share, for the third quarter of 2021 and $13.8 million, or $0.44 per diluted share, for the fourth quarter of 2020. The $1.5 million increase for the fourth quarter of 2021 was primarily due to a $3.7 million increase in net interest income and a $5.7 million increase in non-interest income. These increases were partially offset by a $2.0 million increase in non-interest expense, of which $0.9 million was related to the pending ABOC acquisition, as well as $3.6 million provision expense compared to a $2.3 million provision recovery in the preceding quarter.

Core net income (non-GAAP)[2] for the fourth quarter of 2021 was $16.8 million, or $0.53 per diluted share, compared to $14.4 million, or $0.46 per diluted share, for the third quarter of 2021 and $13.8 million, or $0.44 per diluted share, for the fourth quarter of 2020. Excluded from core net income for the fourth quarter of 2021 was $0.1 million of non-interest income losses on the sale of securities and $0.9 million of non-interest expenses related to our planned acquisition of ABOC and $0.1 million of severance costs, and for the third quarter of 2021 was $0.4 million of non-interest income gains on the sale of securities and $0.4 million of non-interest expenses related to our planned acquisition of ABOC. There were no such exclusions from core net income for the fourth quarter of 2020.

Net interest income was $47.1 million for the fourth quarter of 2021, compared to $43.4 million for the third quarter of 2021 and $45.7 million for the fourth quarter of 2020. The $3.7 million increase from the preceding quarter reflected higher interest income on securities and loans, as well as lower interest expense on deposits. The $1.4 million increase from the fourth quarter of 2020 was primarily attributable to higher interest income on securities and lower interest expense on deposits, offset by a decrease in average loans from the prepayment of residential and commercial loans.

Net interest margin was 2.77% for the fourth quarter of 2021, an increase of seven basis points from 2.70% in the third quarter of 2021, and a decrease of 29 basis points from 3.06% in the fourth quarter of 2020. Prepayment penalties earned in loan income contributed two basis points to our net interest margin in the fourth quarter of 2021, compared to one basis point in the third quarter of 2021 and 13 basis points in the fourth quarter of 2020.

Provision for loan losses totaled an expense of $3.6 million for the fourth quarter of 2021 compared to a recovery of $2.3 million in the third quarter of 2021 and an expense of $4.6 million for the fourth quarter of 2020. The expense in the fourth quarter of 2021 was primarily driven by an increase in loan balances, as well as a $1.9 million net charge-off on a multifamily loan, partially offset by improved credit quality and qualitative factors.

Non-interest income was $12.4 million for the fourth quarter of 2021, compared to $6.7 million in the third quarter of 2021 and $10.0 million for the fourth quarter in 2020. The sequential increase of $5.7 million in the fourth quarter of 2021, compared to the preceding quarter, was primarily due to $5.3 million in equity method investment income related to a new investment in a solar initiative. The increase of $2.4 million in the fourth quarter of 2021 compared to the same quarter last year was primarily due to the solar investment income, offset by decreases in gains on sale of loans compared to the corresponding quarter in 2020.

Non-interest expense for the fourth quarter of 2021 was $35.0 million, an increase of $2.0 million from the third quarter of 2021 and an increase of $2.3 million from the fourth quarter of 2020. The increase of $2.0 million from the preceding quarter includes $0.9 million of ABOC acquisition related costs, as well as a $0.7 million increase in data processing

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[2] Reconciliations of non-GAAP financial measures to the most comparable GAAP measure are set forth on the last page of the financial information accompanying this press release and may also be found on our website, www.amalgamatedbank.com.

expenses related to the modernization of the Trust department. The increase of $2.3 million from the fourth quarter of 2020 is due to the ABOC related costs, as well as an increase of data processing expenses related to the modernization of the Trust department, increased transaction processing costs post COVID-19, and other technology upgrades.

Our provision for income tax expense was $4.9 million for the fourth quarter of 2021, compared to $4.9 million for the third quarter of 2021 and $4.6 million for the fourth quarter of 2020. Our effective tax rate for the fourth quarter of 2021 was 23.6%, compared to 25.4% for the third quarter of 2021 and 25.2% for the fourth quarter of 2020.

Results of Operations, Full Year Ended December 31, 2021

Net income for the year ended December 31, 2021 was $52.9 million, or $1.68 per average diluted share, compared to $46.2 million, or $1.48 per average diluted share, for same period in 2020. The $6.7 million increase was primarily due to a $0.3 million recovery of provision for loan loss compared to a $24.8 million provision for loan loss for the same period in 2020, as well as a $1.6 million decrease in non-interest expense. This recovery of provision was partially offset by a $12.2 million decrease in non-interest income and a $5.7 million decrease in net interest income.

Core net income (non-GAAP)[2] for the year ended December 31, 2021 was $54.3 million, or $1.72 per diluted share, compared to $50.3 million or $1.61 per diluted share, for the same period last year. Core net income for the year ended December 31, 2021 excludes ABOC acquisition related costs, severance costs, gains on the sale of securities, and the tax effect of such adjustments. Core net income for the year ended 2020 excludes branch closure expenses, branch sale gains, severance costs, gains on the sale of securities, and the tax effect of such adjustments.

Net interest income was $174.3 million for the year ended December 31, 2021, compared to $180.0 million for the same period in 2020. This decrease of $5.7 million was primarily attributable to a decrease in average loans and lower yields earned on securities and loans. These impacts are partially offset by an increase in average securities and a decrease in average rates paid on deposits.

Provision for loan losses totaled a recovery of $0.3 million for the year ended December 31, 2021, compared to an expense of $24.8 million for the same period in 2020. The recovery for the year ended December 31, 2021 was primarily driven by lower loan balances and improvements in credit quality, offset by charge-offs primarily related to our focus on reducing nonperforming assets.

Non-interest income was $28.4 million for the year ended December 31, 2021, compared to $40.6 million for the same period in 2020, a decrease of $12.2 million. This decrease is primarily due to the tax credits on equity investment projects being in a loss position compared to a gain position in the prior year, as well as a $1.4 million gain on the sale of a branch reported in other non-interest income in the prior year, and a $1.9 million decrease in Trust department fees primarily attributed to the run-off of the ULTRA real estate fund, which ceased earning revenues in 2020.

Non-interest expense for the year ended December 31, 2021 was $132.3 million, a decrease of $1.6 million from $133.9 million for the year ended December 31, 2020. The decrease was primarily due to a $9.0 million decrease in occupancy and depreciation expense due to the branch closures in the prior year and lower rent expense in the current year, offset by a $1.8 million increase in professional fees mainly related to our holding company formation and chief executive officer search, a $4.7 million increase in data processing mainly related to the modernization of our Trust Department and increased transaction processing costs post COVID-19, and a $1.2 million increase in other expenses mainly related to insurance costs, reserves for unused loan commitments, and foreclosure recoveries that were recognized in the prior year.

We had income tax expense of $17.8 million for the year ended December 31, 2021, compared to $15.8 million for the same period in 2020. Our effective tax rate was 25.2% for the year ended December 31, 2021, compared to 25.4% for the same period in 2020.

Financial Condition

Total assets were $7.1 billion at December 31, 2021, compared to $6.0 billion at December 31, 2020. The increase of $1.1 billion was driven primarily by a $291.7 million increase in cash and cash equivalents and a $922.7 million increase in investment securities, of which $206.4 million was from PACE assessments, which was partially offset by a $169.9 million decrease in loans receivable, net.

Total loans, net at December 31, 2021 were $3.3 billion, a decrease of $169.9 million, or 4.9%, compared to December 31, 2020. The decrease in loans was primarily driven by increased refinancing activity by existing customers as well as payoffs throughout the year.

Deposits at December 31, 2021 were $6.4 billion, an increase of $1.1 billion, or 19.1%, as compared to $5.3 billion as of December 31, 2020. Deposits held by politically active customers, such as campaigns, PACs, advocacy-based organizations, and state and national party committees were $989.6 million as of December 31, 2021, an increase of $386.8 million compared to $602.8 million as of December 31, 2020.

Nonperforming assets totaled $54.6 million, or 0.77% of period-end total assets at December 31, 2021, a decrease of $27.6 million, compared with $82.2 million, or 1.38% of period-end total assets at December 31, 2020. The decrease in nonperforming assets at December 31, 2021 compared to December 31, 2020 was primarily driven by the payoff of $11.2 million of non-accruing construction loans, $3.5 million of multifamily loans, and $2.6 million of C&I loans, as well as a sale of $4.5 million nonperforming residential loans, and a partial charge-off and transfer of a $3.2 million multifamily loan to held-for-sale.

The allowance for loan losses decreased $5.7 million to $35.9 million at December 31, 2021 from $41.6 million at December 31, 2020, primarily due to improvements in credit quality. At December 31, 2021, we had $53.2 million of impaired loans for which a specific allowance of $5.1 million was made, compared to $80.5 million of impaired loans at December 31, 2020 for which a specific allowance of $6.2 million was made. The ratio of allowance to total loans was 1.08% at December 31, 2021 and 1.19% at December 31, 2020.

Capital

As of December 31, 2021, our Common Equity Tier 1 Capital Ratio was 12.98%, Total Risk-Based Capital Ratio was 15.95%, and Tier-1 Leverage Capital Ratio was 7.62%, compared to 13.11%, 14.25% and 7.97%, respectively, as of December 31, 2020. The increase in our Total Risk-Based Capital Ratio was primarily due to the issuance of $85.0 million of subordinated debt, due to mature in 2031, the net proceeds from which will be used for general business purposes, including the funding of the ABOC acquisition. Stockholders' equity at December 31, 2021 was $563.9 million, compared to $535.8 million at December 31, 2020. The increase in stockholders' equity was driven by $52.9 million of net income, partially offset by a $11.8 million decrease in accumulated other comprehensive income due to the mark to market on our securities portfolio and $3.0 million decrease in additional paid-in capital.

Our tangible book value per share was $17.56 as of December 31, 2021 compared to $16.66 as of December 31, 2020.

Conference Call

As previously announced, Amalgamated Financial Corp. will host a conference call to discuss its fourth quarter and full year 2021 results today, January 27, 2022 at 11:00am (Eastern Time). The conference call can be accessed by dialing 1-877-407-9716 (domestic) or 1-201-493-6779 (international) and asking for the Amalgamated Financial Corp. Fourth Quarter 2021 Earnings Call. A replay of the conference call will be available within two hours of the conclusion of the call and can be accessed both online and by dialing 1-844-512-2921 (international callers please dial 1-412-317-6671). The pin to access the telephone replay is 13726056. The replay will be available until February 3, 2022.

A live audio webcast of the conference call will be available on the website at https://ir.amalgamatedbank.com/.

The presentation materials for the call can be accessed on the investor relations section of our website at https://ir.amalgamatedbank.com/.

About Amalgamated Financial Corp.

Amalgamated Financial Corp. is a Delaware public benefit corporation and a bank holding company engaged in commercial banking and financial services through its wholly-owned subsidiary, Amalgamated Bank. Amalgamated Bank is a New York-based full-service commercial bank and a chartered trust company with a combined network of five branches across New York City, Washington D.C., and San Francisco, and a commercial office in Boston. Amalgamated Bank was formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America, one of the country’s oldest labor unions. Amalgamated Bank provides commercial banking and trust services nationally and offers a full range of products and services to both commercial and retail customers. Amalgamated Bank is a proud member of the Global Alliance for Banking on Values and is a certified B Corporation®. As of December 31, 2021, our total assets were $7.1 billion, total net loans were $3.3 billion, and total deposits were $6.4 billion. Additionally, as of December 31, 2021, our trust business held $40.2 billion in assets under custody and $17.3 billion in assets under management.

Non-GAAP Financial Measures

This release (and the accompanying financial information and tables) refers to certain non-GAAP financial measures including, without limitation, “Core operating revenue,” “Core non-interest expense,” “Core net income,” “Tangible common equity,” “Average tangible common equity,” “Core return on average assets,” “Core return on average tangible common equity,” and “Core efficiency ratio.”

Our management utilizes this information to compare our operating performance for December 31, 2021 versus certain periods in 2021 and 2020 and to prepare internal projections. We believe these non-GAAP financial measures facilitate making period-to-period comparisons and are meaningful indications of our operating performance. In addition, because intangible assets such as goodwill and other discrete items unrelated to our core business, which are excluded, vary extensively from company to company, we believe that the presentation of this information allows investors to more easily compare our results to those of other companies.

The presentation of non-GAAP financial information, however, is not intended to be considered in isolation or as a substitute for GAAP financial measures. We strongly encourage readers to review the GAAP financial measures included in this release 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 release with other companies’ non-GAAP financial measures having the same or similar names. Reconciliations of non-GAAP financial disclosures to comparable GAAP measures found in this release are set forth in the final pages of this release and also may be viewed on our website, amalgamatedbank.com.

Terminology

Certain terms used in this release are defined as follows:

"Core operating revenue" is defined as total net interest income plus non-interest income excluding gains and losses on sales of securities and gains on the sale of owned property. 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 costs related to acquisitions, branch closures and restructuring/severance costs. We believe the most directly comparable GAAP financial measure is total non-interest expense.

"Core net income" is defined as net income after tax excluding gains and losses on sales of securities, gains on the sale of owned property, costs related to branch closures, restructuring/severance costs, acquisition costs, and taxes on notable pre-tax items. We believe the most directly comparable GAAP financial measure is net income.

"Tangible common equity", and "Tangible book value" are defined as stockholders' equity excluding, as applicable, minority interests, preferred stock, goodwill and core deposit intangibles. We believe that the most directly comparable GAAP financial measure is total stockholders' equity.

"Core return on average assets" is defined as "Core net income" divided by average total 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 average total assets.

"Core return on average tangible common equity" is defined as "Core net income" divided by "Average tangible common 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.

Forward-Looking Statements

Statements included in this release 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. Forward-looking statements generally can be identified through the use of forward-looking terminology such as "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "in the future," "may" and "intend," as well as other similar words and expressions of the future, and in this release include statements about our planned acquisition of ABOC. 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: (i) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (ii) continuation of the historically low short-term interest rate environment; (iii) our inability to maintain the historical growth rate of the loan portfolio; (iv) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (v) the impact of competition with other financial institutions, including pricing pressures and the resulting impact on our results, including as a result of compression to net interest margin; (vi) greater than anticipated adverse conditions in the national or local economies including in our core markets, including, but not limited to, the negative impacts and disruptions resulting from the outbreak of the novel coronavirus, or COVID-19, which may continue to have an adverse impact on our business, operations and performance, and could continue to have a negative impact on our credit portfolio, share price, borrowers, and on the economy as a whole, both domestically and globally; (vii) fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve; (viii) the results of regulatory examinations; (ix) potential deterioration in real estate values; (x) changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action; (xi) the risk that the preliminary financial information reported herein and our current preliminary analysis will be different when our review is finalized; (xii) increased competition for experienced executives in the banking industry; and (xiii) risks related to our proposed acquisition of ABOC, including, among others, that the acquisition does not close when expected or at all because conditions to closing are not satisfied on a timely basis or at all, or that financial projections from the acquisition are not realized. Additional factors which could affect the forward-looking statements can be found in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC and available on the SEC's website at https://www.sec.gov/. We disclaim any obligation to update or revise any forward-looking statements contained in this release, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

Investor Contact:
Jamie Lillis
Solebury Trout
shareholderrelations@amalgamatedbank.com
800-895-4172

amalgamated FINANCIAL CORP.

Consolidated Statements of Income (unaudited)

($ in thousands)	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2020
INTEREST AND DIVIDEND INCOME					
Loans	$ 32,138	$ 29,915	$ 35,544	$ 123,318	$ 141,983
Securities	16,511	14,612	11,816	56,387	47,588
Federal Home Loan Bank of New York stock	38	43	36	170	227
Interest-bearing deposits in banks	200	230	66	651	697
Total interest and dividend income	48,887	44,800	47,462	180,526	190,495
INTEREST EXPENSE					
Deposits	1,407	1,413	1,807	5,823	10,452
Borrowed funds	399	—	—	399	27
Total interest expense	1,806	1,413	1,807	6,222	10,479
NET INTEREST INCOME	47,081	43,387	45,655	174,304	180,016
Provision for (recovery of) loan losses	3,568	(2,276)	4,589	(287)	24,791
Net interest income after provision for loan losses	43,513	45,663	41,066	174,591	155,225
NON-INTEREST INCOME					
Trust Department fees	2,881	3,353	3,533	13,352	15,222
Service charges on deposit accounts	2,414	2,466	2,811	9,355	9,201
Bank-owned life insurance	530	539	363	2,388	3,085
Gain (loss) on sale of securities	(106)	413	—	649	1,605
Gain (loss) on sale of loans, net	181	280	1,320	1,887	2,520
Gain (loss) on other real estate owned, net	—	—	—	(407)	(482)
Equity method investments	5,870	(483)	1,825	150	7,411
Other	591	134	188	1,015	2,042
Total non-interest income	12,361	6,702	10,040	28,389	40,604
NON-INTEREST EXPENSE					
Compensation and employee benefits	17,359	17,482	17,082	69,844	69,421
Occupancy and depreciation	3,730	3,440	3,385	14,023	23,040
Professional fees	3,742	2,348	4,033	12,961	11,205
Data processing	5,194	4,521	3,174	16,042	11,330
Office maintenance and depreciation	695	887	776	3,057	3,314
Amortization of intangible assets	302	301	342	1,207	1,370
Advertising and promotion	982	1,023	1,003	3,230	3,514
Other	3,028	3,032	2,875	11,891	10,692
Total non-interest expense	35,032	33,034	32,670	132,255	133,886
Income before income taxes	20,842	19,331	18,436	70,725	61,943
Income tax expense (benefit)	4,918	4,915	4,646	17,788	15,755
Net income	15,924	14,416	13,790	52,937	46,188
Net income attributable to Amalgamated Financial Corp.	$ 15,924	$ 14,416	$ 13,790	$ 52,937	$ 46,188
Earnings per common share - basic	$ 0.51	$ 0.46	$ 0.44	$ 1.70	$ 1.48
Earnings per common share - diluted	$ 0.50	$ 0.46	$ 0.44	$ 1.68	$ 1.48

Consolidated Statements of Financial Condition

($ in thousands)	December 31, 2021	December 31, 2020
Assets	(unaudited)	
Cash and due from banks	$ 8,622	$ 7,736
Interest-bearing deposits in banks	321,863	31,033
Total cash and cash equivalents	330,485	38,769
Securities:		
Available for sale, at fair value (amortized cost of $2,103,049 and $1,513,409, respectively)	2,113,410	1,539,862
Held-to-maturity (fair value of $849,704 and $502,425, respectively)	843,569	494,449
Loans held for sale	2,279	11,178
Loans receivable, net of deferred loan origination costs (fees)	3,313,224	3,488,895
Allowance for loan losses	(35,866)	(41,589)
Loans receivable, net	3,277,358	3,447,306
Resell agreements	229,018	154,779
Accrued interest and dividends receivable	28,820	23,970
Premises and equipment, net	11,735	12,977
Bank-owned life insurance	107,266	105,888
Right-of-use lease asset	33,115	36,104
Deferred tax asset	26,719	36,079
Goodwill	12,936	12,936
Other intangible assets	4,151	5,359
Equity investments	6,856	11,735
Other assets	51,328	47,240
Total assets	$ 7,079,045	$ 5,978,631
Liabilities		
Deposits	$ 6,356,255	$ 5,338,711
Subordinated Debt	85,000	—
Operating leases	48,160	53,173
Other liabilities	25,755	50,926
Total liabilities	$ 6,515,170	$ 5,442,810
Commitments and contingencies	—	—
Stockholders' equity		
Common stock, par value $.01 per share (70,000,000 shares authorized; 31,130,143 and 31,049,525 shares issued and outstanding, respectively)	311	310
Additional paid-in capital	297,975	300,989
Retained earnings	260,047	217,213
Accumulated other comprehensive income (loss), net of income taxes	5,409	17,176
Total Amalgamated Financial Corp. stockholders' equity	563,742	535,688
Noncontrolling interests	133	133
Total stockholders' equity	563,875	535,821
Total liabilities and stockholders' equity	$ 7,079,045	$ 5,978,631

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Select Financial Data

	As of and for the Three Months Ended			As of and for the Year Ended	
	December 31,	September 30,	December 31,	December 31,	
(Shares in thousands)	2021	2021	2020	2021	2020
Selected Financial Ratios and Other Data:					
Earnings					
Basic	$ 0.51	$ 0.46	$ 0.44	1.70	1.48
Diluted	0.50	0.46	0.44	1.68	1.48
Core net income (non-GAAP)					
Basic	$ 0.54	$ 0.46	$ 0.44	1.75	1.62
Diluted	0.53	0.46	0.44	1.72	1.61
Book value per common share (excluding minority interest)	18.11	17.89	17.25	18.11	17.25
Tangible book value per share (non-GAAP)	17.56	17.33	16.66	17.56	16.66
Common shares outstanding	31,130	31,097	31,050	31,130	31,050
Weighted average common shares outstanding, basic	31,108	31,094	31,050	31,104	31,133
Weighted average common shares outstanding, diluted	31,516	31,462	31,145	31,512	31,229

Select Financial Data

	As of and for the Three Months Ended			As of and for the Year Ended December 31,	
	December 31, 2021	September 30, 2021	December 31, 2020	2021	2020
Selected Performance Metrics:					
Return on average assets	0.90 %	0.86 %	0.89 %	0.81 %	0.76 %
Core return on average assets (non-GAAP)	0.95 %	0.86 %	0.89 %	0.83 %	0.83 %
Return on average equity	11.23 %	10.29 %	10.34 %	9.59 %	9.07 %
Core return on average tangible common equity (non-GAAP)	12.20 %	10.62 %	10.72 %	10.16 %	10.27 %
Average equity to average assets	8.02 %	8.38 %	8.58 %	8.40 %	8.50 %
Tangible common equity to tangible assets	7.74 %	7.88 %	8.65 %	7.74 %	8.65 %
Loan yield	4.01 %	3.84 %	4.04 %	3.88 %	4.03 %
Securities yield	2.18 %	2.19 %	2.21 %	2.17 %	2.53 %
Deposit cost	0.09 %	0.09 %	0.13 %	0.10 %	0.19 %
Net interest margin	2.77 %	2.70 %	3.06 %	2.77 %	3.11 %
Efficiency ratio (1)	58.94 %	65.95 %	58.66 %	65.25 %	60.69 %
Core efficiency ratio (non-GAAP) (1)	57.18 %	65.71 %	58.66 %	64.24 %	57.60 %
Asset Quality Ratios:					
Nonaccrual loans to total loans	0.85 %	1.46 %	1.75 %	0.85 %	1.75 %
Nonperforming assets to total assets	0.77 %	0.99 %	1.38 %	0.77 %	1.38 %
Allowance for loan losses to nonaccrual loans	127.10 %	78.83 %	68.26 %	127.10 %	68.26 %
Allowance for loan losses to total loans	1.08 %	1.15 %	1.19 %	1.08 %	1.19 %
Annualized net charge-offs (recoveries) to average loans	0.44 %	-0.02 %	1.24 %	0.17 %	0.48 %
Capital Ratios:					
Tier 1 leverage capital ratio	7.62 %	7.85 %	7.97 %	7.62 %	7.97 %
Tier 1 risk-based capital ratio	12.98 %	13.98 %	13.11 %	12.98 %	13.11 %
Total risk-based capital ratio	15.95 %	14.99 %	14.25 %	15.95 %	14.25 %
Common equity tier 1 capital ratio	12.98 %	13.98 %	13.11 %	12.98 %	13.11 %

(1) Efficiency ratio is calculated by dividing total non-interest expense by the sum of net interest income and total non-interest income

Loan and Held-to-Maturity Securities Portfolio Composition

(In thousands)	At December 31, 2021		At September 30, 2021		At December 31, 2020	
	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:						
Commercial and industrial	$ 729,385	22.0%	$ 628,388	20.2 %	$ 677,192	19.5%
Multifamily	821,801	24.8%	826,143	26.5 %	947,177	27.2%
Commercial real estate	370,429	11.2%	346,996	11.1 %	372,736	10.7%
Construction and land development	31,539	1.0%	34,863	1.1 %	56,087	1.6%
Total commercial portfolio	1,953,154	59.0%	1,836,390	58.9 %	2,053,192	59.0%
Retail portfolio:						
Residential real estate lending	1,063,682	32.2%	1,032,947	33.1 %	1,238,697	35.5%
Consumer and other	291,818	8.8%	249,050	8.0 %	190,676	5.5%
Total retail	1,355,500	41.0%	1,281,997	41.1 %	1,429,373	41.0%
Total loans	3,308,654	100.0%	3,118,387	100.0 %	3,482,565	100.0%
Net deferred loan origination costs (fees)	4,570		4,942		6,330	
Allowance for loan losses	(35,866)		(35,863)		(41,589)	
Total loans, net	$ 3,277,358		$ 3,087,466		$ 3,447,306	
Held-to-maturity securities portfolio:						
PACE assessments	627,394	74.4%	627,195	86.5%	421,036	85.2%
Other securities	216,175	25.6%	97,881	13.5%	73,413	14.8%
Total held-to-maturity securities	$ 843,569	100.0%	$ 725,076	100.0%	$ 494,449	100.0%

Net Interest Income Analysis

	Three Months Ended								
	December 31, 2021			September 30, 2021			December 31, 2020		
(In thousands)	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest earning assets:									
Interest-bearing deposits in banks	$ 561,027	$ 200	0.14 %	$ 632,526	$ 230	0.14 %	$ 299,881	$ 66	0.09 %
Securities and FHLB stock	3,014,586	16,549	2.18 %	2,659,803	14,655	2.19 %	2,133,957	11,852	2.21 %
Total loans, net [(1)(2)]	3,177,729	32,138	4.01 %	3,087,744	29,915	3.84 %	3,503,929	35,544	4.04 %
Total interest earning assets	6,753,342	48,887	2.87 %	6,380,073	44,800	2.79 %	5,937,767	47,462	3.18 %
Non-interest earning assets:									
Cash and due from banks	8,072			8,464			7,594		
Other assets	249,476			243,969			237,628		
Total assets	$ 7,010,890			$ 6,632,506			$ 6,182,989		
Interest bearing liabilities:									
Savings, NOW and money market deposits	$ 2,765,380	$ 1,220	0.18 %	$ 2,641,719	$ 1,173	0.18 %	$ 2,356,137	$ 1,384	0.23 %
Time deposits	215,562	187	0.34 %	241,009	240	0.40 %	268,896	423	0.63 %
Total deposits	2,980,942	1,407	0.19 %	2,882,728	1,413	0.19 %	2,625,033	1,807	0.27 %
Other Borrowings	49,891	399	3.17 %	—	—	— %	—	—	— %
Total interest bearing liabilities	3,030,833	1,806	0.24 %	2,882,728	1,413	0.19 %	2,625,033	1,807	0.27 %
Non-interest bearing liabilities:									
Demand and transaction deposits	3,290,932			3,077,231			2,947,075		
Other liabilities	126,746			116,790			80,529		
Total liabilities	6,448,511			6,076,749			5,652,637		
Stockholders' equity	562,379			555,757			530,352		
Total liabilities and stockholders' equity	$ 7,010,890			$ 6,632,506			$ 6,182,989		
Net interest income / interest rate spread		$ 47,081	2.63 %		$ 43,387	2.60 %		$ 45,655	2.91 %
Net interest earning assets / net interest margin	$ 3,722,509		2.77 %	$ 3,497,345		2.70 %	$ 3,312,734		3.06 %
Total Cost of Deposits			0.09 %			0.09 %			0.13 %

(1) Amounts are net of deferred origination costs (fees) and the allowance for loan losses
(2) Includes prepayment penalty interest income in 4Q2021, 3Q2021, and 4Q2020 of $353, $169, and $1,987, respectively (in thousands)

Net Interest Income Analysis

(In thousands)	Year Ended December 31, 2021 Average Balance	Income / Expense	Yield / Rate	Year Ended December 31, 2020 Average Balance	Income / Expense	Yield / Rate
Interest earning assets:						
Interest-bearing deposits in banks	$ 521,681	$ 651	0.12 %	$ 371,112	$ 697	0.19 %
Securities and FHLB stock	2,600,494	56,557	2.17 %	1,890,824	47,815	2.53 %
Total loans, net (1)(2)	3,180,093	123,318	3.88 %	3,527,261	141,983	4.03 %
Total interest earning assets	6,302,268	180,526	2.86 %	5,789,197	190,495	3.29 %
Non-interest earning assets:						
Cash and due from banks	7,853			25,220		
Other assets	259,718			229,825		
Total assets	$ 6,569,839			$ 6,044,242		
Interest bearing liabilities:						
Savings, NOW and money market deposits	$ 2,622,584	$ 4,788	0.18 %	$ 2,297,841	$ 7,303	0.32 %
Time deposits	248,507	1,035	0.42 %	335,433	3,149	0.94 %
Total deposits	2,871,091	5,823	0.20 %	2,633,274	10,452	0.40 %
Federal Home Loan Bank advances	123	—	0.00 %	1,585	27	1.70 %
Other Borrowings	12,575	399	3.17 %	—	—	— %
Total interest bearing liabilities	2,883,789	6,222	0.22 %	2,634,859	10,479	0.40 %
Non-interest bearing liabilities:						
Demand and transaction deposits	3,017,621			2,798,106		
Other liabilities	116,256			102,282		
Total liabilities	6,017,666			5,535,247		
Stockholders' equity	552,173			508,995		
Total liabilities and stockholders' equity	$ 6,569,839			$ 6,044,242		
Net interest income / interest rate spread		$ 174,304	2.64 %		$ 180,016	2.89 %
Net interest earning assets / net interest margin	$ 3,418,479		2.77 %	$ 3,154,338		3.11 %
Total Cost of Deposits			0.10 %			0.19 %

(1) Amounts are net of deferred origination costs (fees) and the allowance for loan losses
(2) Includes prepayment penalty interest income in December YTD 2021 and December YTD 2020 of $1,669 and $4,097, respectively (in thousands)

Deposit Portfolio Composition

(In thousands)	December 31, 2021	September 30, 2021	December 31, 2020
Non-interest bearing demand deposit accounts	$ 3,335,005	$ 3,189,155	$ 2,603,274
NOW accounts	210,844	206,610	205,653
Money market deposit accounts	2,227,953	2,241,914	1,914,391
Savings accounts	375,301	364,568	343,368
Time deposits	207,152	222,259	272,025
Total deposits	$ 6,356,255	$ 6,224,506	$ 5,338,711

	Three Months Ended					
	December 31, 2021		September 30, 2021		December 31, 2020	
(In thousands)	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
Non-interest bearing demand deposit accounts	$3,290,932	0.00 %	$3,077,231	0.00 %	$2,947,075	0.00 %
NOW accounts	204,556	0.09 %	205,417	0.09 %	194,555	0.08 %
Money market deposit accounts	2,190,423	0.20 %	2,066,830	0.20 %	1,823,391	0.27 %
Savings accounts	370,401	0.10 %	369,472	0.10 %	338,192	0.12 %
Time deposits	215,562	0.34 %	241,009	0.40 %	268,896	0.62 %
Total deposits	$ 6,271,874	0.09 %	$ 5,959,959	0.09 %	$ 5,572,109	0.13 %

Asset Quality

(In thousands)	December 31, 2021	September 30, 2021	December 31, 2020
Loans 90 days past due and accruing	$ —	$ —	$ 1,404
Nonaccrual loans excluding held for sale loans and restructured loans	14,722	24,960	40,039
Nonaccrual loans held for sale	1,000	—	—
Troubled debt restructured loans - nonaccrual	13,497	20,534	20,885
Troubled debt restructured loans - accruing	24,997	21,958	19,553
Other real estate owned	307	307	306
Impaired securities	63	64	47
Total nonperforming assets	$ 54,586	$ 67,823	$ 82,234
Nonaccrual loans:			
Commercial and industrial	$ 8,313	$ 13,709	$ 12,444
Multifamily	2,907	6,079	9,575
Commercial real estate	4,054	4,023	3,433
Construction and land development	—	—	11,184
Total commercial portfolio	15,274	23,811	36,636
Residential real estate lending	12,525	20,797	23,656
Consumer and other	420	886	632
Total retail portfolio	12,945	21,683	24,288
Total nonaccrual loans	$ 28,219	$ 45,494	$ 60,924
Nonaccrual loans to total loans	0.85 %	1.46 %	1.75 %
Nonperforming assets to total assets	0.77 %	0.99 %	1.38 %
Allowance for loan losses to nonaccrual loans	127.10 %	78.83 %	68.26 %
Allowance for loan losses to total loans	1.08 %	1.15 %	1.19 %
Annualized net charge-offs (recoveries) to average loans	0.44 %	-0.02 %	1.24 %

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Credit Quality

($ in thousands)	December 31, 2021 Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 693,312	$ 10,165	$ 25,908	$ —	$ 729,385
Multifamily	721,869	48,804	51,128	—	821,801
Commercial real estate	296,261	13,947	60,221	—	370,429
Construction and land development	24,063	—	7,476	—	31,539
Residential real estate lending	1,050,865	292	12,525	—	1,063,682
Consumer and other	291,398	—	420	—	291,818
Total loans	$ 3,077,768	$ 73,208	$ 157,678	$ —	$ 3,308,654

($ in thousands)	September 30, 2021 Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 579,429	$ 22,655	$ 25,850	$ 454	$ 628,388
Multifamily	696,898	83,851	42,221	3,173	826,143
Commercial real estate	243,903	26,815	76,278	—	346,996
Construction and land development	27,387	—	7,476	—	34,863
Residential real estate lending	1,011,856	294	20,797	—	1,032,947
Consumer and other	248,164	—	886	—	249,050
Total loans	$ 2,807,637	$ 133,615	$ 173,508	$ 3,627	$ 3,118,387

($ in thousands)	December 31, 2020 Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 627,553	$ 16,407	$ 32,770	$ 462	$ 677,192
Multifamily	775,605	138,090	33,482	—	947,177
Commercial real estate	276,712	41,420	54,604	—	372,736
Construction and land development	28,967	15,936	11,184	—	56,087
Residential real estate lending	1,215,417	—	23,280	—	1,238,697
Consumer and other	190,044	—	632	—	190,676
Total loans	$ 3,114,298	$ 211,853	$ 155,952	$ 462	$ 3,482,565

Reconciliation of GAAP to Non-GAAP Financial Measures

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			As of and for the Year Ended	
(in thousands)	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Core operating revenue					
Net Interest income (GAAP)	$ 47,081	$ 43,387	$ 45,655	$ 174,304	$ 180,016
Non-interest income	12,361	6,702	10,040	28,389	40,604
Less: Branch sale (gain) loss [(1)]	—	—	—	—	(1,394)
Less: Securities (gain) loss	106	(413)	—	(649)	(1,605)
Core operating revenue (non-GAAP)	$ 59,548	$ 49,676	$ 55,695	$ 202,044	$ 217,621
Core non-interest expense					
Non-interest expense (GAAP)	$ 35,032	$ 33,034	$ 32,670	$ 132,255	$ 133,886
Less: Branch closure expense [(2)]	—	—	—	—	(8,330)
Less: Severance [(3)]	(54)	—	—	(1,144)	(201)
Less: ABOC	(930)	(392)	—	(1,322)	—
Core non-interest expense (non-GAAP)	$ 34,048	$ 32,642	$ 32,670	$ 129,789	$ 125,355
Core net income					
Net Income (GAAP)	$ 15,924	$ 14,416	$ 13,790	$ 52,937	$ 46,188
Less: Branch sale (gain) loss [(1)]	—	—	—	—	(1,394)
Less: Securities (gain) loss	106	(413)	—	(649)	(1,605)
Add: Branch closure expense [(2)]	—	—	—	—	8,330
Add: Severance [(3)]	54	—	—	1,144	201
Add: ABOC	930	392	—	1,322	—
Less: Tax on notable items	(257)	5	—	(457)	(1,407)
Core net income (non-GAAP)	16,757	14,400	13,790	54,297	50,313
Tangible common equity					
Stockholders' Equity (GAAP)	$ 563,875	$ 556,390	$ 535,821	$ 563,875	$ 535,821
Less: Minority Interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(4,151)	(4,453)	(5,358)	(4,151)	(5,358)
Tangible common equity (non-GAAP)	$ 546,655	$ 538,868	$ 517,394	$ 546,655	$ 517,394
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 562,379	$ 555,757	$ 530,352	$ 552,173	$ 508,995
Less: Minority Interest	(133)	(133)	(133)	(133)	(134)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(4,299)	(4,602)	(5,525)	(4,748)	(6,037)
Average tangible common equity (non-GAAP)	$ 545,011	$ 538,086	$ 511,758	$ 534,356	$ 489,888
Core return on average assets					
Core net income (non-GAAP)	$ 16,757	$ 14,400	$ 13,790	$ 54,297	$ 50,313
Divided: Total average assets	7,010,890	6,632,506	6,182,989	6,569,840	6,044,242
Core return on average assets (non-GAAP)	0.95%	0.86%	0.89%	0.83%	0.83%
Core return on average tangible common equity					
Core net income (non-GAAP)	$ 16,757	$ 14,400	$ 13,790	$ 54,297	$ 50,313
Divided: Average tangible common equity	545,011	538,086	511,758	534,356	489,888
Core return on average tangible common equity (non-GAAP)	12.20%	10.62%	10.72%	10.16%	10.27%
Core efficiency ratio					
Core non-interest expense (non-GAAP)	$ 34,048	$ 32,642	$ 32,670	$ 129,789	$ 125,355
Core operating revenue (non-GAAP)	59,548	49,676	55,695	202,044	217,621
Core efficiency ratio (non-GAAP)	57.18%	65.71%	58.66%	64.24%	57.60%

(1) Fixed Asset branch sale in March 2020
(2) Occupancy and other expense related to closure of branches during our branch rationalization
(3) Salary and COBRA reimbursement expense for positions eliminated

Amalgamated Financial Corp.

Fourth Quarter 2021 Earnings Presentation
January 27, 2022

amalgamated FINANCIAL CORP.

amalgamatedbank.com
Member FDIC

Safe Harbor Statements

INTRODUCTION
On March 1, 2021 (the "Effective Date"), Amalgamated Financial Corp. (the "Company") completed its holding company reorganization and acquired all of the outstanding stock of Amalgamated Bank (the "Bank"). In this presentation, unless the context indicates otherwise, references to "we," "us," and "our" refer to the Company and the Bank. However, if the discussion relates to a period before the Effective Date, the terms refer only to the Bank.

FORWARD-LOOKING STATEMENTS
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. any statement that does not describe historical or current facts is a forward-looking statement. These statements generally can be identified by forward-looking terminology, such as "plan," "seek to," "outlook," "guidance," "may," "will," "anticipate," "should," "would," "believe," "contemplate," "forecast," "expect," "estimate," "continue," "initiatives," and "intend," as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, our 2022 Guidance and statements related to future loss/income (including projected non-interest income) of solar tax equity investments. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors, many of which are beyond our control and any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

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

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

Safe Harbor Statements cont.

NON-GAAP FINANCIAL MEASURES

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

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

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

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

4Q21 Highlights

INCOME STATEMENT

- GAAP net income of $0.50 per diluted share; core net income of $0.53 per diluted share(1)
- Pre-tax, pre-provision income(2) of $24.4 million compared to $17.1 million in 3Q21
- Core pre-tax, pre-provision income(3) of $20.2 million compared to $17.8 million in 3Q21
- Efficiency ratio of 58.94% in 4Q21, compared to 65.95% in 3Q21
  - Efficiency ratio was favorably impacted approximately 6 pct pts and 1 pct pts from equity method investments in solar initiatives in 4Q21 and 3Q21, respectively

BALANCE SHEET

- Deposits increased $131.8 million compared to 3Q21 primarily due to new relationships in core markets
- Net loans increased $189.9 million, or 6.2%, to $3.3 billion, on a linked quarter basis
- Cash decreased from $690.2 million to $330.5 million, on a linked quarter basis
- Issued $85.0 million of $3.25% Fixed-to-Floating Rate subordinated notes, due 2031

CAPITAL

- Capital ratios remained strong with CET1 of 12.98% and Tier 1 Leverage of 7.62%
- Tangible book value of $17.56 compared to $17.33 as of 3Q21

1. *See non-GAAP disclosures on pages 21-22*
2. *Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense*
3. *Core pre-tax, pre-provision income excluding the effects of tax credits or losses on solar investments*

ABOC Transaction Update

1

Ongoing Extensive Preparation and Integration with ABOC Team

Acquisition now expected to close in early second quarter 2022

2

ABOC Acquisition Economics Remain Unchanged

Strategic market share expansion to include Chicago as 3rd largest US MSA

3

Well-Positioned with Successful $85 Million Debt Capital Raise

Closed public offering of 3.250% Fixed-to-Floating Rate Subordinated Notes due 2031 during fourth quarter 2021

4

Acquisition Accretive in 2022

Accretive value run rate of 50% to 75% of full year projections 2021

Strong Financial Metrics…

~17%	~2 years	No	2.9 years
GAAP EPS Accretion to AMAL[1]	EPS Pull Forward	Ownership Dilution (Cash Deal)	TBV Earn-back

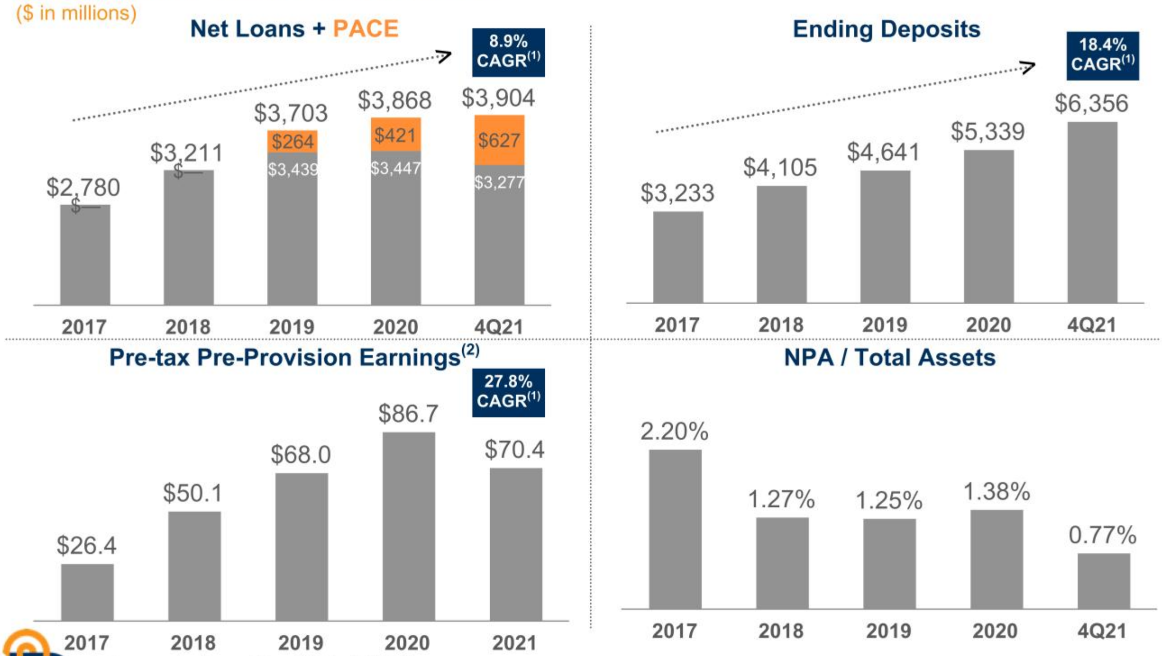
Note: All figures contemplate payment of contingent purchase price and associated payouts under management contracts, and achievement of anticipated synergies

1. 2023 GAAP EPS accretion (assumes deal closes in Q4 2021)

Trends

KEY FINANCIAL TRENDS THROUGH 4Q21

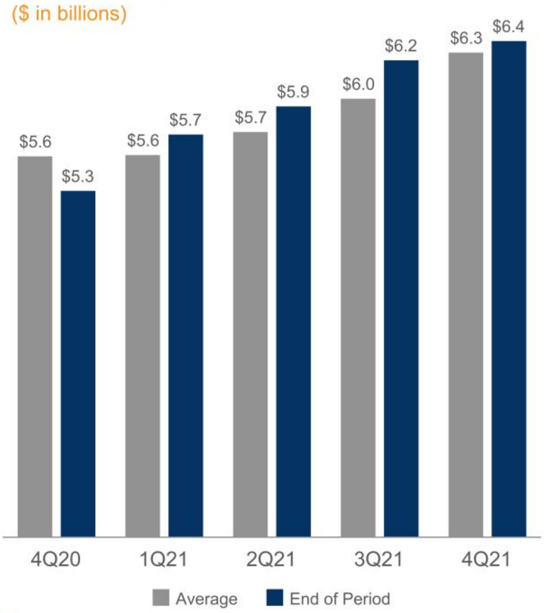
($ in millions)



1. *Compounded Annual Growth Rate ("CAGR")*
2. *Pre-tax Pre-provision Earnings, excluding tax credits on solar investments, was $79.3 million in 2020, and $71.5 million in 2021*

Deposit Portfolio

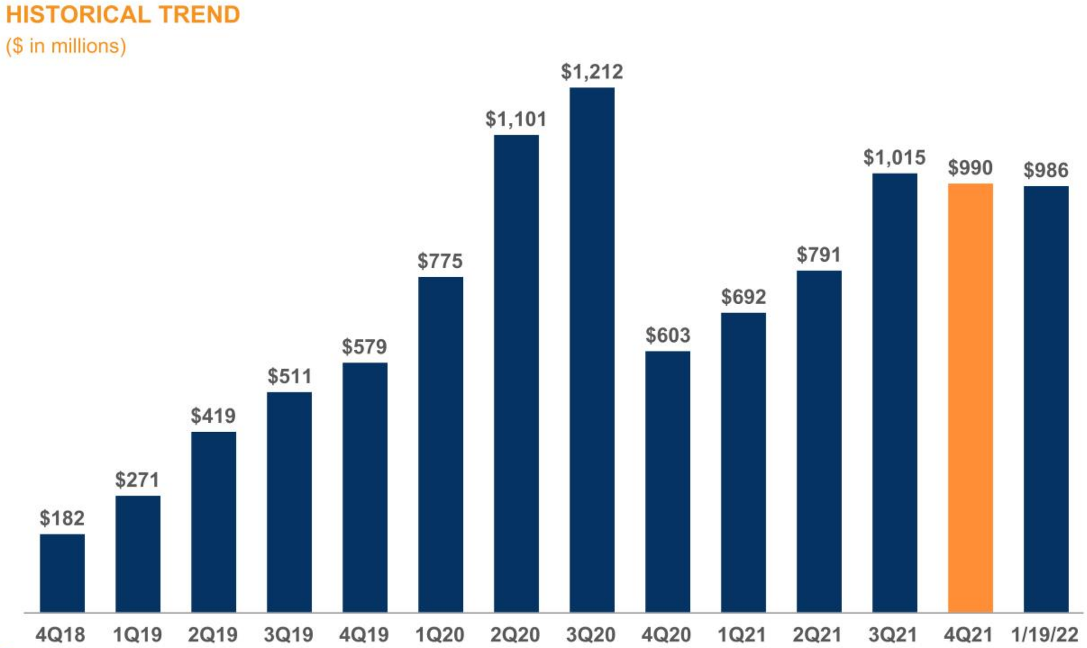
TOTAL DEPOSITS
($ in billions)



4Q21 HIGHLIGHTS

- Total ending deposits increased $131.8 million compared to 3Q21 due to post-election rebound in political deposits and new relationships in core markets
  - Total average deposits increased $311.9 million
- Average non-interest bearing deposits increased $213.7 million, primarily due to political deposits
- Non-interest bearing deposits represented 52% of ending deposits in 4Q21, compared to 51% in 3Q21

Political Deposits

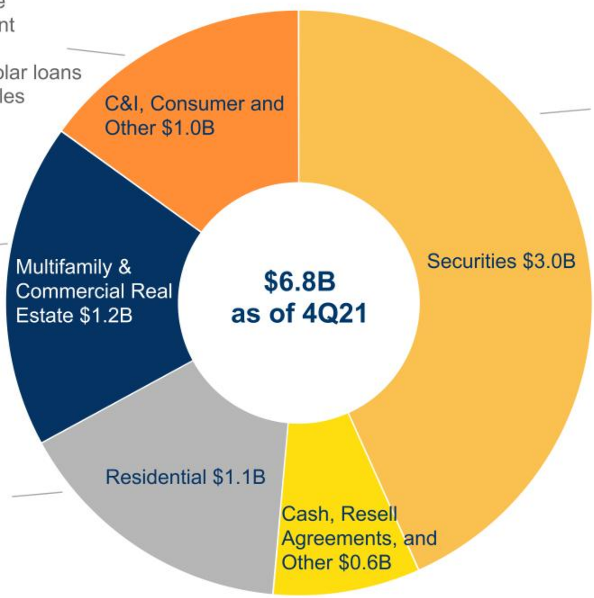


Interest Earning Assets

INTEREST EARNING ASSETS OF $6.8B AS OF DECEMBER 31, 2021

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

- No fossil fuel exposure
- $259mm of government guaranteed loans
- $265mm residential solar loans with strong credit profiles



- Predominantly NYC properties with low LTV: MF = 52%, CRE = 51%

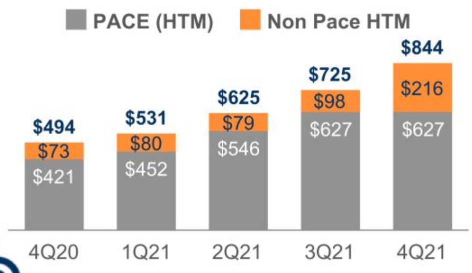
- 99% first lien mortgages
- Low LTV = 60%
- 81%/19% originated to purchased portfolio

- $929mm agency securities
- $1,390mm non-agency securities
- $627mm of PACE securities with low LTV
- All non-agency MBS/ABS securities are top of the capital structure

Loans and Held-to-Maturity Securities

TOTAL LOANS
($ in millions)

HELD-TO-MATURITY SECURITIES
($ in millions)

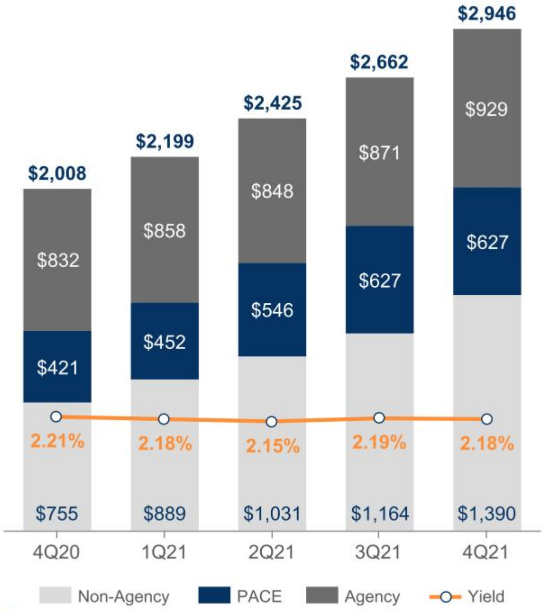


4Q21 HIGHLIGHTS

- Total loans increased $189.9 million, or 6.2%, compared to 3Q21 due to increased loan originations and reduced run-off
- 4Q21 Yield of 4.01%; an increase of 17 bps compared to 3Q21 (12 bps of which was due to interest received on a reinstated loan) and a decrease of 3 bps compared to 4Q20
- PACE securities of $627.4 million increased $0.2 million from $627.2 million in 3Q21

Investment Securities

SECURITIES – BOOK VALUE[1]
($ millions)



4Q21 HIGHLIGHTS

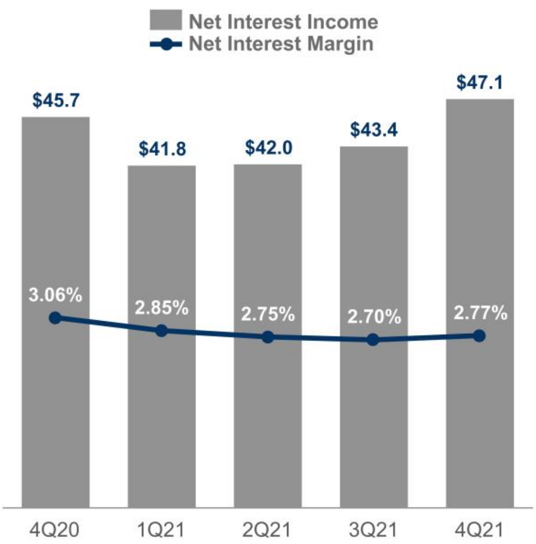
- Investment Securities totaled $2.9 billion book value for 4Q21
- Securities increased $276.4 million in 4Q21 compared to 3Q21 with continued mix shift toward non-agency partially from PACE assessment growth
  - Non-agency securities in 4Q21 include $627.4 million of PACE assessments, which are non-rated
- 86.3% of all non-agency MBS/ABS securities are AAA rated and 99.4% are A rated or higher[2]; **all CLO's are AAA-rated**
- As of 4Q21 average subordination for the C&I CLOs was 42.2%

1. *Securities book value excludes unrealized Available for Sale (AFS) gain / loss on sale*
2. *MBS/ABS does not include PACE assessments*

Net Interest Income and Margin

NET INTEREST INCOME & MARGIN

($ millions)



4Q21 HIGHLIGHTS

- Net interest income was $47.1 million, compared to $43.4 million in 3Q21
- 4Q21 NIM at 2.77%; an increase of 7 bps compared to 3Q21 and a decrease of 29 bps compared to 4Q20
- 4Q21 NIM was negatively impacted by approximately 20 bps due to the excess level of cash on the balance sheet
- Loan prepayment penalties favorably impacted NIM by 2 bps in 4Q21, compared to 1 bp and 13 bps in 3Q21 and 4Q20, respectively

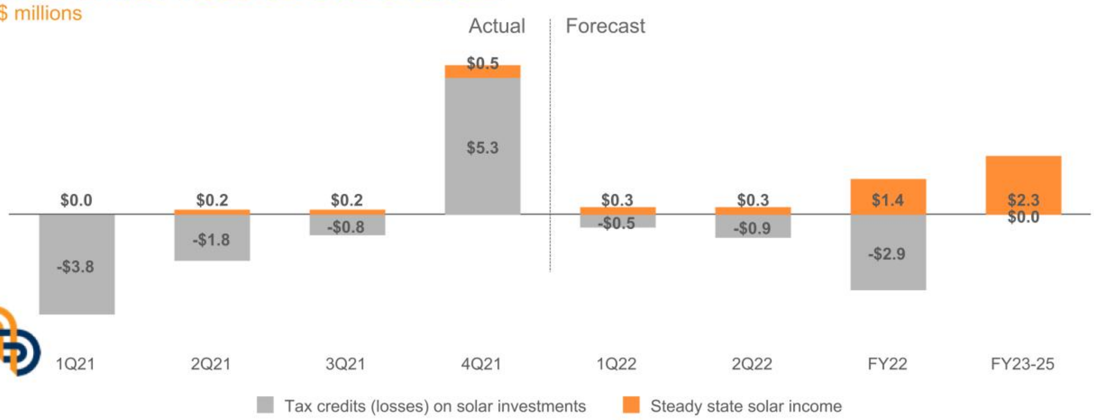
Solar Tax-Equity Investments

OVERVIEW OF SOLAR TAX-EQUITY INVESTMENTS

- Realization of tax benefits in the project life and subsequent change in the fair value of the investment creates volatility in the earnings stream
- New solar tax-equity investment contributed $5.3 million in income in Q4, but is expected to generate losses over the next 3 quarters before reaching a steady state. Existing investments have reached a steady state income phase and all investments are net profitable over their lives
- We expect more solar tax-equity investment initiatives in the future (not shown in forecast below)

ACTUAL AND PROJECTED SOLAR INCOME

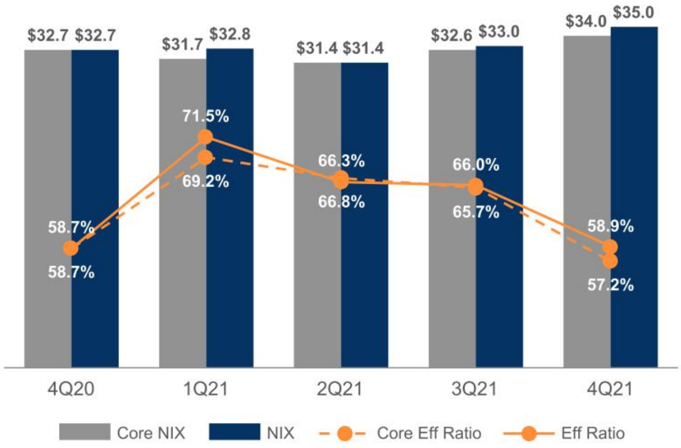
$ millions



Non-Interest Expense and Efficiency

NON-INTEREST EXPENSE

($ millions)



4Q21 HIGHLIGHTS

- Efficiency ratio of 58.9% for 4Q21
- Core efficiency ratio of 57.2% for 4Q21[1]
- Non-interest expense for 4Q21 was $35.0 million
- Non-interest expense for 4Q21 was $2.0 million higher compared to 3Q21 primarily due to $0.9 million of ABOC deal related costs, and $0.7 million in data processing expenses
- Efficiency ratio excluding equity method investments in solar initiatives was 64.7% for 4Q21 and 64.9% for 3Q21

1. *See non-GAAP disclosures on pages 21-22*

Allowance for Loan Losses

ALLOWANCE FOR LOAN LOSSES (ALLL) CHANGE FROM 4Q20 TO 4Q21

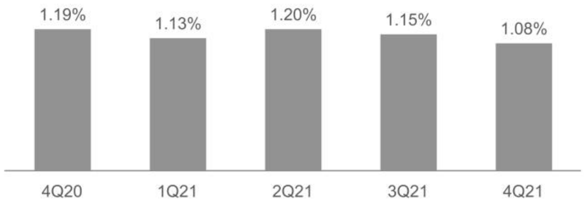
($ millions)

4Q20 Allowance	**$**	**41.6**
Loan balances		(2.4)
Changes in credit quality		(1.9)
Qualitative factors		(0.6)
1Q21 Allowance	**$**	**36.7**
Specific reserves		1.4
Changes in credit quality		0.6
Charge-offs		0.3
Loan balances		(1.0)
2Q21 Allowance	**$**	**38.0**
Qualitative factors		(0.7)
Loan balances		(0.8)
Charge-offs		(0.1)
Changes in credit quality		(0.5)
3Q21 Allowance	**$**	**35.9**
Loan balances		2.5
Specific reserves		(1.4)
Changes in credit quality		0.3
Qualitative factors		(1.4)
4Q21 Allowance	**$**	**35.9**

4Q21 HIGHLIGHTS

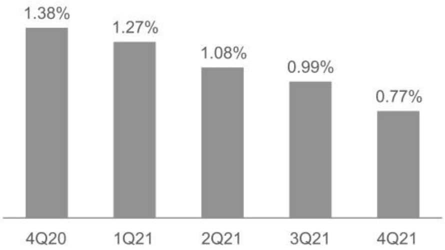
- Allowance for loan losses totaled $35.9 million in 4Q21, unchanged from 3Q21 because loss factor, quantitative and credit quality improvements were offset by a leveraged loan downgrade and higher loan balances
- Allowance for loan losses as of 4Q21 was $5.7 million lower on a year over year basis, due largely to lower loan balances and credit quality improvement

ALLOWANCE FOR LOAN LOSSES / TOTAL LOANS

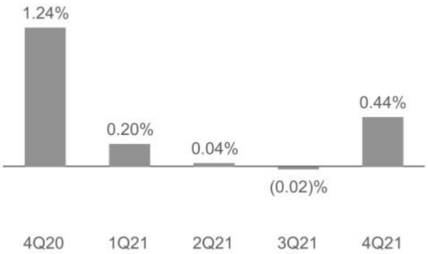


Credit Quality Portfolio

NPA / TOTAL ASSETS



NCO / AVERAGE LOANS[1]



1. *Annualized*

4Q21 HIGHLIGHTS

- Nonperforming assets were $54.6 million as of 4Q21, compared to $67.8 million in 3Q21
- Net charge-offs to average loans of 0.44% in 4Q21 was 46 bps higher than 3Q21 primarily related to our focus on reducing nonperforming assets
- We sold $4.5 million of nonperforming residential loans
- Pass rated loans are 93% of loan portfolio

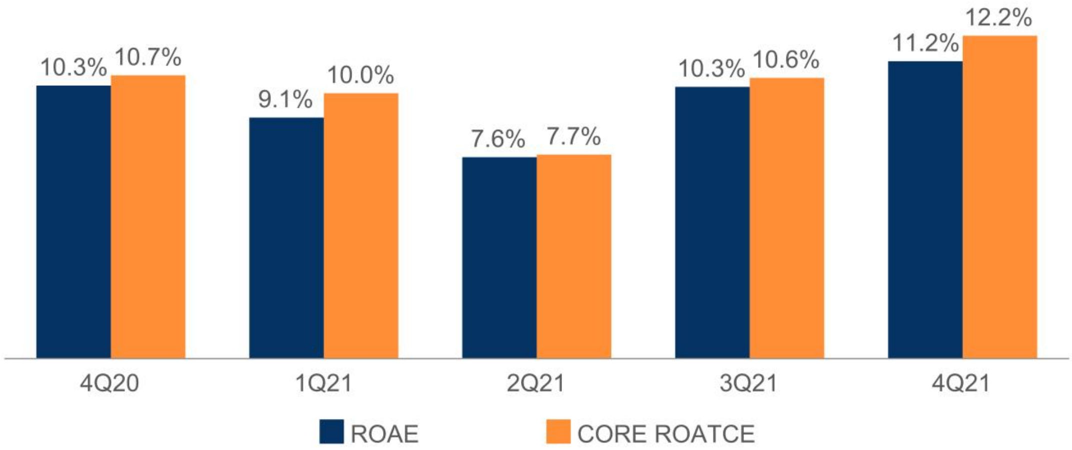
LOAN CREDIT RISK RATINGS

($ millions)

	Pass Rated	Special Mention	Substandard / Doubtful	Total
C&I	$ 693	$ 10	$ 26	$ 729
Multifamily	722	49	51	822
CRE and construction	320	14	68	402
Residential real estate	1,051	—	13	1,064
Consumer and other	292	—	—	292
Total	**$ 3,078**	**$ 73**	**$ 158**	**$ 3,309**

Returns

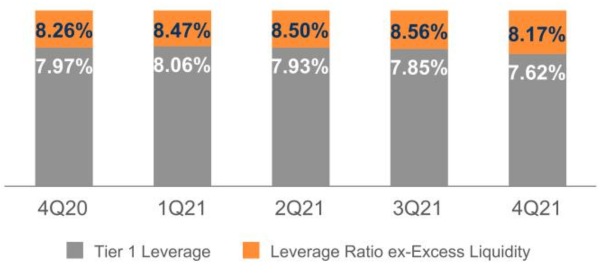
ROAE & CORE ROATCE (1)(2)



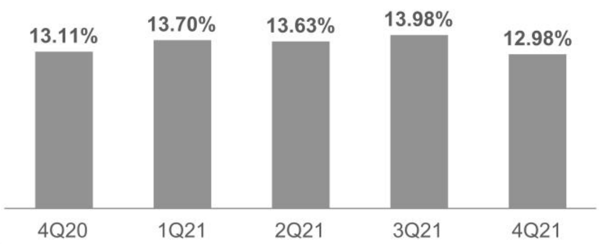
(1) See non-GAAP disclosures on pages 21-22
(2) Core ROATCE excluding tax credits on solar investments was 8.6%, 12.3%, 8.7%, 11.1% and 9.2% for 4Q20, 1Q21, 2Q21, 3Q21 and 4Q21, respectively

Capital

TIER 1 LEVERAGE RATIO



COMMON EQUITY TIER 1 RATIO



4Q21 HIGHLIGHTS

- Regulatory capital ratios remained strong
  - Tier 1 leverage ratio of 7.62% as of 4Q21
  - Excluding the excess liquidity, tier 1 leverage ratio would be 8.17%
  - Common Equity Tier 1 Capital of 12.98%
- Tier 1 leverage ratio was 23 bps lower compared to the previous quarter, primarily driven by excess cash from strong deposit growth

2022 Guidance

2022 FINANCIAL OUTLOOK

- Assumptions are based on AMAL stand-alone company and do not include ABOC accretion impact
- ABOC accretion projections remain unchanged. Targeting deal close in early second quarter 2022
- Core pre-tax pre-provision earnings of $75 million to $85 million
    - Excludes tax credit impact of solar tax equity income/(loss) and any future non-core items
    - Net Interest Income of $184 million to $192 million
    - No change in Fed rate targets
- Approximately 5% balance sheet growth, driven by loan growth and managing cash and short-term securities mix

2022 INITIATIVES

- Invest in lending strategy via personnel, invest in key talent across critical roles
- Drive ESG ResponsiFunds and overall profitability of Trust business

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended December 31, 2021	As of and for the Three Months Ended September 30, 2021	As of and for the Three Months Ended December 31, 2020	As of and for the Year Ended December 31, 2021	As of and for the Year Ended December 31, 2020
Core operating revenue					
Net Interest income (GAAP)	$ 47,081	$ 43,387	$ 45,655	$ 174,304	$ 180,016
Non-interest income	12,361	6,702	10,040	28,389	40,604
Less: Branch sale (gain) loss [1]	—	—	—	—	(1,394)
Less: Securities (gain) loss	106	(413)	—	(649)	(1,605)
Core operating revenue (non-GAAP)	$ 59,548	$ 49,676	$ 55,695	$ 202,044	$ 217,621
Core non-interest expense					
Non-interest expense (GAAP)	$ 35,032	$ 33,034	$ 32,670	$ 132,255	$ 133,886
Less: Branch closure expense [2]	—	—	—	—	(8,330)
Add: Severance [3]	(54)	—	—	(1,144)	(201)
Less: ABOC	(930)	(392)	—	(1,322)	—
Core non-interest expense (non-GAAP)	$ 34,048	$ 32,642	$ 32,670	$ 129,789	$ 125,355
Core net income					
Net Income (GAAP)	$ 15,924	$ 14,416	$ 13,790	$ 52,937	$ 46,188
Less: Branch sale (gain) loss [1]	—	—	—	—	(1,394)
Less: Securities (gain) loss	106	(413)	—	(649)	(1,605)
Add: Branch closure expense [2]	—	—	—	—	8,330
Add: Severance [3]	54	—	—	1,144	201
Add: ABOC	930	392	—	1,322	—
Less: Tax on notable items	(257)	5	—	(457)	(1,407)
Core net income (non-GAAP)	$ 16,757	$ 14,400	$ 13,790	$ 54,297	$ 50,313

(1) Fixed Asset branch sale in March 2020
(2) Occupancy and other expense related to closure of branches during our branch rationalization
(3) Salary and COBRA expense reimbursement expense for positions eliminated

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended December 31, 2021	September 30, 2021	December 31, 2020	As of and for the Year Ended December 31, 2021	December 31, 2020
Tangible common equity					
Stockholders' Equity (GAAP)	$ 563,875	$ 556,390	$ 535,821	$ 563,875	$ 535,821
Less: Minority Interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(4,151)	(4,453)	(5,358)	(4,151)	(5,358)
Tangible common equity (non-GAAP)	$ 546,655	$ 538,868	$ 517,394	$ 546,655	$ 517,394
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 562,379	$ 555,757	$ 530,352	$ 552,173	$ 508,995
Less: Minority Interest	(133)	(133)	(133)	(133)	(134)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(4,299)	(4,602)	(5,525)	(4,748)	(6,037)
Average tangible common equity (non-GAAP)	$ 545,011	$ 538,086	$ 511,758	$ 534,356	$ 489,888
Core return on average assets					
Core net income (non-GAAP)	$ 16,757	$ 14,400	$ 13,790	$ 54,297	$ 50,313
Divided: Total average assets	7,010,890	6,632,506	6,182,989	6,569,840	6,044,242
Core return on average assets (non-GAAP)	0.95%	0.86%	0.89%	0.83%	0.83%
Core return on average tangible common equity					
Core net income (non-GAAP)	$ 16,757	$ 14,400	$ 13,790	$ 54,297	$ 50,313
Divided: Average tangible common equity	545,011	538,086	511,758	534,356	489,888
Core return on average tangible common equity (non-GAAP)	12.20%	10.62%	10.72%	10.16%	10.27%
Core efficiency ratio					
Core non-interest expense (non-GAAP)	$ 34,048	$ 32,642	$ 32,670	$ 129,789	$ 125,355
Core operating revenue (non-GAAP)	59,548	49,676	55,695	202,044	217,621
Core efficiency ratio (non-GAAP)	57.18%	65.71%	58.66%	64.24%	57.60%

Thank You

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