

# Amalgamated Financial Corp.

Third Quarter 2023 Earnings Presentation  
October 26, 2023



[amalgamatedbank.com](https://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

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. Forward-looking statements generally can be identified through the use of forward-looking terminology such as "may," "will," "anticipate," "aspire," "should," "would," "believe," "contemplate," "expect," "estimate," "continue," "in the future," "may" and "intend," as well as other similar words and expressions of the future. 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 forward-looking statements include, but are not limited to, our 2023 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:

1. uncertain conditions in the banking industry and in national, regional and local economies in our core markets, which may have an adverse impact on our business, operations and financial performance;
2. deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses
3. deposit outflows and subsequent declines in liquidity caused by factors that could include lack of confidence in the banking system, a deterioration in market conditions or the financial condition of depositors;
4. changes in our deposits, including an increase in uninsured deposits;
5. unfavorable conditions in the capital markets, which may cause declines in our stock price and the value of our investments;
6. continued fluctuation of the interest rate environment including changes in net interest margin or changes that affect the yield curve on investments;
7. potential deterioration in real estate collateral values
8. changes in legislation, regulation, public policies, or administrative practices impacting the banking industry, including increased regulation and FDIC assessments in the aftermath of the recent bank failures;
9. the outcome of any legal or regulatory proceedings that may be instituted against us
10. our inability to maintain the historical growth rate of our loan portfolio;
11. changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
12. 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
13. any matter that would cause us to conclude that there was impairment of any asset, including intangible assets;
14. the risk that the preliminary financial information reported herein and our current preliminary analysis could be different when our review is finalized;
15. increased competition for experienced members of the workforce including executives in the banking industry;
16. 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;
17. a downgrade in our credit rating;
18. increased political opposition to Environmental, Social and Governance ("ESG") practices;
19. recessionary conditions;
20. the ongoing economic effects of the COVID-19 pandemic;
21. physical and transitional risks related to climate change as they impact our business and the businesses that we finance;
22. future repurchase of our shares through our common stock repurchase program.

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/](http://www.sec.gov/). 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 refers to certain non-GAAP financial measures including, without limitation, “Core operating revenue,” “Core non-interest expense,” “Core non-interest income,” “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 September 30, 2023 versus certain periods in 2023 and 2022 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 in this presentation 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 presentation and also may be viewed on our website, [amalgamatedbank.com](http://amalgamatedbank.com).

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



# 3Q23 Highlights

## INCOME STATEMENT<sup>(1)</sup>

Net Income - GAAP	<b>\$22.3MM</b>
Core Net Income	<b>\$23.3MM</b>
Net Interest Income	<b>\$63.7MM</b>
Core Diluted EPS	<b>\$0.76</b>
Net Interest Margin	<b>3.29%</b>
Core Return on Assets	<b>1.17%</b>
Core Efficiency	<b>51.71%</b>

## BALANCE SHEET

Deposit growth <sup>(2)</sup>	\$172.8MM   +2.7%
Loans growth	\$113.0MM   +2.7%
PACE growth	\$48.3MM   +4.6%

## CAPITAL

Tier 1 Leverage	7.89%   +11 bps
CET 1	12.63%   +12 bps
Tangible Book value per share	\$17.43   +3.9%



(1) See non-GAAP disclosures on pages 25-26

(2) Excludes Brokered CDs

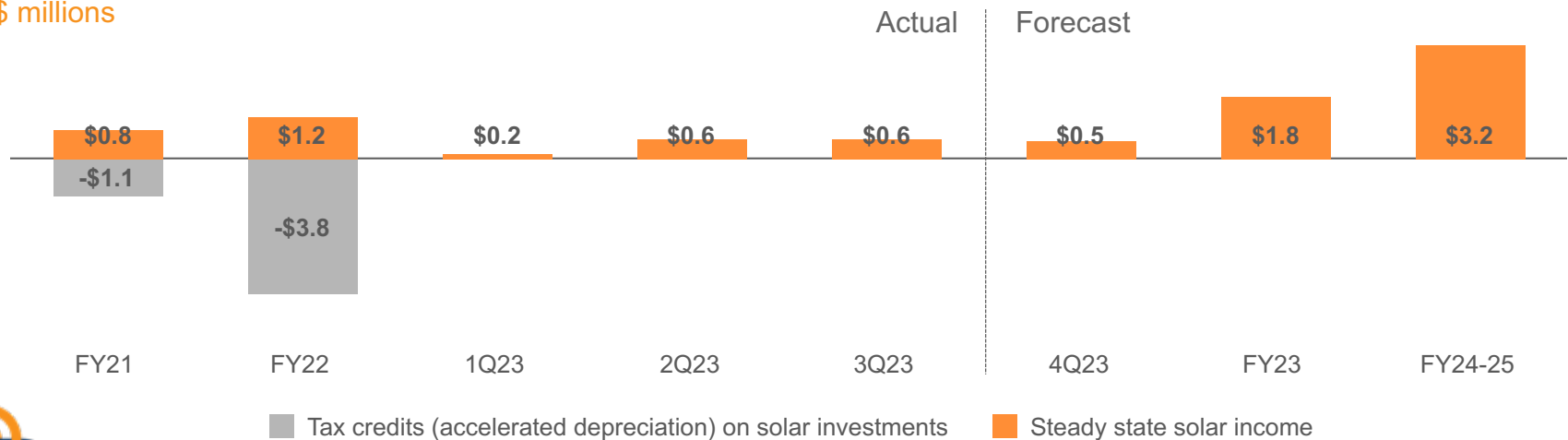
# Solar Tax-Equity Investments

## OVERVIEW OF SOLAR TAX EQUITY INVESTMENTS

- Metrics excluding the impact of tax credits or accelerated depreciation is a meaningful way to evaluate our performance and are adjusted in accordance with the below chart
  - Immediate realization of tax benefits and subsequent accelerated depreciation of the value of the investment creates volatility in the GAAP and core earnings presentations
  - Steady state income is generally achieved within 4 quarters of initial investment and all investments are net profitable over their lives (generally 5 years)
- We expect more solar tax-equity investments in the future (not shown in forecast below)

## ACTUAL AND PROJECTED SOLAR INCOME<sup>(1)(2)(3)</sup>

\$ millions



(1) Actual 2022 results and projected solar income forecasts have been revised modestly since 4Q 2021

(2) Balances presented are not tax effected

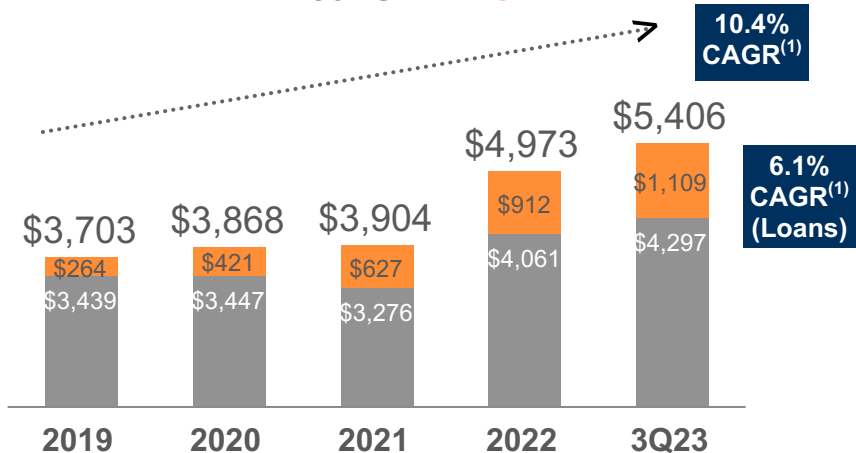
(3) Refer to Reconciliation of Non-GAAP Financial Measures on slides 25-26 for further details on impact to key ratios

# Trends

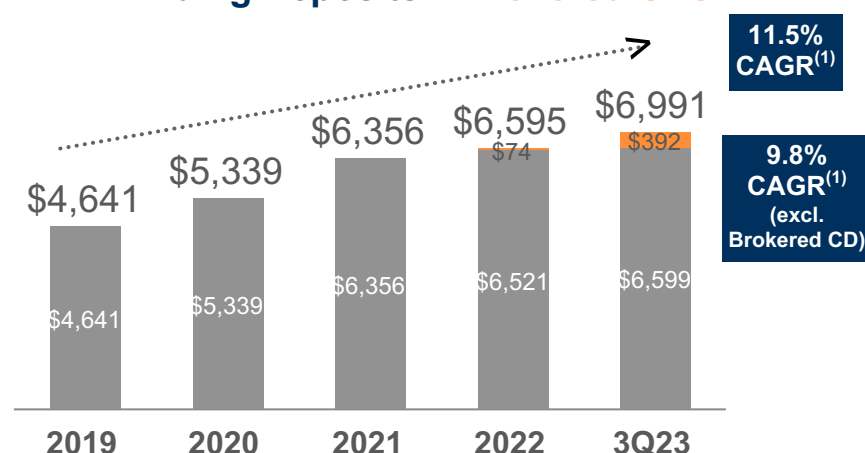
## KEY FINANCIAL TRENDS THROUGH 3Q23

(\$ in millions)

### Loans + PACE

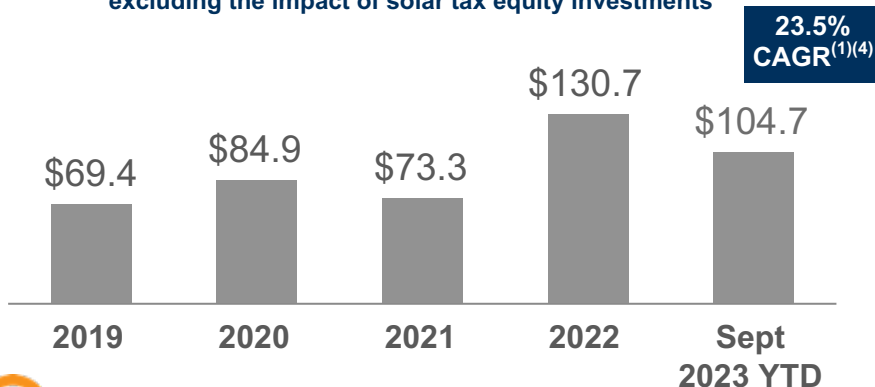


### Ending Deposits + Brokered CDs

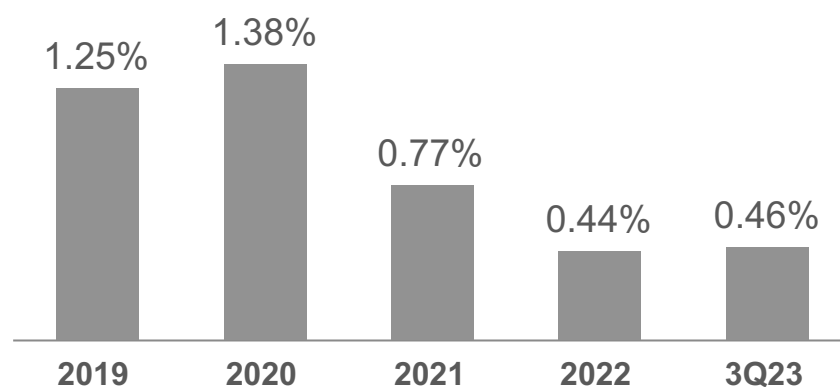


### Core Pre-Tax Pre-Provision Earnings<sup>(2)(3)</sup>

excluding the impact of solar tax equity investments



### NPA / Total Assets



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

(2) See solar tax investment slide 5 for components of income exclusions

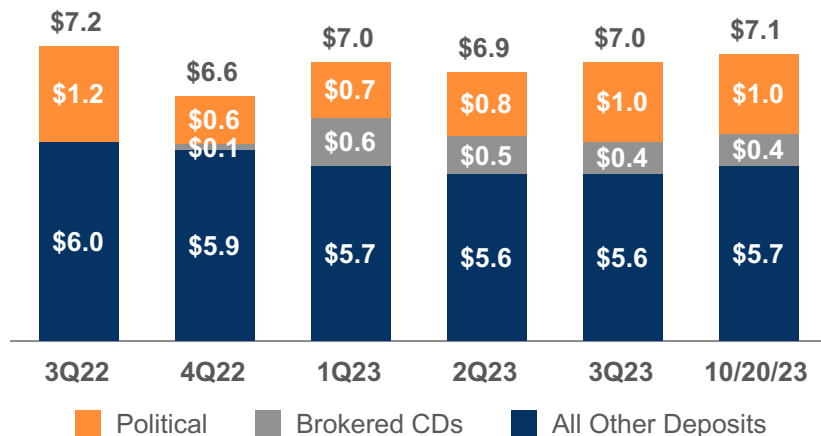
(3) GAAP Pre-tax, pre-provision income was \$100.4 million YTD through 3Q 2023, \$123.2 million in 2022, \$70.4 in 2021, and \$86.7 in 2020, the only years impacted by our solar investments

(4) Core Pre-Tax Pre-Provision Earnings CAGR is calculated from 2019 - 2022

# Deposit Portfolio

## TOTAL DEPOSITS

(\$ in billions)



## 3Q23 HIGHLIGHTS

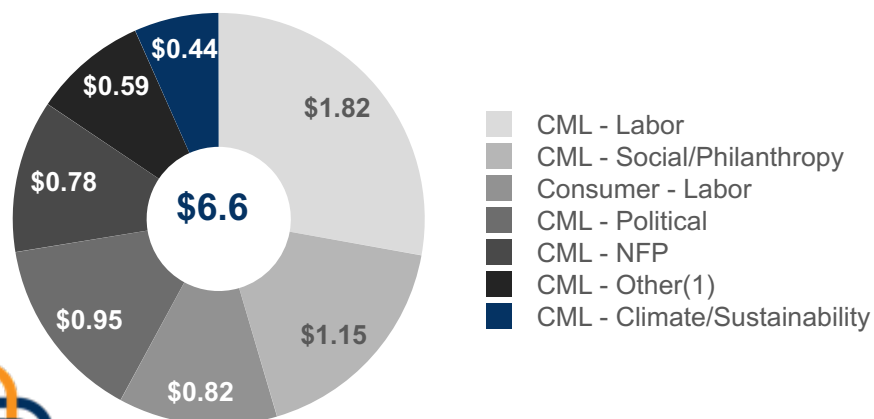
- Total deposits increased \$96.2 million or 1.4% in 3Q23

### All following metrics exclude Brokered CDs

- Deposits increased \$172.8 million compared to 2Q23 primarily related to increases in political deposit balances and an additional \$68mm in growth from other new core customers
  - Political deposits grew \$115.4 million and comprised 14.4% of the deposit portfolio
  - Approximately \$51mm of deposits transferred to the bank's treasury investment management
- Cost of deposits of 111 basis points, compared to 87 basis points in Q2 as we proactively price to maintain and attract deposits.
  - Interest bearing deposit cost was 200 basis points in Q3 2023 and 166 basis points in Q2
- Non-interest bearing deposits represented 42.6% of ending deposits in 3Q23, compared to 46.0% in 2Q23
  - Reciprocal deposits increased by \$377.0 million, or 32.1% in the quarter
- Loan/Deposit ratio of 62.4% as of 3Q23

## TOTAL CORE DEPOSITS<sup>(2)</sup> BY IMPACT SEGMENT

(\$ in billions)



(1) CML - Other contains but is not limited to: nursing homes, commercial real estate, and non-impact accounts

(2) Core Deposits is defined as total deposits excluding all brokered deposits, deposits from deposit listing services, temporary transaction deposits, certain escrow deposits, and intercompany deposits. We believe the most directly comparable GAAP financial measure is total deposits.

# Super-Core Deposits

## SUPER-CORE DEPOSITS<sup>(2)</sup> BY IMPACT SEGMENT

(\$ in billions)

Impact Sector	Total Balance (\$M)	% of Total Core Deposits	Weighted Avg. Account Duration (Years)
CML - Labor	\$1,454	22%	22
Consumer - Labor	640	10%	23
CML - Social/Philanthropy	510	8%	10
CML - Political	419	6%	8
CML - Climate/Sustainability	135	2%	7
CML - NFP	51	1%	8
CML - Other <sup>(1)</sup>	236	4%	15
<b>Total</b>	<b>\$3,445</b>	<b>53%</b>	<b>17</b>
<b>Other Core Deposits</b>	<b>\$3,111</b>	<b>47%</b>	<b>2</b>
<b>Total Core Deposits<sup>(3)</sup></b>	<b>\$6,556</b>		<b>10</b>

## 3Q23 HIGHLIGHTS

- Super-core deposits<sup>(2)</sup> make up \$3.4 billion, or 53% of total core deposits<sup>(3)</sup>
  - Super-core deposits are minimum 5-years old & concentrated within mission-aligned segments
  - Highly sticky
- Weighted average account life of our super-core deposits is 17 years, compared to 2 years for our other core deposits
- Cash and borrowing potential totals \$2.6 billion, or 224% of uninsured non-super-core deposits, with a total borrowings utilization rate of 8% excluding subordinated debt
- Total available liquidity, including cash, unpledged non-PACE securities and borrowing potential totals \$3.2 billion or 102% of non-super-core deposits



(1) CML - Other contains but is not limited to: nursing homes, commercial real estate, and non-impact accounts

(2) Super-core deposits are defined as all deposit accounts with a relationship length of over 5 years, excluding brokered certificates of deposit

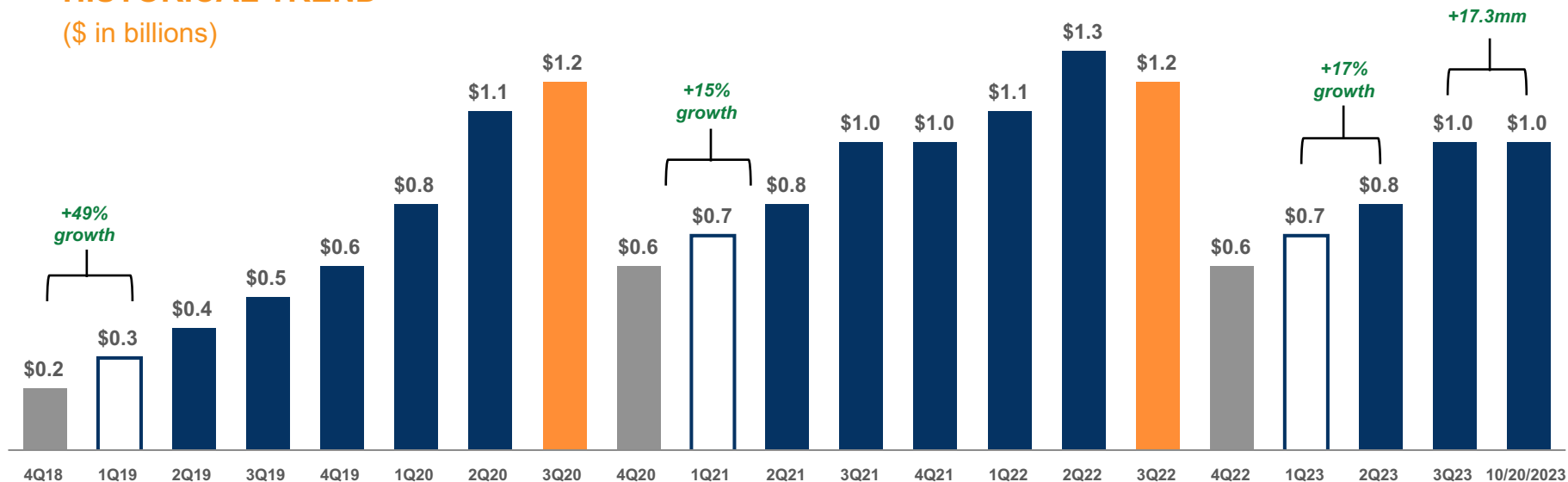
(3) Core deposits is defined as total deposits excluding all brokered deposits, deposits from deposit listing services, temporary transaction deposits, certain escrow deposits, and intercompany deposits. We believe the most directly comparable GAAP financial measure is total deposits.



# Political Deposits

## HISTORICAL TREND

(\$ in billions)



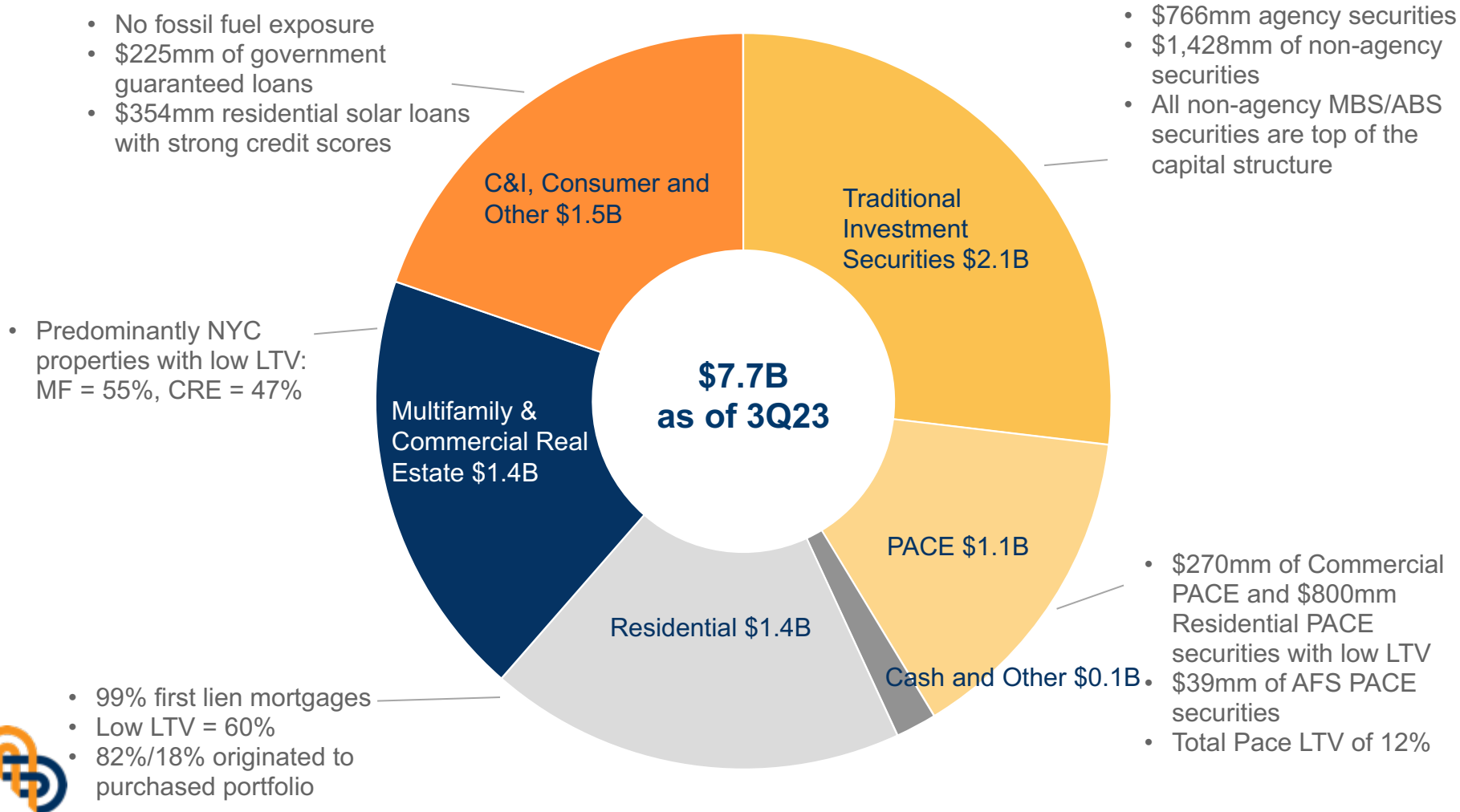
- Although cyclical, political deposit balances overall have shown an upward trend YoY - highs and lows have both grown higher
  - High deposit points are reflected in the quarter preceding a major election season - orange bars
  - Low deposit points are reflected in the quarter during a major election - gray bars
- Political deposit rebuild in 2023 has been consistent with past results
- We expect political deposits to be more rate sensitive in 2023 as deposits build for 2024 presidential election in a protracted high rate environment



# Interest Earning Assets

## INTEREST EARNING ASSETS OF \$7.7B AS OF SEPTEMBER 30, 2023

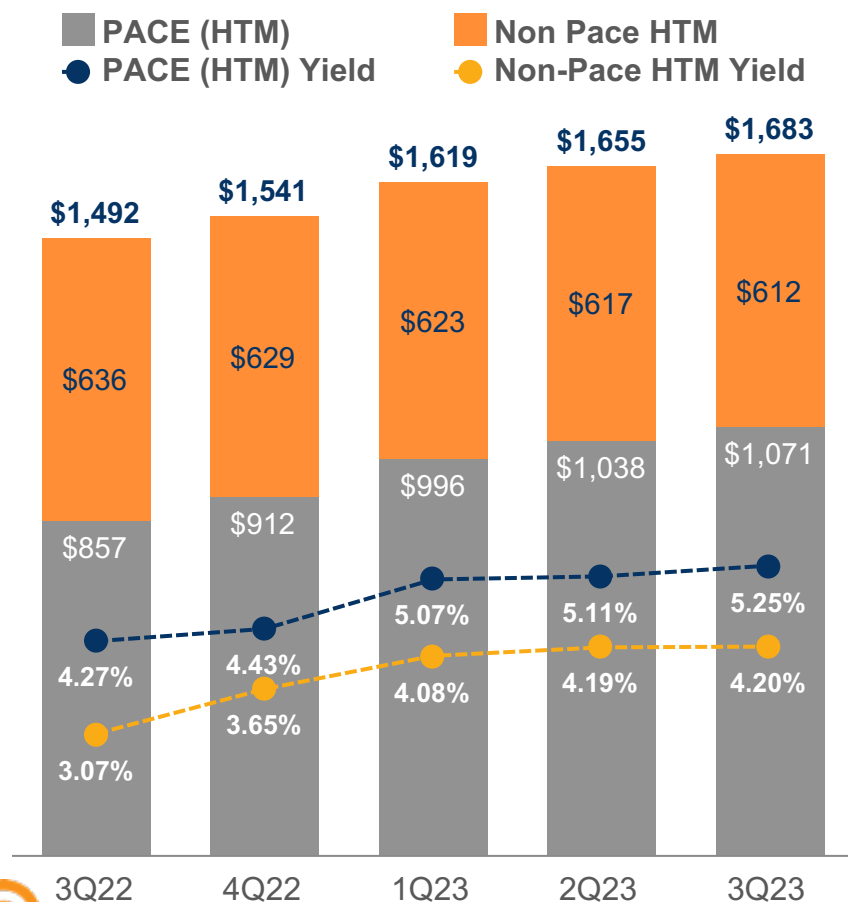
We maintain a diverse, low risk profile of interest earning assets



# Held-to-Maturity Securities

## HELD-TO-MATURITY SECURITIES<sup>(1)</sup>

(\$ in millions)



(1) Non-PACE held-to-maturity securities shown at amortized cost

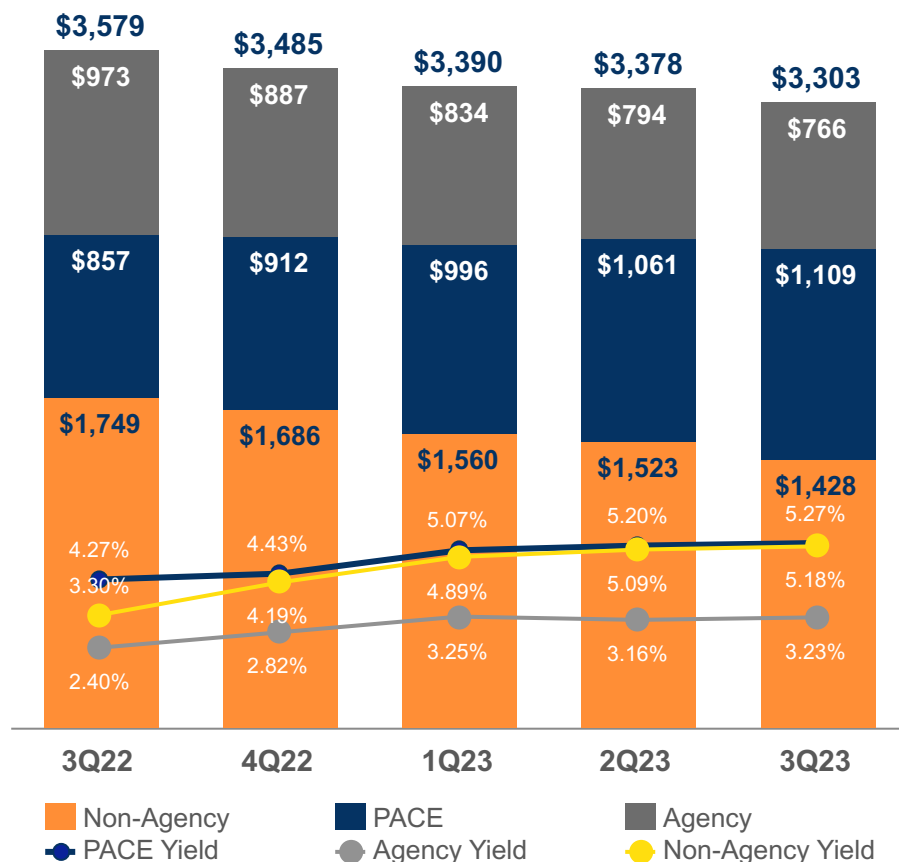
## 3Q23 HIGHLIGHTS

- HTM securities, excluding PACE assessments represent 28% of the total investment portfolio
- HTM PACE securities saw \$32.7 million of new growth during the quarter, due to:
  - Residential PACE purchases of \$46.8 million
  - Commercial PACE purchases of \$8.9 million
  - \$23.0 million in principal payments
- 100% of PACE portfolio, and 42% of Non-PACE HTM securities are mission-aligned
- Allowance for Credit Losses on HTM Securities is \$0.7 million in 3Q23, or 0.04% of the total HTM securities portfolio

# Investment Securities

## SECURITIES – BOOK VALUE<sup>(1)(2)</sup>

(\$ millions)



## 3Q23 HIGHLIGHTS

- Investment Securities totaled \$3.3 billion book value for 3Q23
- Agency securities made up 23.2% of the total portfolio, down from 23.5% in 2Q23, reflecting PACE assessment growth
- PACE assessments are considered non-agency securities, which are non-rated<sup>(3)</sup>
- Total PACE LTV of 12%
- 84.4% of all non-agency MBS/ABS securities are AAA rated and 99.9% are A rated or higher<sup>(3)</sup>; 98.3% of CLO's are AAA-rated
  - Average subordination for the C&I CLOs was 43.9%
- 30% of the total securities portfolio (or 45% of the securities portfolio excluding PACE) has a floating rate of interest



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

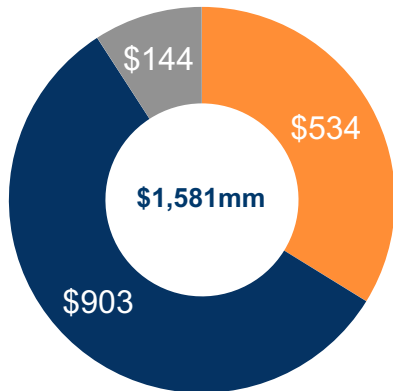
(2) Non-Agency includes corporate bonds

(3) MBS/ABS does not include PACE assessments

# Investment Securities Composition

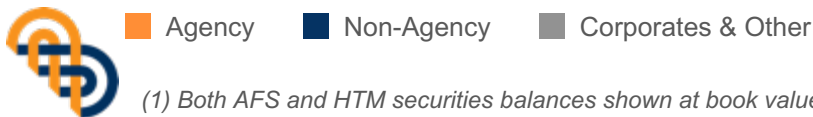
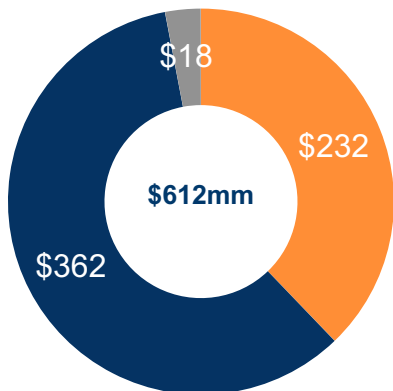
## AFS Portfolio Composition<sup>(1)(2)</sup>

(\$ in millions)



## HTM Portfolio Composition<sup>(1)(2)(3)</sup>

(\$ in millions)



## 3Q23 HIGHLIGHTS

- Weighted average duration<sup>(4)</sup> is 2.4 years for the total securities portfolio, excl. PACE

## AFS

- Valuation Loss as % of relative portfolio balance
  - Total                      \$128.7 million    |    7.9%
  - ex-PACE                    \$128.3 million    |    8.1%
  - PACE                         \$0.4 million        |    1.1%
- Weighted Average Duration (in years)
  - Total                        1.9
  - ex-PACE                    1.9
  - PACE                         4.1

## HTM

- Valuation Loss as % of relative portfolio balance
  - Total                        \$204.8 million    |    12.2%
  - ex-PACE                    \$65.0 million     |    10.6%
  - PACE                         \$139.8 million    |    13.1%
- Weighted Average Duration (in years)
  - Total                        5.1
  - ex-PACE                    3.9
  - PACE                         5.7

(1) Both AFS and HTM securities balances shown at book value

(2) PACE assets not included in AFS or HTM portfolio composition chart

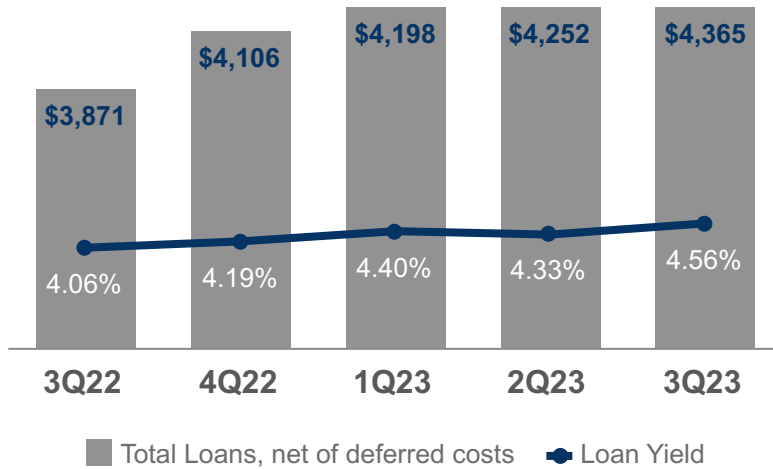
(3) In May of 2022, \$277.3 million AFS securities were transferred into our Non-Pace HTM securities portfolio to reduce potential mark to market volatility

(4) Weighted average duration calculated using market values of securities

# Loans Held for Investment

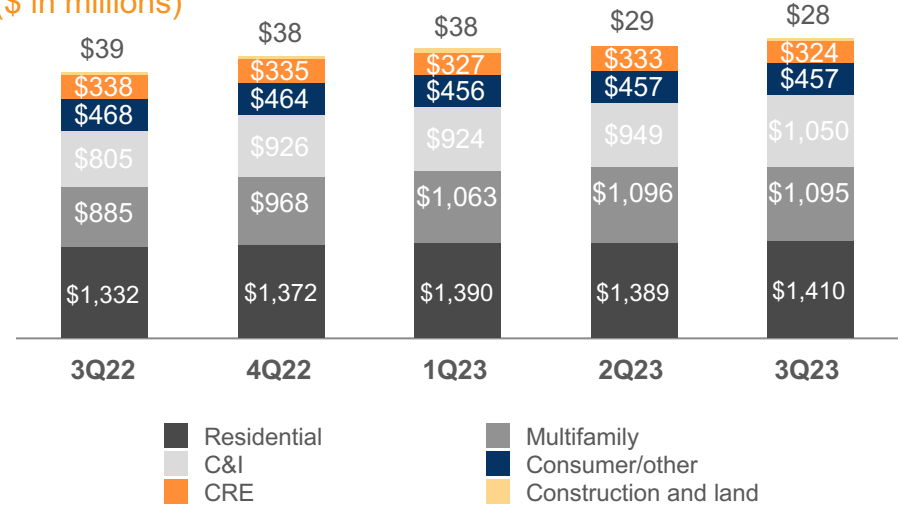
## TOTAL LOANS

(\$ in millions)



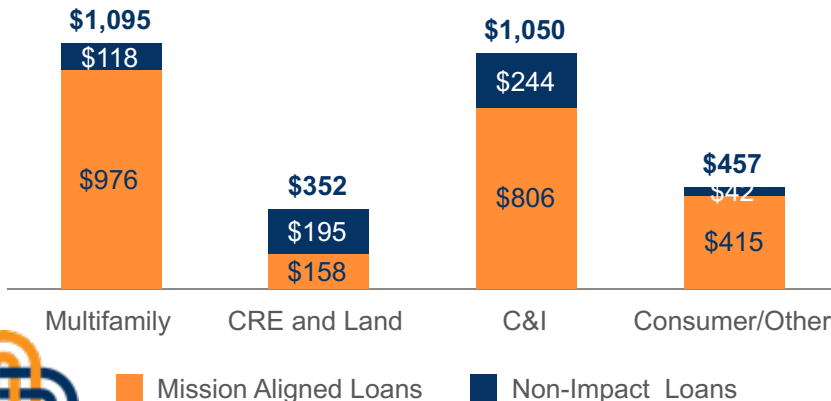
## LOAN COMPOSITION

(\$ in millions)

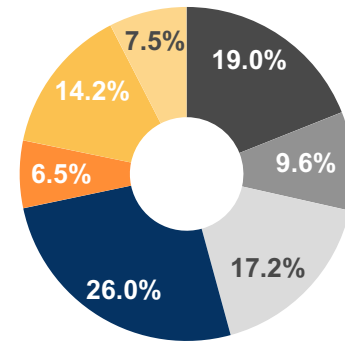


## MISSION ALIGNED COMPOSITION

(\$ in millions)



## CRE COMPOSITION BY PROPERTY TYPE



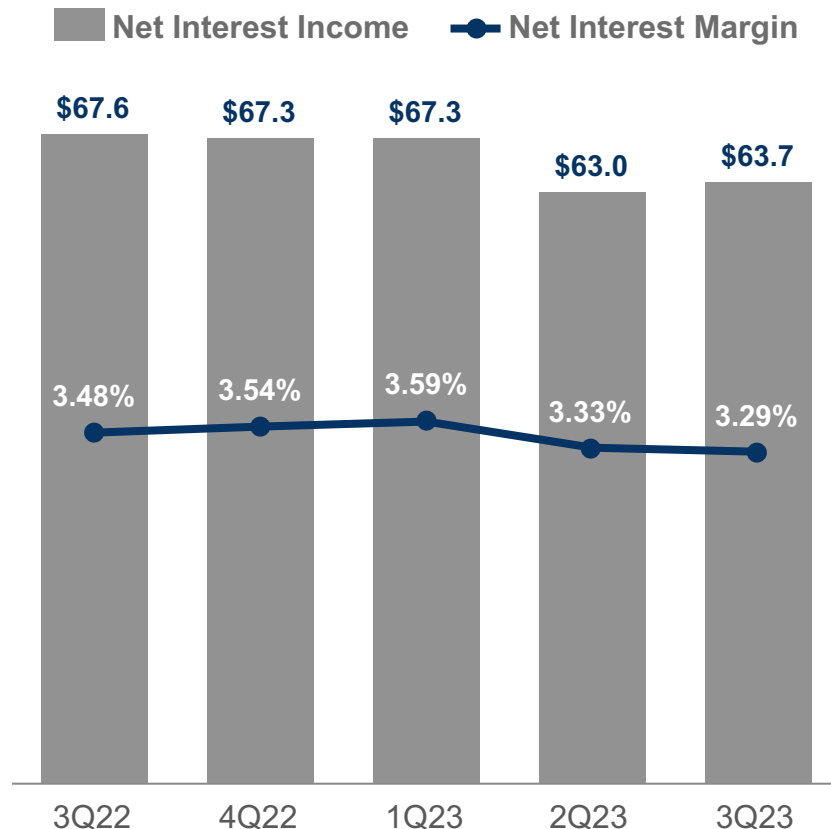
Property Type	Weighted Avg. LTV
Office	40.5%
Office - Owner Occupied	54.0%
Retail	49.8%
Industrial	41.9%
Mixed Use	39.6%
Education	58.1%
Other	40.5%



# Net Interest Income and Margin

## NET INTEREST INCOME & MARGIN

(\$ millions)



## 3Q23 HIGHLIGHTS

- Net interest income was \$63.7 million, compared to \$63.0 million in 2Q23
- 3Q23 NIM at 3.29%; a decrease of 4 basis points compared to 2Q23
- Loan prepayment penalties had no impact on NIM in 3Q23 or 2Q23



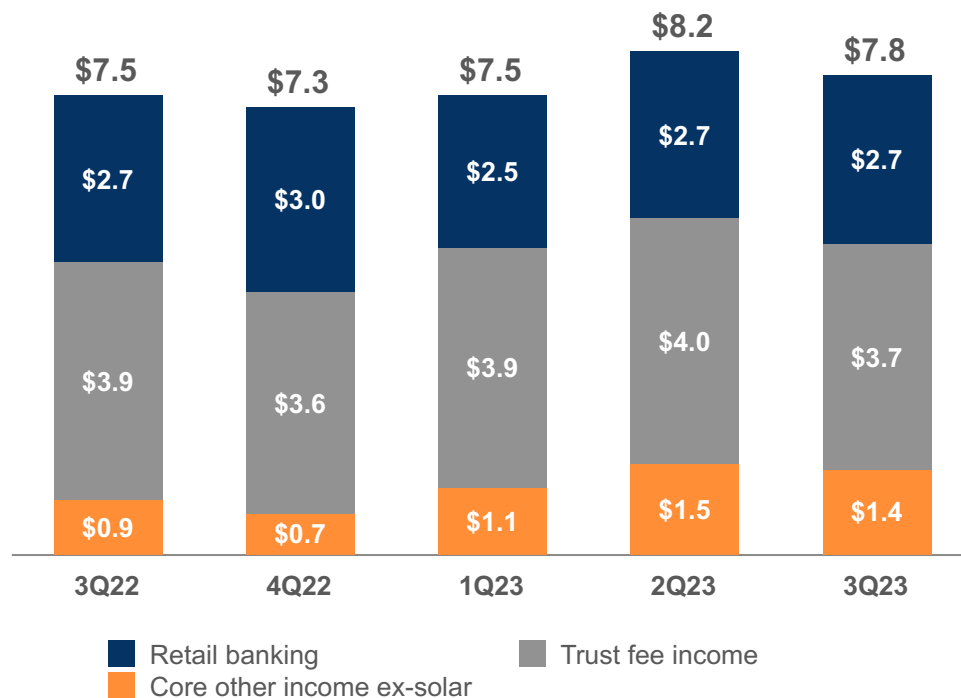
(1) The calculated NIM figures here exclude Allowance for Credit Loss from total interest earning assets across all quarters

(2) If Allowance for Credit Loss were included in the NIM calculations above (as it was until 1Q2023), net interest margin would be 3.50%, 3.56% and 3.62% for 3Q22, 4Q22, and 1Q23, respectively

# Non-Interest Income

## CORE NON-INTEREST INCOME ex-solar <sup>(1)</sup>

(\$ millions)



## 3Q23 HIGHLIGHTS

- Our trust business held \$39.6 billion in assets under custody and \$13.9 billion in assets under management, compared to \$40.3 billion and \$14.5 billion, respectively, in the preceding quarter; this decline was primarily driven by a decrease in fair value due to market volatility
- Trust fee income fell \$0.3 million quarter over quarter, primarily due to decreases in Trust Department fees as we strive for net revenue quality
- Retail banking fees remained flat quarter over quarter, as slightly higher account service fees were offset by customer retention incentives
- Other income remained flat in Q3



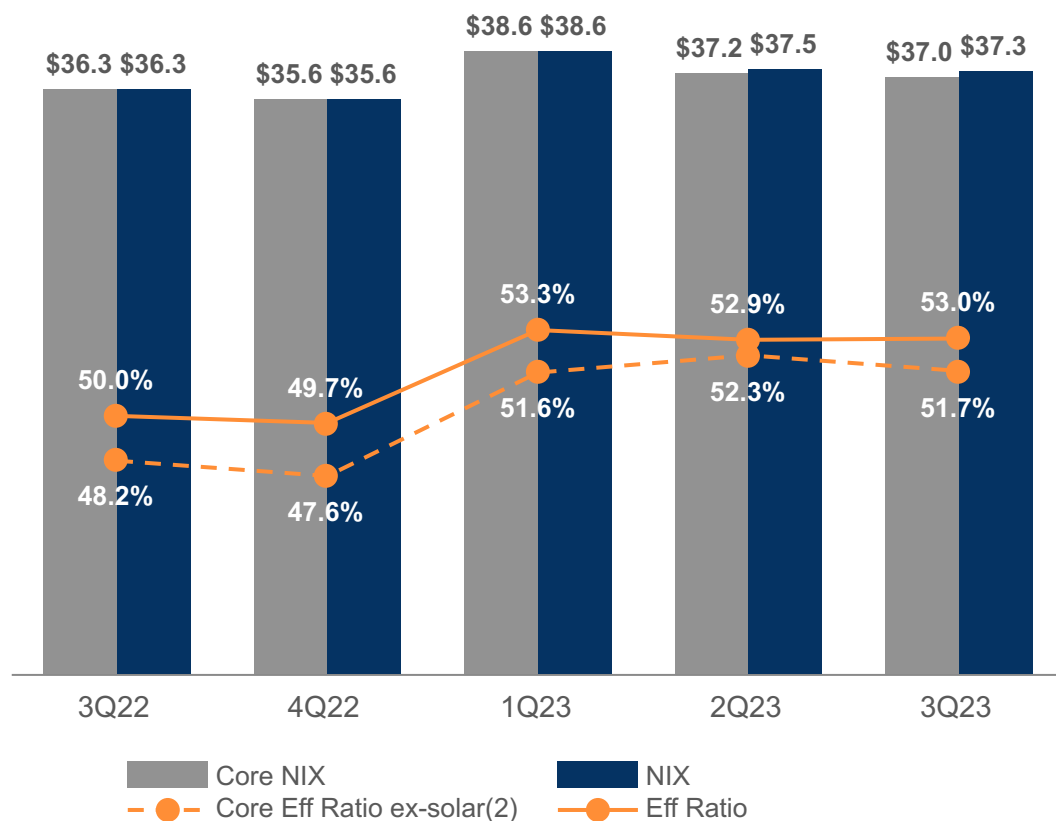
(1) Ex-solar is defined as excluding the impact of our non-core solar tax equity investments



# Non-Interest Expense and Efficiency

## NON-INTEREST EXPENSE

(\$ millions)



## 3Q23 HIGHLIGHTS

- Efficiency ratio of 53.0% for 3Q23
- Core efficiency ratio excluding the impact of our solar tax equity investments of 51.7% for 3Q23<sup>(1)</sup>
- Non-interest expense for 3Q23 was \$37.3 million
- Non-interest expense for 3Q23 was \$0.2 million lower compared to 2Q23, mainly due to reduced marketing and professional fees expense, offset by an increase in data processing spend and FDIC insurance

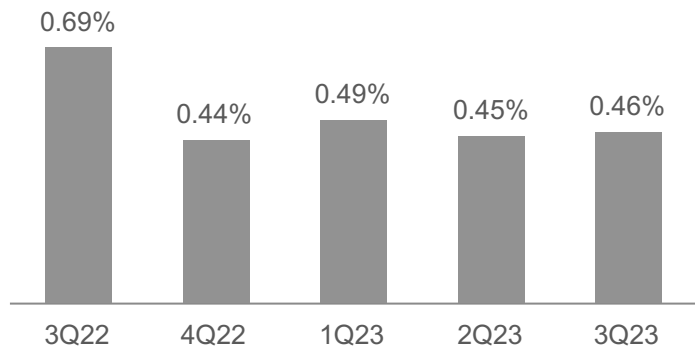


(1) See non-GAAP disclosures on pages 25-26

(2) Ex-solar is defined as excluding the impact of our solar tax equity investments

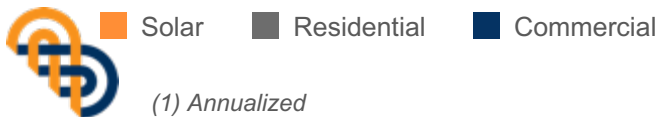
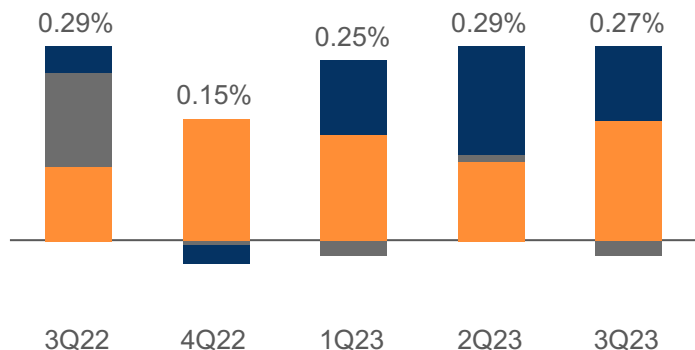
# Credit Quality

## NPA / TOTAL ASSETS



## NCO / AVERAGE LOANS<sup>(1)</sup>

(Quarter trend)

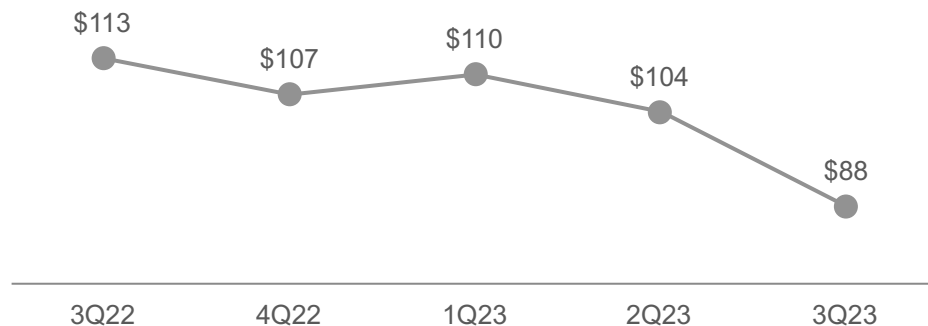


## 3Q23 HIGHLIGHTS

- Nonperforming assets were \$36.5 million as of 3Q23, compared to \$35.3 million in 2Q23
- Net charge-offs of 0.27% in 3Q23 due to a \$1.2 million charge-off on a multifamily loan subsequently sold at par early in 4Q23
- Criticized and classified loans decreased by \$16.0 million, or 15%; Pass rated loans are 98% of loan portfolio

## CRITICIZED AND CLASSIFIED LOANS

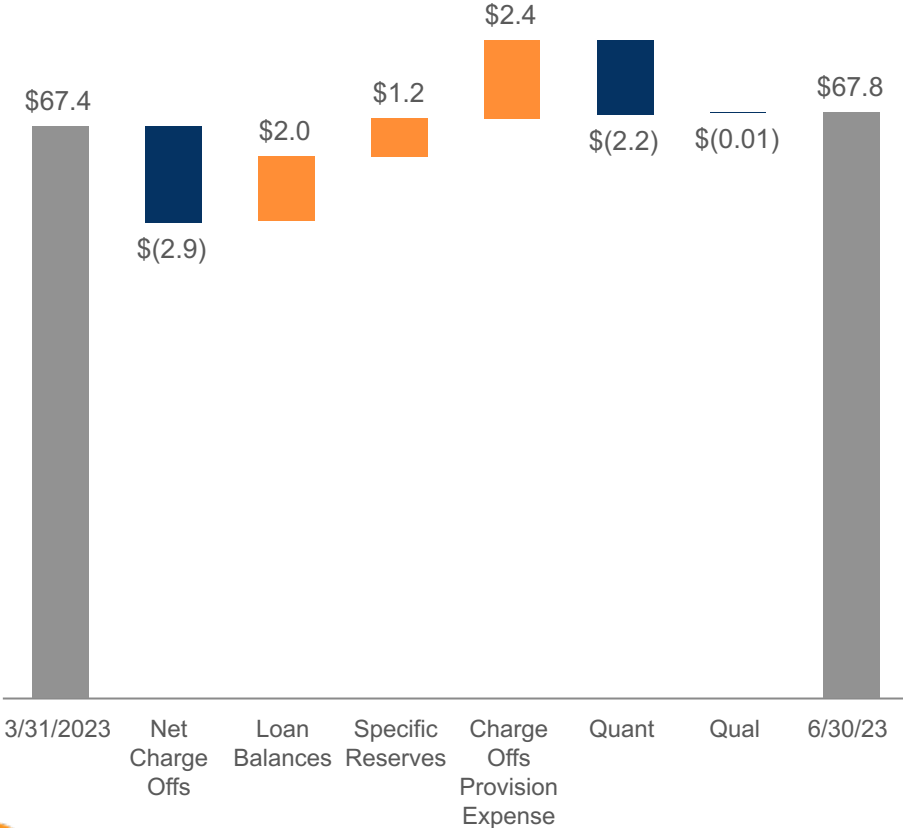
(\$ millions)



# Allowance for Credit Losses on Loans

## ALLOWANCE WATERFALL

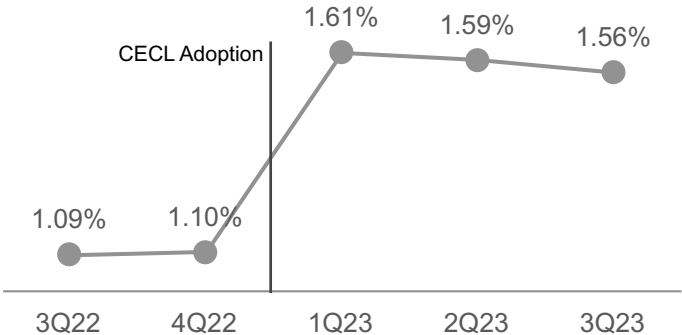
(\$ millions)



## 3Q23 HIGHLIGHTS

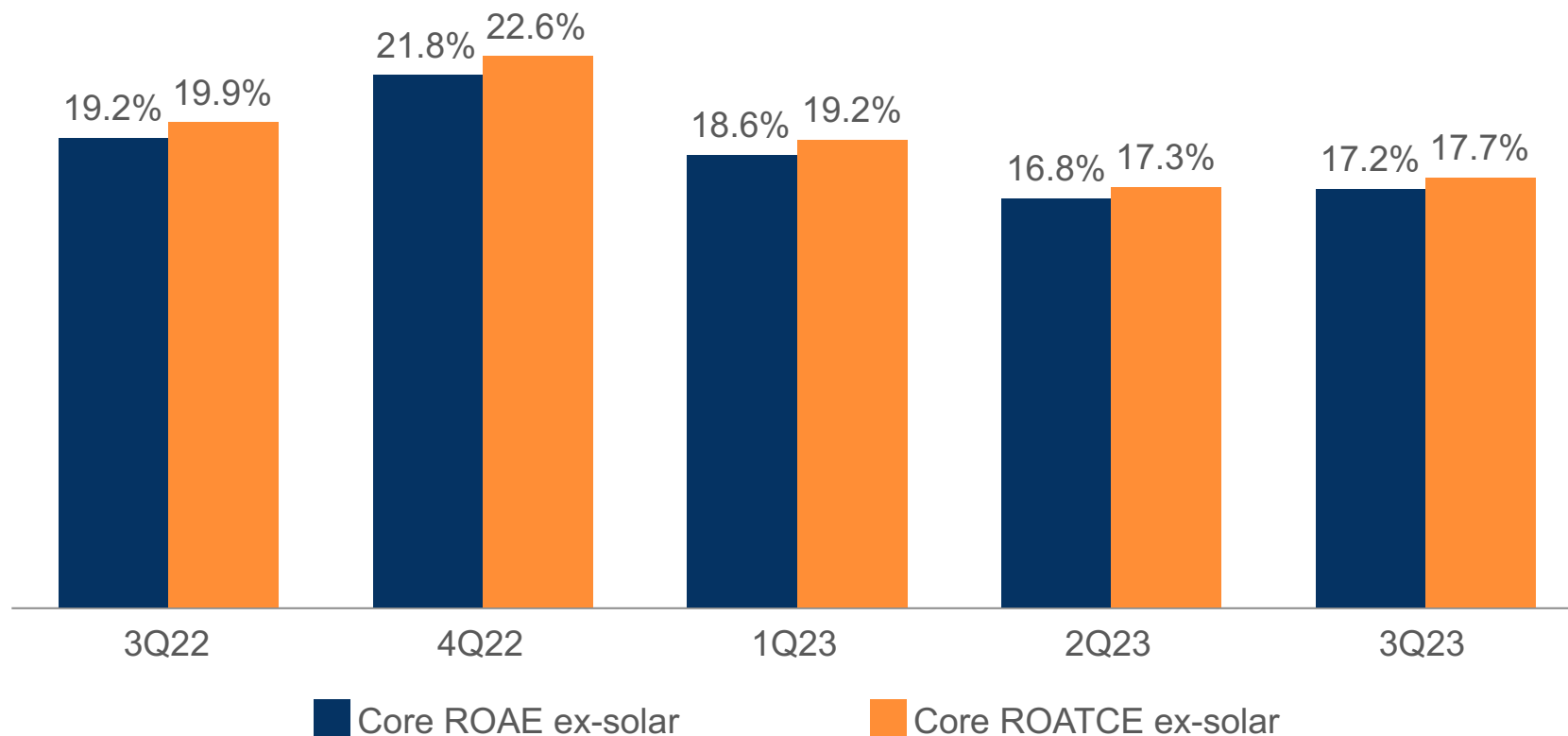
- The allowance for credit losses on loans grew slightly, having increased by \$0.4 million compared to prior quarter.

## ALLOWANCE FOR CREDIT LOSSES ON LOANS / TOTAL LOANS



# Returns

## Core ROAE & Core ROATCE ex-solar <sup>(1)(2)(3)(4)</sup>



(1) Refer to Reconciliation of Non-GAAP Financial Measures on slides 25-26 for further details

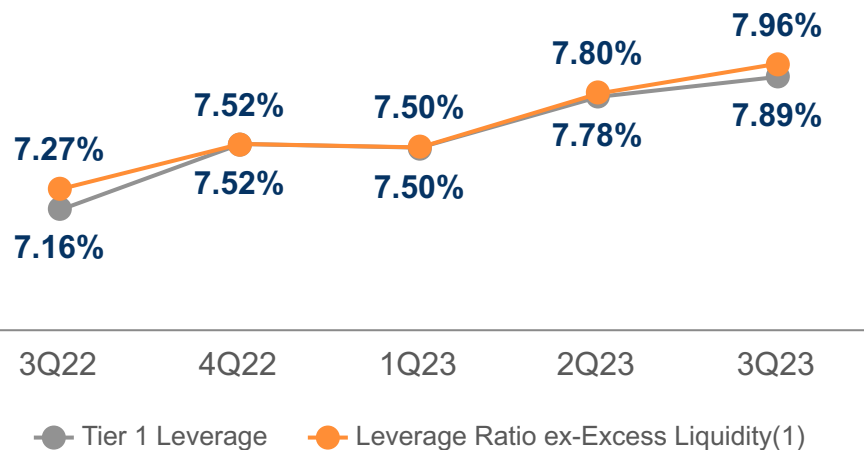
(2) ROAE was 17.8%, 19.9%, 17.2%, 16.5% and 16.4% for 3Q22, 4Q22, 1Q23, 2Q23 and 3Q23, respectively

(3) ROATCE was 18.4%, 20.6%, 17.8%, 17.0% and 16.9% for 3Q22, 4Q22, 1Q23, 2Q23 and 3Q23, respectively

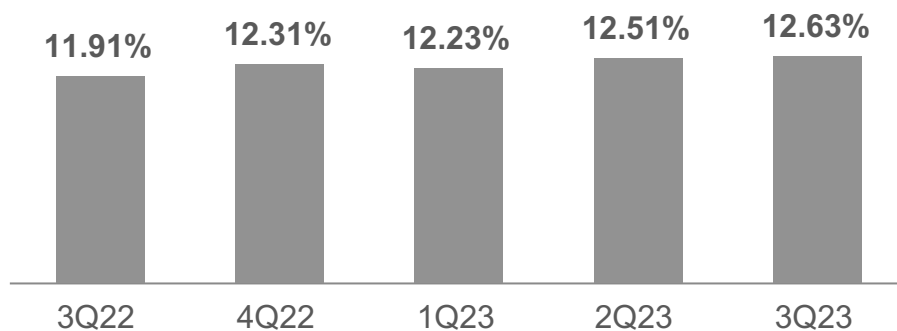
(4) Ex-solar is defined as excluding the impact of our solar tax equity investments

# Capital

## TIER 1 LEVERAGE RATIO



## COMMON EQUITY TIER 1 RATIO



## 3Q23 HIGHLIGHTS

- Regulatory capital ratios remained strong
  - Tier 1 leverage ratio of 7.89% as of 3Q23
  - Bank tier 1 leverage ratio of 8.58% as of Q3 2023
  - Common Equity Tier 1 Capital of 12.63%
- Tier 1 leverage ratio was 11 basis points higher than the prior quarter, primarily driven by current year earnings

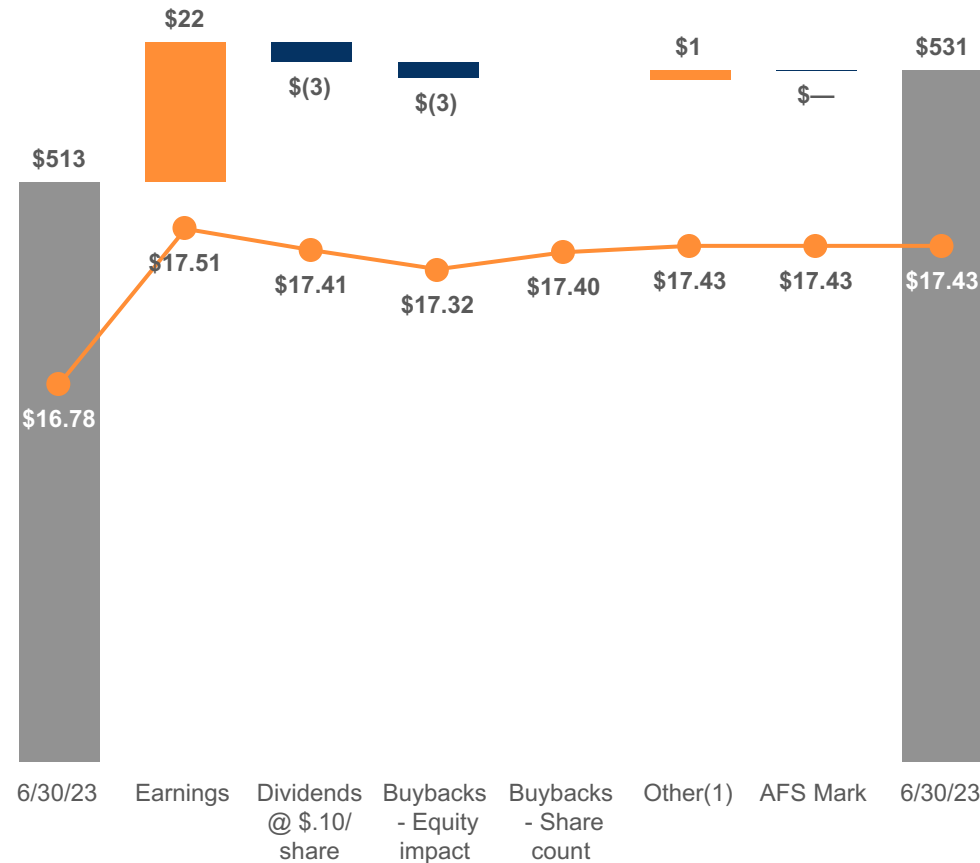


(1) Excess liquidity is defined as cash in excess of \$100.0 million

# Tangible Book Value

## TANGIBLE COMMON EQUITY & TANGIBLE BOOK VALUE

(\$ millions)



## 3Q23 SUMMARY

- TBV increase of 3.9% primarily driven by:
  - \$22.3 million in net income
  - Offset by regular retained earnings impact of dividend issuance and planned share buybacks
  - No material impact from tax-effected AFS mark-to-market adjustment
- Share repurchase activity decreased TBV by one cent in the quarter
- Total Common Equity Ratio was 6.9%
- Dividend Payout Ratio was 13.9%



(1) Other includes the effect of stock issuance

# 2023 Guidance

## 2023 FINANCIAL OUTLOOK - UPDATED

- Core pre-tax, pre-provision earnings<sup>(1)</sup> from \$133 - \$140 million to:
  - **\$136 - \$139 million** - includes effect of forward rate curve and deposit migration to interest bearing through 2023
- Net Interest Income from \$248 - \$255 million to:
  - **\$256 - \$258 million** - includes effect of forward rate curve and deposit migration to interest bearing through 2023
- Neutral balance sheet
  - Loan portfolio optimization and securities mix-shift to loans
  - Paydown of borrowings via deposit inflows
  - Focus on capital ratio

## 2023 INITIATIVES

- Deposit gathering and retention
- Digital modernization across commercial and consumer segments
- Grow sustainability and mission-aligned commercial real-estate lending
- Credit quality performance



*(1) Defined as core pre-tax pre-provision earnings excluding the tax credits and accelerated depreciation of our solar equity investments*

# Appendix





# Reconciliation of Non-GAAP Financials

<i>(in thousands)</i>	As of and for the Three Months Ended			As of and for the Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Core operating revenue</b>					
Net Interest income (GAAP)	\$ 63,728	\$ 62,985	\$ 67,628	\$ 193,992	\$ 172,494
Non-interest income	6,780	7,944	5,003	19,930	19,671
Less: Securities (gain) loss	1,699	267	1,844	5,052	2,264
Less: Subdebt repurchase gain	(637)	—	(617)	(1,417)	(617)
<i>Core operating revenue (non-GAAP)</i>	<u>71,570</u>	<u>71,196</u>	<u>73,858</u>	<u>217,557</u>	<u>193,812</u>
<i>Add: Tax (credits) depreciation on solar investments</i>	—	—	1,306	—	2,105
<i>Core operating revenue excluding solar tax impact (non-GAAP)</i>	\$ 71,570	\$ 71,196	\$ 75,164	\$ 217,557	\$ 195,917
<b>Core non-interest expense</b>					
Non-interest expense (GAAP)	\$ 37,339	\$ 37,529	\$ 36,258	\$ 113,495	\$ 105,001
Less: Other one-time expenses <sup>(1)</sup>	(332)	(285)	—	(617)	(738)
<i>Core non-interest expense (non-GAAP)</i>	<u>\$ 37,007</u>	<u>\$ 37,244</u>	<u>\$ 36,258</u>	<u>\$ 112,878</u>	<u>\$ 104,263</u>
<b>Core net income</b>					
Net Income (GAAP)	\$ 22,308	\$ 21,642	\$ 22,944	\$ 65,284	\$ 56,722
Less: Securities (gain) loss	1,699	267	1,844	5,052	2,264
Less: Subdebt repurchase gain	(637)	—	(617)	(1,417)	(617)
Add: Other one-time expenses	332	285	—	617	738
Less: Tax on notable items	(396)	(147)	(319)	(1,151)	(619)
<i>Core net income (non-GAAP)</i>	<u>23,306</u>	<u>22,047</u>	<u>23,852</u>	<u>68,385</u>	<u>58,488</u>
<i>Add: Tax (credits) depreciation on solar investments</i>	—	—	1,306	—	2,105
<i>Add: Tax effect of solar income</i>	—	—	(340)	—	(546)
<i>Core net income excluding solar tax impact (non-GAAP)</i>	\$ 23,306	\$ 22,047	\$ 24,818	\$ 68,385	\$ 60,047

*(1) Severance expense for positions eliminated plus, for 2022, expenses related to the termination of the merger agreement with Amalgamated Bank of Chicago*



# Reconciliation of Non-GAAP Financials

<i>(in thousands)</i>	As of and for the Three Months Ended			As of and for the Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Tangible common equity</b>					
Stockholders' equity (GAAP)	\$ 546,291	\$ 528,614	\$ 487,738	\$ 546,291	\$ 487,738
Less: Minority interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,439)	(2,661)	(3,366)	(2,439)	(3,366)
<i>Tangible common equity (non-GAAP)</i>	\$ 530,783	\$ 512,884	\$ 471,303	\$ 530,783	\$ 471,303
<b>Average tangible common equity</b>					
Average stockholders' equity (GAAP)	\$ 538,753	\$ 527,599	\$ 511,800	\$ 523,078	\$ 529,696
Less: Minority interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,547)	(2,769)	(3,494)	(2,768)	(3,754)
<i>Average tangible common equity (non-GAAP)</i>	\$ 523,137	\$ 511,761	\$ 495,237	\$ 507,241	\$ 512,873
<b>Core return on average assets</b>					
Core net income (non-GAAP)	\$ 23,306	\$ 22,047	\$ 23,852	\$ 68,385	\$ 58,488
Denominator: Total average assets (GAAP)	7,904,566	7,796,266	7,942,097	7,841,198	7,700,399
<i>Core return on average assets (non-GAAP)</i>	1.17%	1.13%	1.19%	1.17%	1.02%
<i>Core return on average assets excluding solar tax impact (non-GAAP)<sup>(1)</sup></i>	1.17%	1.13%	1.24%	1.17%	1.04%
<b>Core return on average tangible common equity</b>					
Core net income (non-GAAP)	\$ 23,306	\$ 22,047	\$ 23,852	\$ 68,385	\$ 58,488
Denominator: Average tangible common equity	523,137	511,761	495,237	507,241	512,873
<i>Core return on average tangible common equity (non-GAAP)</i>	17.67%	17.28%	19.11%	18.02%	15.25%
<i>Core return on average tangible common equity excluding solar tax impact (non-GAAP)<sup>(1)</sup></i>	17.67%	17.28%	19.88%	18.02%	15.65%
<b>Core efficiency ratio</b>					
Numerator: Core non-interest expense (non-GAAP)	\$ 37,007	\$ 37,244	\$ 36,258	\$ 112,878	\$ 104,263
Core operating revenue (non-GAAP)	71,570	71,196	73,858	217,557	193,812
<i>Core efficiency ratio (non-GAAP)</i>	51.71%	52.31%	49.09%	51.88%	53.80%
<i>Core efficiency ratio excluding solar tax impact (non-GAAP)<sup>(1)</sup></i>	51.71%	52.31%	48.24%	51.88%	53.22%

*(1) Calculated using core net income excluding solar tax impact (Non-GAAP) in the numerator, as detailed on page 26*



# Thank You

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