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): July 28, 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))

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. ☐

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value/share	AMAL	The Nasdaq Stock Market

Item 2.01 Results of Operations and Financial Condition.

On July 28, 2020, Amalgamated Bank (the “Bank”) issued a press release announcing financial results for the second quarter ended June 30, 2020. 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 July 28, 2020, the Bank will hold an earnings conference call and webcast at 10:00 a.m. (Eastern Time) to discuss financial results for the first quarter ended June 30, 2020. 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	Amalgamated Bank Press Release, dated July 28, 2020.
99.2	Slide Presentation.

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: July 28, 2020

Amalgamated Bank Reports Second Quarter 2020 Financial Results

NEW YORK – (Globe Newswire) -- July 28, 2020: Amalgamated Bank (Nasdaq: AMAL) ("Amalgamated") today announced financial results for the second quarter ended June 30, 2020.

Second Quarter 2020 Highlights

- Net income of $10.4 million, or $0.33 per diluted share, compared to $9.5 million, or $0.30 per diluted share, for the second quarter of 2019
- Core net income (non-GAAP)[1] of $10.6 million, or $0.34 per diluted share, compared to $9.2 million, or $0.29 per diluted share, for the second quarter of 2019
- Deposit growth of $793.8 million, or 62.9% annualized, to approximately $5.9 billion compared to a balance of $5.1 billion on March 31, 2020
- Loan growth of $123.0 million, or 14.1% annualized, from a balance of $3.5 billion on March 31, 2020
- PACE assessment growth of $68.1 million, or 106.7% annualized, from a balance of $255.3 million on March 31, 2020
- Cost of deposits was 0.20%, compared to 0.33% for the first quarter of 2020 and 0.34% for the second quarter of 2019
- Net interest margin was 3.10%, compared to 3.46% for the first quarter of 2020 and 3.66% for the second quarter of 2019
- Common Equity Tier 1, Total Risk-Based, and Tier 1 Leverage capital ratios were 12.29%, 13.54%, and 7.69%, respectively, at June 30, 2020
- Total nonperforming assets were $74.3 million or 1.15% of total assets as of June 30, 2020, compared to $65.6 million or 1.14% of total assets at March 31, 2020 and $73.9 million, or 1.50% of total assets at June 30, 2019

Keith Mestrich, President and Chief Executive Officer of Amalgamated Bank, commented, "For almost 100 years, Amalgamated Bank has stood with companies, organizations and individuals that have led the charge to make a more just and sustainable world. Social responsibility is embedded in Amalgamated's history, policies, products, programs, operations and culture. Now more than ever, we need to act boldly in addressing the racism embedded in our society, including the private sector. As a result, and after long conversations both inside and outside of the Bank, we have outlined a series of near-term commitments and actions intended to drive tangible results over time. It will take time to drive meaningful change and we are committed to keeping this at the forefront of our work."

Mr. Mestrich, continued, "We have always believed that a Bank can do good in the world while also delivering profitable growth. Our second quarter results not only validate this view but further emphasize the value that we provide to our core customer base as can be seen in our average deposit growth of $606 million during the quarter, or 50.5% on an annualized basis. Additionally, we have nearly doubled our West Coast deposits since acquiring New Resource two years ago. On the asset side of the balance sheet, we continue to grow our PACE portfolio, having effectively added $68 million in PACE securities during the quarter. While the pandemic has negatively affected the cities where we have physical locations, our customer base has a geographic diversity that, along with our conservative underwriting, should benefit the performance of our loan portfolio. Lastly, the pandemic has allowed the Bank to benefit from higher levels of digital adoption, effectively obliging our customers to utilize our technology when the ability for in-person banking was not an option. This successful transition to online banking allowed us to close several of the Bank's branches earlier than anticipated. We expect to realize a one-time, non-core expense increase of approximately $6 million in the third quarter as we exit the branches, however, moving forward, beginning in 2021, our non-interest expense is expected to benefit by approximately $4 million annually."

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

COVID-19 Update

Amalgamated's primary concern during the COVID-19 pandemic is for the health and wellbeing of the Company's employees, customers, and communities. Our employees continue to manage from a work from home environment, and our operations continue to perform well, effectively transitioning many customers to our digital platform, allowing for further consolidation of our branch network.

We have offered payment deferrals as an option for our consumer and commercial borrowers who are experiencing financial stress as a result of COVID-19 impacts. As of the week ending July 25, 2020, we have provided payment deferrals on the following amount of loan balances.

	Total Loans 6/30/20	Deferrals as of: 7/25/20	Deferrals as of: 6/20/20	% of Portfolio	Exited Deferral
Multifamily	$ 972	$ 178	$ 218	18%	$ 39
CRE + Construction	469	111	122	24%	12
C&I	618	39	39	6%	-
Residential	1,433	90	122	6%	33
Consumer & Student	188	10	11	6%	1
Total	**$ 3,680**	**$ 428**	**$ 512**	**12%**	**$ 84**

Results of Operations, Quarter Ended June 30, 2020

Net income for the second quarter of 2020 was $10.4 million, or $0.33 per diluted share, compared to $9.5 million, or $0.30 per diluted share, for the first quarter of 2020 and $11.2 million, or $0.35 per diluted share, for the second quarter of 2019. The $0.8 million decrease in net income for the second quarter of 2020, compared to the second quarter of 2019, was primarily due to a $6.1 million increase in provision for loan losses, partially offset by a $2.6 million increase in net interest income and a $2.3 million increase in non-interest income.

Core net income (non-GAAP) for the second quarter of 2020 was $10.6 million, or $0.34 per diluted share, compared to $9.2 million, or $0.29 per diluted share, for the first quarter of 2020 and $11.6 million, or $0.36 per diluted share, for the second quarter of 2019. Core net income for the second quarter of 2020 excludes $0.5 million of non-interest income gains on the sale of securities, $0.7 million in expense related to the closure of six branches, and other adjustments, including the tax effect of such adjustments.

Net interest income was $44.4 million for the second quarter of 2020, compared to $44.7 million for the first quarter of 2020 and $41.9 million for the second quarter of 2019. The $2.5 million year-over-year increase was primarily attributable to a decrease in interest expense due to a decrease in borrowings and deposit rate paid, and an increase in average securities and loans of $509.5 million and $383.9 million, respectively with lower yields. These impacts were partially offset by an increase in average interest-bearing deposits of $340.4 million.

Net interest margin was 3.10% for the second quarter of 2020, a decrease of 36 basis points from 3.46% in the first quarter of 2020, and a decrease of 56 basis points from 3.66% in the second quarter of 2019. The accretion of the loan mark from the loans we acquired in our New Resource Bank acquisition contributed three basis points to our net interest margin in the second quarter of 2020, compared to four and six basis points in the first quarter of 2020 and the second quarter of 2019, respectively. Prepayment penalties earned through loan income contributed $0.2 million, or two basis points, to our net interest margin in the second quarter of 2020, compared to six and three basis points in the first quarter of 2020 and the second quarter of 2019, respectively.

Provisions for loan loss expense totaled $8.2 million in the second quarter of 2020 compared to $8.6 million in the first quarter of 2020 and $2.1 million for the second quarter of 2019. The provision expense in the second quarter of 2020 was primarily driven by a $3.2 million increase in allowance related to payment deferrals in our loan portfolio, a $2.7 million increase in specific reserves related to one hotel which was downgraded to non-accrual, and $1.5 million related to downgrades to the risk rating of loans, primarily construction loans.

Non-interest income was $8.7 million in the second quarter of 2020 compared to $9.1 million in the first quarter of 2020, and $6.3 million in the second quarter of 2019. The $2.3 million increase in the second quarter of 2020, compared to the like period in 2019, was primarily due to $1.3 million tax credit on an equity investment in a solar project, a $0.5 million gain on the sale of securities compared to a loss of $0.4 million in the comparable quarter of 2019, and a $0.7 million increase in Bank-owned life insurance income due to the receipt of a death benefit payout. These increases were partially offset by a $0.5 million decrease in Trust Department fees primarily related to the decrease in revenue from a real estate fund which is liquidating assets.

Non-interest expense was $31.1 million in the second quarter of 2020 compared to $32.3 million in the first quarter of 2020, and $31.0 million in the second quarter of 2019. Expenses in the second quarter of 2020 were relatively unchanged compared to the same period in 2019. The $1.2 million decrease in the second quarter of 2020 compared to the linked quarter was primarily due to a $1.3 million decrease in branch closure expense in occupancy and depreciation and a $1.0 million decrease in professional fees from external audit, subadvisors and consultants. These decreases were partially offset by an increase in data processing and other expenses of $0.7 million and $0.5 million, respectively.

Our provision for income tax expense was $3.4 million for the second quarter of 2020, compared to a provision of $3.4 million for the first quarter of 2020 and a provision of $3.9 million for the second quarter of 2019. Our effective tax rate for the second quarter of 2020 was 24.9%, compared to 26.3% for the first quarter of 2020 and 25.8% for the second quarter of 2019.

Results of Operations, Six Months Ended June 30, 2020

Net income for the six months ended June 30, 2020 of $19.9 million, or $0.64 per diluted share, compared to $22.0 million, or $0.68 per diluted share, for same period in 2019. The $2.1 million decrease was primarily due to a $12.5 million increase in the provision for loan losses and a $0.9 million increase in non-interest expense, partially offset by a $6.5 million increase in net interest income and a $4.0 million increase in non-interest income.

Core net income (non-GAAP) for the six months ended June 30, 2020 of $19.7 million, or $0.63 per diluted share, compared to $22.3 million or $0.69 per diluted share, for the same period last year. Core net income for the first six months of 2020 exclude branch closure expenses and the gain on sale of a closed branch, gains on the sale of securities, severance, and the tax effect of such adjustments.

Net interest income was $89.1 million for the six months ended June 30, 2020, an increase of $6.5 million from the same period in 2019. This increase was primarily attributable to a decrease in interest expense due to a decrease in borrowings and deposit rate paid, and an increase in average securities and loans of $433.1 million and $292.9 million, respectively with lower yields. These impacts were partially offset by an increase in average interest-bearing deposits of $273.4 million.

Provisions for loan loss expense totaled $16.8 million for the six months ended June 30, 2020, an increase of $12.5 million compared to $4.3 million in the same period of 2019. The provision expense in the six months ended June 30, 2020 was primarily driven by a $6.2 million increase in COVID-19 qualitative factors tied to economic factors and payment deferrals in our loan portfolio, a $6.1 million increase in specific reserves related to indirect C&I and hotel loans, and other factors.

Non-interest income was $17.8 million for the six months ended June 30, 2020 compared to $13.8 million for the same period in 2019. The $4.0 million increase for the six months ended June 30, 2020, compared to the like period in 2019, was primarily due to a $1.4 million gain on the sale of a closed branch included in other non-interest income, a $1.3 million tax credit on an equity investment in a solar project, a $1.0 million gain on the sale of securities, and a $0.7 million increase in Bank-owned life insurance income due to the receipt of a death benefit payout. These increases were partially offset by a $1.2 million decrease in Trust Department fees primarily related to the decrease in revenue from a real estate fund which is liquidating assets.

Non-interest expense was $63.3 million for the six months ended June 30, 2020 compared to $62.5 million for the same period in 2019. The $0.9 million increase in expenses for the six months ended June 30, 2020 compared to the same period in 2019 was primarily due to the $1.3 million increase in branch closure expense in occupancy and depreciation, partially offset by a $0.6 million decrease in professional fees.

We had income tax expense of $6.9 million for the six months ended June 30, 2020, compared to $7.6 million for the same period in 2019. The $0.8 million decrease in income tax expense was primarily due to a decrease in pre-tax earnings of $2.9 million in the six months ended June 30, 2020, compared to the same period in 2019. Our effective tax rate was 25.6% for the six months ended June 30, 2020, compared to 25.8% for the same period in 2019.

Financial Condition

Total assets were $6.5 billion at June 30, 2020, compared to $5.3 billion at December 31, 2019. The increase of $1.1 billion was driven primarily by a $465.4 million increase in cash and cash equivalents, a $428.2 million increase in investment securities, and a $199.2 million increase in loans receivable, net. In the second quarter of 2020, the Bank also made a $2.7 million investment in a solar project with federal tax benefits and added $45.6 million of reverse repurchase agreements backed by Government Guaranteed loans.

Total loans, net at June 30, 2020 were $3.6 billion, an increase of $199.2 million, or 11.7% annualized, compared to December 31, 2019. Loan growth in the first six months of 2020 was primarily driven by a $143.2 million increase in C&I loans including $80.7 million of government guaranteed and Paycheck Protection Program loans, a $69.4 million increase in residential first liens, and a $41.9 million increase in consumer residential solar loans. These increases were partially offset by a $19.1 million decrease in commercial real estate and multifamily loans.

Deposits at June 30, 2020 were $5.9 billion, an increase of $1.2 billion, or 53.3% annualized, as compared to $4.6 billion as of December 31, 2019. Deposits held by politically active customers, such as campaigns, PACs, advocacy-based organizations, and state and national party committees were $1.1 billion as of June 30, 2020, an increase of $522.1 million compared to $578.6 million as of December 31, 2019. Noninterest-bearing deposits represent 49.2% of average deposits and 52.6% of ending deposits for the six months ended June 30, 2020, contributing to an average cost of deposits of 0.20% in the second quarter of 2020, a 13 basis point decrease from the linked quarter.

Nonperforming assets totaled $74.3 million, or 1.15% of period-end total assets at June 30, 2020, an increase of $7.6 million, compared with $66.7 million, or 1.25% of period end total assets at December 31, 2019. The increase in nonperforming assets at June 30, 2020 compared to the year-ended December 31, 2019 was primarily driven by a $14.7 million increase in non-accruing loans, including a $10.2 million hotel loan.

The allowance for loan losses increased $16.2 million to $50.0 million at June 30, 2020 from $33.8 million at December 31, 2019, primarily due to increases in the specific reserves for indirect C&I and hotel loans and an increase in allowance related to the coronavirus pandemic. At June 30, 2020, we had $70.3 million of impaired loans for which a specific allowance of $14.5 million was made, compared to $65.4 million of impaired loans at December 31, 2019 for which a specific allowance of $7.5 million was made. The ratio of allowance to total loans was 1.36% at June 30, 2020 and 0.98% at December 31, 2019.

Capital

As of June 30, 2020, our Common Equity Tier 1 Capital Ratio was 12.29%, Total Risk-Based Capital Ratio was 13.54%, and Tier-1 Leverage Capital Ratio was 7.69%, compared to 13.01%, 14.01% and 8.90%, respectively, as of December 31, 2019. Stockholders' equity at June 30, 2020 was $503.7 million, compared to $490.5 million at December 31, 2019. The increase in stockholders' equity was driven by $19.9 million of net income and a $4.0 million increase in accumulated other comprehensive income due to the mark to market on our securities portfolio, offset by a $7.0 million decrease due to share repurchases and a $5.0 million decrease due to dividends to shareholders.

Our tangible book value per share was $15.61 as of June 30, 2020 compared to $14.93 as of December 31, 2019.

Conference Call

As previously announced, Amalgamated Bank will host a conference call to discuss its second quarter 2020 results today, July 28, 2020 at 10:00am (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 Bank Second Quarter 2020 Earnings Call. A telephonic replay will be available approximately two hours after the call and can be accessed by dialing 1-844-512-2921, or for international callers 1-412-317-6671 and providing the access code 13706036. The telephonic replay will be available until 11:59 pm (Eastern Time) on August 4, 2020.

Interested investors and other parties may also listen to a simultaneous webcast of the conference call by logging onto the investor relations section of our website at http://ir.amalgamatedbank.com/. The online replay will remain available for a limited time beginning immediately following the call.

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

About Amalgamated Bank

Amalgamated Bank is a New York-based full-service commercial bank and a chartered trust company with a combined network of 11 branches in New York City, Washington D.C., and San Francisco. Amalgamated 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 provides commercial banking and trust services nationally and offers a full range of products and services to both commercial and retail customers. Amalgamated is a proud member of the Global Alliance for Banking on Values and is a certified B Corporation®. As of June 30, 2020, our total assets were $6.5 billion, total net loans were $3.6 billion, and total deposits were $5.9 billion. Additionally, as of June 30, 2020, the trust business held $32.0 billion in assets under custody and $13.3 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," "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 2020 versus certain periods in 2019 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 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, 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" and 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," "may" and "intend," as well as other similar words and expressions of the future, and in this press release include statements about expected performance of our loan portfolio and payment deferrals, and the expected charges and anticipated future expense savings resulting from branch closures. 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) the inability of Amalgamated Bank to maintain the historical growth rate of its loan portfolio; (iv) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (v) effectiveness of Amalgamated Bank's asset management activities in improving, resolving or liquidating lower-quality assets; (vi) the impact of competition with other financial institutions, including pricing pressures and the resulting impact on Amalgamated Bank's results, including as a result of compression to net interest margin; (vii) greater than anticipated adverse conditions in the national or local economies including in Amalgamated Bank's core markets, including, but not limited to, the negative impacts and disruptions resulting from the recent outbreak of the novel coronavirus, or COVID-19, which may have an adverse impact on our business, operations and performance, and could have a negative impact on our credit portfolio, share price, borrowers, and on the economy as a whole, both domestically and globally (viii) fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve; (ix) the results of regulatory examinations; (x) potential deterioration in real estate values; (xi) changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act, or the "CARES Act"; and (xi) the risk that the preliminary financial information reported herein and our current preliminary analysis will be different when our review is finalized. 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 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.

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Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except for per share amount)

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
	2020	2020	2019	2020	2019
INTEREST AND DIVIDEND INCOME					
Loans	$ 35,225	$ 35,612	$ 35,559	$ 70,837	$ 70,855
Securities	11,746	12,554	10,524	24,299	20,398
Federal Home Loan Bank of New York stock	66	69	191	135	501
Interest-bearing deposits in banks	83	396	254	479	548
Total interest and dividend income	47,120	48,631	46,528	95,750	92,302
INTEREST EXPENSE					
Deposits	2,681	3,915	3,499	6,596	6,444
Borrowed funds	-	27	1,173	27	3,229
Total interest expense	2,681	3,942	4,672	6,623	9,673
NET INTEREST INCOME	44,439	44,689	41,856	89,127	82,629
Provision for (recovery of) loan losses	8,221	8,588	2,127	16,808	4,312
Net interest income after provision for loan losses	36,218	36,101	39,729	72,319	78,317
NON-INTEREST INCOME					
Trust Department fees	3,980	4,085	4,508	8,066	9,229
Service charges on deposit accounts	1,850	2,411	2,068	4,261	3,939
Bank-owned life insurance	1,111	384	408	1,495	828
Gain (loss) on sale of investment securities available for sale, net	486	499	(377)	985	(85)
Gain (loss) on other real estate owned, net	(283)	(23)	(315)	(306)	(564)
Equity method investments	1,289	-	-	1,289	-
Other	238	1,762	57	1,999	419
Total non-interest income	8,671	9,118	6,349	17,789	13,766
NON-INTEREST EXPENSE					
Compensation and employee benefits, net	17,334	17,458	16,992	34,792	34,422
Occupancy and depreciation	4,241	5,506	4,145	9,747	8,417
Professional fees	1,988	2,983	2,401	4,971	5,566
Data processing	2,977	2,264	2,729	5,241	5,478
Office maintenance and depreciation	818	856	830	1,675	1,716
Amortization of intangible assets	342	342	298	685	687
Advertising and promotion	672	667	692	1,339	1,313
Other	2,696	2,194	2,915	4,889	4,851
Total non-interest expense	31,068	32,270	31,002	63,339	62,450
Income before income taxes	13,821	12,949	15,076	26,769	29,633
Income tax expense (benefit)	3,447	3,404	3,891	6,850	7,634
Net income	10,374	9,545	11,185	19,919	21,999
Net income attributable to noncontrolling interests	-	-	-	-	-
Net income attributable to Amalgamated Bank and subsidiaries	$ 10,374	$ 9,545	$ 11,185	$ 19,919	$ 21,999
Earnings per common share - basic	$ 0.33	$ 0.30	$ 0.35	$ 0.64	$ 0.69
Earnings per common share - diluted	$ 0.33	$ 0.30	$ 0.35	$ 0.64	$ 0.68

Consolidated Statements of Financial Condition (Unaudited)

(Dollars in thousands)

	June 30, 2020 (Unaudited)	December 31, 2019
Assets		
Cash and due from banks	$ 9,209	$ 7,596
Interest-bearing deposits in banks	578,752	114,942
Total cash and cash equivalents	587,961	122,538
Securities:		
Available for sale, at fair value (amortized cost of $1,562,033 and $1,217,087, respectively)	1,575,175	1,224,770
Held-to-maturity (fair value of $382,830 and $292,837, respectively)	370,498	292,704
Loans receivable, net of deferred loan origination costs (fees)	3,687,992	3,472,614
Allowance for loan losses	(50,010)	(33,847)
Loans receivable, net	3,637,982	3,438,767
Resell agreements	45,653	-
Accrued interest and dividends receivable	21,836	19,088
Premises and equipment, net	16,180	17,778
Bank-owned life insurance	80,694	80,714
Right-of-use lease asset	42,758	47,299
Deferred tax asset	34,251	31,441
Goodwill and other intangible assets	18,980	19,665
Other assets	38,376	30,574
Total assets	$ 6,470,344	$ 5,325,338
Liabilities		
Deposits	$ 5,870,319	$ 4,640,982
Borrowed funds	-	75,000
Operating leases	56,842	62,404
Other liabilities	39,481	56,408
Total liabilities	5,966,642	4,834,794
Commitments and contingencies	-	-
Stockholders' equity		
Common stock, par value $.01 per share (70,000,000 shares authorized; 31,049,525 and 31,523,442 shares issued and outstanding, respectively)	310	315
Additional paid-in capital	299,997	305,738
Retained earnings	195,991	181,132
Accumulated other comprehensive income (loss), net of income taxes	7,270	3,225
Total Amalgamated Bank stockholders' equity	503,568	490,410
Noncontrolling interests	134	134
Total stockholders' equity	503,702	490,544
Total liabilities and stockholders' equity	$ 6,470,344	$ 5,325,338

Select Financial Data

	As of and for the Three Months Ended			As of and for the Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
	2020	2020	2019	2020	2019
Selected Financial Ratios and Other Data					
Earnings per share					
Basic	$ 0.33	$ 0.30	$ 0.35	$ 0.64	$ 0.69
Diluted	0.33	0.30	0.35	0.64	0.68
Core Earnings per share (non-GAAP)					
Basic	$ 0.34	$ 0.29	$ 0.36	$ 0.63	$ 0.70
Diluted	0.34	0.29	0.36	0.63	0.69
Book value per common share (excluding minority interest)	16.22	15.26	14.89	16.22	14.89
Tangible book value per share (non-GAAP)	15.61	14.64	14.25	15.61	14.25
Common shares outstanding	31,049,525	31,000,299	31,886,669	31,049,525	31,886,669
Weighted average common shares outstanding, basic	31,022,517	31,410,848	31,824,930	31,216,683	31,798,405
Weighted average common shares outstanding, diluted	31,034,666	31,805,901	32,237,116	31,345,192	32,279,342

Select Financial Data

	As of and for the Three Months Ended			As of and for the Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Selected Performance Metrics:					
Return on average assets	0.69%	0.71%	0.92%	0.70%	0.92%
Core return on average assets (non-GAAP)	0.70%	0.68%	0.96%	0.69%	0.93%
Return on average equity	8.56%	7.65%	9.65%	8.10%	9.73%
Core return on average tangible common equity (non-GAAP)	9.07%	7.66%	10.45%	8.35%	10.32%
Loan yield	3.97%	4.13%	4.42%	4.05%	4.43%
Securities yield	2.59%	3.29%	3.34%	2.91%	3.35%
Deposit cost	0.20%	0.33%	0.34%	0.26%	0.32%
Net interest margin	3.10%	3.46%	3.66%	3.27%	3.66%
Efficiency ratio (1)	58.50%	59.97%	64.31%	59.24%	64.79%
Core efficiency ratio (non-GAAP) (1)	57.68%	59.44%	63.50%	58.56%	64.45%
Asset Quality Ratios:					
Nonaccrual loans to total loans	1.24%	0.96%	0.49%	1.24%	0.49%
Nonperforming assets to total assets	1.15%	1.14%	1.50%	1.15%	1.50%
Allowance for loan losses to nonaccrual loans	109%	125%	209%	109%	209%
Allowance for loan losses to total loans	1.36%	1.19%	1.01%	1.36%	1.01%
Net charge-offs (recoveries) to average loans	0.06%	0.01%	-0.01%	0.04%	0.49%
Capital Ratios:					
Tier 1 leverage capital ratio	7.69%	8.47%	9.04%	7.69%	9.04%
Tier 1 risk-based capital ratio	12.29%	12.74%	13.57%	12.29%	13.57%
Total risk-based capital ratio	13.54%	13.96%	14.67%	13.54%	14.67%
Common equity tier 1 capital ratio	12.29%	12.74%	13.57%	12.29%	13.57%

(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 June 30, 2020		At March 31, 2020		At June 30, 2019	
	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:						
Commercial and industrial	$ 617,579	16.8%	$ 532,351	15.0%	$ 424,319	12.8%
Multifamily	972,129	26.4%	936,350	26.4%	925,747	27.9%
Commercial real estate	404,064	11.0%	408,766	11.5%	453,393	13.7%
Construction and land development	65,259	1.8%	65,706	1.9%	58,696	1.7%
Total commercial portfolio	2,059,031	56.0%	1,943,173	54.8%	1,862,155	56.1%
Retail portfolio:						
Residential real estate lending	1,432,645	38.9%	1,416,796	39.9%	1,286,662	38.8%
Consumer and other	187,980	5.1%	189,152	5.3%	168,201	5.1%
Total retail	1,620,625	44.0%	1,605,948	45.2%	1,454,863	43.9%
Total loans	3,679,656	100.0%	3,549,121	100.0%	3,317,018	100.0%
Net deferred loan origination fees (costs)	8,336		8,214		7,562	
Allowance for loan losses	(50,010)		(42,348)		(33,630)	
Total loans, net	$ 3,637,982		$ 3,514,987		$ 3,290,950	
Held-to-maturity securities portfolio:						
PACE assessments	$ 323,391	87.3%	$ 255,298	89.2%	$ -	0.0%
Other securities	47,107	12.7%	30,953	10.8%	19,336	100.0%
Total held-to-maturity securities	$ 370,498	100.0%	$ 286,251	100.0%	$ 19,336	100.0%

Net Interest Income Analysis

(In thousands)	Three Months Ended June 30, 2020			Three Months Ended March 31, 2020			Three Months Ended June 30, 2019		
	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	$ 364,932	$ 83	0.09%	$ 185,281	$ 396	0.86%	$ 70,442	$ 254	1.45%
Securities and FHLB stock	1,834,892	11,812	2.59%	1,544,848	12,623	3.29%	1,287,520	10,715	3.34%
Total loans, net [(1)]	3,571,160	35,225	3.97%	3,464,438	35,612	4.13%	3,225,129	35,559	4.42%
Total interest earning assets	5,770,984	47,120	3.28%	5,194,567	48,631	3.77%	4,583,091	46,528	4.07%
Non-interest earning assets:									
Cash and due from banks	74,877			9,539			6,838		
Other assets	224,531			222,757			264,046		
Total assets	$ 6,070,392			$ 5,426,863			$ 4,853,975		
Interest bearing liabilities:									
Savings, NOW and money market deposits	$ 2,313,772	$ 1,755	0.31%	$ 2,143,247	$ 2,737	0.51%	$ 1,857,715	$ 1,962	0.42%
Time deposits	370,969	926	1.00%	381,053	1,178	1.24%	486,652	1,537	1.27%
Total deposits	2,684,741	2,681	0.40%	2,524,300	3,915	0.62%	2,344,367	3,499	0.60%
Federal Home Loan Bank advances	-	-	0.00%	6,374	27	1.70%	190,501	1,166	2.46%
Other Borrowings	-	-	0.00%	-	-	0.00%	1,099	7	2.56%
Total interest bearing liabilities	2,684,741	2,681	0.40%	2,530,674	3,942	0.63%	2,535,967	4,672	0.74%
Non-interest bearing liabilities:									
Demand and transaction deposits	2,746,529			2,300,999			1,762,426		
Other liabilities	151,591			93,309			90,680		
Total liabilities	5,582,861			4,924,982			4,389,073		
Stockholders' equity	487,531			501,881			464,902		
Total liabilities and stockholders' equity	$ 6,070,392			$ 5,426,863			$ 4,853,975		
Net interest income / interest rate spread		$ 44,439	2.88%		$ 44,689	3.14%		$ 41,856	3.33%
Net interest earning assets / net interest margin	$ 3,086,243		3.10%	$ 2,663,893		3.46%	$ 2,047,124		3.66%
Total Cost of Deposits			0.20%			0.33%			0.34%

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

* Net interest margin includes prepayment penalty income in 2Q20, 1Q20 and 2Q19 of $239,190, $761,568 and $320,633 respectively

Net Interest Income Analysis

(In thousands)	Six Months Ended June 30, 2020 Average Balance	Income / Expense	Yield / Rate	Six Months Ended June 30, 2019 Average Balance	Income / Expense	Yield / Rate
Interest earning assets:						
Interest-bearing deposits in banks	$ 275,107	$ 479	0.35%	$ 71,861	$ 548	1.54%
Securities and FHLB stock	1,689,870	24,434	2.91%	1,256,781	20,899	3.35%
Total loans, net (1)	3,517,799	70,837	4.05%	3,224,868	70,855	4.43%
Total interest earning assets	5,482,776	95,750	3.51%	4,553,510	92,302	4.09%
Non-interest earning assets:						
Cash and due from banks	42,208			8,404		
Other assets	223,643			259,194		
Total assets	$ 5,748,627			$ 4,821,108		
Interest bearing liabilities:						
Savings, NOW and money market deposits	$ 2,228,509	$ 4,492	0.41%	$ 1,867,478	$ 3,829	0.41%
Time deposits	376,011	2,104	1.13%	463,668	2,615	1.14%
Total deposits	2,604,520	6,596	0.51%	2,331,146	6,444	0.56%
Federal Home Loan Bank advances	3,187	27	1.70%	259,108	3,213	2.50%
Other Borrowings	-	-	0.00%	1,215	16	2.66%
Total interest bearing liabilities	2,607,707	6,623	0.51%	2,591,469	9,673	0.75%
Non-interest bearing liabilities:						
Demand and transaction deposits	2,523,764			1,680,984		
Other liabilities	122,450			92,921		
Total liabilities	5,253,921			4,365,374		
Stockholders' equity	494,706			455,734		
Total liabilities and stockholders' equity	$ 5,748,627			$ 4,821,108		
Net interest income / interest rate spread		$ 89,127	3.00%		$ 82,629	3.33%
Net interest earning assets / net interest margin	$ 2,875,069		3.27%	$ 1,962,041		3.66%
Total Cost of Deposits			0.26%			0.32%

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

* Net interest margin includes prepayment penalty income in Jun YTD 2020 and Jun YTD 2019 of $1,000,758 and $626,038 respectively

Deposit Portfolio Composition

(in thousands)	June 30, 2020		March 31, 2020		June 30, 2019	
Noninterest-bearing demand deposit accounts	$	3,089,004	$	2,423,760	$	1,908,741
NOW accounts		198,653		234,268		216,834
Money market deposit accounts		1,876,540		1,708,818		1,239,387
Savings accounts		342,477		329,583		340,258
Time deposits		363,645		380,128		411,250
Brokered CD		-		-		19,991
Total deposits	$	5,870,319	$	5,076,557	$	4,136,462

* Total deposit balance as of June 30, 2020 excludes off balance sheet Insured Cash Sweep (ICS) balance of $90.9 million

	Three Months Ended June 30, 2020			Three Months Ended March 31, 2020			Three Months Ended June 30, 2019		
(In thousands)		Average Balance	Average Rate Paid		Average Balance	Average Rate Paid		Average Balance	Average Rate Paid
Noninterest-bearing demand deposit accounts	$	2,746,529	0.00%	$	2,300,999	0.00%	$	1,762,426	0.00%
NOW accounts		237,279	0.17%		231,707	0.40%		220,516	0.47%
Money market deposit accounts		1,741,466	0.36%		1,587,242	0.60%		1,298,033	0.41%
Savings accounts		335,027	0.12%		324,298	0.18%		339,165	0.22%
Time deposits		370,969	0.99%		381,053	1.23%		424,848	1.25%
Brokered CD		-	0.00%		-	0.00%		61,804	2.45%
Total deposits	$	5,431,270	0.20%	$	4,825,299	0.33%	$	4,106,792	0.34%

Asset Quality

(In thousands)	June 30, 2020	March 31, 2020	June 30, 2019
Loans 90 days past due and accruing	$ -	$ 3,856	$ 13,939
Nonaccrual loans excluding held for sale loans and restructured loans	18,901	7,537	9,893
Nonaccrual loans held for sale	-	-	-
Troubled debt restructured loans - nonaccrual	26,776	26,435	6,221
Troubled debt restructured loans - accruing	28,031	26,968	43,277
Other real estate owned	503	786	526
Impaired securities	46	64	88
Total nonperforming assets	$ 74,257	$ 65,646	$ 73,944
Nonaccrual loans:			
Commercial and industrial	$ 15,742	$ 15,949	$ 4,180
Multifamily	-	-	-
Commercial real estate	13,768	3,634	3,832
Construction and land development	3,652	3,652	-
Total commercial portfolio	33,162	23,235	8,012
Residential 1-4 family 1st mortgages	11,106	9,173	6,330
Residential 1-4 family 2nd mortgages	729	884	1,267
Consumer and other	680	680	505
Total retail portfolio	12,515	10,737	8,102
Total nonaccrual loans	$ 45,677	$ 33,972	$ 16,114
Nonperforming assets to total assets	1.15%	1.14%	1.50%
Nonaccrual assets to total assets	0.71%	0.60%	0.34%
Nonaccrual loans to total loans	1.24%	0.96%	0.49%
Allowance for loan losses to nonaccrual loans	109%	125%	209%

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.

(in thousands)	As of and for the Three Months Ended June 30, 2020	March 31, 2020	June 30, 2019	As of and for the Six Months Ended June 30, 2020	June 30, 2019
Core operating revenue					
Net interest income (GAAP)	$ 44,439	$ 44,689	$ 41,856	$ 89,127	$ 82,629
Non interest income (GAAP)	8,671	9,118	6,349	17,789	13,766
Less: Branch sale loss (gain)(1)	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Core operating revenue (non-GAAP)	$ 52,658	$ 51,880	$ 48,582	$ 104,537	$ 96,480
Core non-interest expenses					
Non-interest expense (GAAP)	$ 31,068	$ 32,270	$ 31,002	$ 63,339	$ 62,450
Less: Branch closure expense(2)	(695)	(1,432)	-	(2,051)	-
Less: Severance (3)	-	-	(154)	(76)	(271)
Core non-interest expense (non-GAAP)	$ 30,373	$ 30,838	$ 30,848	$ 61,212	$ 62,179
Core net income					
Net Income (GAAP)	$ 10,374	$ 9,545	$ 11,185	$ 19,919	$ 21,999
Less: Branch sale (gain)(1)	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Add: Branch closure expense(2)	695	1,432	-	2,051	-
Add: Severance (3)	-	-	154	76	271
Less: Tax on notable items	(61)	130	(137)	65	(92)
Core net income (non-GAAP)	$ 10,556	$ 9,180	$ 11,579	$ 19,731	$ 22,264
Tangible common equity					
Stockholders' Equity (GAAP)	$ 503,702	$ 473,269	$ 474,944	$ 503,702	$ 474,944
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,043)	(6,386)	(7,415)	(6,043)	(7,415)
Tangible common equity (non-GAAP)	$ 484,589	$ 453,813	$ 454,458	$ 484,589	$ 454,458
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 487,531	$ 501,881	$ 464,902	$ 494,706	$ 455,734
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,210)	(6,552)	(7,575)	(6,381)	(7,738)
Average tangible common equity (non-GAAP)	$ 468,250	$ 482,258	$ 444,256	$ 475,254	$ 434,925
Core return on average assets					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Total average assets (denominator) (GAAP)	6,070,392	5,426,863	4,853,975	5,748,627	4,821,107
Core return on average assets (non-GAAP)	0.70%	0.68%	0.96%	0.69%	0.93%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Average tangible common equity (denominator) (non-GAAP)	468,250	482,258	444,256	475,254	434,925
Core return on average tangible common equity (non-GAAP)	9.07%	7.66%	10.45%	8.35%	10.32%
Core efficiency ratio					
Core non-interest expense (numerator) (non-GAAP)	30,373	30,838	30,848	61,212	62,179
Core operating revenue (denominator) (non-GAAP)	52,658	51,880	48,582	104,537	96,480
Core efficiency ratio (non-GAAP)	57.68%	59.44%	63.50%	58.56%	64.45%

(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 BANK

Second Quarter 2020 Earnings Presentation

July 28, 2020

amalgamatedbank.com
Member FDIC

Safe Harbor Statements

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," "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, statements related to potential political deposit runoff, estimated yield on our PACE portfolio and possible future branch closures. 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 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;
- the inability of Amalgamated Bank to maintain the historical growth rate of its 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, 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 Amalgamated Bank 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 salaries and benefits, professional fees 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.

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. Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. 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, 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.

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.

Second Quarter 2020

Highlights

- ✓ GAAP net income of $0.33 per diluted share; core net income of $0.34 per diluted share[1]
- ✓ Pre-tax, pre-provision income[2] of $22.0 million compared to $21.5 million in 1Q20
  - ✓ Highest quarterly pre-tax, pre-provision income in history of the Bank
- ✓ Efficiency ratio of 58.50%, compared to 59.97% in 1Q20

- ✓ Average deposit growth of $606.0 million, or 50.5% annualized, compared to 1Q20
- ✓ Loan growth of $123.0 million (includes $51 million PPP) and property assessed clean energy ("PACE") growth of $68.1 million

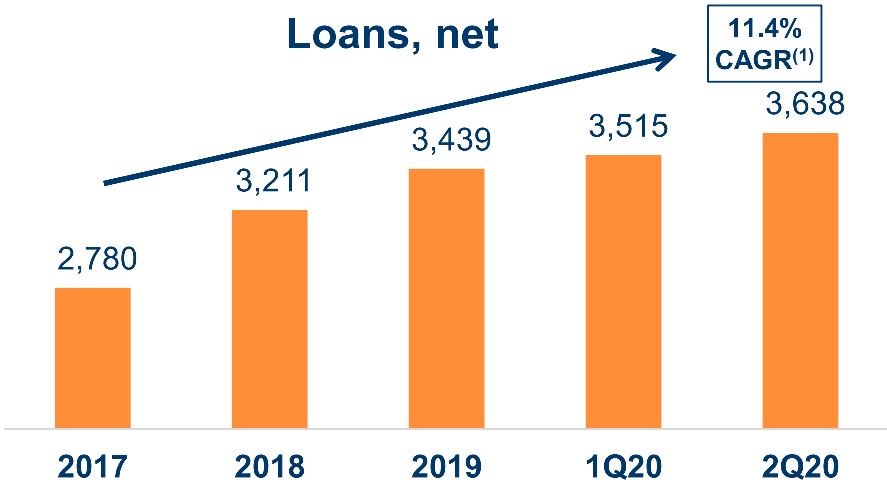
- ✓ Provision build of $8.2 million including $3.2 million in allowance on loan deferrals
- ✓ Loan deferrals of $433 million or 12% of loans as of 7/24/2020, compared to $512 million or 14% on 6/20/20

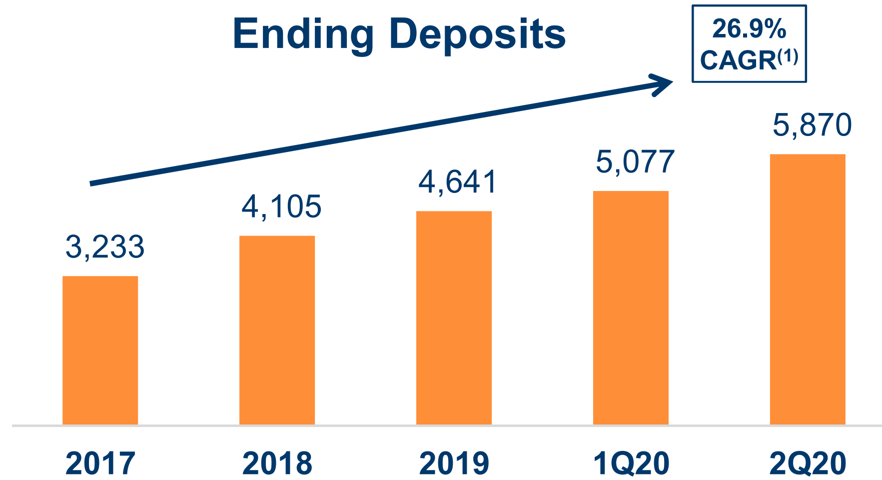
- ✓ Capital ratios remained strong with CET1 of 12.29% and Tier 1 Leverage of 7.69%
- ✓ Tangible book value of $15.61 compared to $14.64 as of 1Q20

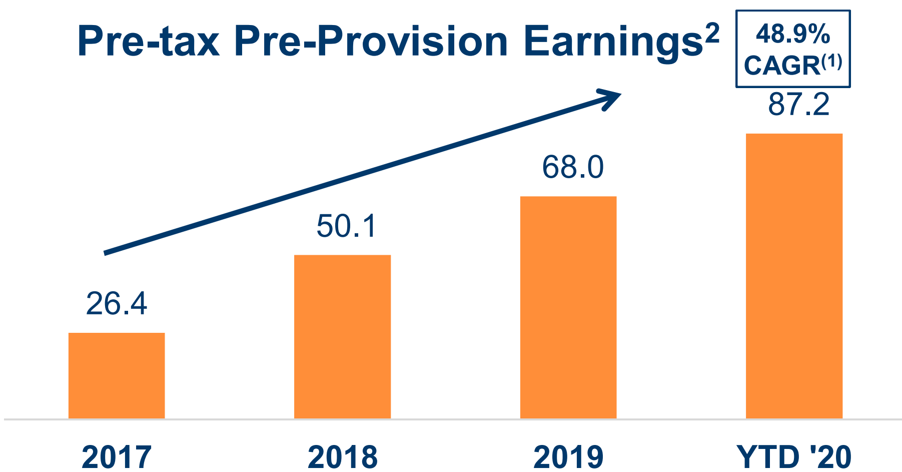
(1) See non-GAAP disclosures on pages 23-24
(2) Pre-tax, pre-provision income is defined as net interest income plus non-interest income less non-interest expense

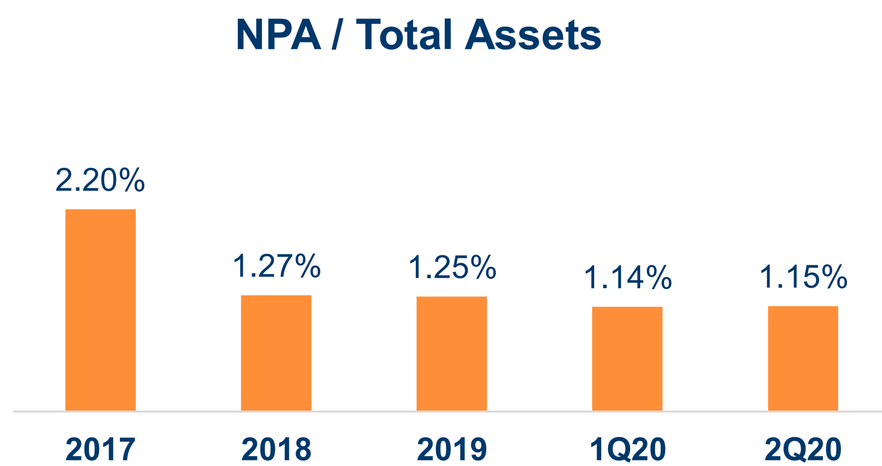
Key Financial Trends through 2Q20

($ in millions)









(1) *Compounded Annual Growth Rate ("CAGR")*
(2) *June 2020 YTD Pre-tax Pre-Provision annualized*

Environmental, Social and Governance (ESG)

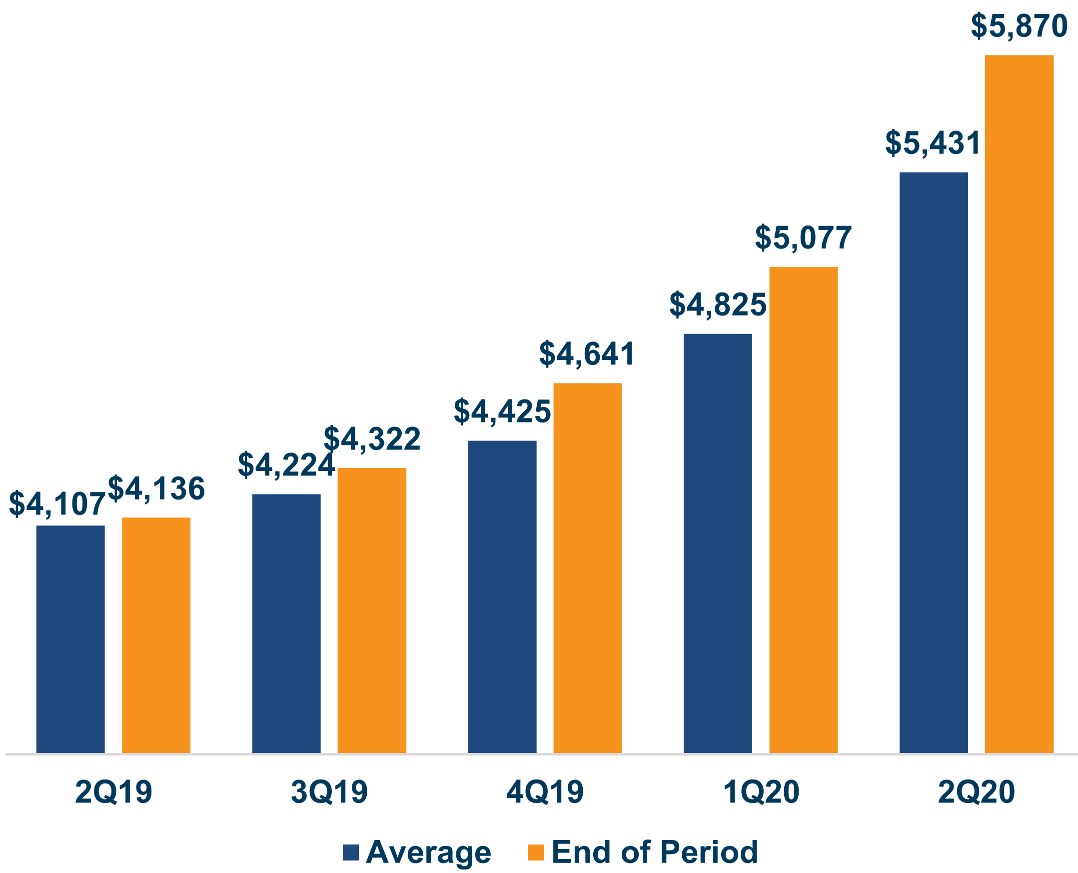
2Q20 Mission Aligned Initiatives and Accomplishments

- ✓ Frontline Workers Fund and the Families and Workers Fund launched with Amalgamated Foundation to provide more than $7.5 million in financial support to critical workers on the frontlines of the COVID-19 pandemic
- ✓ Affirmed Black Lives Matter in a public statement and launched a racial justice task force
- ✓ Released our 2019 Corporate Social Responsibility (CSR) Report: *Responsibility in Action*
- ✓ Endorsed the CEO Action on Diversity and Inclusion
- ✓ South Pole, a leading researcher in corporate carbon emissions, found a 6.7% decrease in total emissions of Amalgamated Bank from 2018 to 2019
- ✓ Implemented ESG Questionnaire for suppliers
- ✓ Initiated Principals on Carbon Accounting Financials calculation process to determine scope 3 emission across the loan portfolio
- ✓ Collaboration with Invesco is expected to provide our clients access to ESG investment options

Deposit Portfolio

Total Deposits[1]

($ in millions)



2Q20 Highlights

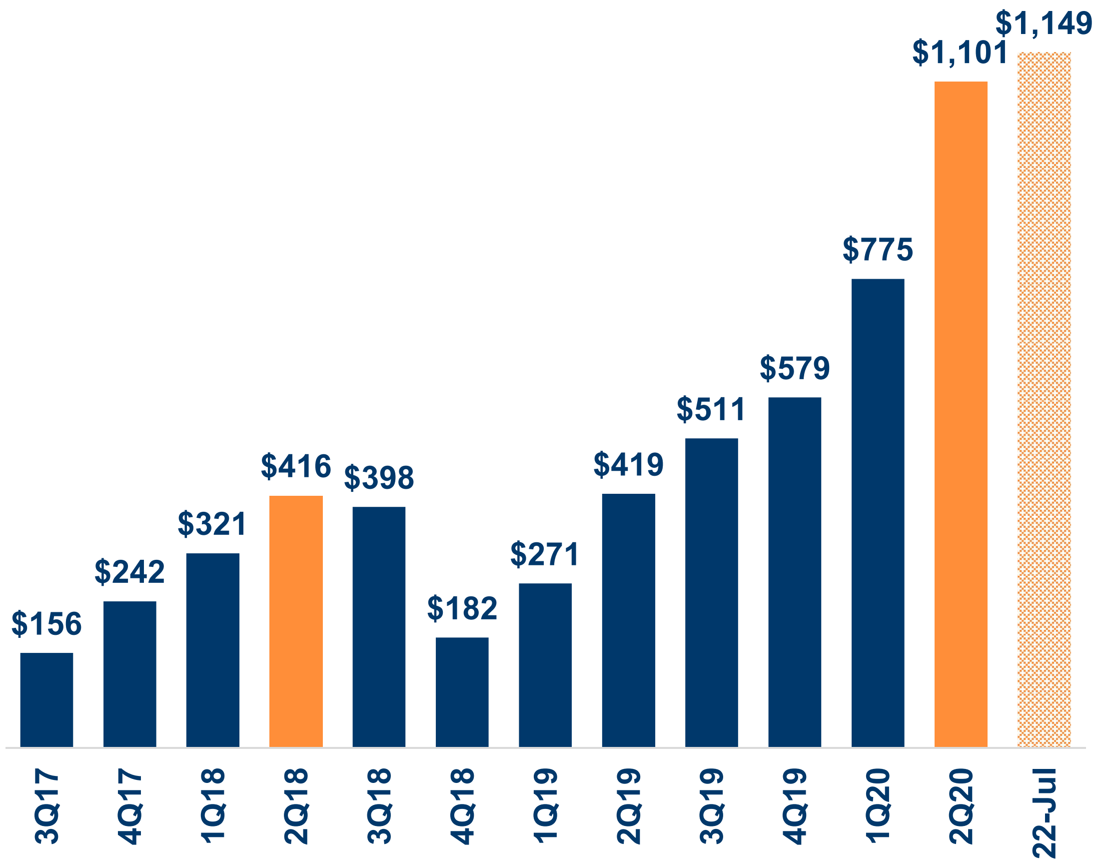
- ✓ Total ending deposits increased $793.8 million, or 62.9% annualized, compared to 1Q20
- ✓ Total average deposits increased $606.0 million, or 50.5% annualized, compared to 1Q20
- ✓ $445.5 million of average non-interest bearing deposit growth, compared to 1Q20
- ✓ Non-interest-bearing deposits represented 53% of ending deposits in 2Q20, compared to 48% in 1Q20

[1] *Total deposit balance as of June 30, 2020 excludes off balance sheet Insured Cash Sweep (ICS) balance of $90.9 million*

Political Deposits

Political Deposits Historical Trend

($ in millions)



- ✓ Estimate political deposits to decrease to approximately $300 million immediately following the November election
- ✓ Cash on hand should fund approximately $500 million of the $800 million draw down with the remainder coming from borrowings or further deposit growth
- ✓ Estimated impacts on financials starting in 4Q20
  - ✓ Tier 1 leverage ratio increase of 60-70bps
  - ✓ Net interest income decrease of approximately $1.2 million annually

Liquidity Sources

Liquidity sources amount to $3.4B as of June 30, 2020

($ in millions)

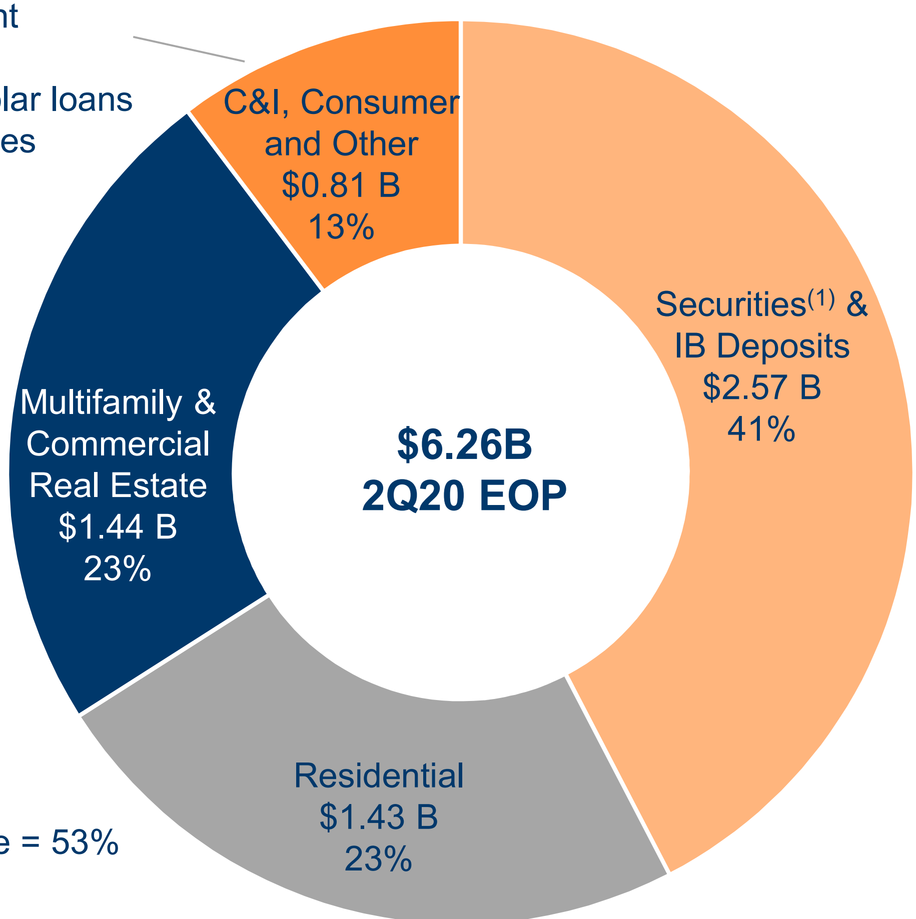
Key Sources of Liquidity	Timing	Balance 2Q20	% of Deposits
Cash	Immediate	$590	10%
FHLB Borrowing Potential	Immediate	$1,750	30%
Potential Political Deposit Runoff	Months	($800)	-14%
Immediate Core Liquidity		**$1,540**	**26%**
Saleable Non-Pledge-able Securities	Days	$600	10%
Est. Wholesale Borrowings Capacity	Weeks	$750	13%
Apx. Saleable Non-Pledge-able Loans	Months	$500	9%
Total		**$3,390**	**58%**

- ✓ 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 (residential and commercial)

Interest Earning Assets of $6.3B as of June 30, 2020

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

- No fossil fuel exposure
- $203mm of government guaranteed loans
- $133mm residential solar loans with strong credit profiles



- $890mm agency securities
- $731mm of non-agency securities; 85% are AAA rated
- $323mm of PACE securities with low LTV
- All non-agency securities are top of the capital structure
- $579mm of cash deposits at Bank

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

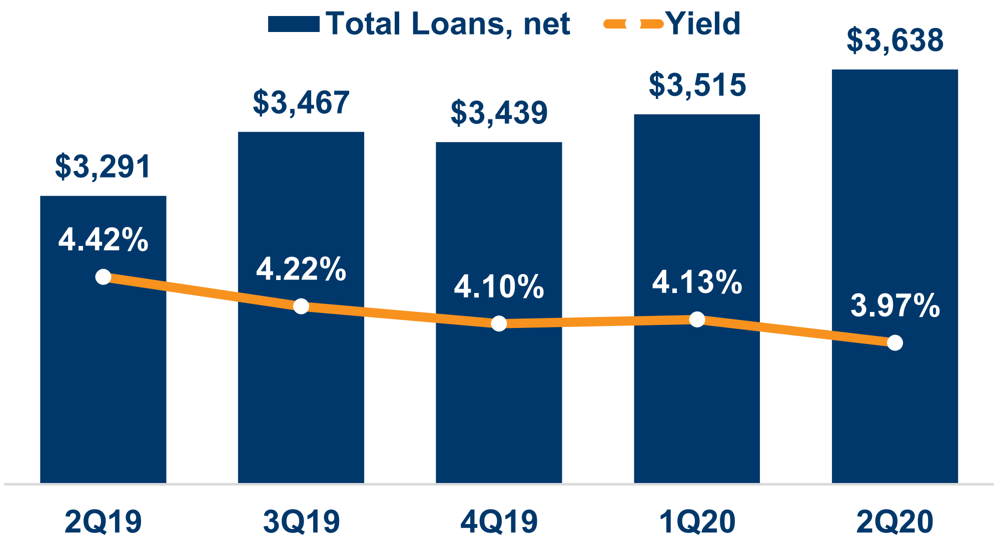
- 98% first lien mortgages
- Low Loan to Original Value = 53%

[1] Securities include Federal Home Loan Bank stock and resell agreements of $49.6mm
** LTV shown are as of March 2020*

Loan and Held-to-Maturity Securities

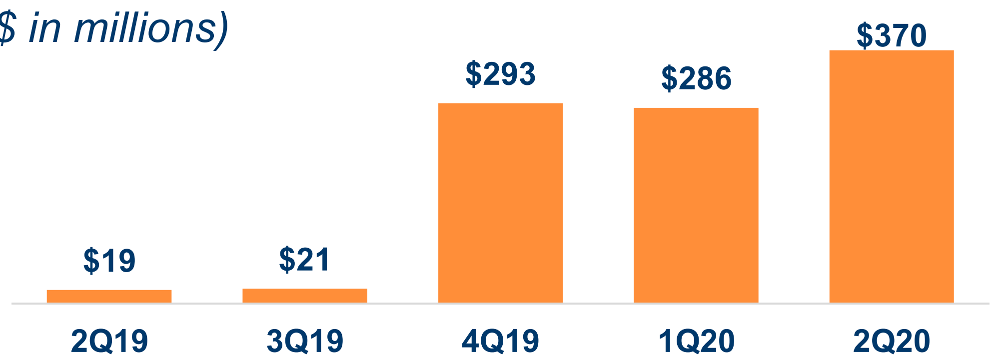
Total Loans, Net[1]

($ in millions)



Held-to-Maturity Securities

($ in millions)



[1] 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

2Q20 Highlights

- ✓ Total loans increased $123.0 million, or 14.1% annualized, compared to 1Q20
- ✓ 2Q20 Yield of 3.97%; decrease of 16 bps and 45 bps compared to 1Q20 and 2Q19 respectively
- ✓ Held-to-maturity securities increased $84.2 million compared to 1Q20
  - ✓ PACE securities increased $68.1 million in 2Q20 due primarily to investment in PACE Funding Group (“PFG”)

Property Assessed Clean Energy

Investment in PACE Funding Group ("PFG")

- ✓ Strategic investment of $2.5 million with PFG where the Bank provided 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, though efforts now delayed due to COVID-19

PACE Portfolio at Amalgamated

- ✓ PACE assessments totaled $323.4 million at quarter-end 2Q20 with a premium of less than 3%
- ✓ Estimated yield of ~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

COVID-19 Deferrals – Post Quarter Update

COVID-19 Loan Deferrals[1]

($ in millions)

	Total Loans	Deferrals as of:		% of	Exited
	6/30/20	7/25/20	6/20/20	Portfolio	Deferral
Multifamily	$ 972	$ 178	$ 218	18%	$ 39
CRE + Construction	469	111	122	24%	12
C&I	618	39	39	6%	-
Residential	1,433	90	122	6%	33
Consumer & Student	188	10	11	6%	1
Total	**$ 3,680**	**$ 428**	**$ 512**	**12%**	**$ 84**

- ✓ Current deferrals are down by $84 million since the last update
- ✓ Inflow of new requests has slowed to near zero
- ✓ Payment resumed on approximately 58% of residential loans that reached 90 days
- ✓ Majority of commercial loans have not reached 90 days
  - ✓ We expect many requests for an additional 90 days, while starting to pay interest on the second request

[1] *Loan deferrals for purchased portfolio are as of 6/30/2020*

Commercial Real Estate – Post Quarter Update

Multifamily loans deferred – week ending July 25, 2020

Current Loan to Value (LTV)[1]	Loan Balance
80%+	$ 3.6
70-79%	16.1
60-69%	17.9
50-59%	103.5
Below 50%	37.3
Total	**$ 178.4**
CLTV of all Deferrals	**63%**

Comments

- 87% of loans are in NY
- Debt service coverage of 1.4x (pre-COVID)
- Current LTV is based on most recent appraisal (pre-COVID) compared to current book balance

CRE loans deferred – week ending July 25, 2020

Current Loan to Value (LTV)[1]	Loan Balance
80%+	$ -
70-79%	2.2
60-69%	17.2
50-59%	17.9
Below 50%	73.0
Total	**$ 110.2**
CLTV of all Deferrals	**51%**

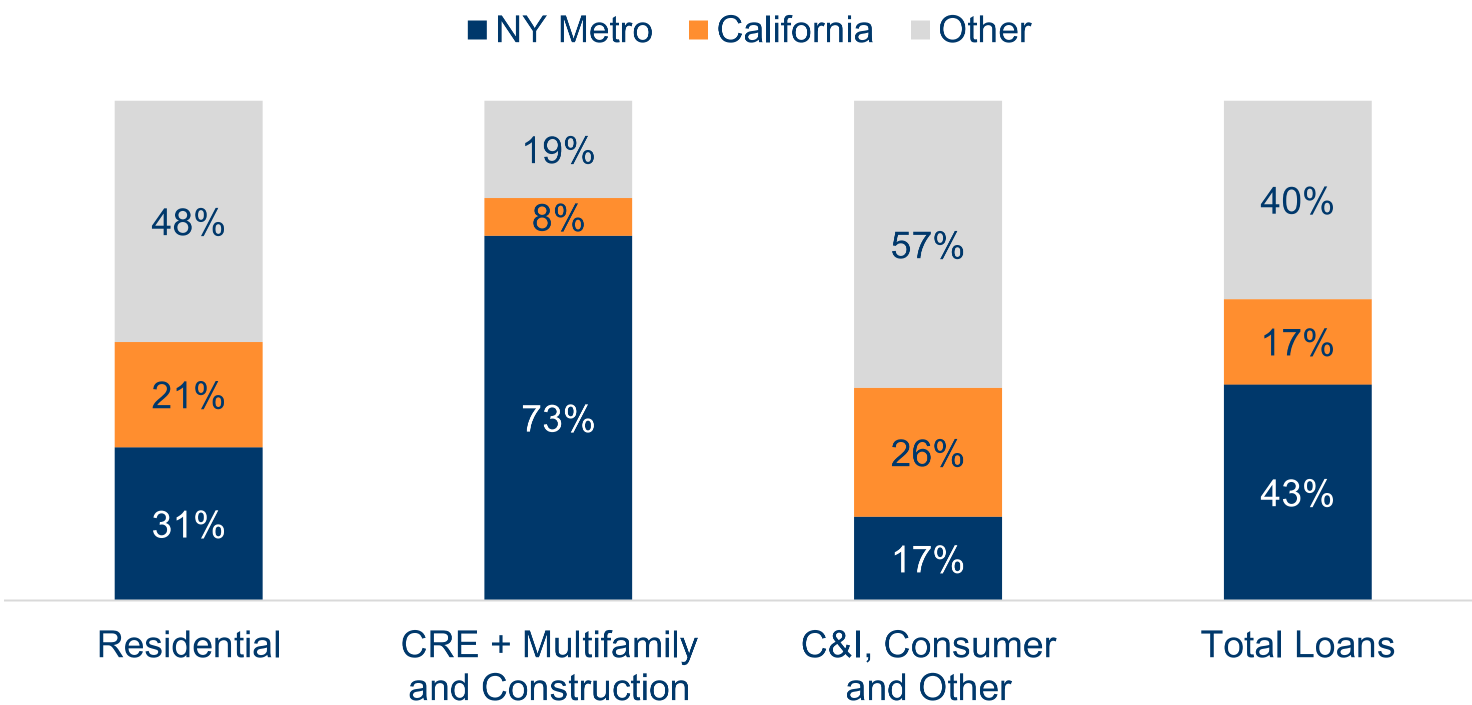
Property Use	Loan Balance
Retail	$ 46.1
Office	19.9
Mixed Use / Other	30.3
Hotel	13.9
Total	**$ 110.2**

[1] *Loan-to-value is calculated as the existing book balance divided by the most recent appraisal value (all appraisals are pre-COVID-19)*

Loan Portfolio by Geography

Total Loans, Net

(Share %)



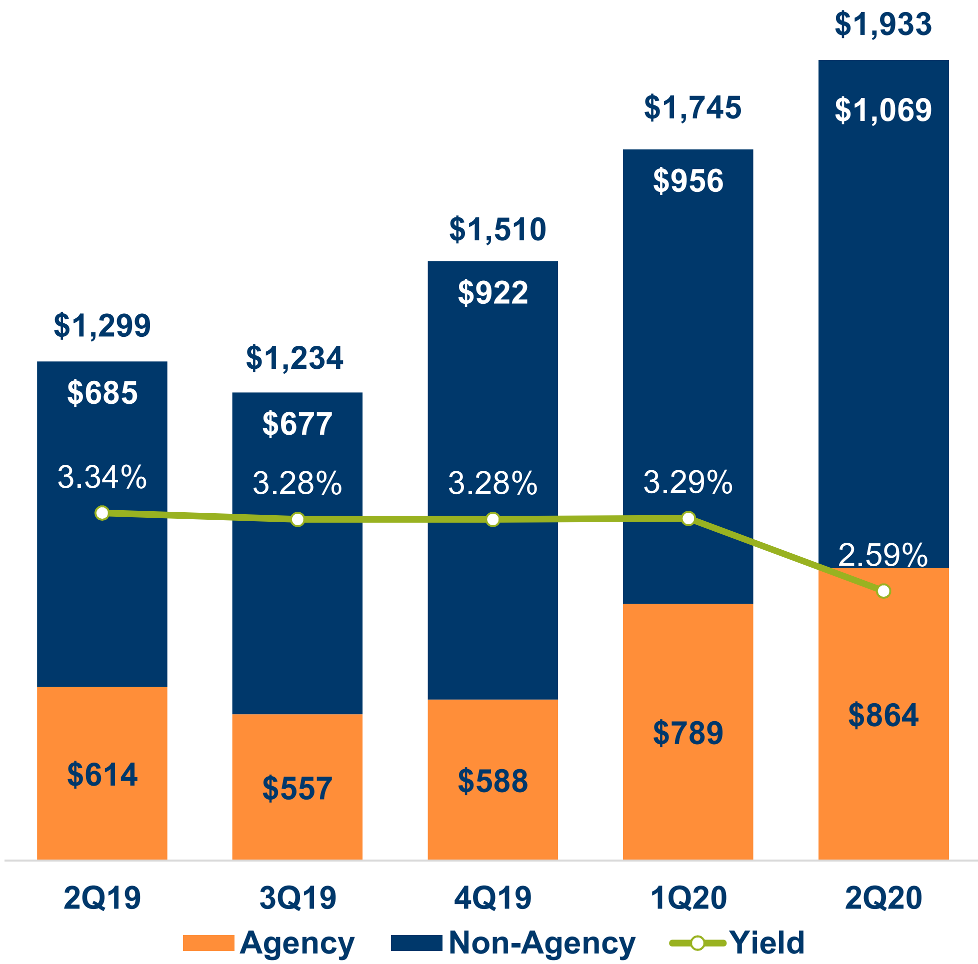
✓ 57% of loan portfolio is outside of NY Metro area

NY Metro as defined by the US Office of Management and Budget
Loan balances as of 5/31/2020

Cash and Investment Securities

Securities – Book value[1]

($ in millions)



(1) *Securities book value excludes unrealized Available for Sale (AFS) gain / loss on sale*
(2) *Excludes non-rated securities, e.g. PACE assessments*

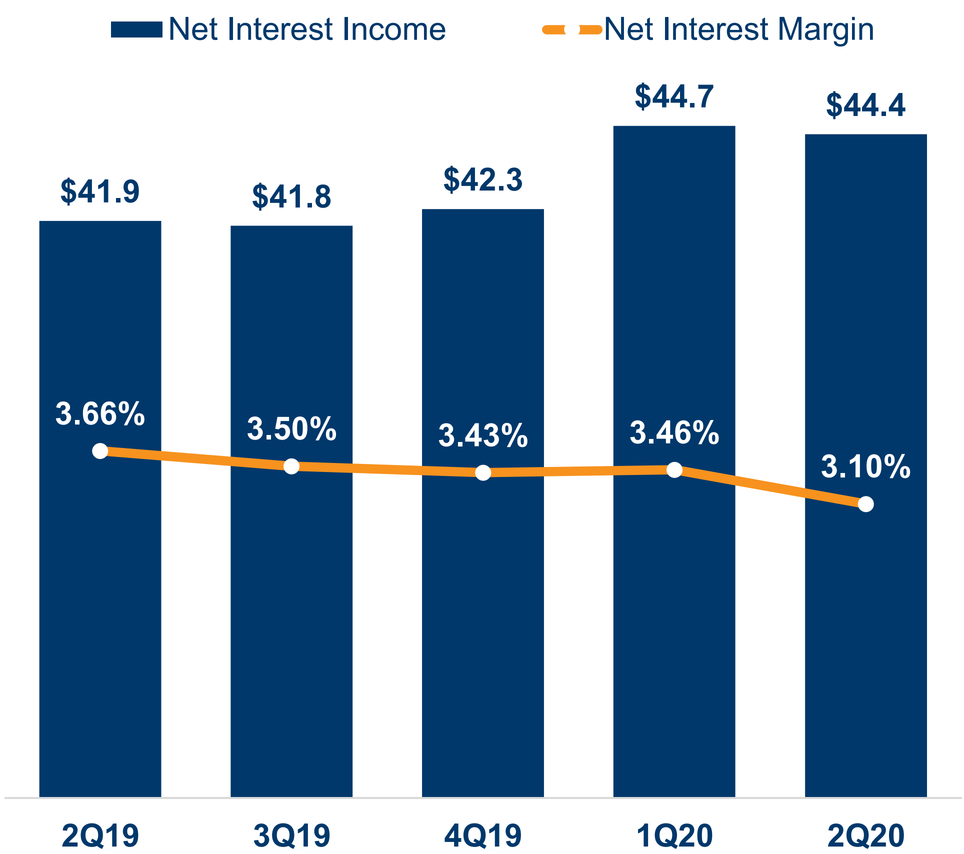
2Q20 Highlights

- ✓ Investment Securities totaled $1.9 billion book value for 2Q20
- ✓ Securities increase of $188 million from 1Q20 is primarily due to an increase in agency securities
- ✓ 85% of all non-agency MBS/ABS securities are AAA rated and 99.9% are A rated or higher[2]; all CLO's are AAA rated
- ✓ As of 2Q20 average subordination for the C&I CLOs is 42%
- ✓ Non-agency securities in 2Q20 include $323.4 million of PACE assessments, which are non-rated

Net Interest Income and Margin

Net Interest Income & Margin

($ in millions)



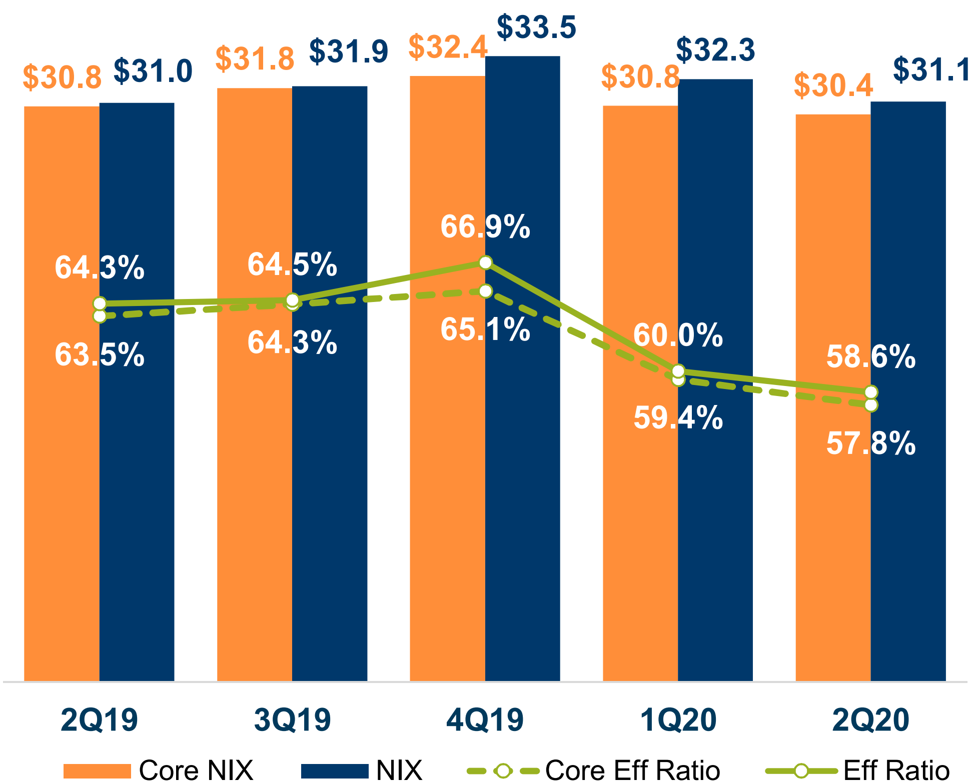
2Q20 Highlights

- ✓ Net interest income is $44.4 million, compared to $44.7 million in 1Q20
- 2Q20 NIM at 3.10%; a decrease of 36 bps and 56 bps, compared to 1Q20 and 2Q19, respectively
- ✓ NIM decreased by approximately 19bps due to the strong increase of deposits deployed into cash and floating rate securities

Non-Interest Expense and Efficiency

Non-Interest Expense

($ in millions)



(1) See non-GAAP disclosures on pages 23-24

2Q20 Highlights

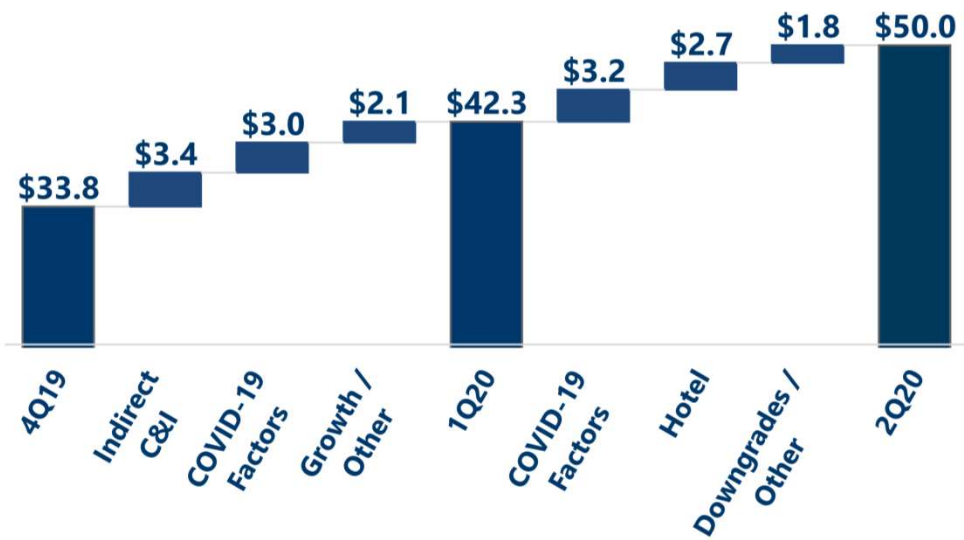
- ✓ Efficiency ratio of 58.5% for 2Q20
- ✓ Core efficiency ratio of 57.7% for 2Q20(1)
- ✓ Non-interest expense for 2Q20 is $31.1 million
- ✓ Core non-interest expense for 2Q20 is $30.4 million, a decrease of $0.5 million compared to 1Q20(1)

OTHER UPDATES

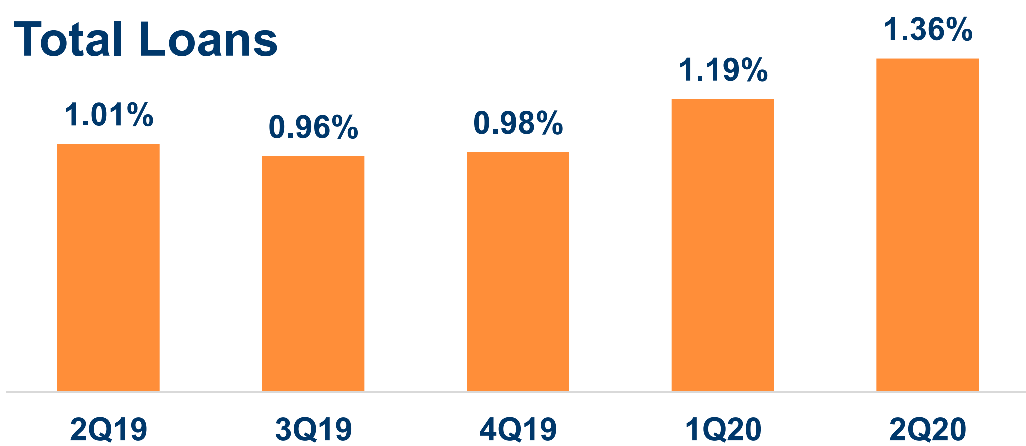
- ✓ Additional six branch closures results in approximately $4.4 million in annualized expense savings beginning in 2021
- ✓ 2Q20 core expenses(1) exclude:
  - ✓ Branch closure expenses of $0.7 million

Allowance for Loan Losses

Allowance for Loan Losses Change from 4Q19 to 2Q20
($ in millions)



Allowance for Loan Losses / Total Loans

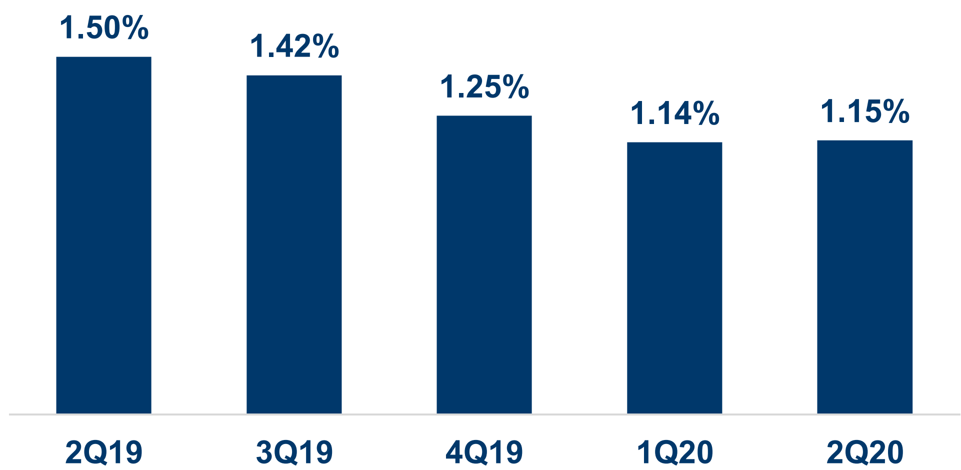


2Q20 Overview

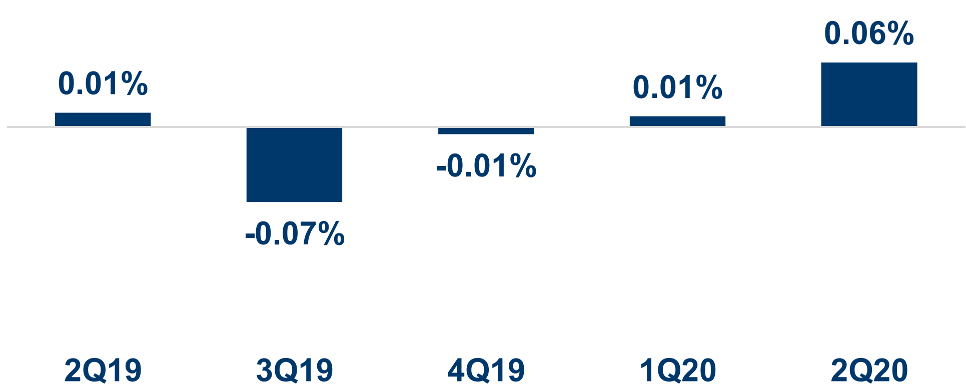
- ✓ Allowance for loan losses totals $50.0 million in 2Q20
- ✓ COVID-19 loan deferrals increased factors in ALLL by $3.2 million
- ✓ $2.7 million specific reserve for a legacy loan to a hotel in Ohio that has been moved to non-accrual

Credit Quality Portfolio

NPA / Total Assets



NCO / Average Loans[2]



[(1)] *Run-off portfolio includes indirect C&I loans and residential loans purchased prior to 2010*
[(2)] *Annualized*

NPA by Portfolio

($ in millions)

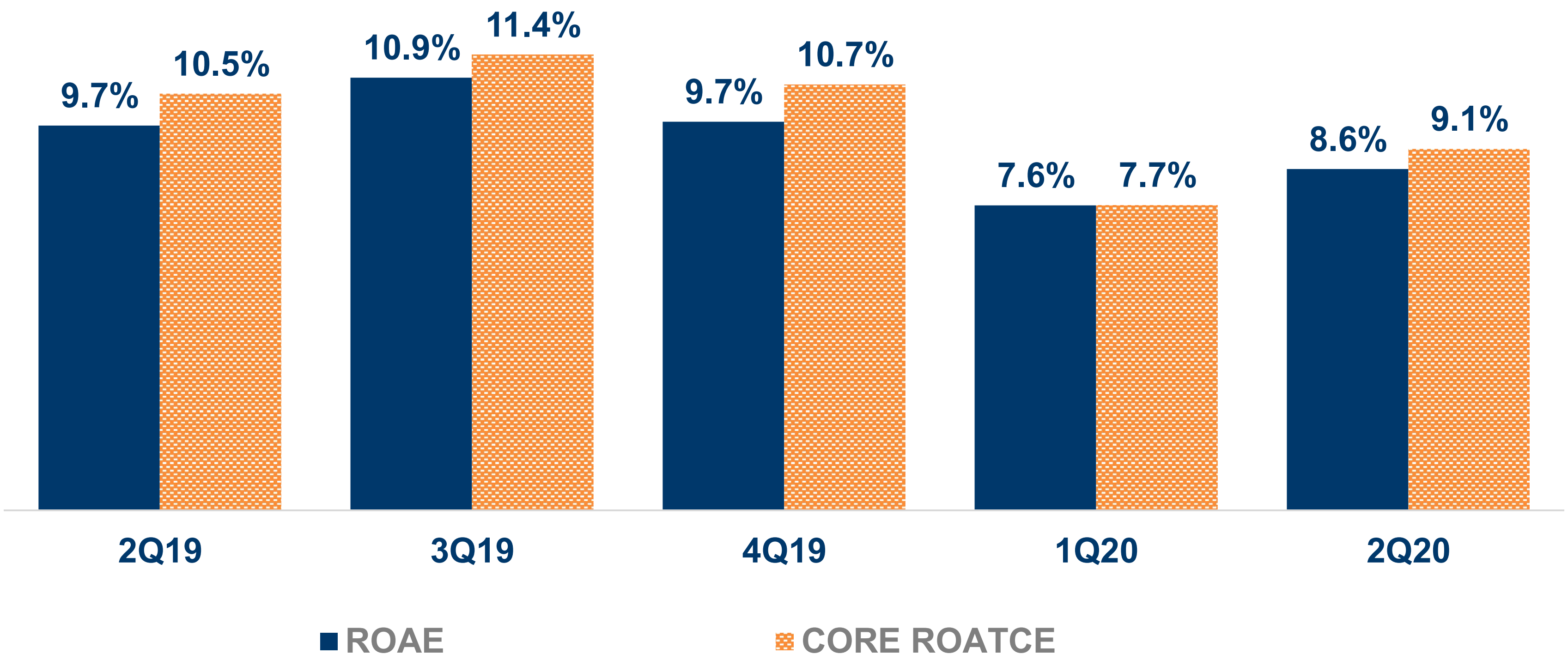
	2Q20 EOP	Total NPA	% of Balance
Run-off [(1)]	$ 133	$ 50	37.7%
Non run-off	3,547	24	0.7%
Total	**$ 3,680**	**$ 74**	**2.0%**

2Q20 Highlights

- ✓ Nonperforming assets are $74.3 million as of 2Q20, compared to $65.6 million in 1Q20
  - ✓ $11.7 million increase in non-accruing loans primarily related to one hotel loan originated in 2005
- ✓ Majority of NPAs are in run-off portfolio
- ✓ Net charge-offs are negligible since 2Q19

Returns

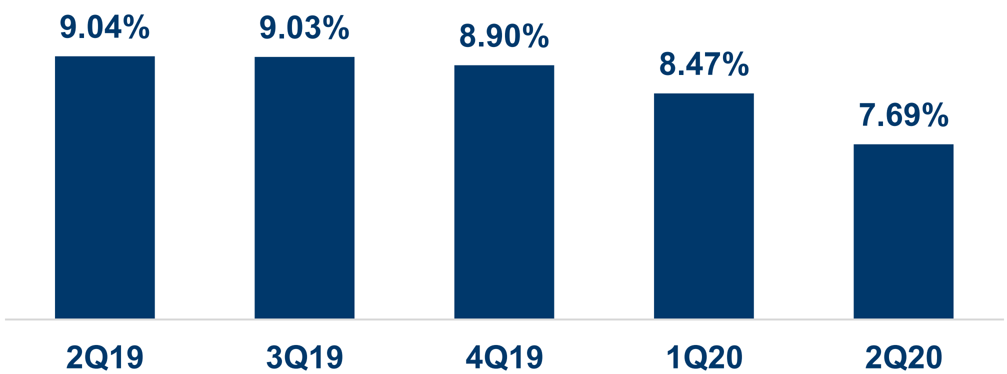
ROAE & Core ROATCE (1)



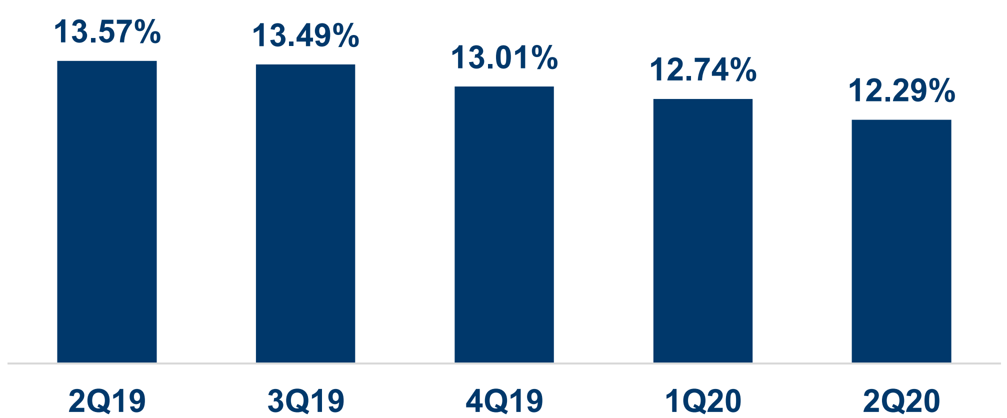
(1) See non-GAAP disclosures on pages 23-24

Capital

Tier 1 Leverage Ratio



Common Equity Tier 1 Ratio



2Q20 Highlights

- ✓ Regulatory capital ratios remain strong
  - ✓ Tier 1 leverage ratio of 7.69% as of 2Q20
  - ✓ Common Equity Tier 1 Capital of 12.29%
- ✓ Tier 1 leverage ratio was lowered by 64bps due $465 million increase in cash from strong deposit growth. Impact will reverse with outflow of political deposits in 4Q20

Appendix

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Core operating revenue					
Net interest income (GAAP)	$ 44,439	$ 44,689	$ 41,856	$ 89,127	$ 82,629
Non interest income (GAAP)	8,671	9,118	6,349	17,789	13,766
Less: Branch sale loss (gain)[1]	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Core operating revenue (non-GAAP)	$ 52,658	$ 51,880	$ 48,582	$ 104,537	$ 96,480
Core non-interest expenses					
Non-interest expense (GAAP)	$ 31,068	$ 32,270	$ 31,002	$ 63,339	$ 62,450
Less: Branch closure expense[2]	(695)	(1,432)	-	(2,051)	-
Less: Severance [3]	-	-	(154)	(76)	(271)
Core non-interest expense (non-GAAP)	$ 30,373	$ 30,838	$ 30,848	$ 61,212	$ 62,179
Core net income					
Net Income (GAAP)	$ 10,374	$ 9,545	$ 11,185	$ 19,919	$ 21,999
Less: Branch sale (gain)[1]	34	(1,428)	-	(1,394)	-
Less: Securities loss (gain)	(486)	(499)	377	(985)	85
Add: Branch closure expense[2]	695	1,432	-	2,051	-
Add: Severance [3]	-	-	154	76	271
Less: Tax on notable items	(61)	130	(137)	65	(92)
Core net income (non-GAAP)	$ 10,556	$ 9,180	$ 11,579	$ 19,731	$ 22,264

(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

(in thousands)	As of and for the Three Months Ended June 30, 2020	As of and for the Three Months Ended March 31, 2020	As of and for the Three Months Ended June 30, 2019	As of and for the Six Months Ended June 30, 2020	As of and for the Six Months Ended June 30, 2019
Tangible common equity					
Stockholders' Equity (GAAP)	$ 503,702	$ 473,269	$ 474,944	$ 503,702	$ 474,944
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,043)	(6,386)	(7,415)	(6,043)	(7,415)
Tangible common equity (non-GAAP)	$ 484,589	$ 453,813	$ 454,458	$ 484,589	$ 454,458
Average tangible common equity					
Average Stockholders' Equity (GAAP)	$ 487,531	$ 501,881	$ 464,902	$ 494,706	$ 455,734
Less: Minority Interest (GAAP)	(134)	(134)	(134)	(134)	(134)
Less: Goodwill (GAAP)	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible (GAAP)	(6,210)	(6,552)	(7,575)	(6,381)	(7,738)
Average tangible common equity (non-GAAP)	$ 468,250	$ 482,258	$ 444,256	$ 475,254	$ 434,925
Core return on average assets					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Total average assets (denominator) (GAAP)	6,070,392	5,426,863	4,853,975	5,748,627	4,821,107
Core return on average assets (non-GAAP)	0.70%	0.68%	0.96%	0.69%	0.93%
Core return on average tangible common equity					
Core net income (numerator) (non-GAAP)	10,556	9,180	11,579	19,731	22,264
Divided: Average tangible common equity (denominator) (non-GAAP)	468,250	482,258	444,256	475,254	434,925
Core return on average tangible common equity (non-GAAP)	9.07%	7.66%	10.45%	8.35%	10.32%
Core efficiency ratio					
Core non-interest expense (numerator) (non-GAAP)	30,373	30,838	30,848	61,212	62,179
Core operating revenue (denominator) (non-GAAP)	52,658	51,880	48,582	104,537	96,480
Core efficiency ratio (non-GAAP)	57.68%	59.44%	63.50%	58.56%	64.45%

(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

Thank You

global alliance for banking on values

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