

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 27, 2023

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

Delaware
(State or other jurisdiction
of incorporation)

001-40136
(Commission File Number)

85-2757101
(I.R.S. Employer Identification
No.)

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On April 27, 2023, Amalgamated Financial Corp. (the Company) issued a press release announcing financial results for the first quarter ended March 31, 2023. 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 April 27, 2023, the Company will hold an earnings conference call and webcast at 11:00 a.m. (Eastern Time) to discuss financial results for the first quarter ended March 31, 2022. 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

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated April 27, 2023
99.2	Slide Presentation
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

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

AMALGAMATED FINANCIAL CORP.

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

Date: **April 27, 2023**

Amalgamated Financial Corp. Reports First Quarter 2023 Financial Results; Exhibiting Deposit Stability and Solid Liquidity

NEW YORK, April 27, 2023 – (Globe Newswire) -- Amalgamated Financial Corp. (the “Company” or “Amalgamated”) (Nasdaq: AMAL), the holding company for Amalgamated Bank (the “Bank”), today announced financial results for the first quarter ended March 31, 2023.

First Quarter 2023 Highlights (on a linked quarter basis)

- Net income of \$21.3 million, or \$0.69 per diluted share, compared to \$24.8 million, or \$0.80 per diluted share.
- Core net income excluding the impact of solar tax equity investments (non-GAAP)¹ was \$23.0 million, or \$0.74 per diluted share, as compared to \$27.2 million, or \$0.87 per diluted share.
- Total deposits increased \$446.4 million or 6.8% to \$7.0 billion. Excluding Brokered CDs, deposits declined \$74.3 million or 1.1% to \$6.4 billion, reflecting a stable deposit base.
- Excluding Brokered CDs, average cost of deposits was 61 basis points for the quarter, where non-interest bearing deposits comprised 47% of total deposits.
- Loans receivable, net of deferred loan origination costs, increased \$92.2 million, or 2.2%, to \$4.2 billion.
- PACE assessments grew \$84.5 million to \$996.4 million, comprised of a \$7.0 million increase in commercial and \$77.5 million increase in residential.
- Net interest income was level at \$67.3 million compared to \$67.3 million, while net interest margin grew by 5 basis points to 3.59%, compared to 3.54%.

First Quarter 2023 Liquidity Summary and Key Balance Sheet Insights

- Super-core deposits totaled approximately \$3.5 billion, had a weighted average life of 17.2 years, and comprised 54% of total deposits excluding Brokered CDs.
- Total uninsured deposits were \$4.4 billion or 62% of total deposits. Excluding uninsured super-core deposits of approximately \$2.5 billion, remaining uninsured deposits were approximately 25-28% of total deposits with immediate liquidity coverage of 137%.
- Cash and borrowing capacity totaled \$2.6 billion (immediately available) plus unpledged securities (two-day availability) of \$868.0 million for total liquidity within two-days of \$3.4 billion (79% of total uninsured deposits).
- Tangible common equity ratio of 6.43%.
- Available for sale securities had unrealized losses of 6.6%, with an effective duration of 1.8 years.
- Held-to-maturity securities had unrealized losses of 8.0%, with an effective duration of 4.9 years, and an effective duration of 4.2 years excluding PACE assessments.
- Regulatory capital remains above bank “well capitalized” standards, and remains strong after the adoption of the CECL standard on January 1, 2023.

Priscilla Sims Brown, President and Chief Executive Officer, commented, “Amalgamated has a differentiated position in the market as a mission-based bank, that has been run conservatively with long tenured client relationships. Over half our core deposit franchise is comprised of customers that have banked with us for decades given our shared values and labor union heritage. Our first quarter results again validate our mission and our beliefs. In fact, our results demonstrate the resiliency of our strategy as well as the strength of our customer relationships. Our strong capital and liquidity positions us well to pursue the next leg of our Growth for Good strategy.”

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

First Quarter Earnings

Net income for the first quarter of 2023 was \$21.3 million, or \$0.69 per diluted share, compared to \$24.8 million, or \$0.80 per diluted share, for the fourth quarter of 2022. The \$3.5 million decrease for the first quarter of 2023 compared to the preceding quarter was primarily driven by a \$0.6 million loss related to the sale of a portion of a Silicon Valley Bank (“SIVB”) senior note, a \$0.5 million increase in provision expense, a \$3.0 million increase in non-interest expense, and an \$0.8 million increase in income tax expense, offset by a \$1.6 million increase in non-interest income which excludes the loss related to the sale of a portion of the SIVB senior note.

Core net income excluding the impact of solar tax equity investments (non-GAAP)¹ for the first quarter of 2023 was \$23.0 million, or \$0.74 per diluted share, compared to \$27.2 million, or \$0.87 per diluted share, for the fourth quarter of 2022. Excluded from core net income for the first quarter of 2023 were \$3.1 million of pre-tax losses on sales of securities, and \$0.8 million of pre-tax gains on subordinated debt repurchases. Excluded from the fourth quarter of 2022 were \$1.4 million of pre-tax losses on the sale of securities and \$1.7 million of accelerated depreciation from our solar tax equity investments.

Net interest income was \$67.3 million for the first quarter of 2023, compared to \$67.3 million for the fourth quarter of 2022. Interest income on securities increased \$4.3 million driven by a 65 basis point increase in securities yield offset by a decrease in the average balance of securities of \$39.2 million. Loan interest income increased \$2.3 million driven by a \$110.2 million increase in average loan balances and a 21 basis point increase in loan yields. The increase in interest income was offset by higher interest expense on deposits of \$8.2 million driven by a 84 basis point increase in deposit costs and an increase in the average balance of interest-bearing deposits of \$437.4 million, offset by a \$1.7 million decrease in interest expense on borrowings due to a \$197.4 million decrease in the average balance of borrowings. The changes in deposit and borrowing costs were primarily related to a \$520.6 million increase in Brokered CDs, which replaced short-term borrowing positions from the prior quarter.

Net interest margin was 3.59% for the first quarter of 2023, an increase of 5 basis points from 3.54% in the fourth quarter of 2022. Increases in yields and average balances of interest-earning assets were offset by increased rates and average balances of interest-bearing liabilities, particularly interest-bearing Brokered CDs. No prepayment penalties were earned in loan income in the first quarter of 2023, compared to a one basis point contribution to net interest margin in the fourth quarter of 2022.

On January 1, 2023, the Current Expected Credit Loss (“CECL”) methodology for establishing the allowance for credit losses was adopted which increased the allowance for credit losses on loans and securities for on- and off-balance sheet credit exposures. Provision for credit losses totaled \$5.0 million for the first quarter of 2023 compared to \$4.4 million in the fourth quarter of 2022. During the quarter, the Bank recognized a \$1.2 million impairment charge on the SIVB senior note and an additional \$1.1 million of provision expense related to the charge-off of a multifamily loan. Adjusted for these items, our provision for credit losses was \$2.7 million under the new CECL standard, primarily driven by solar charge-offs, portfolio growth, and changes in the economic forecasts used to calculate the allowance.

Core non-interest income excluding the impact of solar tax equity investments (non-GAAP)¹ was \$7.5 million for the first quarter of 2023, compared to \$7.3 million in the fourth quarter of 2022. The increase of \$0.2 million was primarily related to losses on sales of nonperforming assets incurred in the previous quarter.

Core non-interest expense (non-GAAP)¹ for the first quarter of 2023 was \$38.6 million, an increase of \$3.1 million from the fourth quarter of 2022. This was primarily driven by a \$2.5 million increase in compensation and employee benefits comprised mainly of an expected increase in payroll taxes given timing of corporate incentive payments, temporary personnel costs, and benefit insurance costs incurred during the quarter. Additionally, professional services increased from carryover costs related to year-end audit work and data processing increased mainly as a result of sales tax refunds collected in the fourth quarter.

Our provision for income tax expense was \$7.6 million for the first quarter of 2023, compared to \$6.8 million for the fourth quarter of 2022. The increase reflects the impact of an elected change in taxable income recognition in the fourth quarter of 2022. Our effective tax rate for the first quarter of 2023 was 26.2%, compared to 21.6% for the fourth quarter of 2022.

Balance Sheet Quarterly Summary

Total assets were \$7.8 billion at March 31, 2023, compared to \$7.8 billion at December 31, 2022. Notable changes within individual balance sheet line items include a \$92.2 million increase in loans receivable, net of deferred loan origination costs, and an increase in cash of \$67.4 million, offset by a \$96.2 million decrease in investment securities, a \$26.1 million decrease in Federal Home Loan Bank of New York stock, a \$22.3 million increase in the allowance for credit losses, and a \$10.4 million decrease in resell agreements.

Total loans receivable, net of deferred loan origination costs at March 31, 2023 were \$4.2 billion, an increase of \$92.2 million, or 2.2%, compared to December 31, 2022. The increase in loans is primarily driven by a \$95.3 million increase in multifamily loans and a \$18.4 million increase in residential loans, offset by a \$7.9 million decrease in our consumer loan portfolio, and a \$7.7 million decrease in the commercial real estate portfolio as we continue to reduce our exposure. During the quarter we had \$5.6 million of payoffs of criticized or classified loans as we continue to focus on the improving the credit quality of the commercial portfolio.

Deposits at March 31, 2023 were \$7.0 billion, an increase of \$446.4 million, or 6.8%, as compared to \$6.6 billion as of December 31, 2022. Deposits excluding Brokered CDs decreased by \$74.3 million to \$6.4 billion, a 1.1% decrease compared to December 31, 2022, mainly due to normal end-of-period pension depository outflows. Deposits held by politically active customers, such as campaigns, PACs, advocacy-based organizations, and state and national party committees were \$678.1 million as of March 31, 2023, an increase of \$34.5 million compared to \$643.6 million as of December 31, 2022.

Non-interest-bearing deposits represent 48% of average total deposits and 43% of ending deposits for the quarter ended March 31, 2023, contributing to an average cost of deposits of 81 basis points in the first quarter of 2023.

Nonperforming assets totaled \$38.7 million, or 0.49% of period-end total assets at March 31, 2023, an increase of \$10.1 million, compared with \$28.6 million, or 0.44% on a linked quarter basis. The increase in non-performing assets was primarily driven by the SIVB senior note and one construction loan placed on nonaccrual status in the first quarter of 2023, offset by a \$1.1 million charge-off on a multifamily loan.

During the quarter, the allowance for credit losses on loans increased \$22.3 million to \$67.3 million at March 31, 2023 from \$45.0 million at December 31, 2022. The adoption of the CECL standard increased the allowance for credit losses on loans by \$21.2 million to recognize the Day 1 cumulative effect, primarily attributed to our consumer solar portfolio. The ratio of allowance to total loans was 1.61% at March 31, 2023 and 1.10% at December 31, 2022. Considering the Day 1 cumulative effect, the ratio of allowance to total loans at January 1, 2023 was 1.61%. The allowance for credit losses on held-to-maturity securities was \$0.7 million to recognize the Day 1 cumulative effect, primarily attributed to commercial and residential PACE securities. Additionally, the allowance for expected credit losses on off-balance sheet loan exposures was increased by \$2.6 million to recognize the Day 1 cumulative impact of adopting the CECL standard.

Capital Quarterly Summary

As of March 31, 2023, our Common Equity Tier 1 Capital Ratio was 12.23%, Total Risk-Based Capital Ratio was 15.00%, and Tier-1 Leverage Capital Ratio was 7.50%, compared to 12.31%, 14.87%, and 7.52%, respectively, as of December 31, 2022. Stockholders' equity at March 31, 2023 was \$519.2 million, compared to \$509.0 million at December 31, 2022. The increase in stockholders' equity was primarily driven by \$21.3 million of net income for the quarter and an \$11.4 million improvement in accumulated other comprehensive loss due to the tax effected mark-to-market on our securities portfolio, offset by a \$17.8 million tax effected charge to retained earnings related to the adoption of the CECL standard. We did not elect to utilize the optional three-year phase-in period for the Day 1 adverse regulatory capital effects upon adopting the CECL standard.

Our tangible book value per share was \$16.42 as of March 31, 2023 compared to \$16.05 as of December 31, 2022. Tangible common equity was 6.43% of tangible assets, compared to 6.30% as of December 31, 2022.

Conference Call

As previously announced, Amalgamated Financial Corp. will host a conference call to discuss its first quarter 2023 results today, April 27, 2023 at 11:00am (Eastern Time). The conference call can be accessed by dialing 1-877-407-9716 (domestic) or 1-201-493-6779 (international) and asking for the Amalgamated Financial Corp. First Quarter 2023 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 13737335. The telephonic replay will be available until May 4, 2023.

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 <https://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 <https://ir.amalgamatedbank.com/>.

About Amalgamated Financial Corp.

Amalgamated Financial Corp. is a Delaware public benefit corporation and a bank holding company engaged in commercial banking and financial services through its wholly-owned subsidiary, Amalgamated Bank. Amalgamated Bank is a New York-based full-service commercial bank and a chartered trust company with a combined network of five branches across New York City, Washington D.C., and San Francisco, and a commercial office in Boston. Amalgamated Bank was formed in 1923 as Amalgamated Bank of New York by the Amalgamated Clothing Workers of America, one of the country's oldest labor unions. Amalgamated Bank provides commercial banking and trust services nationally and offers a full range of products and services to both commercial and retail customers. Amalgamated Bank is a proud member of the Global Alliance for Banking on Values and is a certified B Corporation®. As of March 31, 2023, our total assets were \$7.8 billion, total net loans were \$4.1 billion, and total deposits were \$7.0 billion. Additionally, as of March 31, 2023, our trust business held \$39.7 billion in assets under custody and \$13.9 billion in assets under management.

Non-GAAP Financial Measures

This release (and the accompanying financial information and tables) refer 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 March 31, 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 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:

“Super-core deposits” are defined as total deposits from commercial and consumer customers, with a relationship length of greater than 5 years. We believe the most directly comparable GAAP financial measure is total deposits.

“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.

“Core efficiency ratio excluding solar tax impact” is defined as “Core non-interest expense” divided by “Core operating revenue excluding solar tax impact.” 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.

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

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

“Core non-interest expense” is defined as total non-interest expense excluding costs related to branch closures, restructuring/severance, and acquisitions. We believe the most directly comparable GAAP financial measure is total non-interest expense.

“Core non-interest income excluding the impact of solar tax equity investments” is defined as total non-interest income excluding gains and losses on sales of securities, gains on the sale of owned property, and tax credits and depreciation on solar equity investments. We believe the most directly comparable GAAP financial measure is non-interest income.

“Core operating revenue” is defined as total net interest income plus “core non-interest income”, defined as 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 operating revenue excluding solar tax impact” is defined as total net interest income plus non-interest income excluding gains and losses on sales of securities, gains on the sale of owned property, and tax credits and depreciation on solar equity investments. We believe the most directly comparable GAAP financial measure is the total of net interest income and non-interest income.

“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 assets excluding solar tax impact” is defined as “Core net income excluding solar tax impact” 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 return on average tangible common equity excluding solar tax impact” is defined as “Core net income excluding solar tax impact” 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.

“Tangible assets” are defined as total assets excluding, as applicable, goodwill and core deposit intangibles. We believe the most directly comparable GAAP financial measure is total assets.

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

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,” “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 risks and uncertainties include, but are not limited to: (i) 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; (ii) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (iii) 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; (iv) changes in our deposits, including an increase in uninsured deposits; (v) unfavorable conditions in the capital markets, which may cause declines in our stock price and the value of our investments; (vi) continued fluctuation of the interest rate environment, including changes in net interest margin or changes that affect the yield curve on investments; (vii) potential deterioration in real estate collateral values; (viii) changes in legislation, regulation, public policies, or administrative practices impacting the banking industry, including increased regulation and FDIC assessments in the aftermath of the Silicon Valley and Signature Bank failures; (ix) the outcome of legal or regulatory proceedings that may be instituted against us; (x) our inability to maintain the historical growth rate of the loan portfolio; (xi) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (xii) 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; (xiii) any matter that would cause us to conclude that there was impairment of any asset, including intangible assets; (xiv) the risk that the preliminary financial information reported herein and our current preliminary analysis will be different when our review is finalized; (xv) increased competition for experienced members of the workforce including executives in the banking industry; (xvi) 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; (xvii) a downgrade in our credit rating; (xviii) increased political opposition to Environmental, Social and Governance (“ESG”) practices; (xix) recessionary conditions; (xx) the ongoing economic effects of the COVID-19 pandemic; and (xxi) physical and transitional risks related to climate change as they impact our business and the businesses that we finance. Additional factors which could affect the forward-looking statements can be found in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC and available on the SEC’s website at <https://www.sec.gov/>. We disclaim any obligation to update or revise any forward-looking statements contained in this release, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

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

Consolidated Statements of Income (unaudited)

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(\$ in thousands)			
INTEREST AND DIVIDEND INCOME			
Loans	\$ 44,806	\$ 42,492	\$ 31,127
Securities	39,512	35,567	19,155
Interest-bearing deposits in banks	618	485	179
Total interest and dividend income	<u>84,936</u>	<u>78,544</u>	<u>50,461</u>
INTEREST EXPENSE			
Deposits	13,835	5,682	1,402
Borrowed funds	3,821	5,516	691
Total interest expense	<u>17,656</u>	<u>11,198</u>	<u>2,093</u>
NET INTEREST INCOME	<u>67,280</u>	<u>67,346</u>	<u>48,368</u>
Provision for credit losses ⁽¹⁾	4,958	4,434	2,293
Net interest income after provision for credit losses	<u>62,322</u>	<u>62,912</u>	<u>46,075</u>
NON-INTEREST INCOME			
Trust Department fees	3,929	3,607	3,491
Service charges on deposit accounts	2,455	2,991	2,447
Bank-owned life insurance	781	986	814
Gain (loss) on sale of securities	(3,086)	(1,373)	162
Gain (loss) on sale of loans, net	3	(578)	(157)
Loss on other real estate owned, net	—	(168)	—
Equity method investments	153	(1,416)	432
Other	973	177	233
Total non-interest income	<u>5,208</u>	<u>4,226</u>	<u>7,422</u>
NON-INTEREST EXPENSE			
Compensation and employee benefits	22,014	19,470	17,669
Occupancy and depreciation	3,399	3,345	3,440
Professional fees	2,230	1,684	2,815
Data processing	4,549	4,072	5,184
Office maintenance and depreciation	728	696	725
Amortization of intangible assets	222	262	262
Advertising and promotion	1,587	1,331	854
Federal deposit insurance premiums	718	788	667
Other	3,180	3,922	2,781
Total non-interest expense	<u>38,627</u>	<u>35,570</u>	<u>34,397</u>
Income before income taxes	<u>28,903</u>	<u>31,568</u>	<u>19,100</u>
Income tax expense	7,565	6,813	4,935
Net income	<u>\$ 21,338</u>	<u>\$ 24,755</u>	<u>\$ 14,165</u>
Earnings per common share - basic	<u>\$ 0.69</u>	<u>\$ 0.81</u>	<u>\$ 0.46</u>
Earnings per common share - diluted	<u>\$ 0.69</u>	<u>\$ 0.80</u>	<u>\$ 0.45</u>

(1) In accordance with the adoption of the CECL standard on January 1, 2023, the provision for credit losses as of March 31, 2023 is calculated under the current expected credit losses model. For December 31, 2022 and March 31, 2022, the provision presented is the provision for loan losses calculated using the incurred loss model.

Consolidated Statements of Financial Condition

(\$ in thousands)

	March 31, 2023	December 31, 2022
Assets	(unaudited)	
Cash and due from banks	\$ 5,192	\$ 5,110
Interest-bearing deposits in banks	125,705	58,430
Total cash and cash equivalents	130,897	63,540
Securities:		
Available for sale, at fair value	1,639,105	1,812,476
Held-to-maturity, at amortized cost and net of allowance of \$687 and \$0, respectively ⁽¹⁾	1,618,507	1,541,301
Loans held for sale	5,653	7,943
Loans receivable, net of deferred loan origination costs	4,198,170	4,106,002
Allowance for credit losses ⁽¹⁾	(67,323)	(45,031)
Loans receivable, net	4,130,847	4,060,971
Resell agreements	15,431	25,754
Federal Home Loan Bank of New York ("FHLBNY") stock, at cost	3,507	29,607
Accrued interest and dividends receivable	40,844	41,441
Premises and equipment, net	9,250	9,856
Bank-owned life insurance	105,405	105,624
Right-of-use lease asset	26,516	28,236
Deferred tax asset, net	62,504	62,507
Goodwill	12,936	12,936
Intangible assets, net	2,883	3,105
Equity investments	8,170	8,305
Other assets	24,001	29,522
Total assets	<u>\$ 7,836,456</u>	<u>\$ 7,843,124</u>
Liabilities		
Deposits	\$ 7,041,361	\$ 6,595,037
Subordinated debt	73,737	77,708
FHLBNY advances	—	580,000
Federal funds purchased	140,000	—
Operating leases	38,333	40,779
Other liabilities	23,867	40,645
Total liabilities	7,317,298	7,334,169
Stockholders' equity		
Common stock, par value \$.01 per share	307	307
Additional paid-in capital	287,514	286,947
Retained earnings	330,673	330,275
Accumulated other comprehensive loss, net of income taxes	(97,317)	(108,707)
Treasury stock, at cost	(2,152)	—
Total Amalgamated Financial Corp. stockholders' equity	519,025	508,822
Noncontrolling interests	133	133
Total stockholders' equity	519,158	508,955
Total liabilities and stockholders' equity	<u>\$ 7,836,456</u>	<u>\$ 7,843,124</u>

(1) In accordance with the adoption of the CECL standard on January 1, 2023, the allowance for credit losses on both loans and securities as of March 31, 2023 is calculated under the current expected credit losses model. For December 31, 2022 and March 31, 2022, no allowance was calculated on securities, and the allowance on loans presented is the allowance for loan losses calculated using the incurred loss model.

Select Financial Data

	As of and for the		
	Three Months Ended		
	March 31,	December 31,	March 31,
	2023	2022	2022
(Shares in thousands)			
Selected Financial Ratios and Other Data:			
Earnings per share			
Basic	\$ 0.69	\$ 0.81	\$ 0.46
Diluted	0.69	0.80	0.45
Core net income (non-GAAP)			
Basic	\$ 0.75	\$ 0.84	\$ 0.46
Diluted	0.74	0.83	0.46
Core net income excluding solar tax impact (non-GAAP)			
Basic	\$ 0.75	\$ 0.89	\$ 0.46
Diluted	0.74	0.87	0.45
Book value per common share (excluding minority interest)	\$ 16.94	\$ 16.57	\$ 16.99
Tangible book value per share (non-GAAP)	\$ 16.42	\$ 16.05	\$ 16.45
Common shares outstanding, par value \$.01 per share ⁽¹⁾	30,642	30,700	30,995
Weighted average common shares outstanding, basic	30,706	30,679	31,107
Weighted average common shares outstanding, diluted	30,939	31,055	31,456

(1) 70,000,000 shares authorized; 30,736,141, 30,700,198, and 30,995,271 shares issued for the periods ended March 31, 2023, December 31, 2022, and March 31, 2022 respectively, and 30,642,299, 30,700,198, and 30,995,271 shares outstanding for the periods ended March 31, 2023, December 31, 2022, and March 31, 2022, respectively.

Select Financial Data

	As of and for the Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Selected Performance Metrics:			
Return on average assets	1.11 %	1.26 %	0.78 %
Core return on average assets (non-GAAP)	1.19 %	1.31 %	0.79 %
Core return on average assets excluding solar tax impact (non-GAAP)	1.19 %	1.38 %	0.79 %
Return on average equity	17.22 %	19.89 %	10.25 %
Core return on average tangible common equity (non-GAAP)	19.21 %	21.47 %	10.72 %
Core return on average tangible common equity excluding solar tax impact (non-GAAP)	19.21 %	22.58 %	10.68 %
Average equity to average assets	6.42 %	6.32 %	7.58 %
Tangible common equity to tangible assets	6.43 %	6.30 %	6.68 %
Loan yield	4.40 %	4.19 %	3.81 %
Securities yield	4.73 %	4.08 %	2.34 %
Deposit cost	0.81 %	0.34 %	0.09 %
Net interest margin	3.59 %	3.54 %	2.74 %
Efficiency ratio ⁽¹⁾	53.29 %	49.70 %	61.65 %
Core efficiency ratio (non-GAAP)	51.64 %	48.76 %	61.07 %
Core efficiency ratio excluding solar tax impact (non-GAAP)	51.64 %	47.65 %	61.14 %
Asset Quality Ratios:			
Nonaccrual loans to total loans	0.71 %	0.53 %	0.84 %
Nonperforming assets to total assets	0.49 %	0.44 %	0.80 %
Allowance for credit losses on loans to nonaccrual loans ⁽²⁾	224.74 %	207.53 %	129.71 %
Allowance for credit losses on loans to total loans ⁽²⁾	1.61 %	1.10 %	1.08 %
Annualized net charge-offs (recoveries) to average loans	0.25 %	0.15 %	0.08 %
Capital Ratios:			
Tier 1 leverage capital ratio	7.50 %	7.52 %	7.34 %
Tier 1 risk-based capital ratio	12.23 %	12.31 %	12.36 %
Total risk-based capital ratio	15.00 %	14.87 %	15.16 %
Common equity tier 1 capital ratio	12.23 %	12.31 %	12.36 %

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

(2) In accordance with the adoption of the CECL standard on January 1, 2023, the allowance for credit losses on loans as of March 31, 2023 is calculated under the current expected credit losses model. For December 31, 2022 and March 31, 2022, the allowance on loans presented is the allowance for loan losses calculated using the incurred loss model.

Loan and Held-to-Maturity Securities Portfolio Composition

(In thousands)	At March 31, 2023		At December 31, 2022		At March 31, 2022	
	Amount	% of total loans	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:						
Commercial and industrial	\$ 923,853	22.0%	\$ 925,641	22.5%	\$ 724,177	20.9%
Multifamily	1,062,826	25.3%	967,521	23.6%	813,702	23.5%
Commercial real estate	327,477	7.8%	335,133	8.2%	354,173	10.2%
Construction and land development	37,828	0.9%	37,696	0.9%	40,242	1.2%
Total commercial portfolio	<u>2,351,984</u>	<u>56.0%</u>	<u>2,265,991</u>	<u>55.2%</u>	<u>1,932,294</u>	<u>55.8%</u>
Retail portfolio:						
Residential real estate lending	1,390,135	33.1%	1,371,779	33.4%	1,143,175	33.0%
Consumer solar ⁽¹⁾	410,725	9.8%	416,849	10.2%	347,548	10.0%
Consumer and other ⁽¹⁾	45,326	1.1%	47,150	1.1%	41,904	1.2%
Total retail portfolio	<u>1,846,186</u>	<u>44.0%</u>	<u>1,835,778</u>	<u>44.8%</u>	<u>1,532,627</u>	<u>44.2%</u>
Total loans held for investment	<u>4,198,170</u>	<u>100.0%</u>	<u>4,101,769</u>	<u>100.0%</u>	<u>3,464,921</u>	<u>100.0%</u>
Net deferred loan origination costs ⁽²⁾	—		4,233		5,252	
Allowance for credit losses ⁽³⁾	(67,323)		(45,031)		(37,542)	
Loans receivable, net	<u>\$ 4,130,847</u>		<u>\$ 4,060,971</u>		<u>\$ 3,432,631</u>	
Held-to-maturity securities portfolio:						
PACE assessments	\$ 996,395	61.5%	\$ 911,877	59.2%	\$ 723,646	76.5%
Other securities	622,799	38.5%	629,424	40.8%	222,701	23.5%
Total held-to-maturity securities	<u>1,619,194</u>	<u>100.0%</u>	<u>1,541,301</u>	<u>100.0%</u>	<u>946,347</u>	<u>100.0%</u>
Allowance for credit losses ⁽³⁾	(687)		—		—	
Total held-to-maturity securities, net	<u>\$ 1,618,507</u>		<u>\$ 1,541,301</u>		<u>\$ 946,347</u>	

(1) The Company adopted the CECL standard on January 1, 2023. As a result, the classification of loan segments was updated, and all loan balances for presented periods have been reclassified.

(2) With the adoption of the CECL standard, loans balances as of March 31, 2023 are presented at amortized cost, net of deferred loan origination costs.

(3) With the adoption of the CECL standard, the allowance for credit losses on both loans and securities as of March 31, 2023 is calculated under the current expected credit losses model. For December 31, 2022 and March 31, 2022, no allowance was calculated on securities, and the allowance on loans presented is the allowance for loan losses calculated using the incurred loss model.

Net Interest Income Analysis

(In thousands)	Three Months Ended								
	March 31, 2023			December 31, 2022			March 31, 2022		
	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	\$ 90,962	\$ 618	2.76%	\$ 85,886	\$ 485	2.24%	\$ 423,878	\$ 179	0.17%
Securities ⁽¹⁾	3,361,750	39,193	4.73%	3,400,994	34,939	4.08%	3,192,642	18,435	2.34%
Resell agreements	18,644	319	6.94%	46,909	628	5.31%	219,221	720	1.33%
Loans receivable, net ⁽²⁾⁽³⁾	4,129,460	44,806	4.40%	4,019,297	42,492	4.19%	3,315,155	31,127	3.81%
Total interest-earning assets	7,600,816	84,936	4.53%	7,553,086	78,544	4.13%	7,150,896	50,461	2.86%
Non-interest-earning assets:									
Cash and due from banks	4,015			5,267			9,226		
Other assets	217,020			248,236			232,649		
Total assets	\$ 7,821,851			\$ 7,806,589			\$ 7,392,771		
Interest-bearing liabilities:									
Savings, NOW and money market deposits	\$ 3,091,228	\$ 9,555	1.25%	\$ 2,967,150	\$ 5,161	0.69%	\$ 2,896,086	\$ 1,247	0.17%
Time deposits	149,814	297	0.80%	167,138	174	0.41%	199,340	155	0.32%
Brokered CDs	367,684	3,983	4.39%	37,047	347	3.72%	—	—	0.00%
Total interest-bearing deposits	3,608,726	13,835	1.55%	3,171,335	5,682	0.71%	3,095,426	1,402	0.18%
Other borrowings	347,878	3,821	4.45%	545,303	5,516	4.01%	84,597	691	3.31%
Total interest-bearing liabilities	3,956,604	17,656	1.81%	3,716,638	11,198	1.20%	3,180,023	2,093	0.27%
Non-interest-bearing liabilities:									
Demand and transaction deposits	3,286,964			3,522,352			3,549,483		
Other liabilities	75,798			73,838			102,874		
Total liabilities	7,319,366			7,312,828			6,832,380		
Stockholders' equity	502,485			493,761			560,391		
Total liabilities and stockholders' equity	\$ 7,821,851			\$ 7,806,589			\$ 7,392,771		
Net interest income / interest rate spread									
		\$ 67,280	2.72%		\$ 67,346	2.93%		\$ 48,368	2.59%
Net interest-earning assets / net interest margin									
	\$ 3,644,212		3.59%	\$ 3,836,448		3.54%	\$ 3,970,873		2.74%
Total deposits excluding Brokered CDs / total cost of deposits excluding Brokered CDs									
	\$ 6,528,006		0.61%	\$ 6,656,640		0.32%	\$ 6,644,909		0.09%
Total deposits / total cost of deposits									
	\$ 6,895,690		0.81%	\$ 6,693,687		0.34%	\$ 6,644,909		0.09%
Total borrowings / total cost of funds									
	\$ 7,243,568		0.99%	\$ 7,238,990		0.61%	\$ 6,729,506		0.13%

(1) Includes FHLBNY stock in the average balance, and dividend income on FHLBNY stock in interest income.

(2) Amounts are net of deferred origination costs. With the adoption of the CECL standard on January 1, 2023, the average balance of the allowance for credit losses on loans was reclassified for all presented periods to other assets to allow for comparability.

(3) Includes prepayment penalty interest income in 1Q2023, 4Q2022, and 1Q2022 of \$0, \$82, and \$399, respectively (in thousands).

Deposit Portfolio Composition

(In thousands)	Three Months Ended					
	March 31, 2023		December 31, 2022		March 31, 2022	
	Ending Balance	Average Balance	Ending Balance	Average Balance	Ending Balance	Average Balance
Non-interest-bearing demand deposit accounts	\$ 3,015,558	\$ 3,286,964	\$ 3,331,067	\$ 3,522,352	\$ 3,759,349	\$ 3,549,482
NOW accounts	199,518	196,499	206,434	200,633	212,550	208,134
Money market deposit accounts	2,702,464	2,514,835	2,445,396	2,385,446	2,416,201	2,310,294
Savings accounts	371,240	379,894	386,190	381,071	386,253	377,659
Time deposits	157,697	149,814	151,699	167,138	199,120	199,340
Brokered CDs	594,884	367,684	74,251	37,047	—	—
Total deposits	<u>\$ 7,041,361</u>	<u>\$ 6,895,690</u>	<u>\$ 6,595,037</u>	<u>\$ 6,693,687</u>	<u>\$ 6,973,473</u>	<u>\$ 6,644,909</u>
Total deposits excluding Brokered CDs	\$ 6,446,477	\$ 6,528,006	\$ 6,520,786	\$ 6,656,640	\$ 6,973,473	\$ 6,644,909

(In thousands)	Three Months Ended					
	March 31, 2023		December 31, 2022		March 31, 2022	
	Average Rate Paid ⁽¹⁾	Cost of Funds	Average Rate Paid ⁽¹⁾	Cost of Funds	Average Rate Paid ⁽¹⁾	Cost of Funds
Non-interest bearing demand deposit accounts	0.00 %	0.00%	0.00%	0.00%	0.00%	0.00%
NOW accounts	0.89 %	0.76%	0.74%	0.52%	0.08%	0.08%
Money market deposit accounts	1.59 %	1.36%	1.16%	0.74%	0.16%	0.19%
Savings accounts	0.95 %	0.78%	0.75%	0.49%	0.11%	0.11%
Time deposits	1.25 %	0.80%	0.69%	0.41%	0.28%	0.32%
Brokered CDs	4.52 %	4.39%	3.83%	3.72%	—	—
Total deposits	<u>1.10 %</u>	<u>0.81%</u>	<u>0.57%</u>	<u>0.34%</u>	<u>0.07%</u>	<u>0.09%</u>
Interest-bearing deposits excluding Brokered CDs	1.47 %	1.23%	1.15%	0.68%	0.16%	0.18%

⁽¹⁾ Average rate paid is calculated as the weighted average of spot rates on deposit accounts as of March 31, 2023.

Asset Quality

(In thousands)

	March 31, 2023	December 31, 2022	March 31, 2022
Loans 90 days past due and accruing	\$ 1,299	\$ —	\$ —
Nonaccrual loans held for sale	5,653	6,914	2,490
Nonaccrual loans - Commercial	25,779	18,308	20,677
Nonaccrual loans - Retail	4,177	3,391	8,265
Other real estate owned	—	—	307
Nonaccrual securities	1,835	36	59
Total nonperforming assets	<u>\$ 38,743</u>	<u>\$ 28,649</u>	<u>\$ 31,798</u>
Nonaccrual loans:			
Commercial and industrial	\$ 9,521	\$ 9,629	\$ 8,099
Multifamily	2,710	3,828	3,537
Commercial real estate	4,745	4,851	3,988
Construction and land development	8,803	—	5,053
Total commercial portfolio	<u>25,779</u>	<u>18,308</u>	<u>20,677</u>
Residential real estate lending	2,016	1,807	7,404
Consumer solar	2,021	1,584	838
Consumer and other	140	—	23
Total retail portfolio	<u>4,177</u>	<u>3,391</u>	<u>8,265</u>
Total nonaccrual loans	<u>\$ 29,956</u>	<u>\$ 21,699</u>	<u>\$ 28,942</u>
Nonaccrual loans to total loans	0.71 %	0.53 %	0.84 %
Nonperforming assets to total assets	0.49 %	0.44 %	0.80 %
Allowance for credit losses on loans to nonaccrual loans	224.74 %	207.53 %	129.71 %
Allowance for credit losses on loans to total loans	1.61 %	1.10 %	1.08 %
Annualized net charge-offs (recoveries) to average loans	0.25 %	0.15 %	0.08 %

Credit Quality

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
(\$ in thousands)			
Criticized and classified loans			
Commercial and industrial	\$ 35,823	\$ 32,004	\$ 32,343
Multifamily	18,710	19,860	68,353
Commercial real estate	35,121	35,180	62,854
Construction and land development	16,426	16,426	7,476
Residential real estate lending	2,016	1,807	7,694
Consumer solar	2,021	1,584	838
Consumer and other	140	—	23
Total loans	<u>\$ 110,257</u>	<u>\$ 106,861</u>	<u>\$ 179,581</u>
 Criticized and classified loans to total loans			
Commercial and industrial	0.85 %	0.78 %	0.93 %
Multifamily	0.45 %	0.48 %	1.97 %
Commercial real estate	0.84 %	0.86 %	1.81 %
Construction and land development	0.39 %	0.40 %	0.22 %
Residential real estate lending	0.05 %	0.04 %	0.22 %
Consumer solar	0.05 %	0.04 %	0.02 %
Consumer and other	0.00 %	0.00 %	0.00 %
	<u>2.63 %</u>	<u>2.60 %</u>	<u>5.17 %</u>

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		
	March 31, 2023	Three Months Ended December 31, 2022	March 31, 2022
Core operating revenue			
Net Interest income (GAAP)	\$ 67,280	\$ 67,346	\$ 48,368
Non-interest income	5,208	4,226	7,422
Less: Securities (gain) loss	3,086	1,373	(162)
Less: Subdebt repurchase gain	(780)	—	—
Core operating revenue (non-GAAP)	74,794	72,945	55,628
Add: Tax (credits) depreciation on solar investments	—	1,706	(64)
Core operating revenue excluding solar tax impact (non-GAAP)	74,794	74,651	50,472
Core non-interest expense			
Net interest expense (GAAP)	\$ 38,627	\$ 35,570	\$ 34,397
Less: Other one-time expenses ⁽¹⁾	—	—	(423)
Core non-interest expense (non-GAAP)	38,627	35,570	33,974
Core net income			
Net Income (GAAP)	\$ 21,338	\$ 24,755	\$ 14,165
Less: Securities (gain) loss	3,086	1,373	(162)
Less: Subdebt repurchase gain	(780)	—	—
Add: Other one-time expenses	—	—	423
Less: Tax on notable items	(604)	(296)	(67)
Core net income (non-GAAP)	23,040	25,832	14,359
Add: Tax (credits) depreciation on solar investments	—	1,706	(64)
Add: Tax effect of solar income	—	(368)	17
Core net income excluding solar tax impact (non-GAAP)	23,040	27,170	14,312
Tangible common equity			
Stockholders' equity (GAAP)	\$ 519,158	\$ 508,955	\$ 526,762
Less: Minority interest	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,883)	(3,105)	(3,890)
Tangible common equity (non-GAAP)	503,206	492,781	509,803
Average tangible common equity			
Average stockholders' equity (GAAP)	\$ 502,485	\$ 493,761	\$ 560,391
Less: Minority interest	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,991)	(3,232)	(4,017)
Average tangible common equity (non-GAAP)	486,425	477,460	543,305
Core return on average assets			
Denominator: Total average assets	\$ 7,821,851	\$ 7,806,589	\$ 7,392,771
Core return on average assets (non-GAAP)	1.19%	1.31%	0.79%
Core return on average assets excluding solar tax impact (non-GAAP)	1.19%	1.38%	0.79%
Core return on average tangible common equity			
Denominator: Average tangible common equity	\$ 486,425	\$ 477,460	\$ 543,305
Core return on average tangible common equity (non-GAAP)	19.21%	21.47%	10.72%
Core return on average tangible common equity excluding solar tax impact (non-GAAP)	19.21%	22.58%	10.68%
Core efficiency ratio			
Numerator: Core non-interest expense (non-GAAP)	\$ 38,627	\$ 35,570	\$ 33,974
Core efficiency ratio (non-GAAP)	51.64%	48.76%	61.07%
Core efficiency ratio excluding solar tax impact (non-GAAP)	51.64%	47.65%	61.14%

(1) Salary and COBRA reimbursement expense for positions eliminated, plus expenses related to the termination of the merger agreement with Amalgamated Bank of Chicago

Amalgamated Financial Corp.

First Quarter 2023 Earnings Presentation
April 27, 2023



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 risks and uncertainties 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:

- 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;
- deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses
- 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;
- changes in our deposits, including an increase in uninsured deposits;
- unfavorable conditions in the capital markets, which may cause declines in our stock price and the value of our investments;
- 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;
- continued fluctuation of the interest rate environment including changes in net interest margin or changes that affect the yield curve on investments;
- potential deterioration in real estate collateral values
- changes in legislation, regulation, public policies, or administrative practices impacting the banking industry, including increased regulation and FDIC assessments in the aftermath of the Silicon Valley and Signature Bank failures
- the outcome of any legal proceedings that may be instituted against us
- fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve;
- our inability to maintain the historical growth rate of our loan portfolio;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- the impact of competition with other financial institutions, many of which are larger and have greater resources, and fintechs, as well as changes in the competitive environment;
- any matter that would cause us to conclude that there was impairment of any asset, including intangible assets;
- the risk that the preliminary financial information reported herein and our current preliminary analysis could be different when our review is finalized;
- increased competition for experienced members of the workforce including executives in the banking industry;
- our ability to meet heightened regulatory and supervisory requirements;
- our ability to grow and retain low-cost core deposits and retain large, uninsured deposits;
- inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies, required capital maintenance levels or regulatory requests or directives;
- risks associated with litigation, including the applicability of insurance coverage;
- the risk of not achieving anticipated cost savings related to reduction in the number of branch locations and other expense areas;
- a failure in or breach of our operational or security systems or infrastructure, or those of third party vendors or other service providers, including as a result of unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches;
- a downgrade in our credit rating;
- increased political opposition to Environmental, Social and Governance ("ESG") practices;
- recessionary conditions;
- the ongoing economic effects of the COVID-19 pandemic
- volatile credit and financial markets both domestic and foreign;
- unexpected challenges related to our executive officer retention; and
- physical and transitional risks related to climate change as they impact our business and the businesses that we finance.

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. We disclaim any obligation to update or revise any forward-looking statements contained in this presentation, which speak only as of the date hereof, or to update the reasons why actual results could differ from those contained in or implied by such statements, whether as a result of new information, future events or otherwise, except as required by law.



Safe Harbor Statements cont.

NON-GAAP FINANCIAL MEASURES

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

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

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

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



1Q23 Highlights

INCOME STATEMENT

Net Income - GAAP	\$21.3MM
Core Net Income ⁽¹⁾	\$23.0MM
Net Interest Income	\$67.3MM
Core Diluted EPS ⁽¹⁾	\$0.74
Net Interest Margin	+5 bps
Core Return on Assets ⁽¹⁾	1.19%
Core Efficiency ⁽¹⁾	51.64%

BALANCE SHEET

Core deposit growth ⁽²⁾	\$-65.8MM -1.0%
Loan Growth	\$92.2MM +2.2%

CAPITAL

Tier 1 Leverage	7.50% -2 bps
CET 1	12.23% -8 bps
Tangible Book value per share	\$16.42 +2.3%



(1) See non-GAAP disclosures on pages 26-27

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

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 investment initiatives in Q2 2023 (not shown in forecast below)

ACTUAL AND PROJECTED SOLAR INCOME⁽¹⁾⁽²⁾⁽³⁾



■ Tax credits (accelerated depreciation) on solar investments ■ Steady state solar income

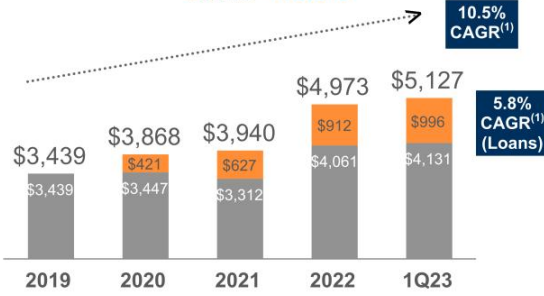
(1) Actual 2022 results and projected solar income forecasts have been revised modestly since 4Q 2021
 (2) Balances presented are not tax effected
 (3) Refer to Reconciliation of Non-GAAP Financial Measures on slides 26-27 for further details on impact to key ratios

Trends

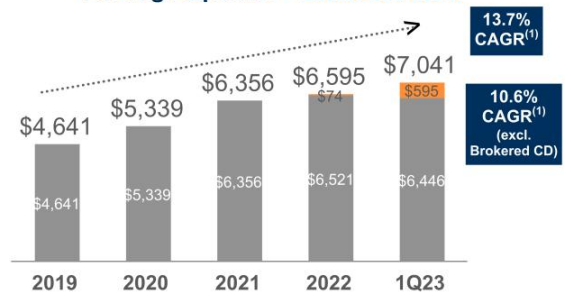
KEY FINANCIAL TRENDS THROUGH 1Q23

(\$ in millions)

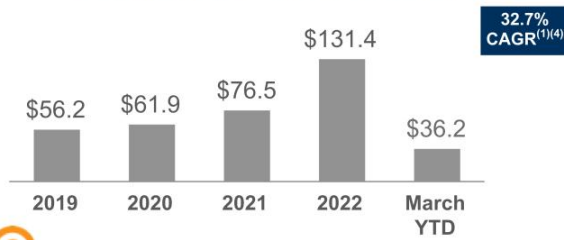
Loans + PACE



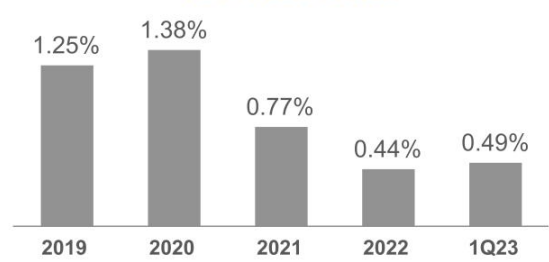
Ending Deposits + Brokered CDs



Core Pre-Tax Pre-Provision Earnings⁽²⁾⁽³⁾ 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

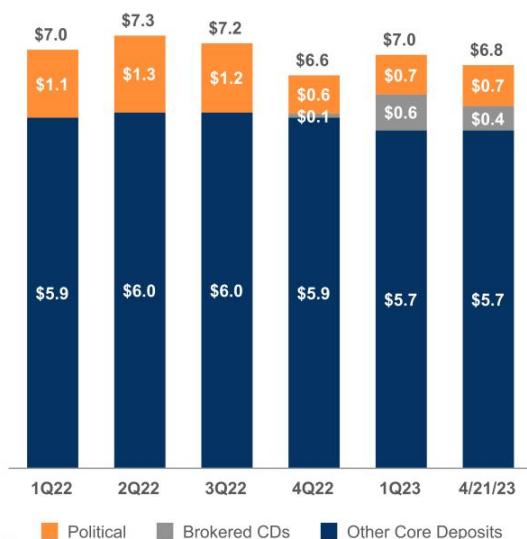
(3) GAAP Pre-tax, pre-provision income was \$33.9 million in Q1 2023, and \$123.2 million in 2022, and \$70.4 in 2021, and \$86.7 in 2020, the only years impacted by our solar investments

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

Deposit Portfolio

TOTAL DEPOSITS

(\$ in billions)



Through April 21, 2023, total deposits decreased by approximately \$206 million to \$6.8 billion, including a \$200 million decrease in brokered time deposits strategically issued to reduce funding costs.

1Q23 HIGHLIGHTS

- Total GAAP deposits increased \$446.3 million or 6.8% in 1Q23

All following metrics exclude the effect of Brokered CDs

- Total deposits decreased \$74.3 million compared to 4Q22 primarily related to pension customer timing, client diversification for yield/insurance, and slowed new customer acquisition.
 - Political deposit growth was \$34.5 million
 - Political deposits comprised 10.5% of the total deposit portfolio, excluding brokered CDs
- Total cost of deposits of 61 basis points, compared to 32 basis points in Q4 as we proactively price to maintain and attract deposits.
 - Interest bearing deposit cost was 123 basis points in Q1 2023 and 68 basis points in Q4 2022
- Non-interest bearing deposits represented 46.8% of ending deposits in 1Q23, compared to 51.1% in 4Q22
- Loan/Deposit ratio of 65.15% as of 1Q23

Super-Core Deposits

SUPER-CORE DEPOSITS⁽²⁾ BY IMPACT SEGMENT

(\$ in billions)

Impact Sector	Total Balance (\$M)	% of Total Core Deposits	Weighted Avg. Account Duration (Years)
CML - Labor	\$1,643	25.1%	20.0
Cons - Labor	671	10.2%	22.5
CML - Social/Philanthropy	491	7.5%	9.0
CML - Political	253	3.9%	7.1
CML - Climate/Sustainability	133	2.0%	7.1
CML - NFP	56	0.9%	9.5
CML - Other ⁽¹⁾	264	4.0%	18.1
Total	\$3,512	53.6%	17.2
Other Core Deposits	\$3,038	46.4%	1.9
Total Core Deposits	\$6,551		10.2



(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 deposits with a relationship length of over 5 years, excluding brokered certificates of deposit

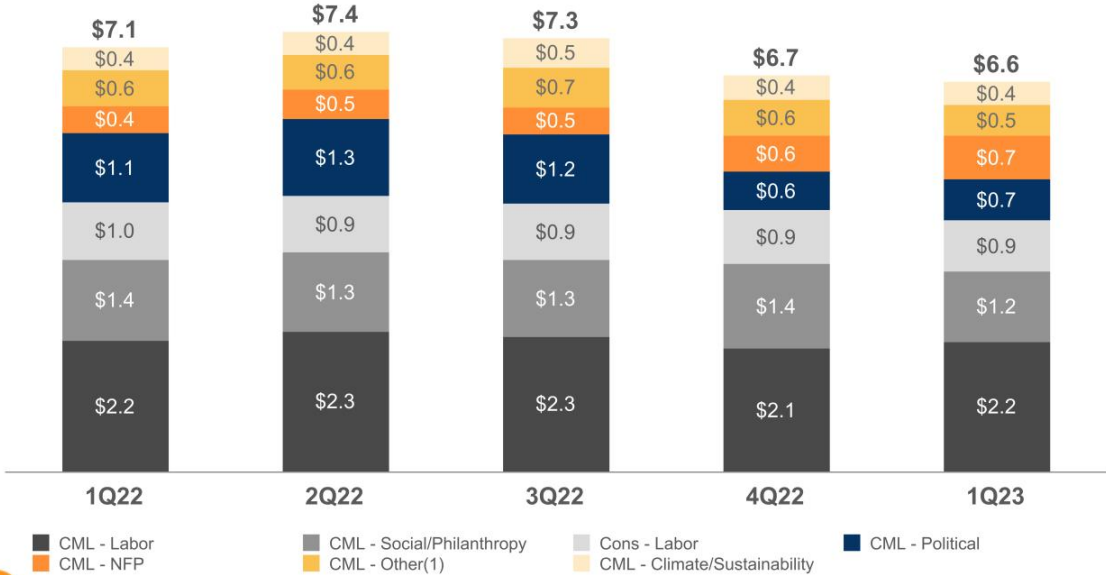
1Q23 HIGHLIGHTS

- Super-core deposits⁽²⁾ make up \$3.5 billion, or 53.6% of total core deposits
 - Super-core deposits are minimum 5-year old & concentrated with mission-aligned customers
 - Highly sticky
- Weighted average account duration of our super-core deposits is 17.2 years, compared to 1.9 years for our other core deposits
- Cash and borrowing capacity totals \$2.6 billion, with a total borrowings utilization rate of 5.4%, excluding subordinated debt
- Total available liquidity, including cash, unpledged non-PACE securities and borrowing potential totals \$3.4 billion or 114.1% of non-super-core deposits

Deposit Composition

TOTAL CORE DEPOSITS BY IMPACT SEGMENT

(\$ in billions)



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

Political Deposits

HISTORICAL TREND

(\$ in billions)



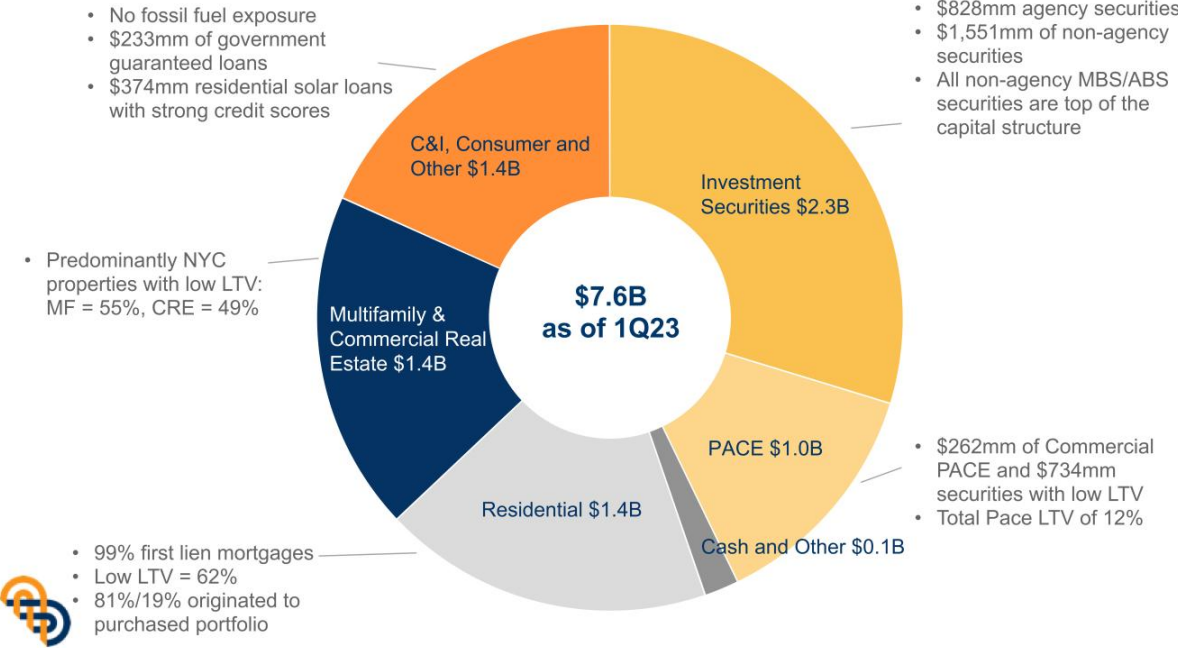
- Although cyclical, political deposit balances overall have shown an upward trend YoY - highs and lows have both grown higher
 - High deposit points are reflected in the quarter preceding a major election season - orange bars
 - Low deposit points are reflected in the quarter during a major election - gray bars
- Anticipate political deposits to continue rebuilding in 2023 based on 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 \$7.6B AS OF MARCH 31, 2023

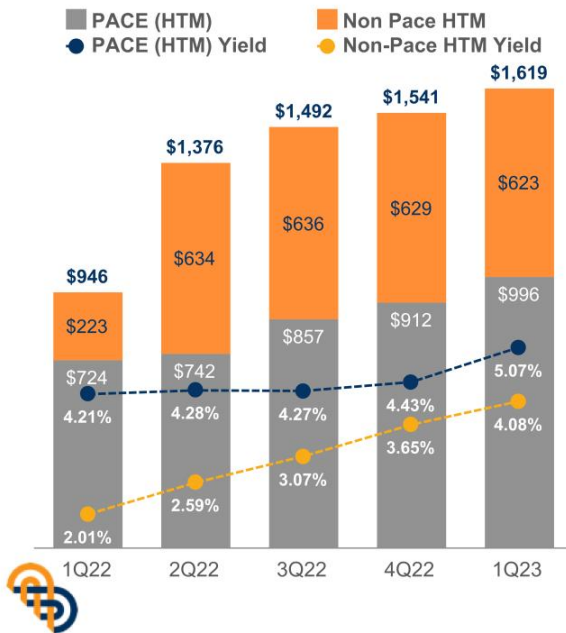
We maintain a diverse, low risk profile of interest earning assets



Held-to-Maturity Securities

HELD-TO-MATURITY SECURITIES

(\$ in millions)



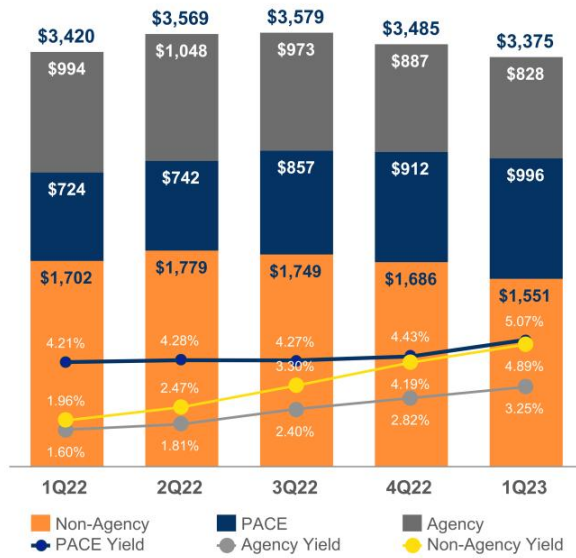
1Q23 HIGHLIGHTS

- HTM securities, excluding PACE assessments represent 28% of the total investment portfolio
- PACE securities saw \$85 million of new growth during the quarter, due to:
 - Residential PACE purchases of \$99 million
 - CPACE purchase of \$7 million
 - (\$21) million in principal payments
- 100% of PACE portfolio, and 42% of Non-Pace HTM securities is mission-aligned
- Allowance for Credit Losses on Securities is \$0.7 million in 1Q23, or 0.02% of the total securities portfolio

Investment Securities

SECURITIES – BOOK VALUE⁽¹⁾

(\$ millions)



1Q23 HIGHLIGHTS

- Investment Securities totaled \$3.4 billion book value for 1Q23
- Agency securities made up 24.5% of the total portfolio, down from 25.5% in 4Q22, reflecting PACE assessment growth
- PACE assessments are considered non-agency securities, which are non-rated⁽²⁾
- Total PACE LTV of 12%
- 86.4% of all non-agency MBS/ABS securities are AAA rated and 99.9% are A rated or higher⁽²⁾; 98.8% of CLO's are AAA-rated
 - Average subordination for the C&I CLOs was 43.2%
- 33% of the total securities portfolio (or 47% 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) MBS/ABS does not include PACE assessments
 (3) Non-Agency includes corporate bonds

Investment Securities Composition

AFS Portfolio Composition⁽¹⁾

(\$ in millions)



HTM Portfolio Composition⁽¹⁾⁽²⁾⁽³⁾

(\$ in millions)



Agency Non-Agency Corporates & Other

1Q23 HIGHLIGHTS

- Weighted avg. duration is 2.5 years for the total securities portfolio, excl. PACE

AFS

- AFS unrealized loss of \$116.7 million currently makes up 6.6% of the total AFS portfolio
- Weighted avg. duration is 1.8 for the AFS portfolio as of 1Q23

HTM

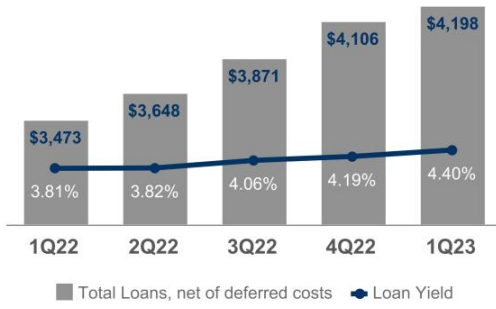
- Valuation Loss as % of relative portfolio balance
 - Total \$130.0 million | 8.0%
 - ex-PACE \$46.9 million | 7.5%
 - PACE \$83.1 million | 8.3%
- Weighted Average Duration
 - Total 4.9
 - ex-PACE 4.2
 - PACE 5.3

(1) Both AFS and HTM securities balances shown at amortized cost
 (2) PACE assets not included in 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 avg. duration calculated using market values of securities

Loans Held for Investment

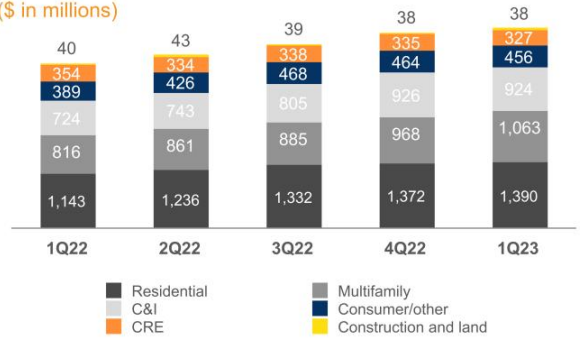
TOTAL LOANS

(\$ in millions)



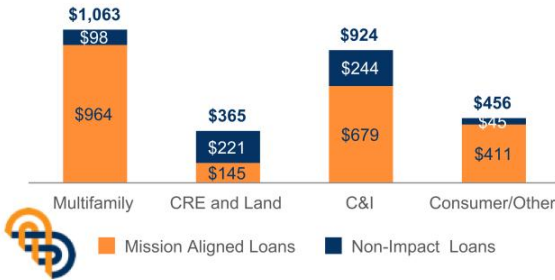
LOAN COMPOSITION

(\$ in millions)



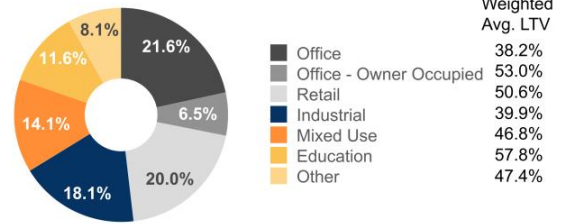
MISSION ALIGNED COMMERCIAL LOANS

(\$ in millions)



CRE COMPOSITION BY PROPERTY TYPE

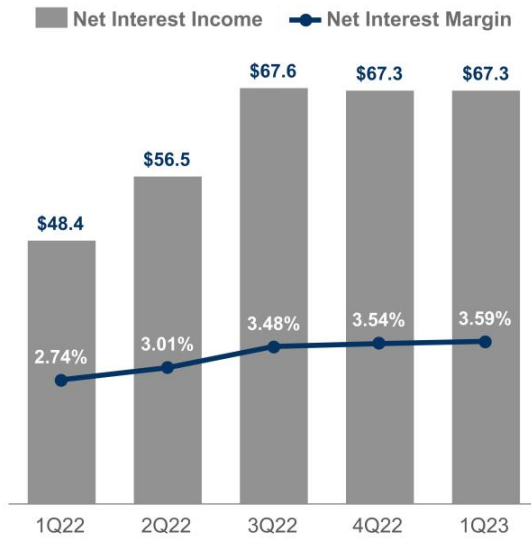
(\$ in millions)



Net Interest Income and Margin

NET INTEREST INCOME & MARGIN

(\$ millions)



1Q23 HIGHLIGHTS

- Net interest income was \$67.3 million, compared to \$67.3 million in 4Q22
- 1Q23 NIM at 3.59%; an increase of 5 basis points compared to 4Q22
- Loan prepayment penalties had no material impact on NIM in 1Q23, compared to favorably impacting NIM by 1 basis point in 4Q22

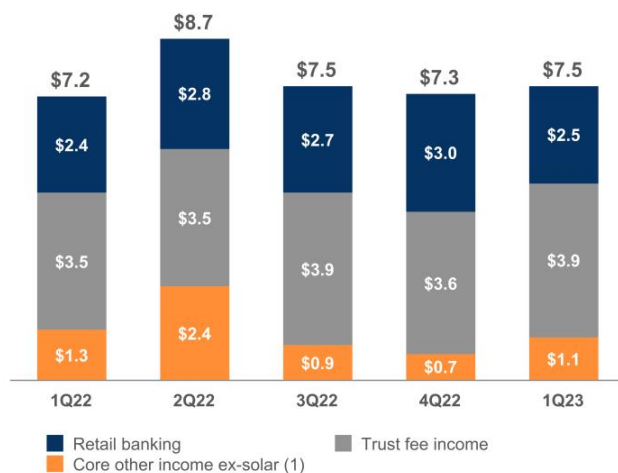


(1) The calculated NIM figures here exclude Allowance for Credit Loss from total interest earning assets across all quarters

(2) If Allowance for Credit Loss were included in the NIM calculations above (as it was in previous quarters), net interest margin would be 2.76%, 3.03%, 3.50%, 3.56% and 3.62% for 1Q22, 2Q22, 3Q22, 4Q22 and 1Q23, respectively

Non-Interest Income

CORE NON-INTEREST INCOME ex-solar ⁽¹⁾ (\$ millions)



1Q23 HIGHLIGHTS

- Our trust business held \$39.7 billion in assets under custody and \$13.9 billion in assets under management, compared to \$38.1 billion and \$13.4 billion, respectively, in the preceding quarter; growth was primarily driven by an increase in fair value, and new custody and asset management business.
- Trust fee income increased \$0.3 million quarter over quarter, primarily due to fee revisions negotiated in the prior year.
- Other income increased \$0.4 million, primarily related to losses on sales of nonperforming loans incurred in the previous quarter.
- Retail banking fees declined \$0.5 million primarily related to business service fees.

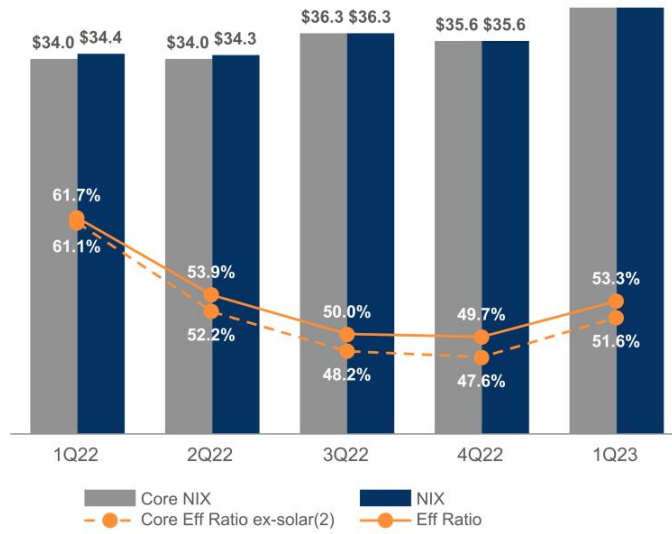


(1) Ex-solar is defined as excluding the impact of our solar tax equity investments

Non-Interest Expense and Efficiency

NON-INTEREST EXPENSE

(\$ millions)



1Q23 HIGHLIGHTS

- Efficiency ratio of 53.3% for 1Q23
- Core efficiency ratio excluding the impact of our solar tax equity investments of 51.6% for 1Q23⁽¹⁾
- Non-interest expense for 1Q23 was \$38.6 million
- Non-interest expense for 1Q23 was \$3.0 million higher compared to 4Q22, mainly due to payroll taxes given timing of corporate incentive payments, temporary personnel costs, and benefit insurance costs

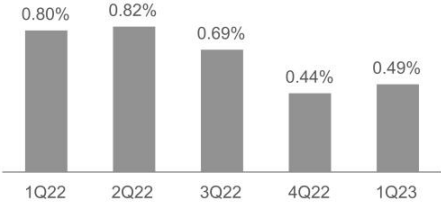


(1) See non-GAAP disclosures on pages 26-27

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

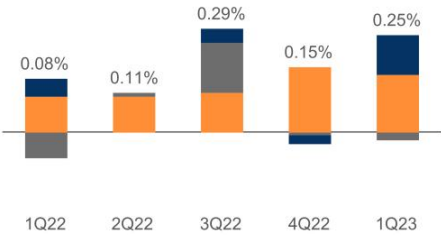
Credit Quality

NPA / TOTAL ASSETS



NCO / AVERAGE LOANS⁽¹⁾

(Quarter trend)



■ Solar
 ■ Residential
 ■ Commercial

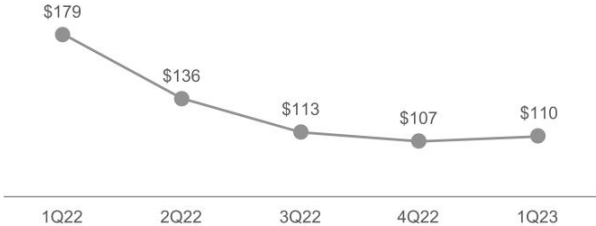
(1) Annualized

1Q23 HIGHLIGHTS

- Nonperforming assets were \$38.7 million as of 1Q23, compared to \$28.6 million in 4Q22
- Net charge-offs of 0.25% in 1Q23 compared to net charge offs of 0.15% in 4Q22 due to a \$1.2 million charge-off on a multifamily asset
- Criticized and classified loans increased by \$3.4 million, or 3%; Pass rated loans are 97% of loan portfolio

CRITICIZED AND CLASSIFIED LOANS

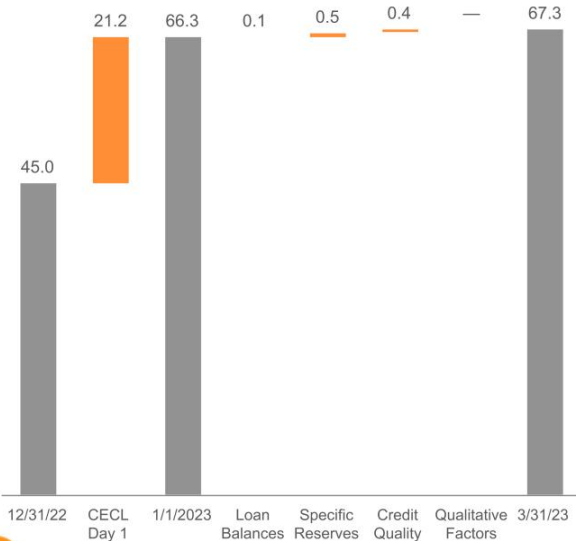
(\$ millions)



Allowance for Credit Losses on Loans

ALLOWANCE WATERFALL

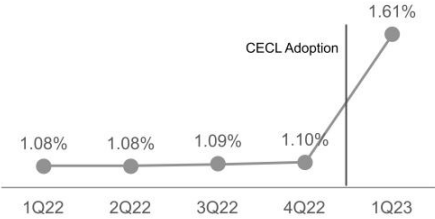
(\$ millions)



1Q23 HIGHLIGHTS

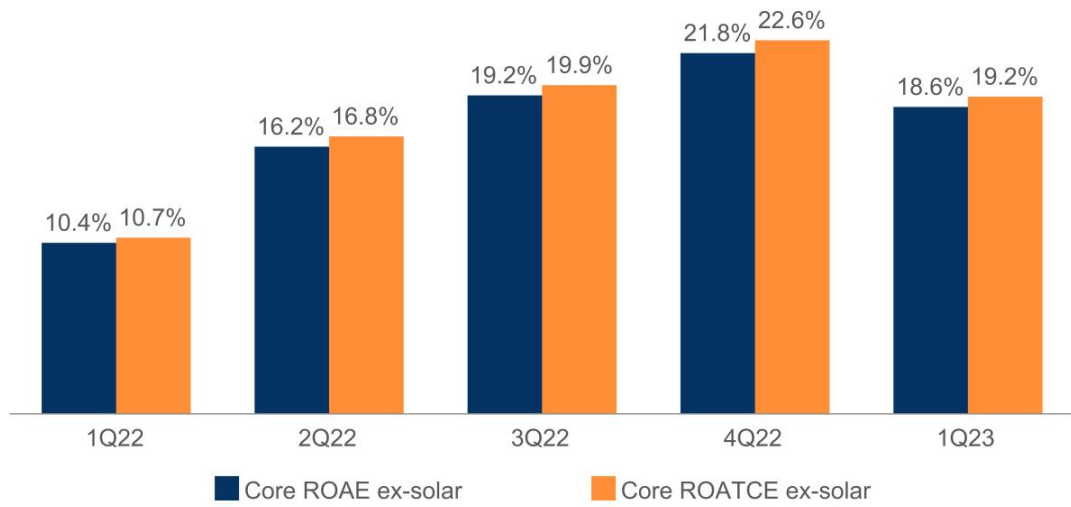
- The allowance for credit losses on loans increased by \$22.3 million compared to prior quarter, primarily due to adoption of CECL
- CECL adoption had a 51 basis point impact on the coverage ratio, primarily driven by consumer solar

ALLOWANCE FOR CREDIT LOSSES ON LOANS / TOTAL LOANS



Returns

Core ROAE & Core ROATCE ex-solar ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾



(1) Refer to Reconciliation of Non-GAAP Financial Measures on slides 26-27 for further details

(2) ROAE was 10.3%, 15.2%, 17.8%, 19.9% and 17.2% for 1Q22, 2Q22, 3Q22, 4Q22 and 1Q23, respectively

(3) ROATCE was 10.6%, 15.7%, 18.4%, 20.6% and 17.8% for 1Q22, 2Q22, 3Q22, 4Q22 and 1Q23, respectively

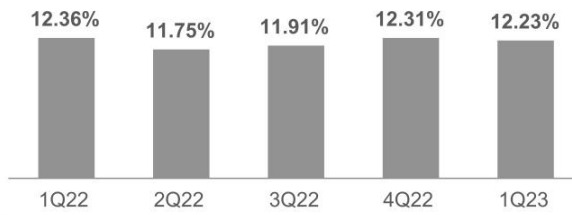
(4) Ex-solar is defined as excluding the impact of our solar tax equity investments

Capital

TIER 1 LEVERAGE RATIO



COMMON EQUITY TIER 1 RATIO



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

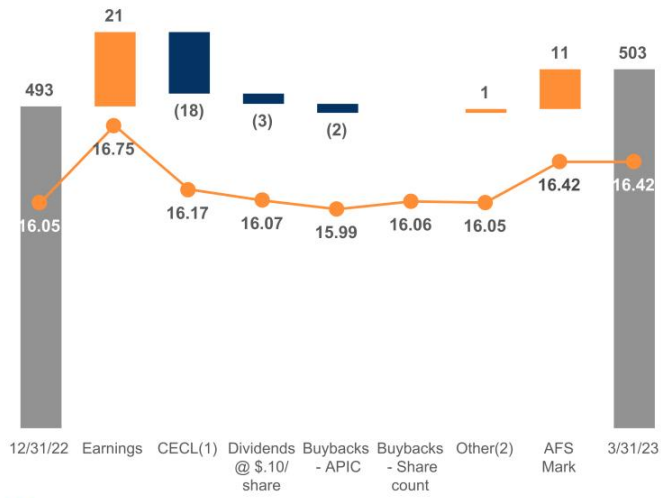
1Q23 HIGHLIGHTS

- Regulatory capital ratios remained strong
 - Tier 1 leverage ratio of 7.50% as of 1Q23
 - Bank tier 1 leverage ratio of 8.30% as of Q1 2023
 - Common Equity Tier 1 Capital of 12.23%
- Tier 1 leverage ratio was 2 basis points lower than the prior quarter, primarily driven by retained earnings impact of day 1 CECL adoption, offset by current year earnings
- CET1 ratio of approximately 12% reflects conservative investment practices

Tangible Book Value

TANGIBLE COMMON EQUITY & TANGIBLE BOOK VALUE

(\$ millions)



(1) Tax-adjusted impact of CECL adoption to retained earnings
 (2) Other includes the effect of stock issuance

1Q23 SUMMARY

- TBV increase primarily driven by \$21.3 million in net income, and a \$11.4 million increase from the previous quarter in the tax-effected AFS mark-to-market adjustment.
 - TBV increase of 2.3% reflective of value of robust securities portfolio against flattening long-term interest rates
- Offset \$17.8 million due to tax-adjusted day one CECL adoption impact to retained earnings
- Total Common Equity Ratio was 6.6%
- Dividend Payout Ratio was 14.6%

2023 Guidance

2023 FINANCIAL OUTLOOK - REVISED

- Core pre-tax, pre-provision earnings⁽¹⁾ from \$142 - \$148 million to:
 - **\$133 - \$140 million** - includes effect of forward rate curve through 2023 and reduced deposit growth
- Net Interest Income from \$256 - \$263 million to:
 - **\$248 - \$255 million** - includes effect of forward rate curve through 2023 and reduced deposit growth
- From approximately 3% balance sheet growth to **neutral balance sheet**
 - Loan portfolio optimization and securities mix-shift to loans
 - Paydown of borrowings via deposit inflows
 - Focus on capital ratio

2023 INITIATIVES

- Focus on deposit gathering and retention
- Pursue digital modernization across commercial and consumer segments
- Continue growing sustainability and mission-aligned commercial real-estate lending
- Continued focus on credit quality improvement



(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

(in thousands)	As of and for the Three Months Ended			As of and for the Three Months Ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
Core operating revenue					
Net Interest income (GAAP)	\$ 67,280	\$ 67,346	\$ 48,368	\$ 67,280	\$ 48,368
Non-interest income	5,208	4,226	7,422	5,208	7,422
Less: Securities (gain) loss	3,086	1,373	(162)	3,086	(161)
Less: Subdebt repurchase gain	(780)	—	—	(780)	—
<i>Core operating revenue (non-GAAP)</i>	<u>74,794</u>	<u>72,945</u>	<u>55,628</u>	<u>74,794</u>	<u>55,629</u>
Add: Tax (credits) depreciation on solar investments	—	1,706	(64)	—	(64)
<i>Core operating revenue excluding solar tax impact (non-GAAP)</i>	\$ 74,794	\$ 74,651	\$ 55,564	\$ 74,794	\$ 55,565
Core non-interest expense					
Non-interest expense (GAAP)	\$ 38,627	\$ 35,570	\$ 34,397	\$ 38,627	\$ 34,398
Less: Other one-time expenses ⁽¹⁾	—	—	(423)	—	(423)
<i>Core non-interest expense (non-GAAP)</i>	\$ 38,627	\$ 35,570	\$ 33,974	\$ 38,627	\$ 33,975
Core net income					
Net Income (GAAP)	\$ 21,338	\$ 24,755	\$ 14,165	\$ 21,336	\$ 14,164
Less: Securities (gain) loss	3,086	1,373	(162)	3,086	(161)
Less: Subdebt repurchase gain	(780)	—	—	(780)	—
Add: Other one-time expenses	—	—	423	—	423
Less: Tax on notable items	(604)	(296)	(67)	(604)	(68)
<i>Core net income (non-GAAP)</i>	<u>23,040</u>	<u>25,832</u>	<u>14,359</u>	<u>23,038</u>	<u>14,358</u>
Add: Tax (credits) depreciation on solar investments	—	1,706	(64)	—	(64)
Add: Tax effect of solar income	—	(368)	17	—	17
<i>Core net income excluding solar tax impact (non-GAAP)</i>	\$ 23,040	\$ 27,170	\$ 14,312	\$ 23,038	\$ 14,311



(1) Salary and COBRA expense reimbursement expense for positions eliminated plus expenses related to the termination of the merger agreement with Amalgamated Bank of Chicago

Reconciliation of Non-GAAP Financials

(in thousands)	As of and for the Three Months Ended			As of and for the Three Months Ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
Tangible common equity					
Stockholders' equity (GAAP)	\$ 519,158	\$ 508,955	\$ 526,762	\$ 519,160	\$ 526,762
Less: Minority interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,883)	(3,105)	(3,890)	(2,883)	(3,890)
<i>Tangible common equity (non-GAAP)</i>	<u>\$ 503,206</u>	<u>\$ 492,781</u>	<u>\$ 509,803</u>	<u>\$ 503,208</u>	<u>\$ 509,803</u>
Average tangible common equity					
Average stockholders' equity (GAAP)	\$ 502,485	\$ 493,761	\$ 560,391	\$ 502,485	\$ 560,391
Less: Minority interest	(133)	(133)	(133)	(133)	(133)
Less: Goodwill	(12,936)	(12,936)	(12,936)	(12,936)	(12,936)
Less: Core deposit intangible	(2,991)	(3,232)	(4,017)	(2,991)	(4,017)
<i>Average tangible common equity (non-GAAP)</i>	<u>\$ 486,425</u>	<u>\$ 477,460</u>	<u>\$ 543,305</u>	<u>\$ 486,425</u>	<u>\$ 543,305</u>
Core return on average assets					
Core net income (non-GAAP)	\$ 23,040	\$ 25,832	\$ 14,359	\$ 23,038	\$ 14,358
Denominator: Total average assets	7,821,851	7,806,589	7,392,771	7,821,851	7,392,771
<i>Core return on average assets (non-GAAP)</i>	1.19%	1.31%	0.79%	1.19%	0.79%
<i>Core return on average assets excluding solar tax impact (non-GAAP)</i>	1.19%	1.38%	0.79%	1.19%	0.79%
Core return on average tangible common equity					
Core net income (non-GAAP)	\$ 23,040	\$ 25,832	\$ 14,359	\$ 23,038	\$ 14,358
Denominator: Average tangible common equity	486,425	477,460	543,305	486,425	543,305
<i>Core return on average tangible common equity (non-GAAP)</i>	19.21%	21.47%	10.72%	19.21%	10.72%
<i>Core return on average tangible common equity excluding solar tax impact (non-GAAP)</i>	19.21%	22.58%	10.68%	19.21%	10.68%
Core efficiency ratio					
Numerator: Core non-interest expense (non-GAAP)	\$ 38,627	\$ 35,570	\$ 33,974	\$ 38,627	\$ 33,975
Core operating revenue (non-GAAP)	74,794	72,945	55,628	74,794	55,629
<i>Core efficiency ratio (non-GAAP)</i>	51.64%	48.76%	61.07%	51.64%	61.07%
<i>Core efficiency ratio excluding solar tax impact (non-GAAP)</i>	51.64%	47.65%	61.14%	51.64%	61.14%

(1) Calculated using core net income excluding solar tax impact (Non-GAAP) in the numerator, as detailed on page 23



Thank You



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