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**FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C. 20006**

**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): June 22, 2020**

**AMALGAMATED BANK**  
**(Exact name of registrant as specified in its charter)**

**New York**  
**(State or other jurisdiction**  
**of incorporation)**

**13-4920330**  
**(IRS employer identification no.)**

**275 Seventh Avenue, New York, New York**  
**(Address of principal executive offices)**

**10001**  
**(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:**

<b>Title of each class</b>	<b>Trading symbol(s)</b>	<b>Name of each exchange on which registered</b>
Class A Common Stock, \$0.01 par value per share	AMAL	The Nasdaq Stock 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 7.01. Regulation FD Disclosure.**

On June 22, 2020 and June 23, 2020, Amalgamated Bank (the “Company”) will make presentations to certain institutional investors using the materials that are included as Exhibit 99.1 to this Current Report on Form 8-K (the “Investor Presentation”). The Company may use the Investor Presentation, possibly with modifications, in presentations from time to time thereafter to current and potential investors, analysts, lenders, business partners, acquisition candidates, customers, employees and others with an interest in the Company and its business.

By furnishing this Current Report on Form 8-K, including the Investor Presentation, the Company makes no admission as to the materiality of any information in this Report, including without limitation the Investor Presentation. The Investor Presentation contains forward-looking statements. See page 1 of the Investor Presentation for a discussion of certain forward-looking statements that are included therein and the risks and uncertainties related thereto. The Investor Presentation also includes financial information not prepared in accordance with generally accepted accounting principles (“Non-GAAP Financial Measures”). A reconciliation of the Non-GAAP Financial Measures to financial information prepared in accordance with generally accepted accounting principles (“GAAP”), as required by Regulation G, appears on page 39 and 40 of the Investor Presentation. The Company believes that the Non-GAAP Financial Measures provide investors additional ways to view our operations, when considered with both our GAAP results and the reconciliation to net income and net cash provided by operating activities, which we believe provide a more complete understanding of our business than could be obtained absent this disclosure. We believe the Non-GAAP Financial Measures also provide investors a useful tool to assess shareholder value.

The information in this Item 7.01, including Exhibit 99 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing with the Federal Deposit Insurance Corporation, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Exhibits.**

- (a) Financial statements of businesses acquired. N/A
- (b) Pro forma financial information. N/A
- (c) Shell company transactions. N/A
- (d) Exhibits. See Exhibit Index to this report.

**Exhibit Index****Exhibit No. Description**

99.1	Investor Presentation dated June 22, 2020 (furnished only).
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**SIGNATURE**

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 BANK

By: /s/ Keith Mestrich

Name: Keith Mestrich

Title: Chief Executive Officer and President

Date: June 22, 2020



# Amalgamated Bank

June 2020

[amalgamatedbank.com](https://amalgamatedbank.com)  
Member FDIC



## **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 “appear,” “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, our statements regarding estimated share repurchases, exploration of establishing a bank holding company, levels of loan payment deferrals, our planned commercial market expansion, establishment of climate-related goals and estimated changes in interest rates are “forward-looking” statements. All 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. 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 Net Income,” “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,” “Core ROAE” 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 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 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 company’s website, [amalgamatedbank.com](http://amalgamatedbank.com).

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

## Company Overview

- ✓ NASDAQ: AMAL
- ✓ Market Cap: \$349mm<sup>(1)</sup>
- ✓ Commercial Bank and Chartered Trust Company
- ✓ Total Assets: \$5.8bn
- ✓ \$42.6bn in assets under management and custody
- ✓ Strong presence in New York City, Washington D.C. and San Francisco

## 2<sup>nd</sup> Quarter Updates

- ✓ Assets at \$6.2bn as of 5/31/2020
  - ✓ Deposit growth of \$447mm since 1Q20
  - ✓ Loan and PACE growth of \$153mm since 1Q20
- ✓ Loan deferrals have leveled off at \$512mm, or 14% of loans, driven primarily by real-estate loans
- ✓ Mark to market on AFS securities portfolio has improved by \$17.4mm since 1Q20
  - ✓ No securities have been downgraded in portfolio

1. As of 6/19/2020

2. See non-GAAP reconciliations on pages 39-40

## Distinct Heritage

**Founded by a union nearly 100 years ago**, Amalgamated supports financial equity by providing access to banking products and services

## Authentic Brand

**Amalgamated impacts its communities through action.** Amalgamated supports a \$20 minimum wage, uses sustainable energy to power operations and has a workforce that is 60% minority and 60% female

## Targeted Customer Base

**Amalgamated serves a specialized customer segment.** Clients are drawn to Amalgamated for its values-based business practices and stay for the banking team's expertise in critical areas

## Unique Business Model

Amalgamated **focuses on profitability** by deploying its low-cost deposit funding into lower risk assets, achieving attractive risk-adjusted returns

**Lower capital required from low-risk balance sheet creates opportunities for higher returns**





# Uniquely Positioned Business Model

## Niche targeted mission-based customer segment

### LABOR UNIONS

- 30,000+ Labor Organizations
- 14.6mm Americans
- International, National and Local



### SUSTAINABILITY

- Environmental action organizations
- Sustainable businesses
- Clean energy companies



### PHILANTHROPIES

- \$350bn in assets from progressive philanthropies
- 1,300 private foundations



### SOCIAL ENTERPRISES

- Multi-billion impact investing market
- 1,800+ B-Corps



### NON-PROFITS

- 1.5mm organizations
- 11.7% of American wages



### POLITICAL ORGANIZATIONS

- 19,500 Democratic candidates
- 2020 Democratic National Convention (DNC)



Source: The State of Minority Business Enterprises: U.S. Department of Commerce (2007) Next Street Segmented Growth Strategy study as of March 2016 commissioned by Amalgamated. Target customer assets represent total market opportunity and does not exclude assets of existing Amalgamated clients; includes progressive philanthropies, social advocacy and human needs organizations, and labor unions and excludes social enterprises and political organizations.



# Mission Aligned Initiatives

## We are proud of our missioned aligned initiatives and accomplishments

### Improving ESG at our Bank

- ✓ Launched CSR hub on website for investors to access policies, reports, and latest news
- ✓ Provided more ESG disclosures and policy changes to greatly improve scoring
- ✓ Amalgamated's MSCI ESG score improved to A from BBB
- ✓ Certified B Corporation score increased from 87 to 115
- ✓ Leading the development of new socially responsible investment products through Invesco collaboration

### Exercising Our Corporate Voice

- ✓ Endorsed the Science-Based Targets Initiative and CEO Action on Diversity and Inclusion
- ✓ Featured on CNN and MSNBC for advocacy on gun safety

### Commitment to Environmental Sustainability

- ✓ Founding signatory of the UN Principles on Responsible Investing and Principals on Responsible Banking
- ✓ International Co-Chair of Principals on Carbon Accounting Financials
- ✓ SouthPole found a 6.7% drop in total emissions from 2018 to 2019



## Responses to Dual Crises

### COVID-19 Response

- ✓ Working with commercial clients on payment deferral requests to help with business disruption
- ✓ Provided loan deferrals, fee waivers, and temporary foreclosure moratorium for residential borrowers
- ✓ Moved to nearly 100% WFH status to protect employees
- ✓ More than 850 referrals of CARES Paycheck Protection Plan (PPP) to Newtek, an SBA originator
- ✓ Advocated for expansion of federal relief packages for workers, small businesses, and nonprofits
- ✓ Launched Families and Workers Fund with commitment of \$8mm
- ✓ Launched Frontline Lines Workers Fund providing \$85,000 in grants to support workers

### Black Lives Matter (BLM) and Social Unrest Response

- ✓ Public statement in support of BLM movement and condemnation of racism within the justice system
- ✓ Launching internal task force to address issues of racial bias
- ✓ Endorsing police reform policy efforts
- ✓ Greater than 75% of the Amalgamated Foundation grants have gone to work led by People of Color; formally instituted as explicit criteria in grantmaking



# Investment Highlights

1

Management Delivering Operational Improvement

2

Stable, Low-Cost Core Deposit Franchise

3

Conservative Asset Allocation



4

Strict Credit Culture

5


Strong Liquidity To Weather A Challenging Environment

6

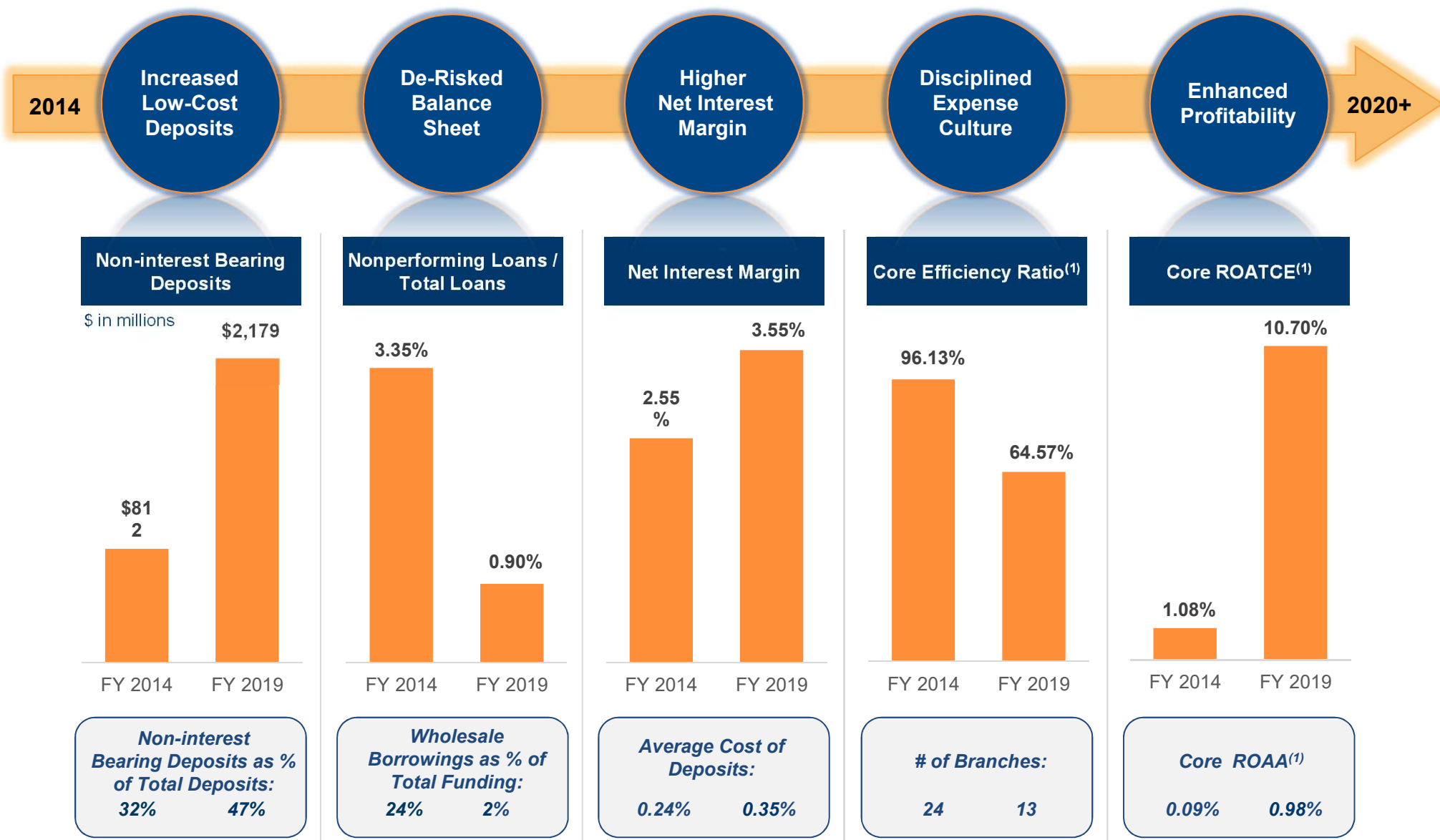
Well Positioned For Continued Organic Growth

# 1 Experienced Executive Management Team

Since 2014, the new management team has increased deposits, de-risked the balance sheet, instilled a disciplined expense culture and enhanced profitability

Title		Background
	<b>Keith Mestrich</b>	<ul style="list-style-type: none"><li>• President &amp; CEO of Amalgamated Bank since 2014 after joining in 2012 as Director of Amalgamated's Washington, D.C. region</li><li>• Previously served as CFO of the Service Employees International Union (SEIU) and has extensive experience in the financial sector</li><li>• 30-year veteran of the labor movement with Workers United, UNITE HERE, UNITE, and the AFL-CIO</li><li>• Guided the acquisition of San Francisco-based New Resource Bank, creating one of the leading values-based banks in the U.S.</li></ul>
	<i>President &amp; CEO</i>	
	<b>Drew LaBenne</b>	<ul style="list-style-type: none"><li>• CFO of Amalgamated Bank since 2015</li><li>• Former CFO of JPMorgan Chase Business Banking from 2013 to 2015</li><li>• Previously at CapitalOne for 17 years and held leadership positions as the CFO of Retail Banking and CFO of Commercial Banking</li><li>• Key member in building CapitalOne's banking franchise through acquisitions and organic growth</li></ul>
	<i>SEVP &amp; CFO</i>	

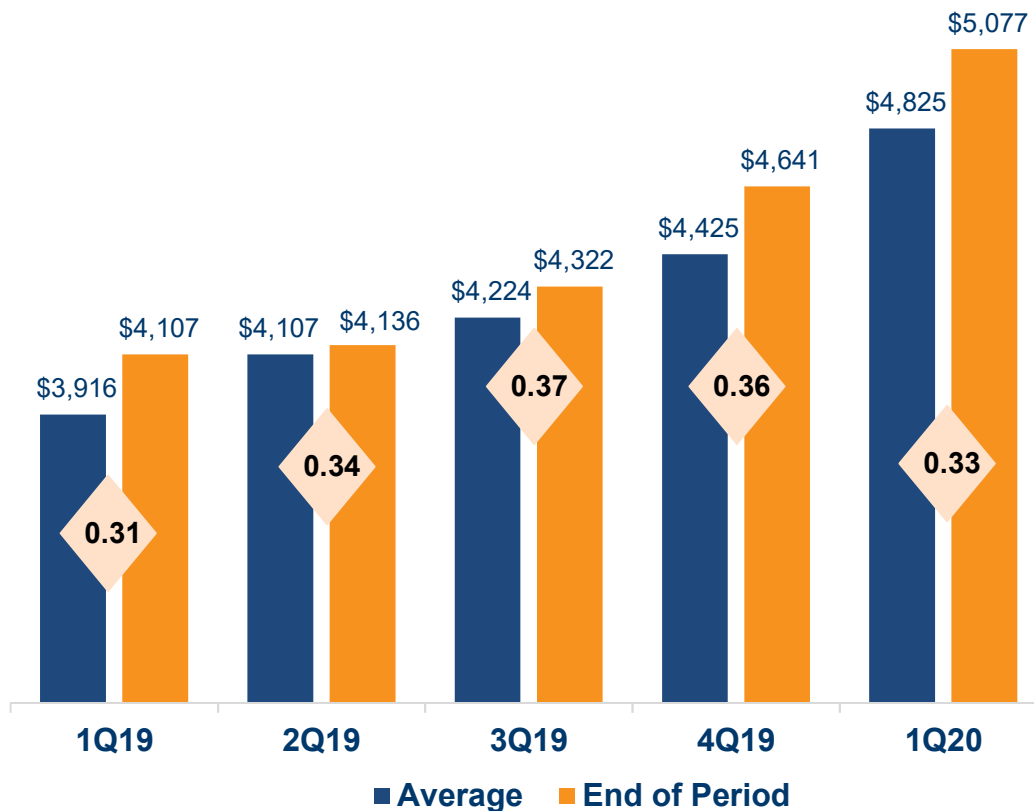
# 1 Delivering Improved Operating Performance



1. See non-GAAP reconciliations on pages 39-40

## Total Deposits (\$ in millions)

### Cost of Funds



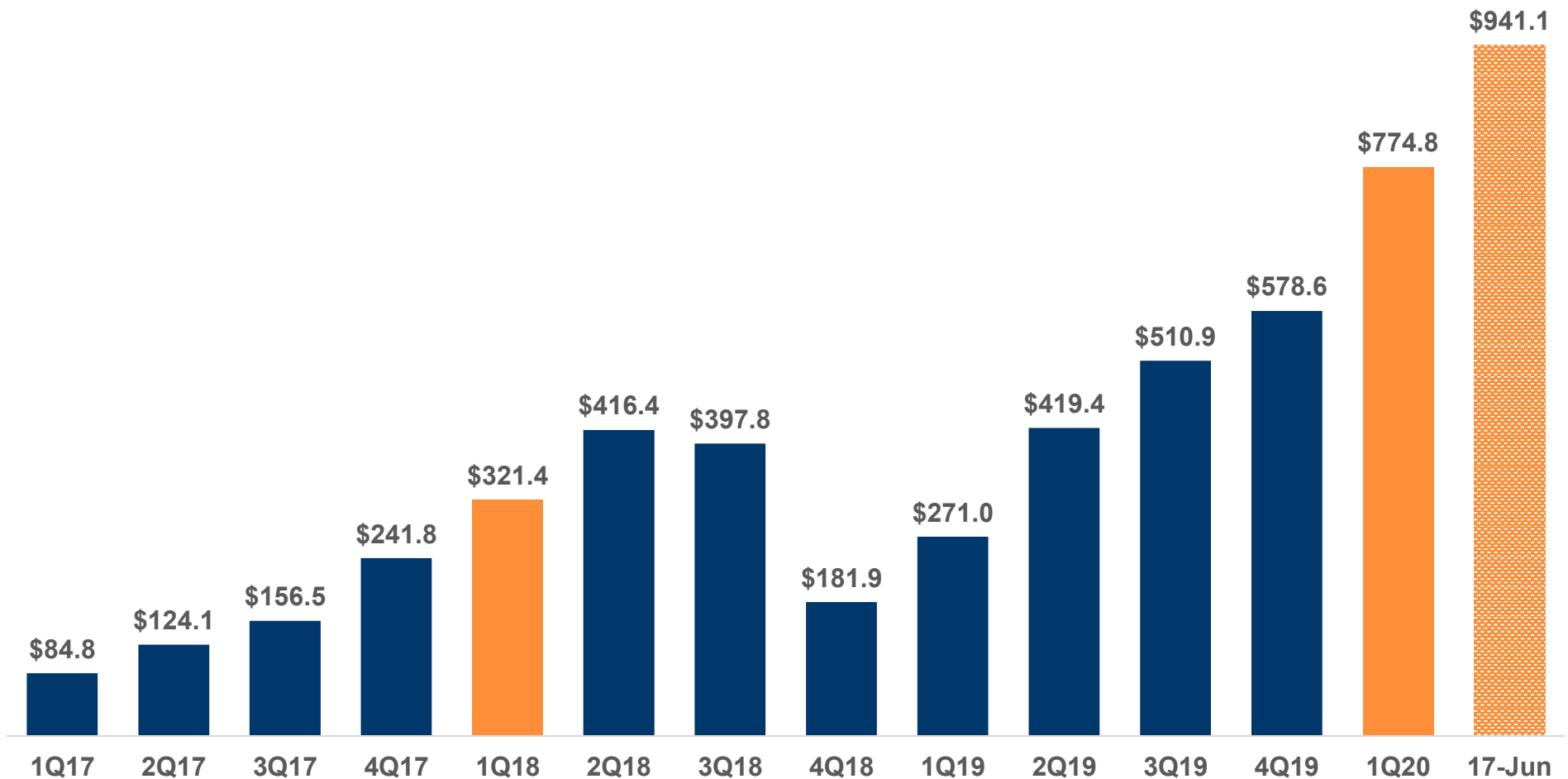
## Competitive Deposit Franchise

- ✓ \$276.5 million of average non-interest bearing deposit growth, compared to 4Q19, related to seasonality of election cycle
- ✓ Non-interest-bearing deposits represented 48% of ending deposits in 1Q20, compared to 47% in 4Q19
- ✓ Core customers, our unions and nonprofits, are primarily on the deposit side of the bank
  - Continued expansion in core relationships in the non-profit, labor and philanthropic sectors
- ✓ Cost of funds, a long-term, key differentiator of the Bank, remains best in class, anticipate cost of funds to continue decreasing in the near term

## 2 Political Deposits

### Historical Trend

(\$ in millions)





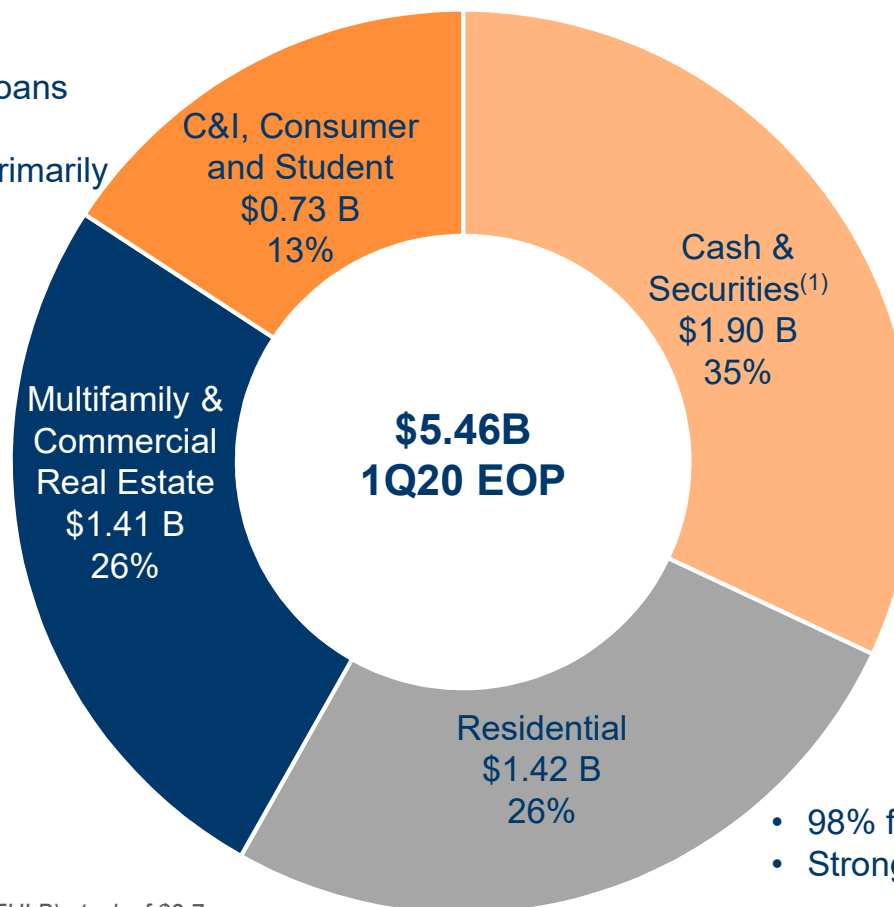
## 3 Conservative Asset Allocation

### Interest Earning Assets of \$5.5B as of March 31, 2020

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

- No fossil fuel exposure
- \$147mm of government guaranteed loans
- \$124mm residential solar loans with strong credit profiles
- \$63mm of student loans, primarily to post-graduate students

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



- \$789mm, agency securities
- \$653mm of non-agency securities are AAA rated
- \$255mm of PACE securities at low LTV
- \$167mm of cash deposits at Bank
- All non-agency securities are top of the capital structure

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

<sup>(1)</sup> Securities include Federal Home Loan Bank (FHLB) stock of \$3.7mm

## Strict credit culture in place to maintain conservative credit standards and underwrite each loan on our balance sheet

- ✓ NPLs excluding run-off portfolios is 0.3%
- ✓ Approximately 4% of portfolio makes up 82% of NPLs

### Non-Performing Loan Portfolio, March 31, 2020

\$ in millions

NPLs by Portfolio		Book Bal	Total NPLs	% of Book Bal	NPLs Performing	% of Book Bal	NPLs Non-Performing	% of Book Bal
Residential		\$ 1,326	\$ 2	0.1%	\$ -	0.0%	\$ 2	0.1%
Multifamily		936	-	0.0%	-	0.0%	-	0.0%
CRE and Construction		474	7	1.5%	-	0.0%	7	1.5%
C&I Direct		324	1	0.3%	0	0.0%	1	0.3%
Gov't Guaranteed		147	-	0.0%	-	0.0%	-	0.0%
Consumer and Student		189	1	0.4%	-	0.0%	1	0.4%
Run-off portfolios	Residential - Purchased pre-2010	91	26	29.1%	18	19.8%	8	9.3%
	C&I Indirect	62	24	38.7%	9	14.6%	15	24.2%
<b>Total</b>		<b>\$3,549</b>	<b>\$61</b>	<b>1.7%</b>	<b>\$27</b>	<b>0.8%</b>	<b>\$ 34</b>	<b>1.0%</b>
Run-off Portfolio		\$ 152	\$ 50	33.0%				
Non Run-off Portfolio		3,397	11	0.3%				

## 4 COVID-19 Deferrals – Post Quarter Update

**Current rate of payment deferrals is approximately 14% of loan balances<sup>(1)</sup>. Loans on deferral appear to be stabilizing at, or near, current levels.**

Loan Type	3/31/20 Balance	Deferrals	% of portfolio
Multifamily	\$ 936	\$ 218	23%
CRE + Construction	474	122	26%
C&I	532	39	7%
Residential	1,417	122	9%
Consumer and Student	189	11	6%
<b>Portfolio</b>	<b>\$ 3,549</b>	<b>\$ 512</b>	<b>14%</b>

<sup>(1)</sup> Loan deferral information is as of the week ending 6/20/2020 for our self originated portfolio and as of 5/31/2020 for purchased portfolios

## Multifamily loans deferred – week ending June 20, 2020

Current Loan to Value (LTV) <sup>(1)</sup>	Loan Balance	Comments
80%+	\$ 3.6	<ul style="list-style-type: none"> <li>87% of loans are in NY</li> <li>Debt service coverage of 1.4x (pre-COVID)</li> <li>Current LTV is based on most recent appraisal (pre-COVID) compared to current book balance</li> </ul>
70-79%	18.9	
60-69%	76.7	
50-59%	66.5	
Below 50%	51.9	
<b>Total</b>	<b>\$ 217.6</b>	
<b>CLTV of all Deferrals</b>	<b>56%</b>	

## CRE loans deferred – week ending June 20, 2020

Current Loan to Value (LTV) <sup>(1)</sup>	Loan Balance	Property Use	Loan Balance
80%+	\$ -	Retail	\$ 36.9
70-79%	2.2	Office	19.9
60-69%	-	Mixed Use	38.8
50-59%	23.6	Lodging	22.1
Below 50%	94.1	Other	2.2
<b>Total</b>	<b>\$ 119.9</b>	<b>Total</b>	<b>\$ 119.9</b>
<b>CLTV of all Deferrals</b>	<b>43%</b>		

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

## Residential Payment Deferrals – week ending June 20, 2020

Total deferrals are **\$122 million**, or 9% of residential loans

- Deferrals are higher in NY/NJ markets vs. other geographies
- Volume of requests have leveled off

Deferral is for 3 months with another 3 months available, if needed

- Loans are not reported as delinquent or restructured in our financial statements and no direct impact on provision while in deferral period, though there may be impact on qualitative factors
- Interest on loans continues to accrue

## Residential Loan Balance and loan to original value as of 1Q20

Portfolios	Balance 1Q20	Loan-to-Value (LTV) <sup>(1)</sup>	Comments
Self Originated	\$ 1,110	56%	
Purchased – post 2015	216	45%	Portfolios from two banks
Purchased – pre 2010	91	41%	Legacy portfolio in run-off
<b>Total Residential</b>	<b>\$ 1,417</b>	<b>53%</b>	
<i>Percent of total loans</i>	<i>40%</i>		

<sup>(1)</sup> Loan-to-value is calculated as the existing book balance divided by the original appraisal value with no adjustments for home price index changes

# 5 Strong Liquidity To Weather A Challenging Environment

## Liquidity sources amount to \$2.9B as of March 31, 2020

- ✓ Capacity to borrow from Federal Home Loan Bank (FHLB) presents largest source of balance sheet funding
- ✓ Ability to borrow based on existing balance sheet assets as collateral, primarily mortgage (commercial and multi-family)

Key Sources of Liquidity	Timing	Amount (\$MM) as of March 2020	% of Deposits
Cash	Immediate	\$260	5%
FHLB Borrowing Potential	Immediate	\$1,500	30%
Potential Political Deposit Runoff	Months	(\$500)	-10%
<b>Immediate Core Liquidity</b>		<b>\$1,260</b>	<b>25%</b>
Saleable Non-Pledge-able Securities	Days	\$510	10%
Est. Wholesale Borrowings Capacity	Weeks	\$760	15%
Apx. Saleable Non-Pledge-able Loans	Months	\$400	8%
<b>Total</b>		<b>\$2,930</b>	<b>58%</b>





# Well Positioned For Growth

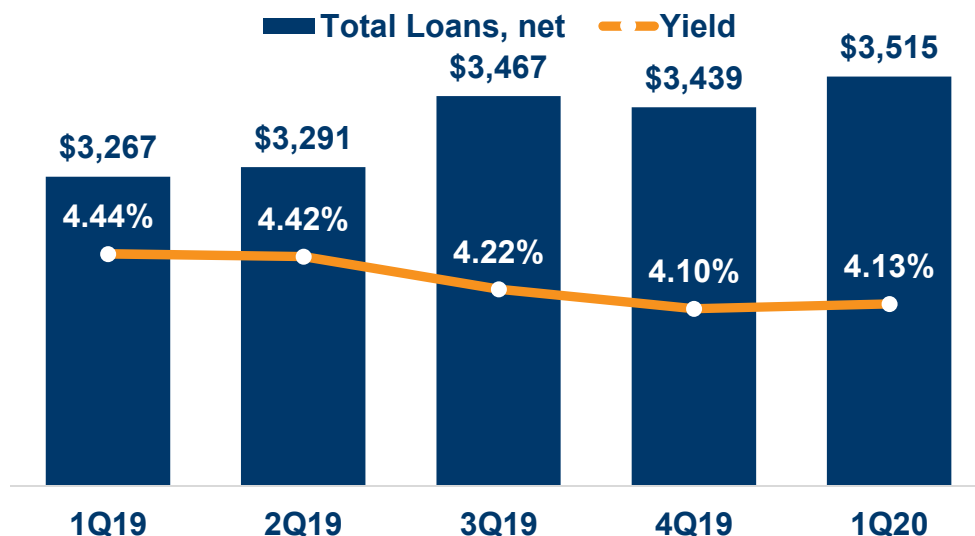
## Multiple avenues exist to expand the Bank

- ✓ Organic Growth – sustainability lending presents a large and untapped market opportunity. Today, Amalgamated is a leader in PACE funding through its work with PACE Funding Group
- ✓ Expand the Bank's geographic footprint – many U.S. cities such as Chicago, L.A., and Seattle represent attractive markets for organic expansion
  - Opened the Bank's commercial loan office in Boston in March 2020
- ✓ Collaboration with Invesco to re-accelerate asset growth in our Trust & Investment Management business which has the infrastructure to significantly scale
- ✓ Strong capital position to take advantage of inorganic opportunities

**Focused on scaling the Bank and driving improved returns**

## Total Loans, Net<sup>(1)</sup>

(\$ in millions)

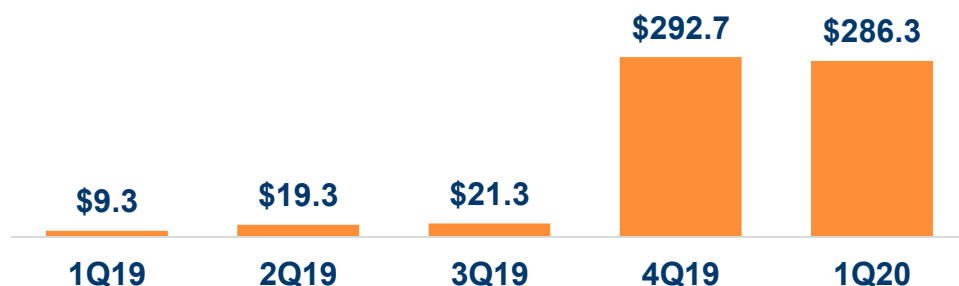


## 1Q20 Highlights

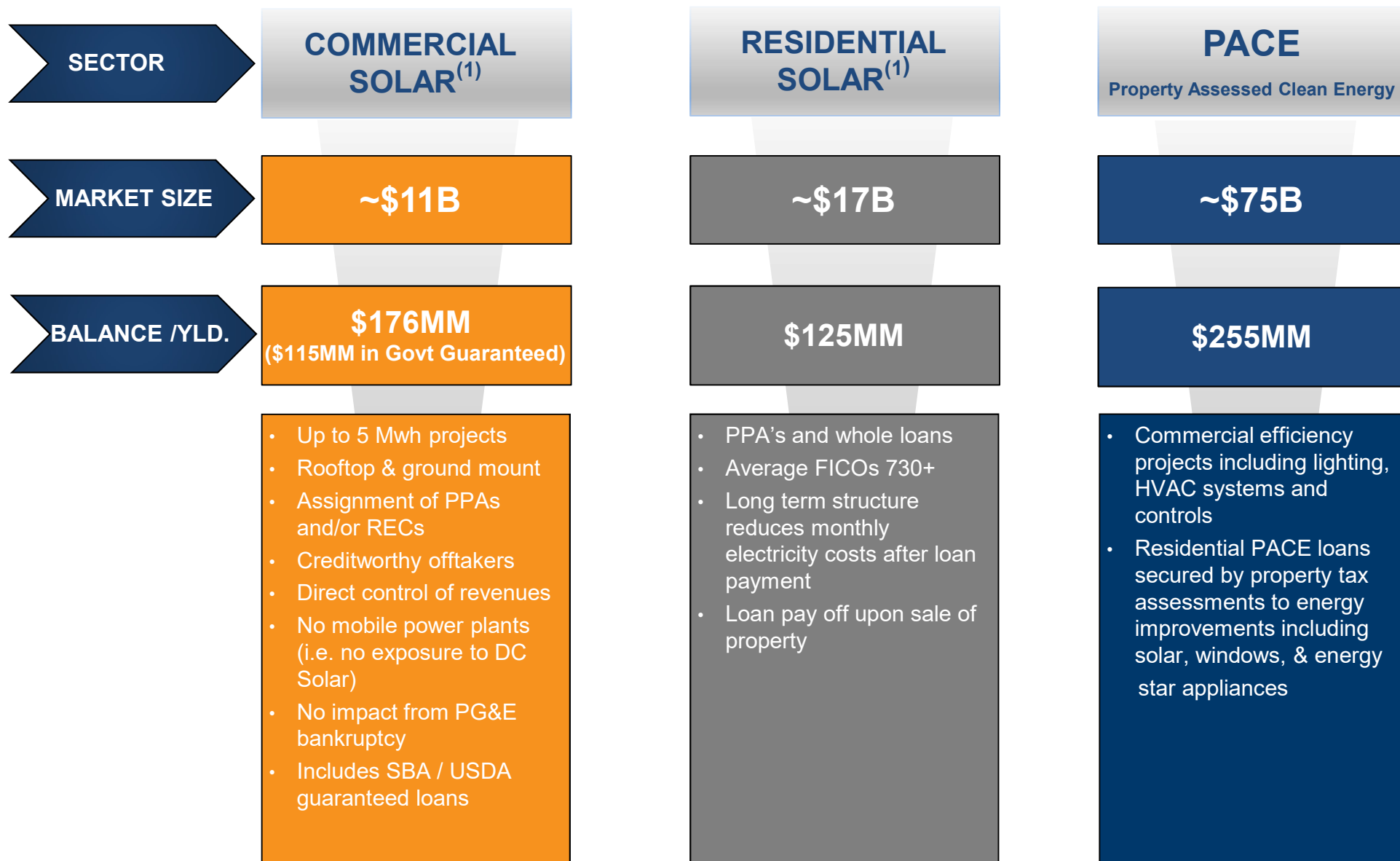
- ✓ Total loans increased \$76.2 million, or 8.9% annualized, compared to 4Q19
- ✓ 1Q20 Yield at 4.13%; increase of 3 bps and decrease of 31 bps compared to 4Q19 and 1Q19 respectively
- ✓ Held to Maturity Securities decreased \$6.4 million compared to 4Q19
  - ✓ Property assessed clean energy (“PACE”) securities expected to increase starting in 2Q20 due to investment in PACE Funding Group

## Held-to-Maturity Securities

(\$ in millions)



<sup>(1)</sup> Loan balances in the first, second and third quarters of 2019 include \$44.8 million, \$72.7 million and \$86.3 million in PACE assessments, respectively that are presented in held-to-maturity securities starting in 4Q19



1) Total financing opportunity is ~\$70B with ~\$42B in utility scale projects and the remaining \$28B in solar space ; Source: Solar Energy Industries Association (SEIA)

2) Source : American Council for an Energy Efficient Economy (ACEEE); assumes PACE funding is adopted in additional states in the future

## What is PACE?

- ✓ Property Assessed Clean Energy (PACE) assessments
- ✓ Consumer financing for qualifying residential home improvements
- ✓ PACE assessment is recorded as a special tax assessment and is senior to any mortgages
- ✓ Municipalities administer remittance as part of its normal tax billing and collection process
- ✓ Assessment remains with the property, not with the property owner

## PACE Portfolio at Amalgamated

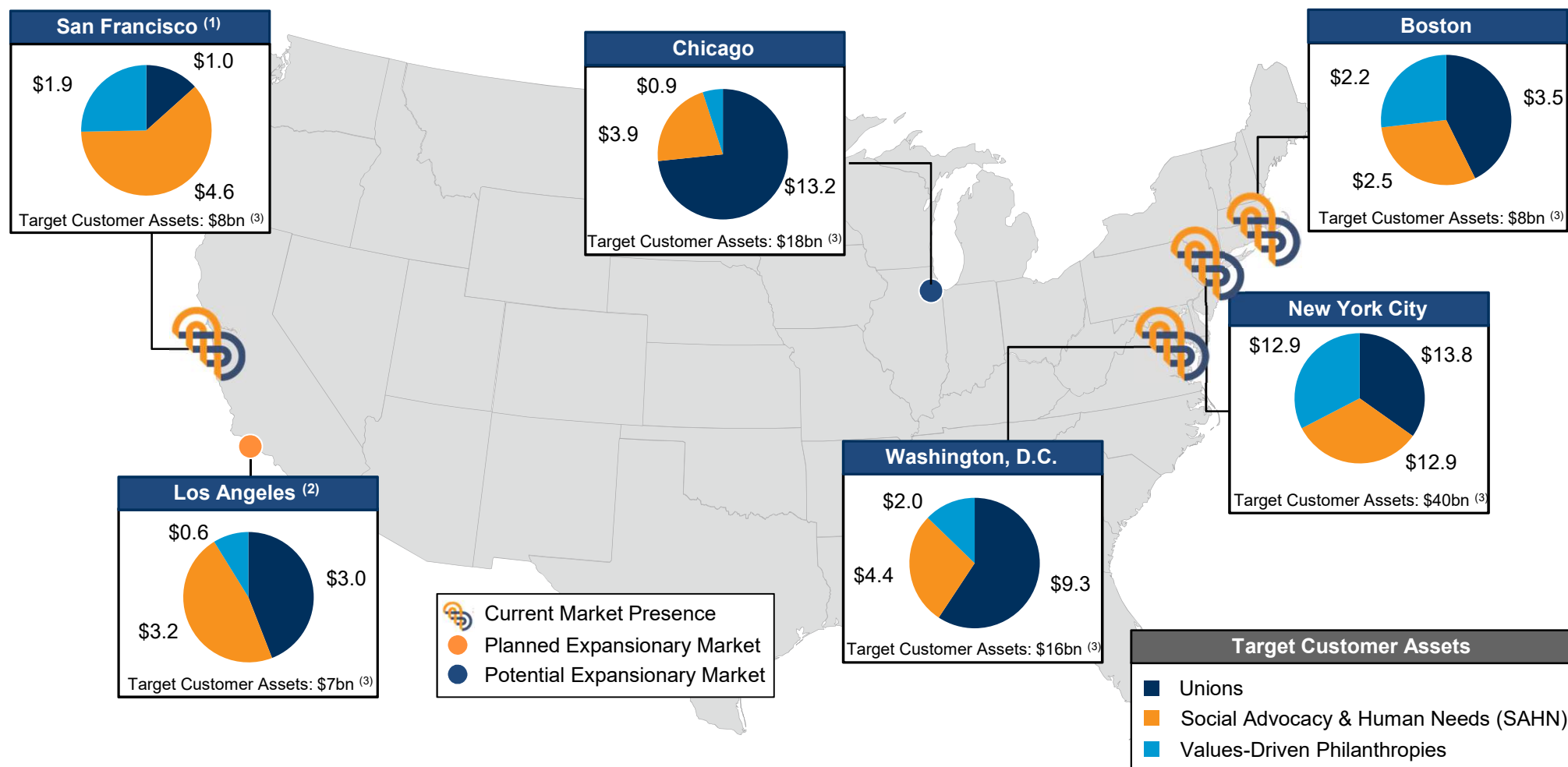
- ✓ PACE assessments totaled \$255 million at 1Q20 with a premium of less than 3%
- ✓ Estimated yield in the low to mid 4%; purchased at a premium with yields expected to vary based on prepayments
- ✓ Average PACE assessment-to-value below 10%
- ✓ Reported in Held-to-maturity securities on balance sheet

## Investment in PACE Funding Group (PFG)

- ✓ Strategic investment of \$2.5 million with PFG where the bank will provide investment capital, and commitment to purchase PACE financing products
- ✓ Will provide values-aligned financing for customers of PACE assessments
- ✓ Working with PFG to expand into the New York market

# Attractive Geographic Focus

- Current footprint includes New York City, Washington D.C. and San Francisco
- Expansion into Boston completed in March 2020



1. Amalgamated Bank completed its acquisition of San Francisco based New Resource Bank on May 18, 2018

2. Planned Commercial market expansion office to open

3. Source: Next Street Segmented Growth Strategy study as of March 2016 commissioned by Amalgamated; Target customer assets represent total market opportunity and does not exclude assets of existing Amalgamated clients; includes progressive philanthropies, social advocacy and human needs organizations, and labor unions and excludes social enterprises and political organizations

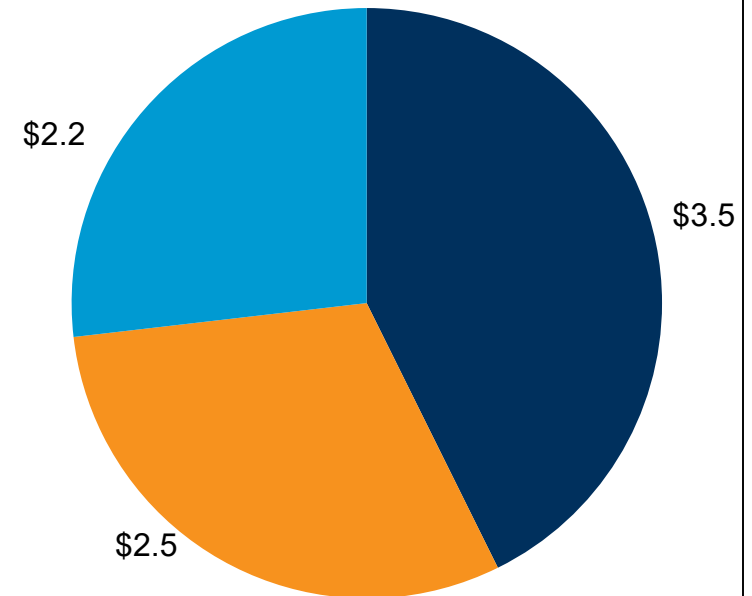
## Commercial Market Expansion

**Mark Walsh**  
SVP & New England  
Regional Director

- Director of External Affairs & Philanthropy at RIZE Massachusetts Foundation
- Deputy Chief of Protocol for the State Department under the Obama Administration
- Co-Founder and Principal at Rafanelli Events

- ✓ Lead by Mark Walsh
  - Extensive relationships with government and philanthropic organizations
- ✓ Expansion into New England finalized in March 2020
- ✓ Significant market opportunity that is currently underserved by traditional banks
- ✓ Initially focused on gathering deposits from mission aligned institutions
- ✓ Expect new business to ramp slowly given Covid-19 limitations on meetings

### Boston Market



Target Customer Assets: \$8bn <sup>(1)</sup>

#### Target Customer Assets

- Unions
- Social Advocacy & Human Needs (SAHN)
- Values-Driven Philanthropies

1. Source: Next Street Segmented Growth Strategy study as of March 2016 commissioned by Amalgamated; Target customer assets represent total market opportunity and does not exclude assets of existing Amalgamated clients; includes progressive philanthropies, social advocacy and human needs organizations, and labor unions and excludes social enterprises and political organizations



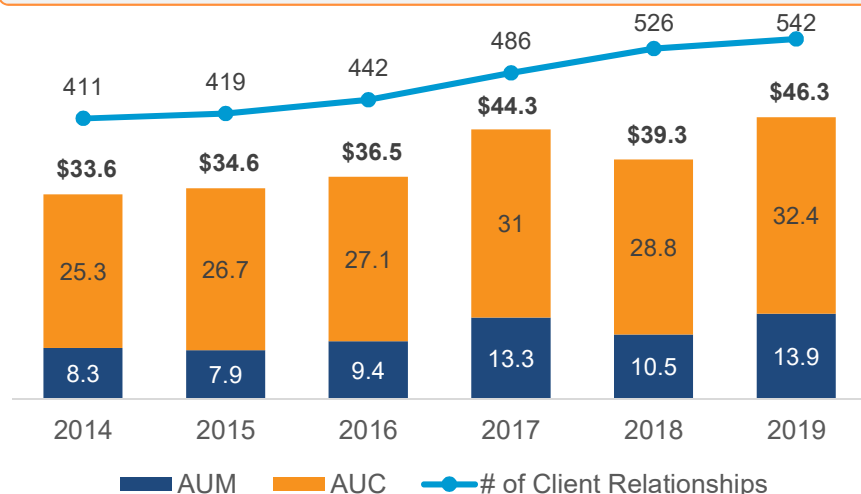
# 6 Trust & Investment Management

## Growth in the trust and investment management business provides strategic and financial benefits

### Trust & Investment Management Overview

- ✓ For over 40 years, Amalgamated has provided trust and investment management services to meet the investment needs of institutional clients
- ✓ Generated \$18.6mm of trust and investment fees in FY2019
- ✓ Scalable infrastructure to support significant growth and additional customized products
- ✓ Strategic initiatives include:
  - ✓ Increased penetration of target institutional client base
  - ✓ Additional customized products and increased efficiency for clients
  - ✓ Enhanced cross-sell capabilities across all banking products and services
- ✓ Expect the trust & investment management business to become a more meaningful contributor to the Bank's profitability over time

### Total Assets Under Management and Custody<sup>(1)</sup>



### Collaboration with Invesco

- ✓ Strategic collaboration with Invesco Advisers, who will act as Amalgamated's principle investment sub-adviser to our Investment Management business
- ✓ Invesco provides scale, experience, and a wide range of investment management services across asset classes
- ✓ Will explore the expansion of our socially responsible product offerings given the large and growing market opportunity

### Select Products and Services Provided

Equities	Fixed Income
<b>LongView</b> <ul style="list-style-type: none"> <li>Large Cap 500 Index Fund®</li> <li>Mid Cap 400 Index Fund®</li> <li>Small Cap 600 Index Fund®</li> <li>Total Market 1500 Index Fund®</li> <li>LargeCap1000 Growth Index Fund®</li> <li>LargeCap1000 Value Index Fund®</li> <li>International Value Equity Collective Fund®</li> </ul>	<b>LongView</b> <ul style="list-style-type: none"> <li>Core Bond Fund®</li> <li>Core Plus Fixed Income®</li> <li>Build America Bond Fund</li> <li>ESG Bond Fund</li> </ul>
<b>Separately Managed</b> <ul style="list-style-type: none"> <li>BroadMarket Low Carbon Equity Index Strategy</li> <li>Russell 2500 Growth Index Strategy</li> <li>Russell 2500 Value Index Strategy</li> <li>ESG-Screened Index Strategies</li> </ul>	<b>Separately Managed</b> <ul style="list-style-type: none"> <li>Cash Management Strategies</li> <li>Short Term Bond Strategies</li> <li>Intermediate Bond Strategies</li> </ul>
<b>Custody</b> <ul style="list-style-type: none"> <li>Asset Safekeeping</li> <li>Contractual trade settlement in U.S. and most global markets</li> <li>Account transition, asset transfer and conversion management</li> <li>Straight-through processing applications for trade instructions</li> <li>Corporate Actions</li> <li>Income Collections</li> <li>Class Actions</li> <li>Proxy Services</li> <li>Global Custody</li> </ul>	

1. Source: Company Management; SNL Market Intelligence. Excludes historical AUM of ULTRA and NYCERs portfolios expected to runoff in 2018.



# Investment Highlights

1

New Management Team Delivering Operational Improvement

2

Stable, Low-Cost Core Deposit Franchise

3

Conservative Asset Allocation



4

Strict Credit Culture

5

Strong Liquidity To Weather A Challenging Environment

6

Well Positioned For Continued Organic Growth



# Financial Update

## Highlights

- ✓ GAAP net income of \$0.30 per diluted share; core net income of \$0.29 per diluted share<sup>(1)</sup>
  - ✓ Net income of \$0.45 per diluted share excluding COVID loan provision build<sup>(1)(2)</sup>
- ✓ Pre-tax, pre-provision income<sup>(3)</sup> of \$21.5mm compared to \$16.5mm in 4Q19
  - ✓ Highest quarterly pre-tax, pre-provision income in history of the Bank
- ✓ Efficiency ratio of 59.97%
  
- ✓ Average deposit growth of \$400.3mm, or 36% annualized, compared to 4Q19
- ✓ Non-interest bearing deposits are 48% of ending deposits
- ✓ 33 bps cost of deposits
  
- ✓ Provision build of \$8.6mm driven primarily by \$3.4mm in indirect C&I portfolio and \$3.0mm in qualitative factors; non-performing assets decreased slightly to \$65.6 million, or 1.14% of total assets
  
- ✓ Capital ratios remained strong with CET1 of 12.74% and Tier 1 Leverage of 8.47%
- ✓ \$7.0mm of repurchased shares at \$13.34 per share; buy-back program suspended indefinitely
- ✓ CECL adoption postponed until 2023

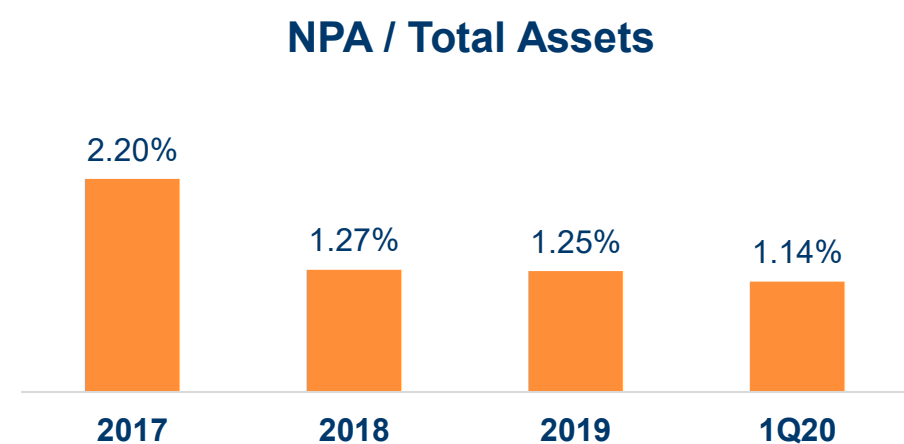
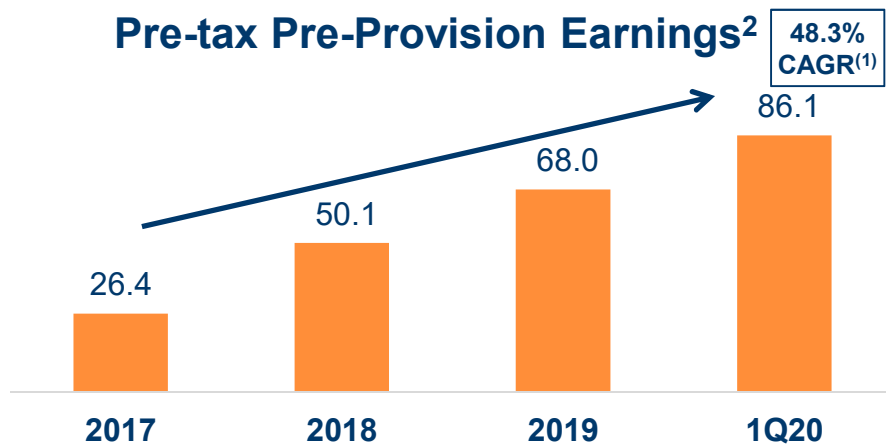
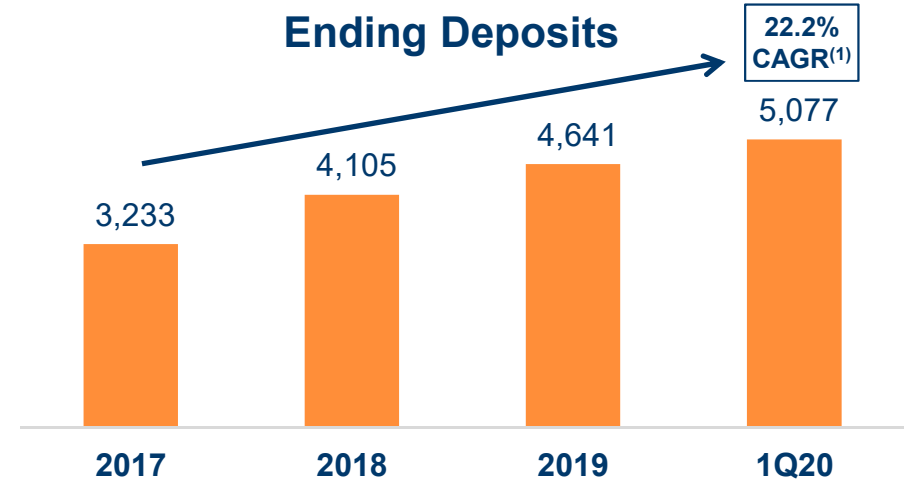
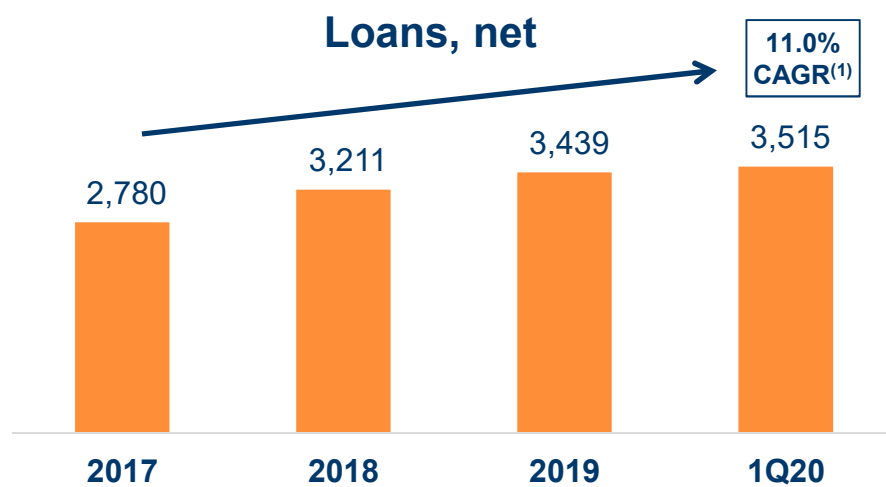
(1) See non-GAAP disclosures on pages 39-40

(2) COVID specific provision build of \$6.4mm pre-tax, and \$4.7mm after-tax

(3) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

## Key Financial Trends through 1Q20

(\$ in millions)

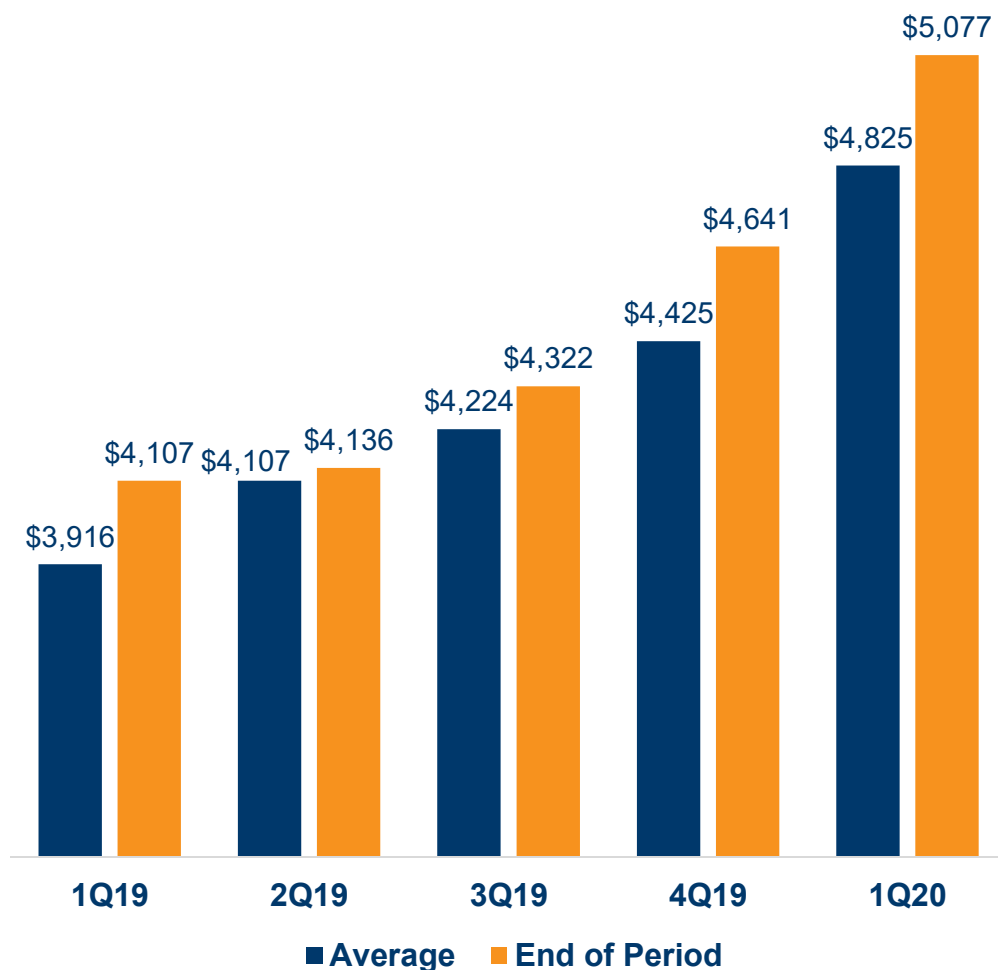


(1) Compounded Annual Growth Rate ("CAGR")

(2) 1Q20 Pre-tax Pre-Provision annualized

## Total Deposits

(\$ in millions)



## 1Q20 Highlights

- ✓ Total ending deposits increased \$435.6 million, or 37.5% annualized, compared to 4Q19
- ✓ Total average deposits increased \$400.3 million, or 36.2% annualized, compared to 4Q19
- ✓ \$276.5 million of average non-interest bearing deposit growth, compared to 4Q19
- ✓ Non-interest-bearing deposits represented 48% of ending deposits in 1Q20, compared to 47% in 4Q19
- ✓ Total deposits increased to \$5,324 million as of April 24<sup>th</sup>, an increase of \$247 million since quarter-end

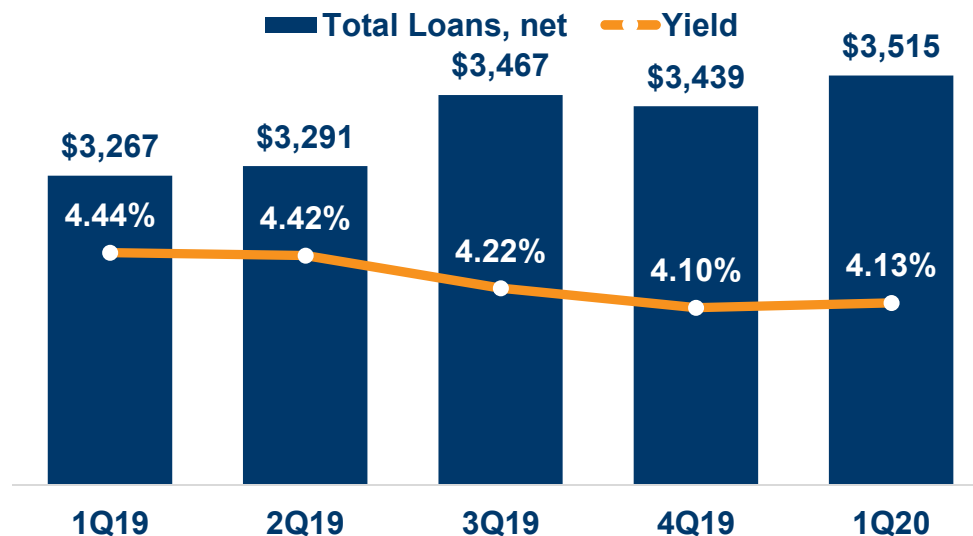




# Loan and Held-to-Maturity Securities

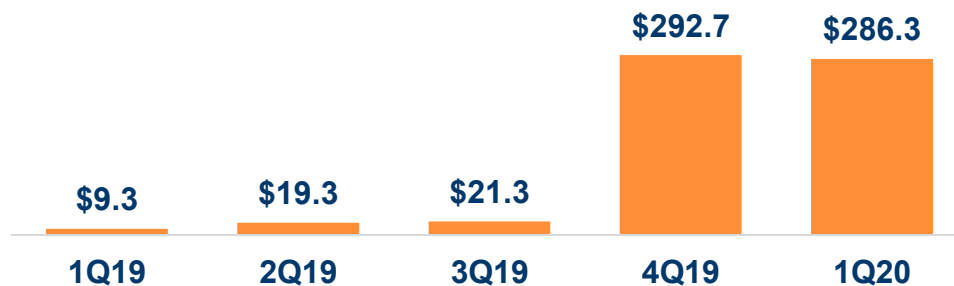
## Total Loans, Net<sup>(1)</sup>

(\$ in millions)



## Held-to-Maturity Securities

(\$ in millions)



## 1Q20 Highlights

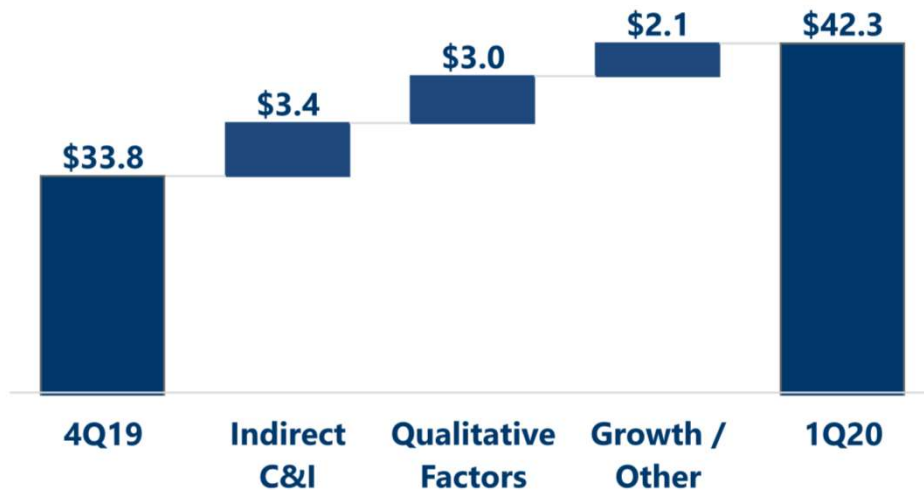
- ✓ Total loans increased \$76.2 million, or 8.9% annualized, compared to 4Q19
- ✓ 1Q20 Yield at 4.13%; increase of 3 bps and decrease of 31 bps compared to 4Q19 and 1Q19 respectively
- ✓ Held to Maturity Securities decreased \$6.4 million compared to 4Q19
  - ✓ Property assessed clean energy (“PACE”) securities expected to increase starting in 2Q20 due to investment in PACE Funding Group

<sup>(1)</sup> Loan balances in the first, second and third quarters of 2019 include \$44.8 million, \$72.7 million and \$86.3 million in PACE assessments, respectively that are presented in held-to-maturity securities starting in 4Q19

# Allowance for Loan Losses

## Allowance for Loan Losses Change from 4Q19 to 1Q20

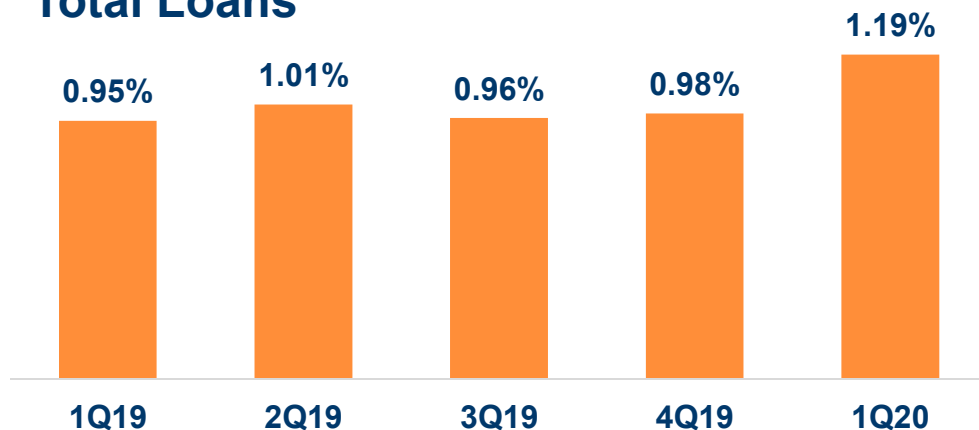
(\$ in millions)



## 1Q20 Overview

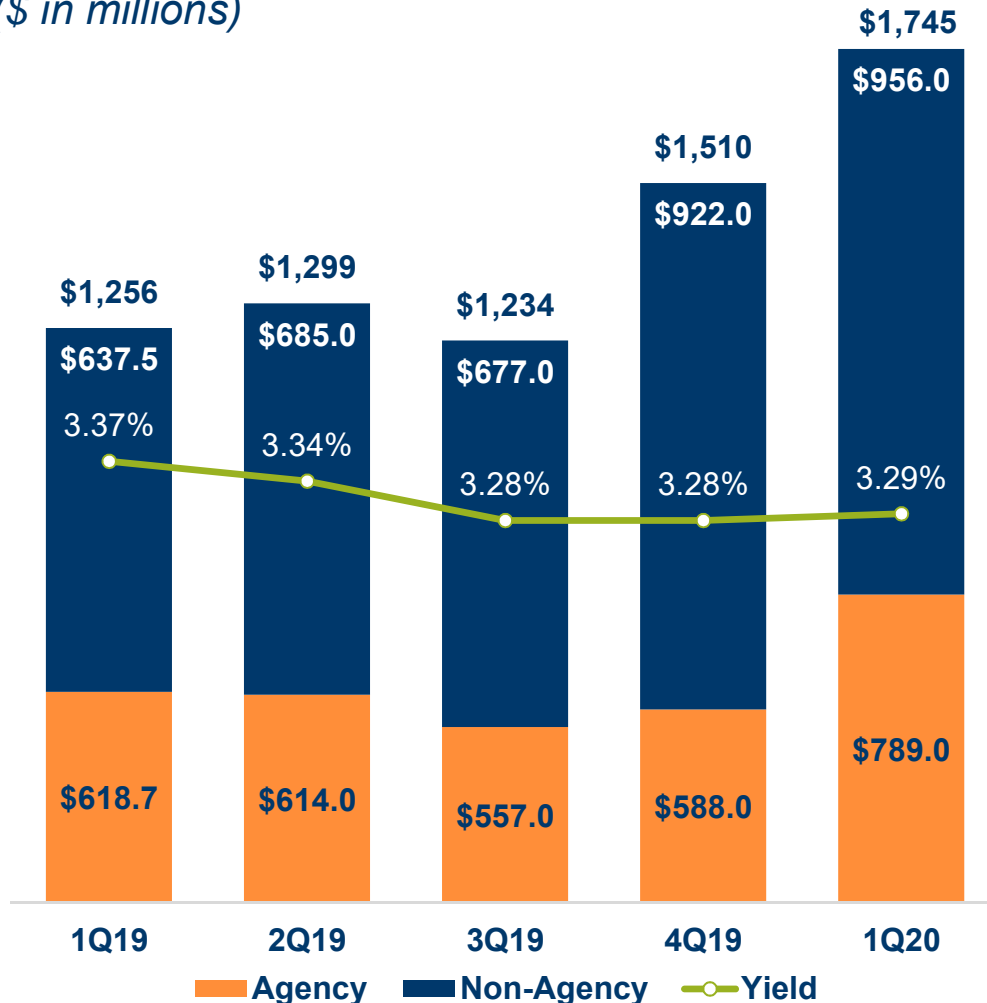
- ✓ Allowance for loan losses totals \$42.3 million in 1Q20
- ✓ Qualitative increases in 1Q20 are related to economic factors
  - ✓ We expect increases in qualitative factors for 2Q20 due to COVID-19 loan payment deferrals

## Allowance for Loan Losses / Total Loans



## Securities – Book value<sup>(1)</sup>

(\$ in millions)



## 1Q20 Highlights

- ✓ Investment Securities totaled \$1.7 billion book value for 1Q20
- ✓ Securities increase of \$235 million from 4Q19 is primarily due to an increase in agency securities
- ✓ 85% of all non-agency MBS/ABS securities are AAA rated and 99% are A rated or higher; all CLO's are AAA rated
- ✓ As of 1Q20 average subordination for the C&I CLOs is 42%
- ✓ Non-agency securities in 1Q20 include \$255.3 million of PACE assessments, which are non-rated

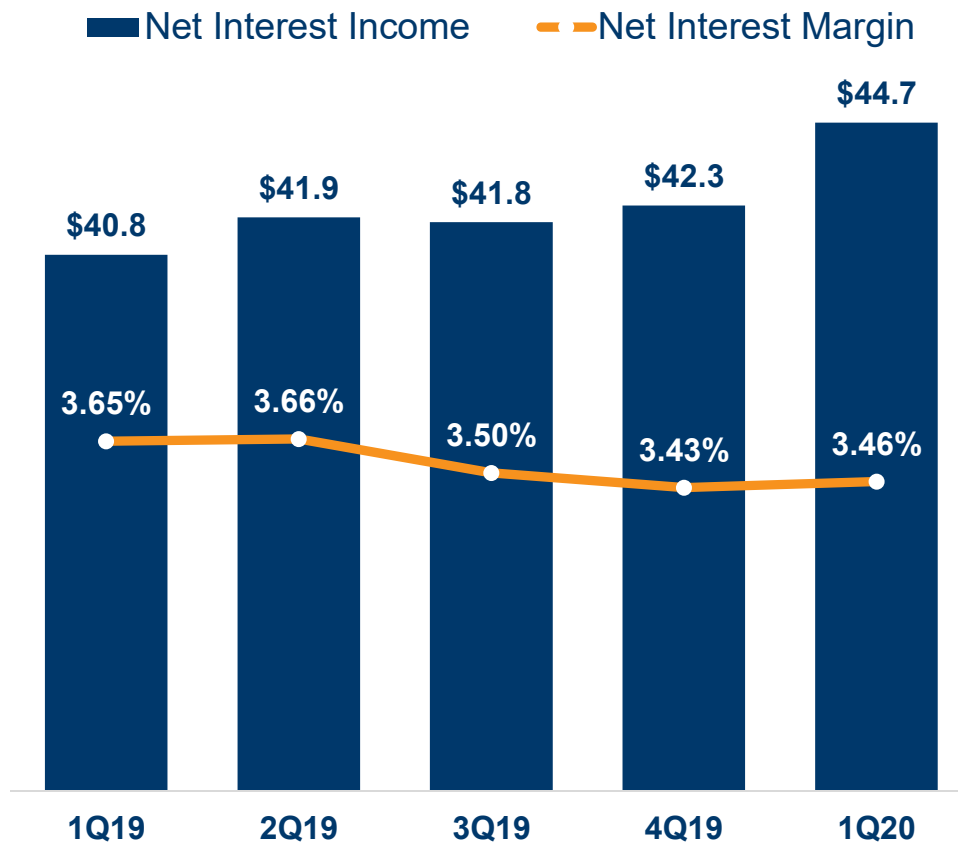
<sup>(1)</sup> Securities book value excludes unrealized Available for Sale (AFS) gain / loss on sale



# Net Interest Income and Margin

## Net Interest Income & Margin

(\$ in millions)



## 1Q20 Highlights

- ✓ Net interest income is \$44.7 million, compared to \$42.3 million in 4Q19

1Q20 vs. 4Q19 changes due to:

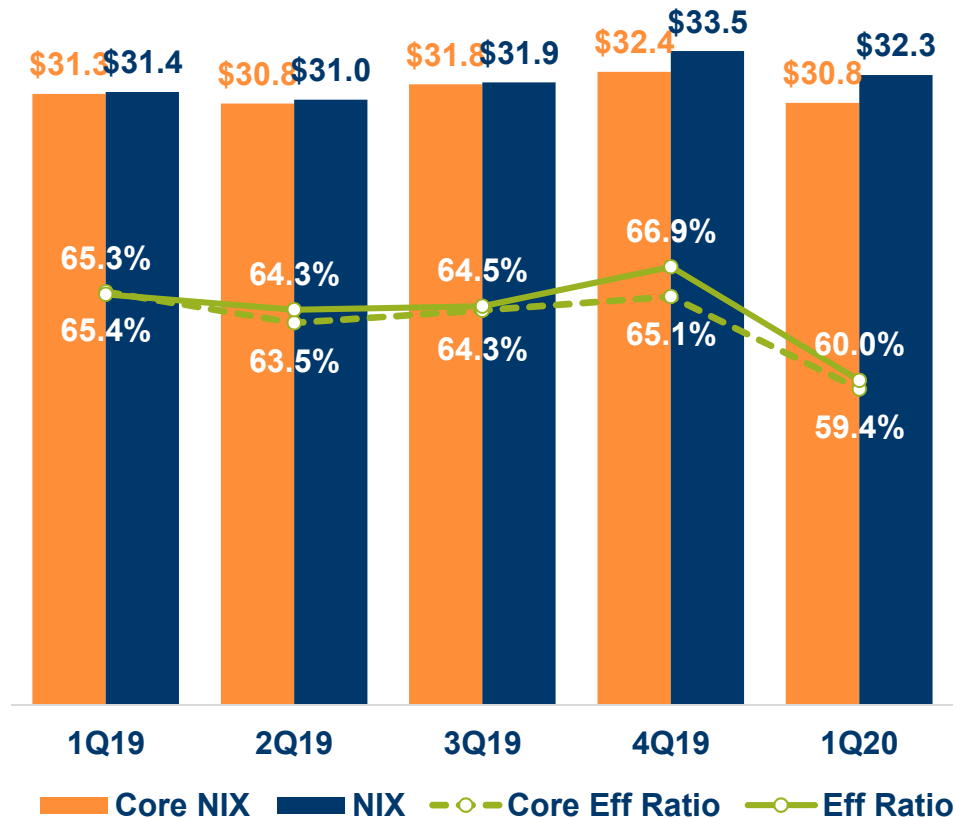
- ✓ Increases:
  - Average interest earning assets increased \$302 million
  - Average noninterest-bearing deposits increased \$276 million
  - Prepayments accounted for 6bps of NIM in 1Q20, or 4bps higher than 4Q19
- ✓ Offsets:
  - Lower yield on interest earning assets
- ✓ 1Q20 NIM at 3.46%; an increase of 3 bps and decrease of 19 bps, compared to 4Q19 and 1Q19, respectively



# Non-Interest Expense and Efficiency

## Non-Interest Expense

(\$ in millions)



## 1Q20 Highlights

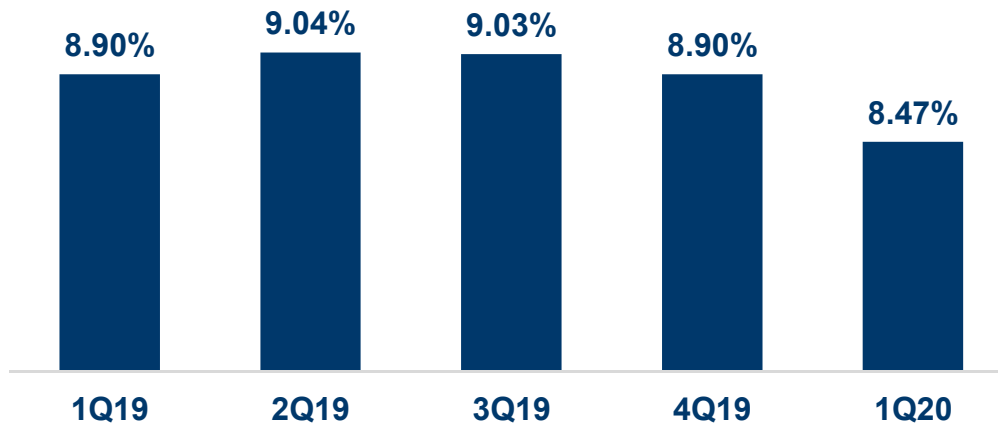
- ✓ Efficiency ratio of 60.0% for 1Q20
- ✓ Core efficiency ratio of 59.4% for 1Q20<sup>(1)</sup>
- ✓ Non-interest expense for the 4Q19 is \$32.3 million
- ✓ Core non-interest expense for the 1Q20 is \$30.8 million, a \$1.6 million decrease and a \$0.5 million decrease, compared to 4Q19 and 1Q19, respectively<sup>(1)</sup>

## OTHER UPDATES

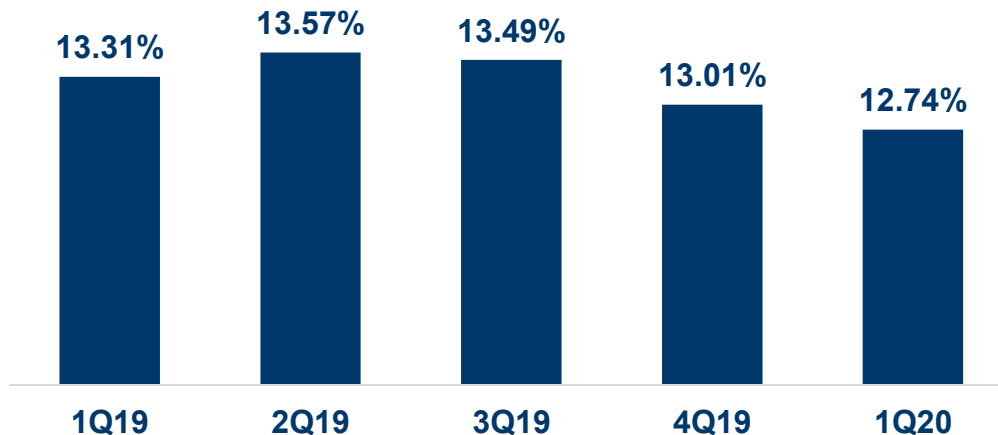
- ✓ Two NYC branch closures in Q1 2020 resulting in approximately \$2 million in annualized expense savings
- ✓ 1Q20 core expenses<sup>(1)</sup> exclude:
  - ✓ Branch closure expenses of \$1.4 million and severance of \$0.1 million

(1) See non-GAAP disclosures on pages 39-40

## Tier 1 Leverage Ratio



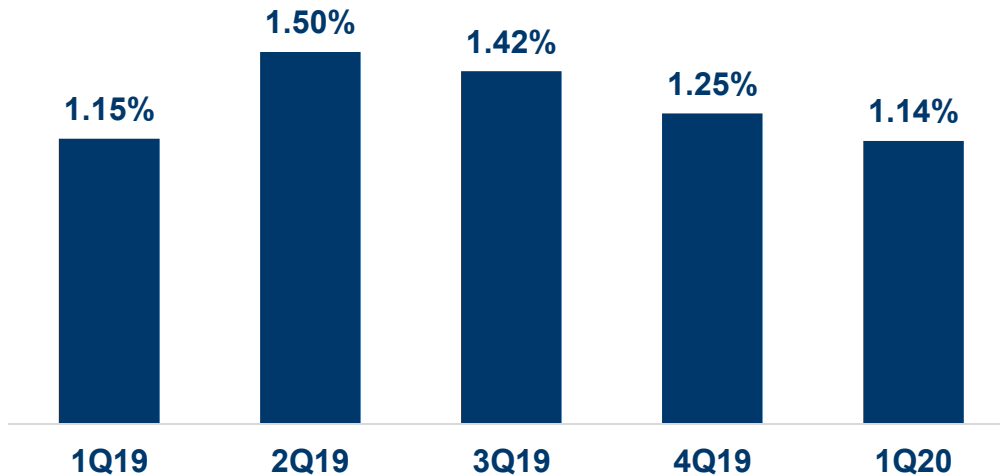
## Common Equity Tier 1 Ratio



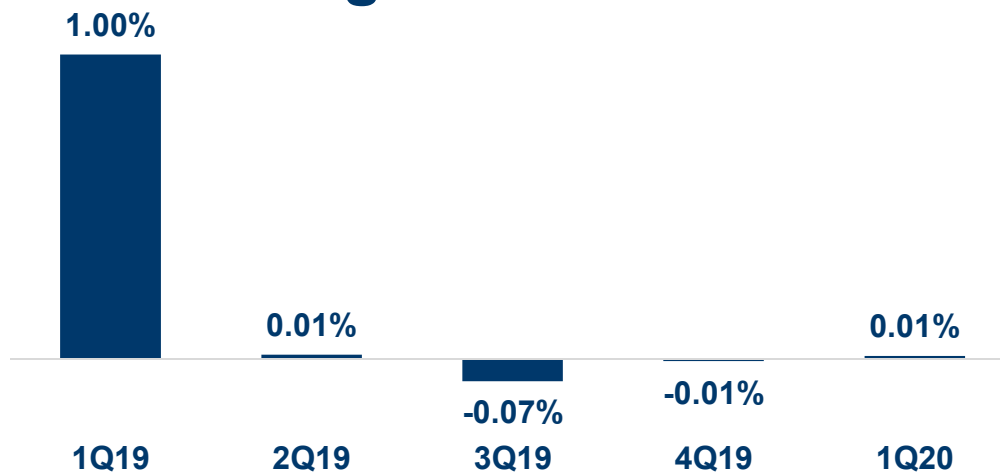
## 1Q20 Highlights

- ✓ Regulatory capital ratios remain well capitalized
  - ✓ Tier 1 leverage ratio of 8.47% as of 1Q20
  - ✓ Common Equity Tier 1 Capital of 12.74%
- ✓ Decrease in Tier 1 leverage ratio due to \$283 million increase in average assets in 1Q20
- ✓ Decrease in Common Equity Tier 1 Capital due to \$88 million increase in average risk-weighted assets in 1Q20

## NPA / Total Assets



## NCO / Average Loans<sup>(1)</sup>

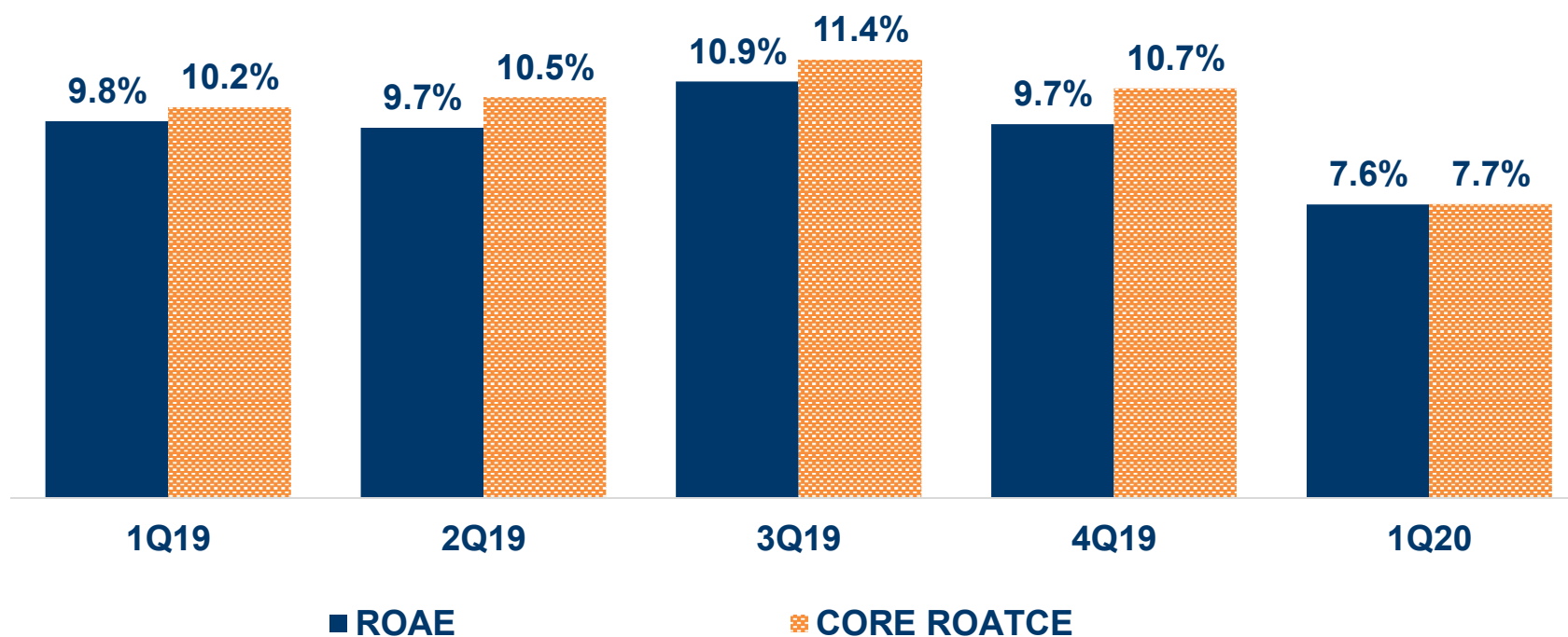


(1) Annualized

## 1Q20 Highlights

- ✓ Nonperforming assets are \$65.6 million as of 1Q20, compared to \$66.7 million in 4Q19
  - ✓ \$7.4 million decrease in accruing restructured loans
  - ✓ \$3.4 million increase in past-due accruing loans
  - ✓ \$2.9 million increase in non-accruing loans
- ✓ Net charge-offs negligible with the exception of 1Q19
  - ✓ Increase in 1Q19 was due to the charge-off of one indirect C&I loan (\$8.4 million) for which we had previously built-up specific reserves

## ROAE & Core ROATCE <sup>(1)</sup>



(1) See non-GAAP disclosures on pages 39-40





# Appendix



# Reconciliation of Non-GAAP Financials

<i>(in thousands)</i>	For the Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
<b>Core operating revenue</b>			
Net interest income (GAAP)	\$ 44,689	\$ 42,250	\$ 40,773
Non interest income (GAAP)	9,118	7,776	7,417
Less: Branch sale (gain) <sup>(1)</sup>	(1,428)	-	-
Less: Securities loss (gain)	(499)	(218)	(292)
<i>Core operating revenue (non-GAAP)</i>	<i>\$ 51,880</i>	<i>\$ 49,808</i>	<i>\$ 47,898</i>
<b>Core non-interest expenses</b>			
Non-interest expense (GAAP)	\$ 32,270	\$ 33,490	\$ 31,448
Less: Branch closure expense <sup>(2)</sup>	(1,356)	(957)	-
Less: Severance <sup>(3)</sup>	(76)	(101)	(117)
<i>Core non-interest expense (non-GAAP)</i>	<i>\$ 30,838</i>	<i>\$ 32,432</i>	<i>\$ 31,331</i>
<b>Core net income</b>			
Net Income (GAAP)	\$ 9,545	\$ 12,008	\$ 10,813
Less: Branch sale (gain) <sup>(1)</sup>	(1,428)	-	-
Less: Securities loss (gain)	(499)	(218)	(292)
Add: Branch closure expense <sup>(2)</sup>	1,356	957	-
Add: Severance <sup>(3)</sup>	76	101	117
Less: Tax on notable items	130	(227)	45
<i>Core net income (non-GAAP)</i>	<i>\$ 9,180</i>	<i>\$ 12,621</i>	<i>\$ 10,683</i>

(1) Fixed Asset branch sale in March 2020

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

(3) Salary and COBRA reimbursement expense for positions eliminated



# Reconciliation of Non-GAAP Financials

<i>(in thousands)</i>	For the Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
<b>Tangible common equity</b>			
Stockholders Equity (GAAP)	\$ 473,269	\$ 490,544	\$ 455,480
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,386)	(6,728)	(7,713)
<i>Tangible common equity (non-GAAP)</i>	<i>\$ 453,813</i>	<i>\$ 470,746</i>	<i>\$ 418,198</i>
<b>Average tangible common equity</b>			
Average Stockholders Equity (GAAP)	\$ 501,881	\$ 488,744	\$ 446,464
Less: Minority Interest (GAAP)	(134)	(134)	(134)
Less: Preferred Stock (GAAP)	-	-	-
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,552)	(6,895)	(7,903)
<i>Average tangible common equity (non-GAAP)</i>	<i>\$ 482,258</i>	<i>\$ 468,778</i>	<i>\$ 425,490</i>
<b>Core return on average assets</b>			
Core net income (numerator) (non-GAAP)	9,180	12,621	10,683
Divided: Total average assets (denominator) (GAAP)	5,426,863	5,139,701	4,787,874
<i>Core return on average assets (non-GAAP)</i>	<i>0.68%</i>	<i>0.97%</i>	<i>0.90%</i>
<b>Core return on average tangible common equity</b>			
Core net income (numerator) (non-GAAP)	9,180	12,621	10,683
Divided: Average tangible common equity (denominator) (non-GAAP)	482,258	468,778	425,490
<i>Core return on average tangible common equity (non-GAAP)</i>	<i>7.66%</i>	<i>10.68%</i>	<i>10.18%</i>
<b>Core efficiency ratio</b>			
Core non-interest expense (numerator) (non-GAAP)	30,838	32,432	31,331
Core operating revenue (denominator) (non-GAAP)	51,880	49,808	47,898
<i>Core efficiency ratio (non-GAAP)</i>	<i>59.44%</i>	<i>65.11%</i>	<i>65.41%</i>



**Thank You**



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