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DELTA REPORT

10-Q

AMALGAMATED FINANCIAL COR

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1576
CHANGES	512
DELETIONS	574
ADDITIONS	490

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from_____to_____

Commission File Number: 001-40136

Amalgamated Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware	**85-2757101**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(212) 255-6200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b–2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒		
Non-accelerated filer	☐	Smaller reporting company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

As of November 3, 2023 May 6, 2024, the registrant had 30,393,605 30,524,039 shares of common stock outstanding at $0.01 par value per share.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless the context indicates otherwise, references to "we," "us," "our" and the "Company" refer to Amalgamated Financial Corp. and Amalgamated Bank. References to the "Bank" refer to Amalgamated Bank.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are not statements of historical or current fact nor are they assurances of future performance and generally can be identified by the use of forward-looking terminology, such as "may," "approximately," "will," "anticipate," "aspire," "intend," "could," "should," "would," "believe," "project," "plan," "goal," "target," "potential," "pro-forma," "seek," "contemplate," "expect," "estimate," "continue," "plan," "possible," and "continue, "intend," or the negative thereof as well as other similar words and expressions of the future. These forward-looking statements include, but are not limited to, statements related to our projected growth, anticipated future financial performance, and management's long-term performance goals, as well as statements relating to the anticipated effects on results of operations and financial condition from expected developments or events, or business and growth strategies, including anticipated internal growth.

Forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict as to timing, extent, likelihood and degree of occurrence, which could cause our actual results to differ materially from those anticipated in or by such statements. Potential risks and uncertainties include, but are not limited to, the following:

- 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 credit losses on loans 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;
- our ability to maintain sufficient liquidity to meet our deposit and debt obligations as they come due, which may require that we sell investment securities at a loss, negatively impacting our net income, earnings and capital;
- unfavorable conditions in the capital markets, which may cause declines in our stock price and the value of our investments;
- continued fluctuation of the interest rate environment, including changes in net interest margin or changes that affect the yield curve on investments;
- fiscal challenges facing the U.S. government which may impact general decline in the government entities which we do business with, real estate and lending markets, particularly in commercial real estate in our market areas, and the value effects of our investments in GSEs;
- potential deterioration in real estate collateral values; the enactment of or changes to rent-control and other similar regulations on multi-family housing;
- changes in legislation, regulation, public policies, or administrative practices impacting the banking industry, including increased regulation minimum capital requirements and FDIC assessments other regulation in the aftermath of recent bank failures;
- the outcome of legal or regulatory proceedings that may be instituted against us;
- our inability to maintain achieve organic loan and deposit growth and the historical growth rate composition of that growth;
- the composition of our loan portfolio, including any concentration in industries or sectors that may experience unanticipated or anticipated adverse conditions greater than other industries or sectors in the national or local economies in which we operate;
- inaccuracy of the loan portfolio; assumptions and estimates we make and policies that we implement in establishing our allowance for credit losses, including changes in the allowance for credit losses resulting from the adoption and implementation of the Current Expected Credit Loss (“CECL”) methodology;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- any matter that would cause us to conclude that there was impairment of any asset, including intangible assets;
- limitations on our ability to declare and pay dividends;
- 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;
- any matter that would cause us to conclude that there was impairment of any asset, including intangible assets;
- increased competition for experienced members of the workforce including executives in the banking industry;
- 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;
- increased regulatory scrutiny and exposure from the use of “big data” techniques, machine learning, and artificial intelligence;

- downgrade in our credit rating;
- increased political opposition to “greenwashing claims” against us and our Environmental, Social and Governance (“ESG”) products and increased scrutiny and political opposition to ESG and Diversity, Equity and Inclusion (“DEI”) practices;
- recessionary conditions; any unanticipated or greater than anticipated adverse conditions (including the possibility of earthquakes, wildfires, and other natural disasters) affecting the markets in which we operate;
- physical and transitional risks related to climate change as they impact our business and the businesses that we finance;
- future repurchase of our shares through our common stock repurchase program; and
- descriptions of assumptions underlying or relating to any of the foregoing.

We caution readers that the foregoing list of factors is not exclusive, is not necessarily in order of importance and readers should not place undue reliance on any forward-looking statements, which should be read in conjunction with the other cautionary statements that are included elsewhere in this report. Additional factors that may cause actual results to differ materially from those contemplated by any forward-looking statements may 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 at the SEC's website at https://sec.gov. Further, any forward-looking statement speaks only as of the date on which it is made and we do not intend to and, except as required by law, disclaim any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, unless required to do so under the federal securities laws.

Part I
Item 1. – Financial Statements
Consolidated Statements of Financial Condition
(Dollars in thousands except for per share amounts)

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Consolidated Statements of Financial Condition
(Dollars in thousands except for per share amounts)

	September 30, 2023	December 31, 2022
	March 31, 2024	
	March 31, 2024	December 31, 2023
Assets	(unaudited)	
Cash and due from banks		
Cash and due from banks		
Cash and due from banks	$ 5,494	$ 5,110
Interest-bearing deposits in banks	134,725	58,430
Total cash and cash equivalents	140,219	63,540
Securities:		
Available for sale, at fair value	1,491,450	1,812,476
Available for sale, at fair value:		
Available for sale, at fair value:		
Available for sale, at fair value:		
Traditional securities		
Traditional securities		
Traditional securities		
Property Assessed Clean Energy ("PACE") assessments		
Held-to-maturity, at amortized cost:		
Traditional securities, net of allowance for credit losses of $55 at September 30, 2023	612,026	629,424

Property Assessed Clean Energy ("PACE") assessments, net of allowance for credit losses of $670 at September 30, 2023		1,069,834	911,877
Traditional securities, net allowance for credit losses of $53 and $54 , respectively			
Traditional securities, net allowance for credit losses of $53 and $54 , respectively			
Traditional securities, net allowance for credit losses of $53 and $54 , respectively			
PACE assessments, net of allowance for credit losses of $657 and $667, respectively	1,673,962		
		1,681,860	1,541,301
Loans held for sale			
Loans held for sale			
Loans held for sale	Loans held for sale	2,189	7,943
Loans receivable, net of deferred loan origination costs	Loans receivable, net of deferred loan origination costs	4,364,745	4,106,002
Allowance for credit losses	Allowance for credit losses	(67,815)	(45,031)
Loans receivable, net	Loans receivable, net	4,296,930	4,060,971
Resell agreements	Resell agreements	—	25,754
Resell agreements			
Resell agreements			
Federal Home Loan Bank of New York ("FHLBNY") stock, at cost	Federal Home Loan Bank of New York ("FHLBNY") stock, at cost	4,389	29,607
Accrued interest and dividends receivable		47,745	41,441
Accrued interest receivable			
Premises and equipment, net	Premises and equipment, net	8,428	9,856
Bank-owned life insurance	Bank-owned life insurance	105,708	105,624
Right-of-use lease asset	Right-of-use lease asset	22,907	28,236
Deferred tax asset, net	Deferred tax asset, net	63,322	62,507
Goodwill	Goodwill	12,936	12,936
Intangible assets, net	Intangible assets, net	2,439	3,105
Intangible assets, net			
Intangible assets, net			

Equity method investments	Equity method investments	11,813	8,305
Other assets	Other assets	17,397	29,522
Total assets	Total assets	$7,909,732	$7,843,124
Liabilities	**Liabilities**		
Deposits	Deposits	$6,990,854	$6,595,037
Deposits			
Deposits			
Subordinated debt, net	Subordinated debt, net	70,427	77,708
FHLBNY advances		4,381	580,000
Other borrowings			
Other borrowings			
Other borrowings	Other borrowings	230,000	—
Operating leases	Operating leases	33,242	40,779
Other liabilities	Other liabilities	34,537	40,645
Total liabilities	Total liabilities	$7,363,441	$7,334,169
Stockholders’ equity	**Stockholders’ equity**		
Common stock, par value $0.01 per share (70,000,000 shares authorized; 30,736,141 and 30,700,198 shares issued, respectively, and 30,458,781 and 30,700,198 shares outstanding, respectively)		$ 307	$ 307
Stockholders’ equity			
Stockholders’ equity			
Common stock, par value $0.01 per share (70,000,000 shares authorized; 30,736,141 and 30,736,141 shares issued, respectively, and 30,510,393 and 30,428,359 shares outstanding, respectively)			
Common stock, par value $0.01 per share (70,000,000 shares authorized; 30,736,141 and 30,736,141 shares issued, respectively, and 30,510,393 and 30,428,359 shares outstanding, respectively)			
Common stock, par value $0.01 per share (70,000,000 shares authorized; 30,736,141 and 30,736,141 shares issued, respectively, and 30,510,393 and 30,428,359 shares outstanding, respectively)			
Additional paid-in capital	Additional paid-in capital	287,579	286,947
Retained earnings	Retained earnings	368,420	330,275
Accumulated other comprehensive loss, net of income taxes	Accumulated other comprehensive loss, net of income taxes	(105,294)	(108,707)
Treasury stock, at cost (277,360 and zero shares, respectively)		(4,854)	—

Accumulated other comprehensive loss, net of income taxes			
Accumulated other comprehensive loss, net of income taxes			
Treasury stock, at cost (225,748 and 307,782 shares, respectively)			
Total Amalgamated Financial Corp. stockholders' equity	Total Amalgamated Financial Corp. stockholders' equity	546,158	508,822
Noncontrolling interests	Noncontrolling interests	133	133
Total stockholders' equity	Total stockholders' equity	546,291	508,955
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 7,909,732	$ 7,843,124

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Income (unaudited)
(Dollars in thousands, except for per share amounts)

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(Dollars in thousands, except for per share amounts)

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(Dollars in thousands, except for per share amounts)

	Three Months Ended March 31,			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	Three Months Ended March 31,			
	2023	2022	2023	2022
	Three Months Ended March 31,			
	2024			
	2024			
	2024			
INTEREST AND DIVIDEND INCOME				

INTEREST AND DIVIDEND INCOME					
INTEREST AND DIVIDEND INCOME	INTEREST AND DIVIDEND INCOME				
Loans	Loans	$ 49,578	$ 38,264	$ 139,744	$ 103,157
Loans					
Loans					
Securities					
Securities					
Securities	Securities	39,971	31,580	118,989	75,087
Interest-bearing deposits in banks	Interest-bearing deposits in banks	1,687	971	3,360	1,701
Interest-bearing deposits in banks					
Interest-bearing deposits in banks					
Total interest and dividend income					
Total interest and dividend income					
Total interest and dividend income	Total interest and dividend income	91,236	70,815	262,093	179,945
INTEREST EXPENSE	INTEREST EXPENSE				
INTEREST EXPENSE					
INTEREST EXPENSE					
Deposits					
Deposits					
Deposits	Deposits	23,158	2,491	55,809	5,374
Borrowed funds	Borrowed funds	4,350	696	12,292	2,077
Borrowed funds					
Borrowed funds					
Total interest expense					
Total interest expense					
Total interest expense	Total interest expense	27,508	3,187	68,101	7,451
NET INTEREST INCOME	NET INTEREST INCOME	63,728	67,628	193,992	172,494
NET INTEREST INCOME					
NET INTEREST INCOME					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses	Provision for credit losses	2,014	5,363	10,913	10,568
Net interest income after provision for credit losses	Net interest income after provision for credit losses	61,714	62,265	183,079	161,926
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
NON-INTEREST INCOME					
NON-INTEREST INCOME					
NON-INTEREST INCOME	NON-INTEREST INCOME				
Trust Department fees	Trust Department fees	3,678	3,872	11,613	10,842
Trust Department fees					

Trust Department fees					
Service charges on deposit accounts					
Service charges on deposit accounts					
Service charges on deposit accounts	Service charges on deposit accounts	2,731	2,735	7,897	8,008
Bank-owned life insurance income	Bank-owned life insurance income	727	785	2,054	2,882
Bank-owned life insurance income					
Bank-owned life insurance income					
Losses on sale of securities	Losses on sale of securities	(1,699)	(1,844)	(5,052)	(2,264)
Gains (losses) on sale of loans, net		26	(367)	30	(32)
Losses on sale of securities					
Losses on sale of securities					
Gains on sale of loans, net					
Gains on sale of loans, net					
Gains on sale of loans, net					
Equity method investments income (loss)		550	(1,151)	1,261	(1,357)
Equity method investments income					
Equity method investments income					
Equity method investments income					
Other income					
Other income					
Other income	Other income	767	973	2,127	1,592
Total non-interest income	Total non-interest income	6,780	5,003	19,930	19,671
Total non-interest income					
Total non-interest income					
NON-INTEREST EXPENSE					
NON-INTEREST EXPENSE					
NON-INTEREST EXPENSE	NON-INTEREST EXPENSE				
Compensation and employee benefits	Compensation and employee benefits	21,345	19,527	64,525	55,242
Compensation and employee benefits					
Compensation and employee benefits					
Occupancy and depreciation					
Occupancy and depreciation					
Occupancy and depreciation	Occupancy and depreciation	3,349	3,481	10,184	10,378
Professional fees	Professional fees	2,222	3,173	7,211	8,733
Professional fees					
Professional fees					
Data processing					
Data processing					
Data processing	Data processing	4,545	4,149	13,176	13,660
Office maintenance and depreciation	Office maintenance and depreciation	685	807	2,130	2,316
Office maintenance and depreciation					
Office maintenance and depreciation					
Amortization of intangible assets					
Amortization of intangible assets					

Amortization of intangible assets	Amortization of intangible assets	222	262	666	785
Advertising and promotion	Advertising and promotion	816	795	3,431	2,410
Advertising and promotion					
Advertising and promotion					
Federal deposit insurance premiums					
Federal deposit insurance premiums					
Federal deposit insurance premiums	Federal deposit insurance premiums	1,200	1,014	3,018	2,440
Other expense	Other expense	2,955	3,050	9,154	9,037
Other expense					
Other expense					
Total non-interest expense					
Total non-interest expense					
Total non-interest expense	Total non-interest expense	37,339	36,258	113,495	105,001
Income before income taxes	Income before income taxes	31,155	31,010	89,514	76,596
Income before income taxes					
Income before income taxes					
Income tax expense	Income tax expense	8,847	8,066	24,230	19,874
Income tax expense					
Income tax expense					
Net income					
Net income					
Net income	Net income	$ 22,308	$ 22,944	$ 65,284	$ 56,722
Earnings per common share - basic	Earnings per common share - basic	$ 0.73	$ 0.75	$ 2.13	$ 1.84
Earnings per common share - basic					
Earnings per common share - basic					
Earnings per common share - diluted	Earnings per common share - diluted	$ 0.73	$ 0.74	$ 2.12	$ 1.82
Earnings per common share - diluted					
Earnings per common share - diluted					

See accompanying notes to consolidated financial statements (unaudited)

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Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

Consolidated Statements of Comprehensive Income (unaudited)
(Dollars in thousands)

Three Months Ended March 31,

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	$22,308	$22,944	$65,284	$ 56,722
Other comprehensive income (loss), net of taxes:				
Change in total obligation for postretirement benefits, prior service credit, and other benefits	49	60	146	178
Net unrealized gains (losses) on securities:				
Unrealized holding gains (losses) on securities available for sale	(2,338)	(43,422)	(1,920)	(159,460)

Three Months Ended March 31,

Three Months Ended March 31,

	2024	2023
Net income		

Net income

Net income

Change in total obligation for postretirement benefits, prior service credit, and other benefits

Change in total obligation for postretirement benefits, prior service credit, and other benefits

Unrealized holding gains (losses) on securities available for sale

Unrealized holding gains (losses) on securities available for sale

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Reclassification adjustment for losses realized in income	Reclassification adjustment for losses realized in income	1,699	1,831	5,052	2,248
Accretion of net unrealized loss on securities transferred to held-to-maturity	Accretion of net unrealized loss on securities transferred to held-to-maturity	479	548	1,433	757
Accretion of net unrealized loss on securities transferred to held-to-maturity					
Accretion of net unrealized loss on securities transferred to held-to-maturity					
Net unrealized gains (losses) on securities	Net unrealized gains (losses) on securities	(160)	(41,043)	4,565	(156,455)
Other comprehensive income (loss), before tax		(111)	(40,983)	4,711	(156,277)
Income tax benefit (expense)		31	11,275	(1,298)	42,992
Total other comprehensive income (loss), net of taxes		(80)	(29,708)	3,413	(113,285)
Total comprehensive income (loss), net of taxes		$22,228	$ (6,764)	$68,697	$(56,563)
Other comprehensive income, before tax					
Income tax expense					
Total other comprehensive income, net of taxes					
Total comprehensive income, net of taxes					

See accompanying notes to consolidated financial statements (unaudited)

Consolidated Statements of Changes in Stockholders’ Equity (unaudited)
(Dollars in thousands)

	Three Months Ended September 30, 2023								
	Number of Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net of income taxes	Treasury Stock, at cost	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at July 1, 2023	30,572,606	$ 307	$ 286,877	$349,204	$ (105,214)	$ (2,693)	$ 528,481	$ 133	$528,614
	Three Months Ended March 31, 2024								

	Number of Shares of Common Stock										Number of Shares of Common Stock	Common Stock	Additior Paid-i Capita
Balance at January 1, 2024													
Net income	Net income	—	—	—	22,308	—	—	22,308	—	22,308			
Repurchase of common stock	Repurchase of common stock	(141,748)	—	—	—	—	(2,647)	(2,647)	—	(2,647)			
Repurchase of common stock													
Repurchase of common stock													
Common stock issued under Employee Stock Purchase Plan	Common stock issued under Employee Stock Purchase Plan	7,918	—	(2)	—	—	138	136	—	136			
Dividends declared on common stock, net, $0.10 per share		—	—	—	(3,092)	—	—	(3,092)	—	(3,092)			
Dividends on common stock, $0.10 per share													
Exercise of stock options, net of repurchases	Exercise of stock options, net of repurchases	5,272	—	(91)	—	—	—	(91)	—	(91)			
Restricted stock units vesting, net of repurchases	Restricted stock units vesting, net of repurchases	14,733	—	(390)	—	—	348	(42)	—	(42)			
Stock-based compensation expense	Stock-based compensation expense	—	—	1,185	—	—	—	1,185	—	1,185			
Other comprehensive loss, net of taxes		—	—	—	—	(80)	—	(80)	—	(80)			
Balance at September 30, 2023		30,458,781	$ 307	$ 287,579	$368,420	$ (105,294)	$ (4,854)	$ 546,158	$ 133	$546,291			
Other comprehensive income, net of taxes													
Balance at March 31, 2024													

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		Nine Months Ended September 30, 2023											
		Number of Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net of income taxes	Treasury Stock, at cost	Total Stockholders' Equity	Noncontrolling Interest	Total Equity			
	Three Months Ended March 31, 2023												
	Number of Shares of Common Stock										Number of Shares of Common Stock	Common Stock	Additi Paid- Capi
Balance at January 1, 2023	**Balance at January 1, 2023**	30,700,198	$ 307	$ 286,947	$330,275	$ (108,707)	$ —	$ 508,822	$ 133	$508,955			
Cumulative effect of adoption of ASU No. 2016-13	Cumulative effect of adoption of ASU No. 2016-13	—	—	—	(17,825)	—	—	(17,825)	—	(17,825)			
Balance at January 1, 2023 adjusted for change in accounting principle	Balance at January 1, 2023 adjusted for change in accounting principle	30,700,198	307	286,947	312,450	(108,707)	—	490,997	133	491,130			
Net income	Net income	—	—	—	65,284	—	—	65,284	—	65,284			
Repurchase of common stock	Repurchase of common stock	(409,513)	—	—	—	—	(7,229)	(7,229)	—	(7,229)			
Repurchase of common stock													
Repurchase of common stock													
Common stock issued under Employee Stock Purchase Plan	Common stock issued under Employee Stock Purchase Plan	37,672	—	(30)	—	—	680	650	—	650			
Dividends declared on common stock, net, $0.30 per share			—	—	(9,314)	—	—	(9,314)	—	(9,314)			
Dividends on common stock, $0.10 per share													
Exercise of stock options, net of repurchases	Exercise of stock options, net of repurchases	11,903	—	(182)	—	—	—	(182)	—	(182)			
Restricted stock units vesting, net of repurchases	Restricted stock units vesting, net of repurchases	118,521	—	(2,581)	—	—	1,695	(886)	—	(886)			
Stock-based compensation expense	Stock-based compensation expense	—	—	3,425	—	—	—	3,425	—	3,425			

Other comprehensive income, net of taxes	Other comprehensive income, net of taxes	—	—	—	—	3,413	—	3,413	—	3,413
Balance at September 30, 2023		30,458,781	$ 307	$ 287,579	$368,420	$ (105,294)	$ (4,854)	$ 546,158	$ 133	$546,291
Balance at March 31, 2023										

See accompanying notes to consolidated financial statements (unaudited)

	Three Months Ended September 30, 2022								
	Number of Shares of Common Stock Outstanding	**Common Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss, net of income taxes**	**Treasury Stock, at cost**	**Total Stockholders' Equity**	**Noncontrolling Interest**	**Total Equity**
Balance at July 1, 2022	30,684,246	$ 307	$ 286,901	$ 288,868	$ (78,168)	$ —	$ 497,908	$ 133	$ 498,041
Net income	—	—	—	22,944	—	—	22,944	—	22,944
Repurchase of common stock	(34,656)	(1)	(744)	—	—	—	(745)	—	(745)
Common stock issued under Employee Stock Purchase Plan	7,461	—	168	—	—	—	168	—	168
Dividends declared on common stock, net, $0.10 per share	—	—	—	(3,069)	—	—	(3,069)	—	(3,069)
Exercise of stock options, net of repurchases	20,220	1	(502)	—	—	—	(501)	—	(501)
Restricted stock units vesting, net of repurchases	(4,968)	—	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	608	—	—	—	608	—	608
Other comprehensive loss, net of taxes	—	—	—	—	(29,708)	—	(29,708)	—	(29,708)
Balance at September 30, 2022	30,672,303	$ 307	$ 286,431	$ 308,743	$ (107,876)	$ —	$ 487,605	$ 133	$ 487,738

Consolidated Statements of Cash Flows (unaudited)

(Dollars in thousands)

	Three Months Ended March 31,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 27,249	$ 21,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	886	869
Amortization of intangible assets	183	222
Deferred income tax expense	4,750	3,308

Provision for credit losses	1,588	4,958
Stock-based compensation expense	1,081	1,037
Net amortization on loan fees, costs, premiums, and discounts	792	36
Net amortization on securities premiums, discounts, and net unrealized loss on securities transferred to held-to-maturity	341	408
Net income from equity method investments	(2,072)	(153)
Net loss on sale of securities available for sale	2,774	3,086
Net gain on sale of loans	(47)	(3)
Net gain on redemption of bank-owned life insurance	—	(225)
Proceeds from sales of loans held for sale	7,084	3,459
Originations of loans held for sale	(7,357)	(1,176)
Increase in cash surrender value of bank-owned life insurance	(609)	(556)
Net gain on repurchase of subordinated debt	—	(780)
Decrease in accrued interest receivable	2,048	597
Decrease in other assets	9,985	6,403
Decrease in other liabilities	(17,414)	(7,975)
Net cash provided by operating activities	31,262	34,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in loans	(15,434)	(94,742)
Purchase of securities available for sale	(142,368)	(17,220)
Purchase of securities held-to-maturity	(38,918)	(98,893)
Proceeds from sales of securities available for sale	78,827	145,305
Maturities, principal payments and redemptions of securities available for sale	46,038	42,144
Maturities, principal payments and redemptions of securities held-to-maturity	61,975	21,082
Decrease (increase) in resell agreements	(81,242)	10,323
Increase in equity method investments	295	288
Decrease (increase) in FHLBNY stock, net	(214)	26,100
Purchases of premises and equipment, net	(207)	(263)
Proceeds from redemption of bank-owned life insurance	—	980
Net cash (used in) provided by investing activities	(91,248)	35,104
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	293,777	446,324
Net decrease in other borrowings	(165,246)	(440,000)
Repurchase of subordinated debt	—	(3,220)
Common stock issued under Employee Stock Purchase Plan	244	388
Repurchase of common stock	(285)	(2,425)

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	Nine Months Ended September 30, 2022								
	Number of Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock, at cost	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at January 1, 2022	31,130,143	$ 311	$ 297,975	$ 260,047	$ 5,409	$ —	$ 563,742	$ 133	$ 563,875
Net income	—	—	—	56,722	—	—	56,722	—	56,722
Repurchase of common stock	(669,176)	(7)	(12,471)	—	—	—	(12,478)	—	(12,478)

Common stock issued under Employee Stock Purchase Plan	25,333	—	516	—	—	—	516	—	516
Dividends declared on common stock, net, $0.26 per share	—	—	—	(8,026)	—	—	(8,026)	—	(8,026)
Exercise of stock options, net of repurchases	81,196	3	(1,541)	—	—	—	(1,538)	—	(1,538)
Restricted stock units vesting, net of repurchases	104,807	—	(2)	—	—	—	(2)	—	(2)
Stock-based compensation expense	—	—	1,954	—	—	—	1,954	—	1,954
Other comprehensive loss, net of taxes	—	—	—	—	(113,285)	—	(113,285)	—	(113,285)
Balance at September 30, 2022	30,672,303	$ 307	$ 286,431	$ 308,743	$ (107,876)	$ —	$ 487,605	$ 133	$ 487,738

Dividends paid	(3,115)	(3,082)
Payments related to repurchase of common stock for equity awards	(755)	(585)
Net cash provided by (used in) financing activities	124,620	(2,600)
Increase in cash, cash equivalents, and restricted cash	64,634	67,357
Cash, cash equivalents, and restricted cash at beginning of year	90,570	63,540
Cash, cash equivalents, and restricted cash at end period	$ 155,204	$ 130,897
Supplemental disclosures of cash flow information:		
Interest paid during the period	$ 34,527	$ 15,509
Income taxes paid during the period	317	291
Right-of-use assets obtained in exchange for lease liabilities	560	—
Purchase of securities available for sale, net not settled	21,000	—

See accompanying notes to consolidated financial statements (unaudited)

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Consolidated Statements of Cash Flows (unaudited)
(Dollars in thousands)

	Nine Months Ended September 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 65,284	$ 56,722
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,647	2,683
Amortization of intangible assets	666	785
Deferred income tax expense	5,523	5,665
Provision for credit losses	10,913	10,568
Stock-based compensation expense	3,425	1,954
Net amortization on loan fees, costs, premiums, and discounts	238	1,324
Net amortization on securities premiums, discounts, net unrealized loss on securities transferred to held-to-maturity, and subordinated debt	1,546	3,625
OTTI gain recognized in earnings	—	(16)

Net (income) loss from equity method investments	(1,261)	1,357
Net loss on sale of securities available for sale	5,052	2,264
Net (gain) loss on sale of loans	(30)	32
Net gain on redemption of bank-owned life insurance	(371)	(1,369)
Proceeds from sales of loans held for sale	15,829	17,635
Originations of loans held for sale	(12,962)	(8,276)
Increase in cash surrender value of bank-owned life insurance	(1,683)	(1,513)
Net gain on repurchase of subordinated debt	(1,417)	(617)
Increase in accrued interest and dividends receivable	(6,304)	(5,947)
Decrease in other assets	16,625	13,521
Decrease in accrued expenses and other liabilities	(1,813)	(6,146)
Net cash provided by operating activities	101,907	94,251
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in loans	(264,555)	(588,730)
Purchase of securities available for sale	(69,382)	(672,142)
Purchase of securities held-to-maturity	(211,211)	(508,097)
Proceeds from sales of securities available for sale	249,971	132,105
Maturities, principal payments and redemptions of securities available for sale	123,175	281,244
Maturities, principal payments and redemptions of securities held-to-maturity	70,100	111,632
Decrease in resell agreements	25,754	36,184
Increase in equity method investments	(2,247)	(2,184)
Decrease (increase) in FHLBNY stock, net	25,218	(3,162)
Purchases of premises and equipment, net	(1,219)	(1,487)
Proceeds from redemption of bank-owned life insurance	1,941	4,233
Net cash used in investing activities	(52,455)	(1,210,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	395,817	804,052
Net increase in other borrowings	230,000	—
Net (decrease) increase in FHLBNY advances	(575,619)	75,000
Repurchase of subordinated debt	(6,047)	(5,633)

Common stock issued under Employee Stock Purchase Plan	650	516
Repurchase of shares	(7,229)	(12,478)
Dividends paid	(9,277)	(8,026)
Payments related to repurchase of common stock for equity awards	(1,068)	(1,540)
Net cash provided by financing activities	27,227	851,891
Increase (decrease) in cash, cash equivalents, and restricted cash	76,679	(264,262)
Cash, cash equivalents, and restricted cash at beginning of year	63,540	330,485
Cash, cash equivalents, and restricted cash at end period	$ 140,219	$ 66,223
Supplemental disclosures of cash flow information:		
Interest paid during the period	$ 59,104	$ 6,909
Income taxes paid during the period	7,381	2,431
Loans transferred from held-for-sale	4,664	—
Loans transferred to held-for-sale	3,581	24,043
Securities available for sale transferred to held-to-maturity	—	260,112

Notes to Consolidated Financial Statements (unaudited)

1. BASIS OF PRESENTATION AND CONSOLIDATION

Basis of Accounting and Changes in Significant Accounting Policies

In this discussion, unless the context indicates otherwise, references to "we," "us," "our" and the "Company" refer to Amalgamated Financial Corp. and Amalgamated Bank. References to the "Bank" refer to Amalgamated Bank.

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, or GAAP and predominant practices within the banking industry. The Company uses the accrual basis of accounting for financial statement purposes.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The annualized results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results of operations that may be expected for the entire fiscal year. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC" (the "SEC"). All significant inter-company transactions and balances are eliminated in consolidation. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial position and the results of operations as of the dates and for the interim periods presented have been included. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes appearing in the Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "2022 "2023 Annual Report"). A more detailed description of our accounting policies is included in the 2022 2023 Annual Report, which remain significantly unchanged except for the Allowance for Credit Losses ("ACL") policy, resulting from the adoption of the Accounting Standard Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and its amendments, ("ASU No. 2016-13") as of January 1, 2023, as well as the addition of accounting policies related to treasury stock:

Treasury stock - Treasury stock is carried at cost. Shares issued out of treasury are valued based on the weighted average cost.unchanged.

There have been no other significant changes to our accounting policies, or the estimates made pursuant to those policies as described in our 2022 2023 Annual Report.

Recently Adopted Accounting Standards

ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments

The Company adopted ASU No. 2016-13 inclusive of subsequent amendments as of January 1, 2023. ASU No. 2016-13 amends guidance on reporting credit losses for assets held on an amortized cost basis and available-for-sale debt securities, as well as off balance sheet credit exposures. For assets held at amortized cost, ASU No. 2016-13 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The amendments in ASU No. 2016-13 replace the incurred loss impairment methodology with a methodology that reflects the measurement of expected credit losses based on relevant information about past events, including historical loss experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of financial assets to present the net amount expected to be collected. For available for sale debt securities, credit losses will be presented as an allowance rather than as a write-down. For the Company, the amendments affected loans, debt securities, off-balance sheet credit exposures, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

The Company adopted ASU No. 2016-13 on a modified retrospective basis with a cumulative-effect adjustment to retained earnings as of the adoption date and, accordingly, the Company recorded a net of tax decrease of $17.8 million to retained earnings as of January 1, 2023. The results for prior period amounts continue to be reported in accordance with previously applicable GAAP.

The below table illustrates the impact of the adoption of ASU 2016-13.

	January 1, 2023		
	Gross Adjustment	Tax Impact	Net Adjustment to Retained Earnings

Assets:			
Allowance for credit losses on held-to-maturity securities	$ 668	$ (184)	$ 484
Allowance for credit losses on loans	21,229	(5,849)	15,380
Liabilities:			
Allowance for credit losses on off-balance sheet credit exposures	2,705	(744)	1,961
Total Day 1 Adjustment for Adoption of ASU 2016-13	$ 24,602	$ (6,777)	$ 17,825

Allowance for Credit Losses - Available for Sale Securities: Any available for sale security in an unrealized loss position is assessed for Management's intent to sell, or if it is more likely than not that it will be required to sell before the recovery of its amortized cost basis. If either criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. Accrued interest receivable is excluded from the estimate of expected credit losses, as accrued interest receivable is reversed for securities placed on nonaccrual status. Securities issued by U.S. government entities are either explicitly or implicitly guaranteed by the U.S. government, and are highly rated by major ratings agencies and have a long history of no credit losses. For debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from expected credit losses or other factors in making this assessment. Management considers the extent in which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows is expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. There was no allowance for credit losses for available for sale securities as of January 1, 2023.

Allowance for Credit Losses - Held-to-maturity Securities: Management measures expected credit losses on held-to-maturity securities on a collective basis by security type. The Company's methodology to measure the allowance for credit losses incorporates both quantitative and qualitative information to assess lifetime expected credit losses. The calculation is based on projected annual default rates, loss severities, and prepayment rates. Expected credit losses are estimated over the contractual term of the securities, adjusted for forecasted prepayments when appropriate.

Accrued interest receivable is excluded from the estimate of expected credit losses, as accrued interest receivable is reversed for securities placed on nonaccrual status. The Company has identified the following portfolio segments and measures the allowance for credit losses using the following methods:

Mortgage-backed - Certain residential securities held by the Company are issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, and are highly rated by major rating agencies and have a long history of no credit losses.

Non-GSE residential and commercial mortgage-backed securities held by the Company are secured by pools of commercial or residential certificates.

Asset-backed securities ("ABS") - ABS held by the Company are secured by pools of consumer products such as student loans, consumer loans, and consumer residential solar loans.

Property assessed clean energy ("PACE assessments") - PACE assessments held by the Company are secured low loan to value long-term funding for energy efficient and renewable energy projects for residential or commercial projects.

Other securities - Other securities held by the Company include corporate securities, municipal securities and small investments community reinvestment act investments secured by loans.

Allowance for Credit Losses - Loans: The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of a financial asset or a group of financial assets so that the balance sheet reflects the net amount the Company expects to collect. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts, and deferred fees and costs. Accrued interest receivable on loans is excluded from the estimate of expected credit losses, as accrued interest receivable is reversed for loans placed on nonaccrual status. Subsequent changes (favorable and unfavorable) in expected credit losses are recognized immediately in net income as a credit loss expense or a reversal of credit loss expense. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management calculates the estimation of the allowance for credit losses on loans on a quarterly basis. The Company's methodology to measure the allowance for credit losses incorporates both quantitative and qualitative information to assess lifetime expected credit losses at the portfolio segment level. The quantitative component of the allowance model calculates future loan level balances by considering the loan segment baseline loss rate based on a peer group and severity rate. Expected credit losses are estimated over the contractual term of the loans, adjusted for forecasted prepayments when appropriate. The baseline loss rate is adjusted for relevant macroeconomic variables by loan segment that consider forecasted economic conditions. The adjusted loss rate is calculated for an eight quarter forecast period then reverts to the historical loss rate on a straight-line basis over four quarters. The loan level cash flows are discounted at the effective interest rate to calculate a loan level allowance which is aggregated at the loan segment level to arrive at the estimated allowance.

Economic parameters are developed using available information relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit experience provides the basis for the estimation of expected credit losses, with qualitative adjustments made to loan segments for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency levels and terms, as well as for changes in environmental conditions, such as changes in unemployment rates, property values or other relevant factors.

The allowance for credit losses on loans is measured on a collective (pool) basis when similar risk characteristics exist. The Company has identified the following portfolio segments and measures the allowance for credit losses using the methods described above.

Commercial and Industrial Loans - Loans in this classification are made to businesses and include term loans, lines of credit, and senior secured loans to corporations. Generally, these loans are secured by assets of the business and repayment is expected from the cash flows of the business. A weakened economy, and resultant decreased consumer and/or business spending, will have an effect on the credit quality in this loan class.

Multifamily Mortgage Loans - Loans in this classification include income producing residential investment properties of five or more families. Loans are made to established owners with a proven and demonstrable record of strong performance. Repayment is derived generally from the rental income generated from the property and may be supplemented by the owners' personal cash flow. Credit risk arises with an increase in vacancy rates, property mismanagement and the predominance of non-recourse loans that are customary in the industry.

Commercial Real Estate Loans - Loans in this classification include income producing investment properties and owner-occupied real estate used for business purposes. The underlying properties are located largely in the Company's primary market area. The cash flows of the income producing investment properties are adversely impacted by a downturn in the economy as evidenced by increased vacancy rates, which in turn, will have an effect on credit quality. In the case of owner-occupied real estate used for business purposes, a weakened economy and resultant decreased consumer and/or business spending will have an adverse effect on credit quality.

Construction and Land Development Loans - Loans in this classification primarily include land loans to local individuals, contractors and developers for developing the land for sale or for the purpose of making improvements thereon. Repayment is derived primarily from sale of the lots/units including any pre-sold units. Credit risk is affected by market conditions, time to sell at an adequate price and cost overruns. To a lesser extent, this class includes commercial development projects that the Company finances, which in most cases are interest only during construction, and then convert to permanent

financing. Construction delays, cost overruns, market conditions and the availability of permanent financing, to the extent such permanent financing is not being provided by the Bank, all affect the credit risk in this loan class.

Residential Real Estate Loans - Loans in this classification are generally secured by owner-occupied residential real estate and repayment is dependent on the credit quality of the individual borrower. Loans in this class are secured by both first liens and second liens. The overall health of the economy, including unemployment rates and housing prices, can have an effect on the credit quality in this loan class.

Consumer Solar Loans - Loans in this classification may be either secured or unsecured. This portfolio is comprised of residential solar loans. Repayment is dependent on the credit quality of the individual borrower and, if applicable, sale of the collateral securing the loan. Therefore, the overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this loan class.

Consumer and Other Loans - Loans in this classification may be either secured or unsecured. This portfolio is comprised of student loans and other consumer products. Repayment is dependent on the credit quality of the individual borrower and, if applicable, sale of the collateral securing the loan. Therefore, the overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this loan class.

Loans that are determined to have unique risk characteristics are evaluated on an individual basis by Management. Loans evaluated individually are not included in the collective evaluation. Factors that may be considered are borrower delinquency trends and nonaccrual status, probability of foreclosure or note sale, changes in the borrower's circumstances or cash collections, borrower's industry, or other facts and circumstances of the loan or collateral.

Individually Evaluated Loans with an ACL: For collateral-dependent loans where the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the loan to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral, less the estimated costs to sell, and the amortized cost basis of the loan as of the measurement date. The fair value of real estate collateral is determined based on recent appraised values. The fair value of non-real estate collateral, may be determined based on an appraisal, net book value per the borrower's financial statements, aging reports, or by reference to market activity, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation and management's expertise and knowledge of the borrower and its business. For non-collateral dependent loans, ACL is measured based on the difference between the present value of expected cash flows and the amortized cost basis of the loan as of the measurement date.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures: The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company for its security and loan portfolios. The allowance for credit losses on off-balance sheet credit exposures is recorded in other liabilities on the consolidated statements of financial condition, and adjusted through the credit loss expense which is recorded in the provision for credit losses on the consolidated statements of income. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life, which is the same as the expected loss factor as determined based on the corresponding portfolio segment. At January 1, 2023, the Day 1 adjustment to allowance for credit losses on off-balance sheet credit exposures was $2.7 million, of which $2.6 million related to obligations on the loans portfolio, and $0.1 million related to obligations on the securities portfolio.

ASU 2022-02, Financial Instruments - Credit Losses (Topic 326) - Troubled Debt Restructurings and Vintage Disclosures

On March 31, 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-02, which eliminates the troubled debt restructuring ("TDR") accounting model for creditors that have adopted Topic 326, “Financial Instruments – Credit Losses.” Specifically, rather than applying the recognition and measurement guidance for TDRs, this ASU requires entities to evaluate receivable modifications, consistent with the accounting for other loan modifications, to determine whether a modification made to a borrower results is a new loan or a continuation of the existing loan. In addition, under the new ASU, entities are no longer required to use a discounted cash flow ("DCF") method to measure the ACL as a result of a modification or restructuring with a borrower experiencing financial difficulty. If a DCF method is used, the post-modification-derived effective interest rate is to be used, instead of the original interest rate as stipulated under the current GAAP. This ASU also enhances the disclosure requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. This ASU

amends the guidance on “vintage disclosures” to require the disclosure of current-period gross write-offs by year of origination. The Company adopted ASU 2022-02 on January 1, 2023 on a prospective basis. The adoption of the standard did not have a material impact on the financial statements. Refer to the *Loans receivable, net* footnote for updated disclosures for the three and nine months ended September 30, 2023.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation, however such reclassifications did not change stockholders' equity or net income.

2. ACCUMULATED OTHER COMPREHENSIVE LOSS INCOME (LOSS)

The following is a summary of the accumulated comprehensive loss income (loss) balances, net of income taxes:

(In thousands)	Balance as of January 1, 2023	Current Period Change	Income Tax Effect	Balance as of September 30, 2023
Unrealized gains (losses) on benefits plans	$ (1,652)	$ 146	$ (40)	$ (1,546)
Unrealized gains (losses) on available for sale securities	(95,539)	3,132	(863)	(93,270)
Unaccreted unrealized loss on securities transferred to held-to-maturity	(11,516)	1,433	(395)	(10,478)
Total	$ (108,707)	$ 4,711	$ (1,298)	$ (105,294)

(In thousands)	Balance as of January 1, 2022	Current Period Change	Income Tax Effect	Balance as of September 30, 2022
Unrealized gains (losses) on benefits plans	$ (2,102)	$ 178	$ (49)	$ (1,973)

Unrealized gains (losses) on available for sale securities	7,511	(140,062)	38,531	(94,020)
Unaccreted unrealized loss on securities transferred to held-to-maturity	—	(16,393)	4,510	(11,883)
Total	$ 5,409	$ (156,277)	$ 42,992	$ (107,876)

Notes to Consolidated Financial Statements (unaudited)

	Balance as of January 1, 2024	Current Period Change	Income Tax Effect	Balance as of March 31, 2024
(In thousands)				
Unrealized gains (losses) on benefits plans	$ (1,481)	$ 43	$ (11)	$ (1,449)
Unrealized gains (losses) on available for sale securities	(74,348)	9,176	(2,508)	(67,680)
Unaccreted unrealized loss on securities transferred to held-to-maturity	(10,175)	595	(163)	(9,743)
Total	$ (86,004)	$ 9,814	$ (2,682)	$ (78,872)

	Balance as of January 1, 2023	Current Period Change	Income Tax Effect	Balance as of March 31, 2023
(In thousands)				
Unrealized gains (losses) on benefits plans	$ (1,652)	$ 48	$ (13)	$ (1,617)
Unrealized gains (losses) on available for sale securities	(95,539)	15,185	(4,184)	(84,538)
Unaccreted unrealized loss on securities transferred to held-to-maturity	(11,516)	488	(134)	(11,162)
Total	$ (108,707)	$ 15,721	$ (4,331)	$ (97,317)

Other comprehensive income (loss) components and related income tax effects were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	2024		2024	2023
(In thousands)	*(In thousands)*			
Postretirement Benefit Plans	**Postretirement Benefit Plans**			
Postretirement Benefit Plans				
Postretirement Benefit Plans				
Change in obligation for postretirement benefits and for prior service credit				
Change in obligation for postretirement benefits and for prior service credit				

Change in obligation for postretirement benefits and for prior service credit	Change in obligation for postretirement benefits and for prior service credit	$ 39	$ 51	$ 119	$ 153
Reclassification adjustment for prior service expense included in compensation and employee benefits	Reclassification adjustment for prior service expense included in compensation and employee benefits	7	7	21	21
Change in obligation for other benefits	Change in obligation for other benefits	3	2	6	4
Change in total obligation for postretirement benefits and for prior service credit and for other benefits	Change in total obligation for postretirement benefits and for prior service credit and for other benefits	49	60	146	178
Income tax expense	Income tax expense	(13)	(17)	(40)	(49)
Net change in total obligation for postretirement benefits and prior service credit and for other benefits	Net change in total obligation for postretirement benefits and prior service credit and for other benefits	36	43	106	129
Securities	**Securities**				
Unrealized holding gains (losses) on available for sale securities		(2,338)	(43,422)	(1,920)	(159,460)
Securities					
Securities					
Unrealized holding gains on available for sale securities					
Unrealized holding gains on available for sale securities					
Unrealized holding gains on available for sale securities					
Reclassification adjustment for losses realized in loss on sale of securities	Reclassification adjustment for losses realized in loss on sale of securities	1,699	1,831	5,052	2,248
Accretion of net unrealized loss on securities transferred to held-to-maturity recognized in interest income from securities	Accretion of net unrealized loss on securities transferred to held-to-maturity recognized in interest income from securities	479	548	1,433	757

Change in unrealized gains (losses) on available for sale securities	(160)	(41,043)	4,565	(156,455)
Income tax benefit (expense)	44	11,292	(1,258)	43,041
Net change in unrealized gains (losses) on securities	(116)	(29,751)	3,307	(113,414)
Accretion of net unrealized loss on securities transferred to held-to-maturity recognized in interest income from securities				
Accretion of net unrealized loss on securities transferred to held-to-maturity recognized in interest income from securities				
Change in unrealized gains on available for sale securities				
Income tax expense				
Net change in unrealized gains on securities				
Total **Total**	$ (80)	$(29,708)	$3,413	$(113,285)
Total				
Total				

Notes to Consolidated Financial Statements (unaudited)

3. INVESTMENT SECURITIES

The amortized cost and fair value of investment securities available for sale and held-to-maturity as of September 30, 2023 March 31, 2024 are as follows:

	September 30, 2023			
(In thousands)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Available for sale:				
Mortgage-related:				
Government sponsored entities ("GSE") residential CMOs ("collateralized mortgage obligations")	$ 396,458	$ 26	$ (43,313)	$ 353,171
GSE commercial certificates & CMO	137,912	—	(9,671)	128,241
Non-GSE residential certificates	113,429	—	(16,678)	96,751
Non-GSE commercial certificates	95,269	—	(10,392)	84,877
	743,068	26	(80,054)	663,040
Other debt:				
U.S. Treasury	200	—	(3)	197
ABS	693,922	51	(26,571)	667,402
Trust preferred	9,991	—	(672)	9,319

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate	134,054	—	(21,088)	112,966
Residential PACE assessments	38,950	—	(424)	38,526
	877,117	51	(48,758)	828,410
Total available for sale	$ 1,620,185	$ 77	$ (128,812)	$ 1,491,450

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held-to-maturity:				
Traditional securities:				
GSE residential CMOs	$ 65,353	$ —	$ (6,013)	$ 59,340
GSE commercial certificates	89,641	—	(15,462)	74,179
GSE residential certificates	416	—	(35)	381
Non-GSE commercial certificates	32,669	—	(3,678)	28,991
Non-GSE residential certificates	47,563	—	(6,364)	41,199
ABS	282,164	81	(11,174)	271,071
Municipal	94,275	—	(22,363)	71,912
	612,081	81	(65,089)	547,073
PACE assessments:				
Commercial PACE assessments	270,020	—	(50,082)	219,938
Residential PACE assessments	800,484	—	(89,689)	710,795
	1,070,504	—	(139,771)	930,733
Allowance for credit losses	(725)			
Total held-to-maturity	$ 1,681,860	$ 81	$ (204,860)	$ 1,477,806

Notes to Consolidated Financial Statements (unaudited)

	March 31, 2024			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Traditional securities:				
Government sponsored entities ("GSE") residential CMOs ("collateralized	[illegible]	263	(38,032)	[illegible]
Non-GSE certificates & CMOs	206,361	—	(19,908)	186,453
ABS	685,746	315	(17,771)	668,290
Corporate	140,026	—	(18,653)	121,373
Other	4,197	—	(308)	3,889
	1,539,887	578	(94,672)	1,445,793
PACE assessments:				
Residential PACE assessments	81,282	976	—	82,258
Total available for sale	$ 1,621,169	$ 1,554	$ (94,672)	$ 1,528,051

As of September 30, 2023 March 31, 2024, available for sale securities with a fair value of $915.0 million $1.28 billion and held-to-maturity securities with a fair value of $501.6 million $544.5 million were pledged. The majority of the securities were pledged to the FHLBNY to secure outstanding advances, letters of credit and to provide additional borrowing potential. In addition, securities were pledged to provide capacity to borrow from the Federal Reserve Bank and to collateralize municipal deposits.

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Notes to Consolidated Financial Statements (unaudited)

The amortized cost and fair value of investment securities available for sale and held-to-maturity as of December 31, 2022 December 31, 2023 are as follows:

	December 31, 2022			
(In thousands)	Amortized Cost	Gross Unrealized / Unrecognized Gains	Gross Unrealized / Unrecognized Losses	Fair Value
Held-to-maturity: / **Available for sale:**				
Traditional securities: / Mortgage-related:				
GSE certificates & CMOs	$ 193,070	$ 952	$ (20,712)	$ 173,310
Non-GSE certificates & CMOs	78,510	—	(6,706)	71,804
ABS / GSE residential CMOs	[illegible]	[illegible]	[illegible]	[illegible]
Municipal / GSE commercial certificates & CMO	[illegible]	[illegible]	[illegible]	[illegible]
Non-GSE residential certificates	[illegible]	1,174	[illegible]	[illegible]
PACE assessments: / Non-GSE commercial certificates	108,286	—	(10,804)	97,482

	881,674	24	(73,990)	807,708
Other debt:				
U.S. Treasury	199	—	(7)	192
ABS	901,746	34	(39,617)	862,163
Trust preferred	10,988	—	(845)	10,143
Corporate	149,836	—	(17,466)	132,370
	1,062,769	34	(57,935)	1,004,868
Total available for sale	$ 1,944,343	$ 58	$ (131,925)	$ 1,812,476

Commercial PACE assessments	256,661	—	(29,767)	226,894
Residential PACE assessments	801,786	—	(79,058)	722,728
	1,058,947	—	(108,825)	949,622
Allowance for credit losses	(710)			
Total held-to-maturity	$ 1,673,962	$ 1,174	$ (154,225)	$ 1,521,621

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held-to-maturity:				
Traditional securities:				
GSE residential CMOs	$ 69,391	$ —	$ (4,054)	$ 65,337
GSE commercial certificates	90,335	—	(11,186)	79,149
GSE residential certificates	428	—	(17)	411
Non-GSE commercial certificates	32,635	9	(3,148)	29,496
Non-GSE residential certificates	50,468	—	(5,245)	45,223
ABS	288,682	—	(15,175)	273,507
Municipal	95,485	—	(15,999)	79,486
Other	2,000	—	—	2,000
	629,424	9	(54,824)	574,609
PACE assessments:				
Commercial PACE assessments	255,424	—	(26,782)	228,642
Residential PACE assessments	656,453	—	(44,833)	611,620
	911,877	—	(71,615)	840,262
Total held-to-maturity	$ 1,541,301	$ 9	$ (126,439)	$ 1,414,871

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	December 31, 2023			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Traditional securities:				
Government sponsored entities (GSE) residential CMOs ("collateralized mortgage obligations")	$ 521,101	$ 59	$ (40,545)	$ 480,615
Non-GSE certificates & CMOs	218,550	—	(21,690)	196,860
ABS	648,585	40	(20,990)	627,635
Corporate	140,038	—	(19,297)	120,741
Other	4,197	—	(309)	3,888
	1,532,471	99	(102,832)	1,429,739
PACE assessments:				
Residential PACE assessments	52,863	440	—	53,303
Total available for sale	$ 1,585,334	$ 539	$ (102,831)	$ 1,483,042

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held-to-maturity:				
Traditional securities:				
GSE certificates & CMOs	$ 194,329	$ 1,099	$ (19,693)	$ 175,735
Non-GSE certificates & CMOs	79,406	9	(6,686)	72,729
ABS	279,916	23	(8,678)	271,261
Municipal	66,635	165	(11,107)	55,693
	620,286	1,296	(46,164)	575,418

PACE assessments:				
Commercial PACE assessments	258,306	—	(29,211)	229,095
Residential PACE assessments	818,963	—	(73,967)	744,996
	1,077,269	—	(103,178)	974,091
Allowance for credit losses	(721)			
Total held-to-maturity	$ 1,696,834	$ 1,296	$ (149,342)	$ 1,549,509

Notes to Consolidated Financial Statements (unaudited)

There were no transfers to or from securities held-to-maturity during the three or nine months ended September 30, 2023. The Company reassessed the classification of certain investments during the nine months ended September 30, 2022 and transferred securities with a book value of $277.3 million from available-for-sale to held-to-maturity. The transfer occurred at a fair value totaling $260.1 million. The related unrealized losses of $17.1 million were converted to a discount that is being accreted through interest income on a level-yield method over the term of the securities, while the unrealized losses recorded in other comprehensive income are amortized out of other comprehensive income through interest income on a level-yield method over the remaining term of securities, with no net change to interest income. No gain or loss was recorded at the time of transfer. There were no transfers to or from securities held-to-maturity during the three months ended September 30, 2022 March 31, 2024 or the three months ended March 31, 2023.

Notes to Consolidated Financial Statements (unaudited)

The following table summarizes the amortized cost and fair value of debt securities available for sale and held-to-maturity, exclusive of mortgage-backed securities, by their contractual maturity as of September 30, 2023 March 31, 2024. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty:

	Available for Sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(In thousands)				
Due within one year	$ 200	$ 197	$ —	$ —
Due after one year through five years	66,288	59,932	9,433	8,904
Due after five years through ten years	360,128	342,393	35,467	34,400
Due after ten years	450,501	425,888	1,402,043	1,230,412
	$ 877,117	$ 828,410	$ 1,446,943	$ 1,273,716

	Available for Sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(In thousands)				
Due within one year	$ 3,000	$ 2,938	$ —	$ —
Due after one year through five years	63,881	59,373	9,443	9,129
Due after five years through ten years	305,694	291,046	118,141	117,180
Due after ten years	538,676	522,453	1,275,508	1,150,198
	$ 911,251	$ 875,810	$ 1,403,092	$ 1,276,507

Proceeds received and gains and losses realized on sales of available for sale securities are summarized below:

	Three Months Ended,		Nine Months Ended,	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(In thousands)				
Proceeds	$ 75,434	$ 96,154	$ 249,971	$ 132,105
Realized gains	$ 61	$ 2	$ 61	$ 164
Realized losses	(1,760)	(1,846)	(5,113)	(2,428)
Net realized losses	$ (1,699)	$ (1,844)	$ (5,052)	$ (2,264)

	Three Months Ended,	
	March 31, 2024	March 31, 2023
(In thousands)		
Proceeds	$ 78,827	$ 145,305
Realized gains	$ —	$ —
Realized losses	(2,774)	(3,086)
Net realized losses	$ (2,774)	$ (3,086)

There were no sales of held-to-maturity securities during the three or nine months ended September 30, 2023 March 31, 2024 or the three or nine months ended September 30, 2022 March 31, 2023.

The Company controls and monitors inherent credit risk in its securities portfolio through due diligence, diversification, concentration limits, periodic securities reviews, and by investing in low risk securities. This includes high quality Non Agency Non-Agency Securities, low loan-to-value ("LTV") PACE Bonds assessments and a significant portion of the securities portfolio in U.S. GSE obligations. GSEs include the Federal Home Loan Mortgage Corporation (“FHLMC”), the Federal National Mortgage Association (“FNMA”), the Government National Mortgage Association (“GNMA”) and the Small Business Administration (“SBA”). GNMA is a wholly owned U.S. Government corporation whereas FHLMC and FNMA are private. Mortgage-related securities may include mortgage pass-through certificates, participation certificates and CMOs. At March 31, 2024 and March 31, 2023, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of stockholders' equity.

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Notes to Consolidated Financial Statements (unaudited)

The following summarizes the fair value and unrealized losses for those available for sale and unrecognized losses for those held-to-maturity securities as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, segregated between securities that have been in an unrealized or unrecognized loss position for less than twelve months and those that have been in a continuous unrealized or unrecognized loss position for twelve months or longer at the respective dates:

	September 30, 2023					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Mortgage-related:						
GSE residential CMOs	$ —	$ —	$ 344,110	$ 43,313	$ 344,110	$ 43,313
GSE commercial certificates & CMO	—	—	128,241	9,671	128,241	9,671
Non-GSE residential certificates	—	—	96,751	16,678	96,751	16,678
Non-GSE commercial certificates	—	—	84,877	10,392	84,877	10,392
Other debt:						
U.S. Treasury	—	—	197	3	197	3
ABS	—	—	608,861	26,571	608,861	26,571

Trust preferred	—	—	9,319	672	9,319	672
Corporate	—	—	112,966	21,088	112,966	21,088
Residential PACE assessments	38,526	424	—	—	38,526	424
Total available for sale	$ 38,526	$ 424	$ 1,385,322	$ 128,388	$ 1,423,848	$ 128,812

	Less Than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
Held-to-maturity:						
Traditional securities:						
GSE CMOs	$ —	$ —	$ 59,340	$ 6,013	$ 59,340	$ 6,013
GSE commercial certificates	—	—	74,179	15,462	74,179	15,462
GSE residential certificates	—	—	381	35	381	35
Non GSE commercial certificates	—	—	28,876	3,678	28,876	3,678
Non GSE residential certificates	—	—	41,199	6,364	41,199	6,364
ABS	—	—	241,376	11,174	241,376	11,174
Municipal	13,915	1,135	57,997	21,228	71,912	22,363
PACE assessments:						
Commercial PACE assessments	41,850	7,343	178,088	42,739	219,938	50,082
Residential PACE assessments	215,160	15,261	495,635	74,428	710,795	89,689
Total held-to-maturity	$ 270,925	$ 23,739	$ 1,177,071	$ 181,121	$ 1,447,996	$ 204,860

	March 31, 2024					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Traditional securities:						
GSE certificates & CMOs	$ 13,115	$ 52	$ 394,753	$ 37,980	$ 407,868	$ 38,032
Non-GSE certificates & CMOs	—	—	186,453	19,908	186,453	19,908
ABS	49,551	33	411,349	17,738	460,900	17,771
Corporate	—	—	121,373	18,653	121,373	18,653
Other	198	1	3,691	307	3,889	308
Total available for sale	$ 62,864	$ 86	$ 1,117,619	$ 94,586	$ 1,180,483	$ 94,672

	December 31, 2022					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Mortgage-related:						
GSE residential CMOs	$ 231,562	$ 13,937	$ 151,285	$ 24,356	$ 382,847	$ 38,293
GSE commercial certificates & CMO	153,325	6,729	60,461	2,105	213,786	8,834
Non-GSE residential certificates	72,527	8,969	34,553	7,090	107,080	16,059

	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Non-GSE commercial certificates	62,243	4,842	35,239	5,962	97,482	10,804
Other debt:						
U.S. Treasury	192	7	—	—	192	7
ABS	530,269	17,290	299,425	22,327	829,694	39,617
Trust preferred	—	—	10,143	845	10,143	845
Corporate	89,054	9,772	43,316	7,694	132,370	17,466
Total available for sale	$ 1,139,172	$ 61,546	$ 634,422	$ 70,379	$ 1,773,594	$ 131,925

	Less Than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
Held-to-maturity:						
Traditional securities:						
GSE CMOs	$ 54,475	$ 2,891	$ 10,862	$ 1,163	$ 65,337	$ 4,054
GSE commercial certificates	48,934	3,404	30,215	7,782	79,149	11,186
GSE residential certificates	411	17	—	—	411	17
Non GSE commercial certificates	11,192	656	18,283	2,492	29,475	3,148
Non GSE residential certificates	39,426	4,784	5,797	461	45,223	5,245
ABS	224,279	11,078	49,228	4,097	273,507	15,175
Municipal	48,190	5,866	31,296	10,133	79,486	15,999
PACE assessments:						
Commercial PACE assessments	228,642	26,782	—	—	228,642	26,782
Residential PACE assessments	611,620	44,833	—	—	611,620	44,833
Total held-to-maturity	$ 1,267,169	$ 100,311	$ 145,681	$ 26,128	$ 1,412,850	$ 126,439

	December 31, 2023					
	Less Than Twelve Months		Twelve Months or Longer		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale:						
Traditional securities:						
GSE certificates & CMOs	$ —	$ —	$ 460,239	$ 40,545	$ 460,239	$ 40,545
Non-GSE certificates & CMOs	—	—	196,860	21,690	196,860	21,690
ABS	53,133	122	526,868	20,868	580,001	20,990
Corporate	—	—	120,741	19,297	120,741	19,297
Other	—	—	3,888	309	3,888	309
Total available for sale	$ 53,133	$ 122	$ 1,308,596	$ 102,709	$ 1,361,729	$ 102,831

Available for sale securities

As discussed in Note 1, upon adoption of the Current Expected Credit Losses ("CECL") standard, no allowance for credit losses was recorded on available for sale securities. During the three months ended March 31, 2023, the Company charged-off an unrealized loss position of $1.2 million related to a Corporate corporate bond related to Silicon Valley Bank was placed on nonaccrual status following credit concerns over the issuer. As a result, Management charged-off issuer, and the $1.2 million unrealized loss position given Management's intent to sell the Corporate bond and unlikely recovery of the unrealized position. The sale of the security in the second quarter of 2023 resulted in an immaterial additional loss. During the three months ended September 30, 2023, no available for sale securities were charged-off.

As of September 30, 2023 March 31, 2024, none of the Company's available for sale available-for-sale debt securities were in an unrealized loss position due to credit and therefore no allowance for credit losses on available for sale available-for-sale debt securities was required. The temporary impairment of fixed income securities is primarily attributable to changes in overall market interest rates and/or changes in credit/liquidity spreads since the investments were acquired. In general, as market interest rates rise and/or credit/liquidity spreads widen, the fair value of fixed rate securities will decrease, as market interest rates fall and/or credit spreads tighten, the fair value of fixed rate securities will increase.

With respect to the Company's security investments that are temporarily impaired as of September 30, 2023 March 31, 2024, management does not intend to sell these investments and does not believe it will be necessary to do so before anticipated recovery. If either criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. The Company expects to collect all amounts due according to the contractual terms of these investments. Therefore, the Company does not hold an allowance for credit losses for available for sale securities at September 30, 2023 March 31, 2024.

Held-to-maturity securities

Notes to Consolidated Financial Statements (unaudited)

Management conducts an evaluation of expected credit losses on held-to-maturity securities on a collective basis by security type. Management monitors the credit quality of debt securities held-to-maturity through reasonable and supportable forecasts, reviews of credit trends on underlying assets, credit ratings, and other factors. Holdings of securities issued by GSEs with unrealized losses are either explicitly or implicitly guaranteed by the U.S. government, and are highly rated by major rating agencies and have a long history of no credit losses.

With the exception of PACE assessments, which are generally not rated, our traditional these securities were rated investment grade by at least one nationally recognized statistical rating organization with no ratings below investment grade. All issues were current as to their interest payments. We There have had insignificant been no significant losses on PACE assessments that we have invested in and are not aware of any significant losses in the PACE bonds sector given the low loan-to-value position and the superior lien position on the property. Management considers that the temporary impairment of these investments as of September 30, 2023 March 31, 2024 is primarily due to an increase in interest rates and spreads since the time these investments were acquired.

Accrued interest receivable on securities totaling $28.1 million $31.6 million and $23.2 million $35.1 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, was included in other assets in the consolidated balance sheet and excluded from the amortized cost and estimated fair value totals in the table above.

The following table presents the activity in the allowance for credit losses for securities held-to-maturity for the three months ended September 30, 2023 March 31, 2024:

(In thousands)	*(In thousands)*	Non-GSE commercial certificates	Commercial PACE	Residential PACE	Total	*(In thousands)*	Non-GSE commercial certificates	Commercial PACE	Residential PACE	Total
Allowance for credit losses:	Allowance for credit losses:									
Beginning balance										
Beginning balance										
Beginning balance										
Beginning balance		$ 57	$ 262	$ 388	$707					
Provision for (recovery of) credit losses		(2)	8	12	18					
Recovery of credit losses										
Recovery of credit losses										
Recovery of credit losses										
Charge-offs	Charge-offs	—	—	—	—					
Recoveries	Recoveries	—	—	—	—					
Ending Balance		$ 55	$ 270	$ 400	$725					
Ending balance										

The following table presents the activity in the allowance for credit losses for securities held-to-maturity for the nine three months ended September 30, 2023 March 31, 2023:

(In thousands)	*(In thousands)*	**Non-GSE commercial certificates**	**Commercial PACE**	**Residential PACE**	**Total**	*(In thousands)*	**Non-GSE commercial certificates**	**Commercial PACE**	**Residential PACE**	**Total**
Allowance for credit losses:	Allowance for credit losses:									
Beginning balance	Beginning balance	$ —	$ —	$ —	$ —					
Beginning balance										
Beginning balance										
Adoption of ASU No. 2016-13	Adoption of ASU No. 2016-13	85	255	328	668					
Provision for (recovery of) credit losses	Provision for (recovery of) credit losses	(4)	15	72	83					
Charge-offs	Charge-offs	(26)	—	—	(26)					
Recoveries	Recoveries	—	—	—	—					
Ending Balance		$ 55	$ 270	$ 400	$725					
Ending balance										

Notes to Consolidated Financial Statements (unaudited)

4. LOANS RECEIVABLE, NET

With the adoption of ASU 2016-13 on January 1, 2023, all loan balances in this footnote for the period ended September 30, 2023 are presented at amortized cost, net of deferred loan origination costs. Loan balances for the period ended December 31, 2022 are presented at unpaid principal balance.

Loans receivable are summarized as follows:

(In thousands)	**September 30, 2023**	**December 31, 2022**
Commercial and industrial	$ 1,050,355	$ 925,641
Multifamily	1,094,955	967,521
Commercial real estate	324,139	335,133
Construction and land development	28,326	37,696
Total commercial portfolio	2,497,775	2,265,991
Residential real estate lending	1,409,530	1,371,779
Consumer solar	415,324	416,849
Consumer and other	42,116	47,150
Total retail portfolio	1,866,970	1,835,778
Total loans receivable	4,364,745	4,101,769
Net deferred loan origination costs	—	4,233
Total loans receivable, net of deferred loan origination costs	4,364,745	4,106,002
Allowance for credit losses	(67,815)	(45,031)

Total loans receivable, net	$ 4,296,930	$ 4,060,971

(In thousands)	March 31, 2024	December 31, 2023
Commercial and industrial	$ 1,014,084	$ 1,010,998
Multifamily	1,175,467	1,148,120
Commercial real estate	353,598	353,432
Construction and land development	23,266	23,626
Total commercial portfolio	2,566,415	2,536,176
Residential real estate lending	1,419,321	1,425,596
Consumer solar	398,501	408,260
Consumer and other	39,543	41,287
Total retail portfolio	1,857,365	1,875,143
Total loans receivable	4,423,780	4,411,319
Allowance for credit losses	(64,400)	(65,691)
Total loans receivable, net	$ 4,359,380	$ 4,345,628

Included in commercial and industrial loans are government guaranteed loans with a balance of $224.7 million at March 31, 2024 and $225.6 million at December 31, 2023. Due to these loans being fully guaranteed by the United States government, no allowance for credit losses is recorded in relation to these loans at March 31, 2024 and December 31, 2023.

The following table presents information regarding the past due status of the Company's loans as of March 31, 2024:

(In thousands)	30-59 Days Past Due	60-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due and Non-Accrual	Current	Total Loans Receivable
Commercial and industrial	$ 113	$ 19	$ 8,750	$ —	$ 8,882	$ 1,005,202	$ 1,014,084
Multifamily	—	—	—	—	—	1,175,467	1,175,467
Commercial real estate	—	—	4,354	—	4,354	349,244	353,598
Construction and land development	—	—	11,124	—	11,124	12,142	23,266
Total commercial portfolio	113	19	24,228	—	24,360	2,542,055	2,566,415
Residential real estate lending	9,406	5,458	4,763	—	19,627	1,399,694	1,419,321
Consumer solar	2,585	1,579	3,852	—	8,016	390,485	398,501
Consumer and other	534	876	176	—	1,586	37,957	39,543
Total retail portfolio	12,525	7,913	8,791	—	29,229	1,828,136	1,857,365
	$ 12,638	$ 7,932	$ 33,019	$ —	$ 53,589	$ 4,370,191	$ 4,423,780

The following table presents information regarding the past due status of the Company's loans as of September 30, 2023 December 31, 2023:

(In thousands)	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due	Current	Total Loans Receivable
Commercial and industrial	$ 2,137	$ 7,575	$ —	$ 9,712	$ 1,040,643	$ 1,050,355
Multifamily	8,375	—	—	8,375	1,086,580	1,094,955
Commercial real estate	—	4,575	—	4,575	319,564	324,139
Construction and land development	—	15,891	—	15,891	12,435	28,326
Total commercial portfolio	10,512	28,041	—	38,553	2,459,222	2,497,775
Residential real estate lending	3,238	3,009	—	6,247	1,403,283	1,409,530
Consumer solar	4,277	2,817		7,094	408,230	415,324
Consumer and other	599	457	—	1,056	41,060	42,116
Total retail portfolio	8,114	6,283	—	14,397	1,852,573	1,866,970
	$ 18,626	$ 34,324	$ —	$ 52,950	$ 4,311,795	$ 4,364,745

(In thousands)	30-59 Days Past Due	60-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due and Non-Accrual	Current	Total Loans Receivable
Commercial and industrial	$ 266	$ 168	$ 7,533	$ —	$ 7,967	$ 1,003,031	$ 1,010,998
Multifamily	11,968	—	—	—	11,968	1,136,152	1,148,120
Commercial real estate	—	—	4,490	—	4,490	348,942	353,432
Construction and land development	5,199	—	11,166	—	16,365	7,261	23,626
Total commercial portfolio	17,433	168	23,189	—	40,790	2,495,386	2,536,176
Residential real estate lending	6,995	2,133	7,218	—	16,346	1,409,250	1,425,596
Consumer solar	2,569	2,788	2,673	—	8,030	400,230	408,260
Consumer and other	754	231	103	—	1,088	40,199	41,287
Total retail portfolio	10,318	5,152	9,994	—	25,464	1,849,679	1,875,143
	$ 27,751	$ 5,320	$ 33,183	$ —	$ 66,254	$ 4,345,065	$ 4,411,319

There were no loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2024.

The following table presents information regarding the past due status of the Company's loans as of December 31, 2022:

(In thousands)	30-89 Days Past Due	Non-Accrual	90 Days or More Delinquent and Still Accruing Interest	Total Past Due	Current	Total Loans Receivable
Commercial and industrial	$ 27	$ 9,629	$ —	$ 9,656	$ 915,985	$ 925,641
Multifamily	—	3,828	—	3,828	963,693	967,521
Commercial real estate	11,718	4,851	—	16,569	318,564	335,133
Construction and land development	16,426	—	—	16,426	21,270	37,696
Total commercial portfolio	28,171	18,308	—	46,479	2,219,512	2,265,991
Residential real estate lending	1,185	1,807	—	2,992	1,368,787	1,371,779
Consumer solar	3,320	1,584	—	4,904	411,945	416,849

Consumer and other	225	—	—	225	46,925	47,150
Total retail portfolio	4,730	3,391	—	8,121	1,827,657	1,835,778
	$ 32,901	$ 21,699	$ —	$ 54,600	$ 4,047,169	$ 4,101,769

The following table presents information regarding loan modifications granted to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2023 March 31, 2023:

	Three Months Ended September 30, 2023			
(In thousands)	Term Extension	Term Extension and Payment Delay	Total	% of Portfolio
Commercial and industrial	$ 5,225	$ 6,900	$ 12,125	1.2 %
Multifamily	2,303	—	2,303	0.2 %
Commercial real estate	1,000	—	1,000	0.3 %
Total	$ 8,528	$ 6,900	$ 15,428	

	Nine Months Ended September 30, 2023			
(In thousands)	Term Extension	Term Extension and Payment Delay	Total	% of Portfolio
Commercial and industrial	$ 5,921	$ 6,900	$12,821	1.2 %
Multifamily	2,637	—	2,637	0.2 %
Commercial real estate	3,045	—	3,045	0.9 %
Construction and land development	17,163	—	17,163	60.6 %
Total	$ 28,766	$ 6,900	$35,666	

	Term Extension		
	Three Months Ended March 31, 2023		
(Dollars in thousands)	Amortized Cost		% of Portfolio
Commercial and industrial	$ 626	0.1	0.1 %
Commercial real estate	866	0.3	0.3 %
Construction and land development	6,887	18.2	18.2 %

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty:

	Three Months Ended September 30, 2023	
	Weighted Average Years of Term Extension	Weighted Average Years of Term Extension and Payment Delay
Commercial and industrial	1.2	1.0

Multifamily	1.0	—
Commercial real estate	0.3	—

	Term Extension
	Three Months Ended March 31, 2023
Commercial and industrial	Modification added a weighted average 1.0 years to the life of the modified loan.
Commercial real estate	Modification added a weighted average 0.5 years to the life of the modified loan.
Construction and land development	Modifications added a weighted average 0.8 years to the life of the modified loans.

	Nine Months Ended September 30, 2023	
	Weighted Average Years of Term Extension	Weighted Average Years of Term Extension and Payment Delay
Commercial and industrial	1.2	1.0
Multifamily	1.0	—
Commercial real estate	0.6	—
Construction and land development	0.9	—

Six and In the prior twelve loans months, ten loan modifications were permanently modified in the three and nine months ended September 30, 2023, respectively. made to borrowers experiencing financial difficulty. One loan that was modified during this period had a payment default during the three months ended September 30, 2023, and two loans had a payment default during the nine months ended September 30, 2023 March 31, 2024.

In order to manage credit quality, we view the Company's loan portfolio by various segments. For commercial loans, we assign individual credit ratings ranging from 1 (lowest risk) to 10 (highest risk) as an indicator of credit quality. These ratings are based on specific risk factors including (i) historical and projected financial results of the borrower, (ii) market conditions of the borrower's industry that may affect the borrower's future financial performance, (iii) business experience of the borrower's

management, (iv) nature of the underlying collateral, if any, including the ability of the collateral to generate sources of repayment, and (v) history of the borrower's payment performance. These specific risk factors are then utilized as inputs in our

credit model to determine the associated allowance for credit loss. Non-rated loans generally include residential mortgages and consumer loans.

The below classifications follow regulatory guidelines and can be generally described as follows:

- pass loans are of satisfactory quality;
- special mention loans have a potential weakness or risk that may result in the deterioration of future repayment;
- substandard loans are inadequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged (these loans have a well-defined weakness, and there is a distinct possibility that the Company will sustain some loss); and
- doubtful loans, based on existing circumstances, have weaknesses that make collection or liquidation in full highly questionable and improbable.

In addition, residential loans are classified utilizing an inter-agency methodology that incorporates the extent of delinquency. Assigned risk rating grades are continuously updated as new information is obtained.

The following tables summarize the Company's loan portfolio by credit quality indicator as of September 30, 2023 and gross charge-offs for the nine months ended September 30, 2023:

	Term Loans by Origination Year							
(In thousands)	2023	2022	2021	2020	2019 & Prior	Revolving loans	Revolving Loans Converted to Term	Total
Commercial and Industrial:								

Pass	$ 115,434	$ 212,031	$ 200,729	$ 112,444	$ 166,305	$ 197,601	$ —	$ 1,004,544
Special Mention	—	—	14,060	4,175	948	1,407	—	20,590
Substandard	—	—	—	5,302	17,091	2,828	—	25,221
Doubtful	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 115,434	$ 212,031	$ 214,789	$ 121,921	$ 184,344	$ 201,836	$ —	$ 1,050,355
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 1,726	$ —	$ —	$ 1,726
Multifamily:								
Pass	$ 117,574	$ 383,293	$ 45,528	$ 138,584	$ 398,600	$ 3	$ —	$ 1,083,582
Special Mention	—	—	—	—	9,065	—	—	9,065
Substandard	—	—	—	—	2,308	—	—	2,308
Doubtful	—	—	—	—	—	—	—	—
Total multifamily	$ 117,574	$ 383,293	$ 45,528	$ 138,584	$ 409,973	$ 3	$ —	$ 1,094,955
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 2,355	$ —	$ —	$ 2,355
Commercial real estate:								
Pass	$ 42,438	$ 43,099	$ 48,931	$ 36,578	$ 141,382	$ 3,303	$ —	$ 315,731
Special Mention	—	—	—	—	3,833	—	—	3,833
Substandard	—	—	—	1,876	2,699	—	—	4,575
Doubtful	—	—	—	—	—	—	—	—
Total commercial real estate	$ 42,438	$ 43,099	$ 48,931	$ 38,454	$ 147,914	$ 3,303	$ —	$ 324,139
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land development:								
Pass	$ —	$ —	$ —	$ —	$ 7,237	$ 5,198	$ —	$ 12,435
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	15,891	—	15,891
Doubtful	—	—	—	—	—	—	—	—
Total construction and land development	$ —	$ —	$ —	$ —	$ 7,237	$ 21,089	$ —	$ 28,326
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate lending:								
Pass	$ 101,396	$ 420,423	$ 334,121	$ 136,380	$ 411,739	$ 2,560	$ —	$ 1,406,619

Special Mention	—	—	—	—	—	—	—	—
Substandard	—	731	154	673	1,353	—	—	2,911
Doubtful	—	—	—	—	—	—	—	—
Total residential real estate lending	$ 101,396	$ 421,154	$ 334,275	$ 137,053	$ 413,092	$ 2,560	$ —	$ 1,409,530
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 63	$ —	$ —	$ 63
Consumer solar:								
Pass	$ 28,515	$ 106,566	$ 133,958	$ 74,809	$ 68,882	$ —	$ —	$ 412,730
Special Mention	—	—	—	—	—	—	—	—
Substandard	59	876	943	361	355	—	—	2,594
Doubtful	—	—	—	—	—	—	—	—
Total consumer solar	$ 28,574	$ 107,442	$ 134,901	$ 75,170	$ 69,237	$ —	$ —	$ 415,324
Current period gross charge-offs	$ —	$ 1,302	$ 2,126	$ 1,870	$ 282	$ —	$ —	$ 5,580
Consumer and other:								
Pass	$ 1,920	$ 15,345	$ 12,189	$ —	$ 12,205	$ —	$ —	$ 41,659
Special Mention	—	—	—	—	—	—	—	—

Substandard	51	169	237	—	—	—	—	457
Doubtful	—	—	—	—	—	—	—	—
Total consumer and other	$ 1,971	$ 15,514	$ 12,426	$ —	$ 12,205	$ —	$ —	$ 42,116
Current period gross charge-offs	$ 2	$ —	$ —	$ —	$ 252	$ —	$ —	$ 254
Total Loans:								
Pass	$ 407,277	$ 1,180,757	$ 775,456	$ 498,795	$ 1,206,350	$ 208,665	$ —	$ 4,277,300
Special Mention	—	—	14,060	4,175	13,846	1,407	—	33,488
Substandard	110	1,776	1,334	8,212	23,806	18,719	—	53,957
Doubtful	—	—	—	—	—	—	—	—
Total loans	$ 407,387	$ 1,182,533	$ 790,850	$ 511,182	$ 1,244,002	$ 228,791	$ —	$ 4,364,745
Current period gross charge-offs	$ 2	$ 1,302	$ 2,126	$ 1,870	$ 4,678	$ —	$ —	$ 9,978

The following tables summarize the Company's loan portfolio by credit quality indicator as of December 31, 2022 March 31, 2024:

(In thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial	$ 893,637	$ 6,983	$ 23,275	$ 1,746	$ 925,641
Multifamily	947,661	13,696	6,164	—	967,521
Commercial real estate	299,953	24,679	10,501	—	335,133
Construction and land development	21,270	14,002	2,424	—	37,696
Residential real estate lending	1,369,972	—	1,807	—	1,371,779
Consumer and other	462,415	—	1,584	—	463,999
Total loans	$ 3,994,908	$ 59,360	$ 45,755	$ 1,746	$ 4,101,769

The activities in the allowance by portfolio for the three months ended September 30, 2023 are as follows:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer Solar	Consumer and Other	Total
Allowance for credit losses:								
Beginning balance	$ 16,793	$ 6,397	$ 2,285	$ 324	$ 15,274	$ 23,218	$ 3,140	$ 67,431
Provision for (recovery of) credit losses	137	(446)	(173)	890	135	2,791	(15)	3,319
Charge-offs	—	(1,228)	—	—	(4)	(1,949)	(15)	(3,196)
Recoveries	6	—	—	—	244	—	11	261
Ending balance	$ 16,936	$ 4,723	$ 2,112	$ 1,214	$ 15,649	$ 24,060	$ 3,121	$ 67,815

	Term Loans by Origination Year							
(In thousands)	2024	2023	2022	2021	2020 & Prior	Revolving loans	Revolving Loans Converted to Term	Total
Commercial and Industrial:								
Pass	$ 24,254	$ 151,201	$ 195,629	$ 192,446	$ 254,474	$ 133,950	$ —	$ 951,954
Special Mention	—	—	86	13,750	4,695	1,406	—	19,937
Substandard	—	—	570	17,844	20,549	2,078	—	41,041
Doubtful	—	—	—	—	1,091	61	—	1,152
Total commercial and industrial	$ 24,254	$ 151,201	$ 196,285	$ 224,040	$ 280,809	$ 137,495	$ —	$ 1,014,084
Current period gross charge-offs	$ —	$ 250	$ 150	$ —	$ —	$ —	$ —	$ 400
Multifamily:								
Pass	$ 50,247	$ 223,462	$ 364,213	$ 44,108	$ 482,807	$ 2	$ —	$ 1,164,839
Special Mention	—	—	—	—	8,347	—	—	8,347
Substandard	—	—	—	—	2,281	—	—	2,281
Doubtful	—	—	—	—	—	—	—	—
Total multifamily	$ 50,247	$ 223,462	$ 364,213	$ 44,108	$ 493,435	$ 2	$ —	$ 1,175,467
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	—
Commercial real estate:								
Pass	$ 15,958	$ 42,021	$ 59,599	$ 48,314	$ 175,732	$ 3,847	$ —	$ 345,471

Special Mention	—	—	—	—	3,773	—	—	3,773
Substandard	—	—	—	—	4,354	—	—	4,354
Doubtful	—	—	—	—	—	—	—	—
Total commercial real estate	$ 15,958	$ 42,021	$ 59,599	$ 48,314	$ 183,859	$ 3,847	$ —	$ 353,598
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land development:								
Pass	$ —	$ —	$ —	$ —	$ 6,943	$ 5,199	$ —	$ 12,142
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	11,124	—	11,124
Doubtful	—	—	—	—	—	—	—	—
Total construction and land development	$ —	$ —	$ —	$ —	$ 6,943	$ 16,323	$ —	$ 23,266
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Notes to Consolidated Financial Statements (unaudited)

Residential real estate lending:								
Pass	$ 17,544	$ 136,060	$ 419,329	$ 316,789	$ 525,799	$ —	$ —	$ 1,415,521
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	722	1,029	2,049	—	—	3,800
Doubtful	—	—	—	—	—	—	—	—
Total residential real estate lending	$ 17,544	$ 136,060	$ 420,051	$ 317,818	$ 527,848	$ —	$ —	$ 1,419,321
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 160	$ —	$ —	$ 160
Consumer solar:								
Pass	$ —	$ 30,527	$ 101,034	$ 127,718	$ 135,835	$ —	$ —	$ 395,114
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	24	1,409	941	1,013	—	—	3,387
Doubtful	—	—	—	—	—	—	—	—
Total consumer solar	$ —	$ 30,551	$ 102,443	$ 128,659	$ 136,848	$ —	$ —	$ 398,501
Current period gross charge-offs	$ —	$ —	$ 171	$ 1,298	$ 337	$ —	$ —	$ 1,806
Consumer and other:								
Pass	$ 383	$ 2,056	$ 14,401	$ 11,579	$ 10,930	$ —	$ —	$ 39,349
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	6	20	101	67	—	—	194
Doubtful	—	—	—	—	—	—	—	—
Total consumer and other	$ 383	$ 2,062	$ 14,421	$ 11,680	$ 10,997	$ —	$ —	$ 39,543
Current period gross charge-offs	$ —	$ 3	$ —	$ —	$ 93	$ —	$ —	$ 96
Total Loans:								
Pass	$ 108,386	$ 585,327	$ 1,154,205	$ 740,954	$ 1,592,520	$ 142,998	$ —	$ 4,324,390
Special Mention	—	—	86	13,750	16,815	1,406	—	32,057
Substandard	—	30	2,721	19,915	30,313	13,202	—	66,181
Doubtful	—	—	—	—	1,091	61	—	1,152
Total loans	$ 108,386	$ 585,357	$ 1,157,012	$ 774,619	$ 1,640,739	$ 157,667	$ —	$ 4,423,780
Current period gross charge-offs	$ —	$ 253	$ 321	$ 1,298	$ 590	$ —	$ —	$ 2,462

The following tables summarize the Company’s loan portfolio by credit quality indicator as of December 31, 2023:

Term Loans by Origination Year

(In thousands)	2023	2022	2021	2020	2019 & Prior	Revolving loans	Revolving Loans Converted to Term	Total
Commercial and Industrial:								
Pass	$ 130,568	$ 220,552	$ 192,682	$ 117,966	$ 141,542	$ 138,003	$ —	$ 941,313
Special Mention	—	—	16,692	3,975	934	4,222	—	25,823
Substandard	—	720	—	5,143	16,927	21,072	—	43,862
Doubtful	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 130,568	$ 221,272	$ 209,374	$ 127,084	$ 159,403	$ 163,297	$ —	$ 1,010,998
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 1,726	$ —	$ —	$ 1,726
Multifamily:								
Pass	$ 193,827	$ 382,652	$ 45,287	$ 138,131	$ 377,554	$ 2	$ —	$ 1,137,453
Special Mention	—	—	—	—	8,373	—	—	8,373
Substandard	—	—	—	—	2,294	—	—	2,294
Doubtful	—	—	—	—	—	—	—	—
Total multifamily	$ 193,827	$ 382,652	$ 45,287	$ 138,131	$ 388,221	$ 2	$ —	$ 1,148,120
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 2,367	$ —	$ —	$ 2,367

Commercial real estate:								
Pass	$ 73,089	$ 42,824	$ 48,624	$ 36,478	$ 140,674	$ 3,456	$ —	$ 345,145
Special Mention	—	—	—	—	3,797	—	—	3,797
Substandard	—	—	—	1,858	2,632	—	—	4,490
Doubtful	—	—	—	—	—	—	—	—
Total commercial real estate	$ 73,089	$ 42,824	$ 48,624	$ 38,336	$ 147,103	$ 3,456	$ —	$ 353,432
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land development:								
Pass	$ —	$ —	$ —	$ —	$ 7,261	$ 5,199	$ —	$ 12,460
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	11,166	—	11,166
Doubtful	—	—	—	—	—	—	—	—
Total construction and land development	$ —	$ —	$ —	$ —	$ 7,261	$ 16,365	$ —	$ 23,626
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 4,664	$ —	$ —	$ 4,664
Residential real estate lending:								
Pass	$ 137,167	$ 413,962	$ 328,952	$ 134,795	$ 403,508	$ —	$ —	$ 1,418,384
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	3,232	1,003	399	2,578	—	—	7,212
Doubtful	—	—	—	—	—	—	—	—
Total residential real estate lending	$ 137,167	$ 417,194	$ 329,955	$ 135,194	$ 406,086	$ —	$ —	$ 1,425,596
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 65	$ —	$ —	$ 65
Consumer solar:								
Pass	$ 30,412	$ 104,633	$ 131,008	$ 72,752	$ 67,044	$ —	$ —	$ 405,849
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	529	1,080	527	275	—	—	2,411
Doubtful	—	—	—	—	—	—	—	—
Total consumer solar	$ 30,412	$ 105,162	$ 132,088	$ 73,279	$ 67,319	$ —	$ —	$ 408,260

Current period gross charge-offs	$ —	$ 1,525	$ 3,034	$ 2,095	$ 312	$ —	$ —	$ 6,966
Consumer and other:								
Pass	$ 2,730	$ 14,807	$ 11,866	$ —	$ 11,780	$ —	$ —	$ 41,183
Special Mention	—	—	—	—	—	—	—	—
Substandard	5	36	63	—	—	—	—	104
Doubtful	—	—	—	—	—	—	—	—
Total consumer and other	$ 2,735	$ 14,843	$ 11,929	$ —	$ 11,780	$ —	$ —	$ 41,287
Current period gross charge-offs	$ 2	$ —	$ —	$ —	$ 268	$ —	$ —	$ 270
Total Loans:								
Pass	$ 567,793	$ 1,179,430	$ 758,419	$ 500,122	$ 1,149,363	$ 146,660	$ —	$ 4,301,787
Special Mention	—	—	16,692	3,975	13,104	4,222	—	37,993
Substandard	5	4,517	2,146	7,927	24,706	32,238	—	71,539
Doubtful	—	—	—	—	—	—	—	—
Total loans	$ 567,798	$ 1,183,947	$ 777,257	$ 512,024	$ 1,187,173	$ 183,120	$ —	$ 4,411,319
Current period gross charge-offs	$ 2	$ 1,525	$ 3,034	$ 2,095	$ 9,402	$ —	$ —	$ 16,058

Notes to Consolidated Financial Statements (unaudited)

The activities in the allowance by portfolio for the three months ended September 30, 2022 March 31, 2024 are as follows:

(In thousands)	*(In thousands)*	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Allowance for loan losses:								
(In thousands)								
(In thousands)		Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer Solar	Consume and Othe
Allowance for credit losses:								
Beginning balance	Beginning balance	$ 14,617	$ 4,397	$ 5,726	$ 709	$ 10,304	$ 3,724	$39,477
Provision for (recovery of) loan losses		(1,916)	2,365	(1,818)	516	2,025	4,191	5,363
Beginning balance								
Beginning balance								
Provision for (recovery of) credit losses								
Charge-offs	Charge-offs	—	—	—	(389)	(1,519)	(1,343)	(3,251)
Recoveries	Recoveries	5	—	—	—	300	228	533
Ending balance	Ending balance	$ 12,706	$ 6,762	$ 3,908	$ 836	$ 11,110	$ 6,800	$42,122

The activities in the allowance by portfolio for the nine three months ended September 30, 2023 March 31, 2023 are as follows:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer Solar	Consumer and Other	Total
Allowance for credit losses:								
Beginning balance - ALLL								
Beginning balance - ALLL								
Beginning balance - ALLL	$ 12,916	$ 7,104	$ 3,627	$ 825	$ 11,338	$ 6,867	$ 2,354	$ 45,031
Adoption of ASU No. 2016-13	3,816	(1,183)	(1,321)	(466)	3,068	16,166	1,149	21,229
Beginning balance - ACL	16,732	5,921	2,306	359	14,406	23,033	3,503	66,260
Provision for (recovery of) credit losses	1,882	1,157	(194)	855	735	5,765	(153)	10,047
Charge-offs	(1,726)	(2,355)	—	—	(63)	(5,580)	(254)	(9,978)
Recoveries	48	—	—	—	571	842	25	1,486
Ending balance - ACL	$ 16,936	$ 4,723	$ 2,112	$ 1,214	$ 15,649	$ 24,060	$ 3,121	$ 67,815
Ending Balance - ACL								

The activities in amortized cost basis of loans on nonaccrual status and the specific allowance by portfolio for the nine months ended September 30, 2022 as of March 31, 2024 are as follows:

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Allowance for loan losses:							
Beginning balance	$ 10,652	$ 4,760	$ 7,273	$ 405	$ 9,008	$ 3,768	$ 35,866
Provision for (recovery of) loan losses	2,037	2,418	(3,365)	818	2,817	5,843	10,568
Charge-offs	—	(416)	—	(389)	(2,340)	(3,206)	(6,351)
Recoveries	17	—	—	2	1,625	395	2,039
Ending balance	$ 12,706	$ 6,762	$ 3,908	$ 836	$ 11,110	$ 6,800	$ 42,122

(In thousands)	Nonaccrual with No Allowance	Nonaccrual with Allowance	Reserve

Commercial and industrial	$ 625	$ 8,125	$ 5,674
Commercial real estate	4,354	—	—
Construction and land development	8,804	2,320	822
Total commercial portfolio	13,783	10,445	6,496
Residential real estate lending	4,763	—	—
Consumer solar	3,852	—	—
Consumer and other	176	—	—
Total retail portfolio	8,791	—	—
	$ 22,574	$ 10,445	$ 6,496

Notes to Consolidated Financial Statements (unaudited)

The amortized cost basis of loans on nonaccrual status and the specific allowance as of September 30, December 31, 2023 are as follows:

		Nonaccrual with No Allowance	Nonaccrual with Allowance	Reserve
		Nonaccrual with No Allowance	Nonaccrual with Allowance	Reserve
(In thousands)	*(In thousands)*			
Commercial and industrial	Commercial and industrial	$ 654	$ 6,921	$ 4,544
Multifamily		—	—	—
Commercial and industrial				
Commercial and industrial				
Commercial real estate				
Commercial real estate				
Commercial real estate	Commercial real estate	4,575	—	—
Construction and land development	Construction and land development	11,227	4,664	1,095
Total commercial portfolio	Total commercial portfolio	16,456	11,585	5,639
Residential real estate lending	Residential real estate lending	3,009	—	—
Consumer solar	Consumer solar	2,817	—	—
Consumer solar				
Consumer solar				
Consumer and other	Consumer and other	457	—	—

Total retail portfolio	Total retail portfolio	6,283	—	—
		$ 22,739	$ 11,585	$ 5,639
	$			

The below table summarizes collateral dependent loans which were individually evaluated to determine expected credit losses as of September 30, 2023: March 31, 2024:

	Real Estate Collateral Dependent	Real Estate Collateral Dependent	Associated Allowance for Credit Losses
(In thousands)			
	Real Estate Collateral Dependent	Associated Allowance for Credit Losses	
(In thousands)			
Commercial real estate			
Commercial real estate			
Commercial real estate / Commercial real estate	4,575	—	
Construction and land development / Construction and land development	21,090	1,095	
	$		
	$ 25,665	$ 1,095	
	$		
	$		

The below table summarizes collateral dependent loans which were individually evaluated to determine expected credit losses as of December 31, 2023:

	Real Estate Collateral Dependent	Associated Allowance for Credit Losses
(In thousands)		
Commercial real estate	$ 4,490	$ —
Construction and land development	16,365	—
	$ 20,855	$ —

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, mortgage loans with an unpaid principal balance of $2.15 $2.37 billion and $819.4 million, $2.35 billion, respectively, were pledged to the FHLBNY to secure outstanding advances and letters of credit and to provide additional borrowing potential. credit.

There were $1.6 million $1.5 million in related party loans outstanding as of September 30, 2023 March 31, 2024 compared to $1.6 million $1.7 million related party loans as of December 31, 2022 December 31, 2023.

The Company has certain non-performing loans included in the balance of Loans held for sale on the Consolidated Statements of Financial Condition. There were $1.0 million and $1.0 million such loans as of March 31, 2024 and December 31, 2023, respectively.

Impaired Loans (prior to the adoption of ASU 2016-13)

The following table provides information regarding the methods used to evaluate the Company's loans for impairment by portfolio prior to the adoption of ASU 2016-13, and the Company's allowance by portfolio based upon the method of evaluating loan impairment as of as of December 31, 2022.

(In thousands)	Commercial and Industrial	Multifamily	Commercial Real Estate	Construction and Land Development	Residential Real Estate Lending	Consumer and Other	Total
Loans:							
Individually evaluated for impairment	$ 14,716	$ 3,828	$ 4,851	$ 2,424	$ 1,982	$ —	$ 27,801
Collectively evaluated for impairment	910,925	963,693	330,282	35,272	1,369,797	463,999	4,073,968
Total loans	$ 925,641	$ 967,521	$ 335,133	$ 37,696	$ 1,371,779	$ 463,999	$ 4,101,769
Allowance for loan losses:							
Individually evaluated for impairment	$ 5,433	$ 180	$ —	$ —	$ 55	$ —	$ 5,668
Collectively evaluated for impairment	7,483	6,924	3,627	825	11,283	9,221	39,363
Total allowance for loan losses	$ 12,916	$ 7,104	$ 3,627	$ 825	$ 11,338	$ 9,221	$ 45,031

The following is additional information regarding the Company's impaired loans and the allowance related to such loans prior to the adoption of ASU 2016-13, as of and for the year ended December 31, 2022.

	December 31, 2022			
(In thousands)	Recorded Investment	Average Recorded Investment	Unpaid Principal Balance	Related Allowance
Loans without a related allowance:				
Residential real estate lending	$ 764	$ 5,636	$ 1,761	$ —
Multifamily	334	167	334	—
Construction and land development	2,424	4,950	7,476	—
Commercial real estate	4,851	4,453	5,023	—
Commercial and industrial	3,791	1,896	3,881	—
	12,164	17,102	18,475	—
Loans with a related allowance:				
Residential real estate lending	1,218	8,352	1,278	55
Multifamily	3,494	3,201	3,494	180
Commercial and industrial	10,925	11,855	11,975	5,433
	15,637	23,408	16,747	5,668
Total individually impaired loans:				
Residential real estate lending	1,982	13,988	3,039	55
Multifamily	3,828	3,368	3,828	180
Construction and land development	2,424	4,950	7,476	—
Commercial real estate	4,851	4,453	5,023	—
Commercial and industrial	14,716	13,751	15,856	5,433
	$ 27,801	$ 40,510	$ 35,222	$ 5,668

5. DEPOSITS

Deposits are summarized as follows:

(In thousands)	September 30, 2023 Amount	September 30, 2023 Weighted Average Rate	December 31, 2022 Amount	December 31, 2022 Weighted Average Rate
Non-interest-bearing demand deposit accounts	$ 2,808,300	0.00 %	$ 3,331,067	0.00 %
NOW accounts	192,654	0.95 %	206,434	0.73 %
Money market deposit accounts	3,059,982	2.31 %	2,445,396	0.94 %
Savings accounts	357,470	1.16 %	386,190	0.75 %
Time deposits	180,529	2.88 %	151,699	2.57 %
Brokered CDs	391,919	5.14 %	74,251	3.84 %
Total deposits	$ 6,990,854	1.46 %	$ 6,595,037	0.52 %

(In thousands)	March 31, 2024 Amount	March 31, 2024 Weighted Average Rate	December 31, 2023 Amount	December 31, 2023 Weighted Average Rate
Non-interest-bearing demand deposit accounts	$ 3,182,047	0.00 %	$ 2,940,398	0.00 %
NOW accounts	200,900	1.05 %	200,382	0.99 %
Money market deposit accounts	3,222,271	2.96 %	3,100,681	2.89 %
Savings accounts	341,054	1.34 %	340,860	1.20 %
Time deposits	197,265	3.44 %	187,457	3.01 %
Brokered certificates of deposit ("CDs")	162,228	4.99 %	242,210	5.09 %
Total deposits	$ 7,305,765	1.60 %	$ 7,011,988	1.62 %

The scheduled maturities of time deposits and brokered CDs as of September 30, 2023 March 31, 2024 are as follows:

(In thousands)	Balance
2023	$ 216,926
2024	186,788
2025	49,605
2026	46,025
2027	38,400
Thereafter	34,704
Total	$ 572,448

(In thousands)	Balance
2024	$ 157,931
2025	80,544
2026	46,613
2027	39,497
2028	26,884
Thereafter	8,024
Total	$ 359,493

Time deposits of greater than $250,000 totaled $32.1 million $45.9 million as of September 30, 2023 March 31, 2024 and $36.2 million $42.2 million as of December 31, 2022 December 31, 2023.

The Bank offers From time to time the Company will issue time deposits through the Certificate of Deposit Account Registry Service (“CDARS”) for the purpose of providing FDIC insurance to bank customers with balances in excess of FDIC insurance limits. CDARS deposits totaled approximately $65.6 million $66.7 million and $28.3 million $63.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and are included in time Time deposits above.

Our total deposits included deposits from Workers United and its related entities, a related party, in the amounts of $55.0 million $61.4 million as of September 30, 2023 March 31, 2024 and $52.2 million $56.4 million as of December 31, 2022 December 31, 2023.

Included in total deposits are state and municipal deposits totaling $36.0 million $61.7 million and $88.3 million $51.9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Such deposits are secured by letters of credit issued by the FHLBNY or by securities pledged with the FHLBNY.

6. BORROWED FUNDS

FHLBNY advances are collateralized by the FHLBNY stock owned by the Bank plus a pledge of other eligible assets comprised of securities and mortgage loans. Assets are pledged to collateral capacity. As of September 30, 2023 March 31, 2024, the value of the other eligible assets had an estimated market value net of haircut totaling $1.88 billion $2.07 billion (comprised of securities of $367.2 million $395.1 million and mortgage loans of $1.52 billion $1.67 billion). The fair value of assets pledged to the FHLBNY is required to exceed outstanding advances. There were $4.4 million $9.1 million outstanding FHLBNY FHLB advances as of September 30, 2023 March 31, 2024 and $580.0 million $4.4 million in outstanding FHLBNY advances as of December 31, 2022 December 31, 2023. For the three months ended September 30, 2023 March 31, 2024, and 2022, 2023, interest expense on FHLBNY advances was $1.0 million zero and $24.8 thousand, respectively. For the nine months ended September 30, 2023 $3.0 million, and 2022, interest expense on FHLBNY advances was $5.4 million and $24.8 thousand, respectively.

In addition to FHLBNY advances, the Company uses other borrowings for short-term borrowing needs. Federal funds lines of credit are extended to the Company by non-affiliated nonaffiliated banks with which a correspondent banking relationship exists. At September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023 there was no outstanding balance related to federal funds purchased. In addition, following the recent bank failures in 2023, the Federal Reserve created a new Bank Term Funding Program ("BTFP") as an additional source of liquidity against high-quality securities, offering loans of up to one year to eligible institutions pledging qualifying assets as collateral. At September 30, 2023 March 31, 2024, there was an outstanding balance of $230.0 million $60.0 million related to the BTFP due in 2024 with a weighted average rate of 4.71%, and no an outstanding balance of $230.0 million due in 2024 with a weighted average rate of 4.50% at December 31, 2022 December 31, 2023. For the three months ended September 30, 2023 March 31, 2024, and 2022, 2023, interest expense on other borrowings was $2.6 million $2.4 million and zero, $0.2 million, respectively. For the nine months ended September 30, 2023, and 2022, interest expense on other borrowings was $4.9 million and zero, respectively.

7. SUBORDINATED DEBT

On November 8, 2021, the Company completed a public offering of $85.0 million of aggregated principal amount of 3.250% 3.25% Fixed-to-Floating Rate subordinated notes due 2031 (the "Notes"). The fixed rate period is defined from and including November 8, 2021 to, but excluding, November 15, 2026, or the date of earlier redemption. The floating rate period is defined from and including November 15, 2026 to, but excluding, November 15, 2031, or the date of earlier redemption. The floating rate per annum is equal to three-month term SOFR (the "benchmark rate") plus a spread of 230 basis points for each quarterly interest period during the floating rate period, provided however, that if the benchmark rate is less than zero, the benchmark rate shall be deemed to be zero. The subordinated notes will mature on November 15, 2031.

The Company may, at its option, beginning with the interest payment date of November 15, 2026, and on any interest payment date thereafter, redeem the Notes, in whole or in part, from time to time, subject to obtaining prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to the extent such approval is then required under the capital adequacy rules of the Federal Reserve Board, at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption.

Interest expense on subordinated debt for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was $0.7 million $0.6 million and $0.7 million, respectively. Interest expense on subordinated debt for the nine months ended September 30, 2023 and 2022 was $2.0 million and $2.1 million, $0.6 million, respectively.

During the three months ended September 30, 2023 and 2022, March 31, 2024 the Company did not repurchase any subordinated notes. During the three months ended March 31, 2023, the Company repurchased subordinated notes with a par value of $3.5 million and $6.3 million, $4.0 million for cash paid of $2.8 million and $5.6 million, respectively. During the nine months ended September 30, 2023 and 2022, subordinated notes with a par value of $7.5 million and $6.3 million were repurchased, for cash paid of $6.0 million and $5.6 million, $3.2 million, respectively.

Gains on repurchases of subordinated debt for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were $0.6 million zero and $0.6 million, respectively. Gains on repurchases of subordinated debt for the nine months ended September 30, 2023 and 2022 were $1.4 million and $0.6 million, $0.8 million, respectively, and are recorded in Non-interest income - other on the consolidated statements of income.

8. EARNINGS PER SHARE

Under the two-class method, earnings available to common stockholders for the period are allocated between common stockholders and participating securities according to participation rights in undistributed earnings. Our time-based and performance-based restricted stock units are not considered participating securities as they do not receive dividend distributions until satisfaction of the related vesting requirements. For the three months ended September 30, 2023 As of March 31, 2024 and September 30, 2022 March 31, 2023, we had 13 21 thousand and 38 thousand anti-dilutive shares, respectively. For the nine months ended September 30, 2023 and September 30, 2022, we had 49 thousand and 72 50 thousand anti-dilutive shares, respectively.

Following is a table setting forth the factors used in the earnings per share computation follow:

	Three Months Ended March 31,			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	Three Months Ended March 31,			
	2023	2022	2023	2022
	Three Months Ended March 31,			
	2024			
	2024			
	2024			
(In thousands, except per share amounts)	*(In thousands, except per share amounts)*			
(In thousands, except per share amounts)				
(In thousands, except per share amounts)				
Net income attributable to Amalgamated Financial Corp.				
Net income attributable to Amalgamated Financial Corp.				
Net income attributable to Amalgamated Financial Corp.				
Dividends paid on preferred stock				
Dividends paid on preferred stock				
Dividends paid on preferred stock				
Income attributable to common stock				
Income attributable to common stock				
Income attributable to common stock				
Weighted average common shares outstanding, basic				
Weighted average common shares outstanding, basic				
Weighted average common shares outstanding, basic				
Basic earnings per common share				
Basic earnings per common share				

Basic earnings per common share					
Income attributable to common stock					
Income attributable to common stock					
Income attributable to common stock	Income attributable to common stock	$ 22,308	$ 22,944	$ 65,284	$ 56,722
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	30,481	30,673	30,601	30,864
Basic earnings per common share		**$ 0.73**	**$ 0.75**	**$ 2.13**	**$ 1.84**
Income attributable to common stock		$ 22,308	$ 22,944	$ 65,284	$ 56,722
Weighted average common shares outstanding, basic					
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	30,481	30,673	30,601	30,864
Incremental shares from assumed conversion of options and RSUs	Incremental shares from assumed conversion of options and RSUs	109	359	137	359
Incremental shares from assumed conversion of options and RSUs					
Incremental shares from assumed conversion of options and RSUs					
Weighted average common shares outstanding, diluted					
Weighted average common shares outstanding, diluted					
Weighted average common shares outstanding, diluted	Weighted average common shares outstanding, diluted	30,590	31,032	30,738	31,223
Diluted earnings per common share	Diluted earnings per common share	**$ 0.73**	**$ 0.74**	**$ 2.12**	**$ 1.82**
Diluted earnings per common share					
Diluted earnings per common share					

Notes to Consolidated Financial Statements (unaudited)

9. EMPLOYEE BENEFIT PLANS

Long Term Incentive Plans

Stock Options:

The Company does not currently maintain an active stock option plan that is available for issuing new options. As of December 31, 2020, all options are fully vested and the Company will not incur any further expense related to options.

A summary of the status of the Company’s options as of September 30, 2023 March 31, 2024 follows:

	Number of Options

		Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Intrinsic Value *(in thousands)*
Outstanding, January 1, 2023		426,880	$ 13.09	3.3 years	
		Number of Options			
		Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Intrinsic Value *(in thousands)*
Outstanding, January 1, 2024					
Granted					
Granted					
Granted	Granted	—	—	—	
Forfeited/ Expired	Forfeited/ Expired	—	—	—	
Forfeited/ Expired					
Forfeited/ Expired					
Exercised	Exercised	(42,840)	13.75	—	
Outstanding, September 30, 2023		384,040	13.02	2.6 years	$ 1,694
Vested and Exercisable, September 30, 2023		384,040	$ 13.02	2.6 years	$ 1,694
Exercised					
Exercised					
Outstanding, March 31, 2024					
Outstanding, March 31, 2024					
Outstanding, March 31, 2024					
Vested and Exercisable, March 31, 2024					

The range of exercise prices is $11.00 to $14.65 per share.

As noted above, there was no compensation cost attributable to the options for the three and nine months ended September 30, 2023 March 31, 2024 or for the three and nine months ended September 30, 2022 March 31, 2023 as all options had been fully expensed as of December 31, 2020. The fair value of all awards outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was $1.7 million $3.2 million and $4.2 million $4.7 million, respectively. No cash was received for options exercised in the three and nine months ended September 30, 2023 March 31, 2024 or for the three and nine months ended September 30, 2022 March 31, 2023.

The Company repurchased 30,937 17,460 shares and 280,604 3,999 shares for options exercised in the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively.

Restricted Stock Units:

The Amalgamated Financial Corp. 2023 2021 Equity Incentive Plan (the “Equity Plan”) provides for the grant of stock-based incentive awards to employees and directors of the Company. The number of shares of common stock of the Company available for stock-based awards in the Equity Plan is 1,300,000 of which 1,265,610 1,046,692 shares were available for issuance as of September 30, 2023 March 31, 2024.

Restricted stock units ("RSUs") represent an obligation to deliver shares to an employee or director at a future date if certain vesting conditions are met. RSUs are subject to a time-based vesting schedule, the satisfaction of performance conditions, or the satisfaction of market conditions, and are settled in shares of the Company's common stock. RSUs do not provide dividend equivalent rights from the date of grant and do not provide voting rights. RSUs accrue dividends based on dividends paid on common shares, but those dividends are paid in cash upon satisfaction of the specified vesting requirements on the underlying RSU.

Notes to Consolidated Financial Statements (unaudited)

A summary of the status of the Company's time-based vesting RSUs for the nine months ended September 30, 2023 as of March 31, 2024 follows:

		Shares	Grant Date Fair Value
Unvested, January 1, 2023		331,023	$17.72
Shares		Shares	Grant Date Fair Value
Unvested, January 1, 2024			
Awarded	Awarded	135,837	20.95
Forfeited/Expired	Forfeited/Expired	(13,758)	18.15
Vested	Vested	(147,288)	17.50
Unvested, September 30, 2023		305,814	$19.24
Unvested, March 31, 2024			

A summary of the status of the Company's performance-based vesting RSUs for the nine months ended September 30, 2023 as of March 31, 2024 follows:

		Shares	Grant Date Fair Value
Unvested, January 1, 2023		96,970	$16.37
Shares		Shares	Grant Date Fair Value
Unvested, January 1, 2024			
Awarded	Awarded	62,945	23.12
Forfeited/Expired	Forfeited/Expired	(10,004)	18.47
Vested	Vested	(23,948)	14.82
Unvested, September 30, 2023		125,963	$19.87
Unvested, March 31, 2024			

During the nine three months ended September 30, 2023 March 31, 2024, the Company granted 29,923 36,737 performance-based RSUs at a fair value of $23.42 $23.20 per share, respectively which vest subject to the achievement of the Company's corporate goal for the three-year period from January 1, 2023 January 1, 2024 to December 31, 2025 December 31, 2026. The corporate goal is based on the Company achieving a target increase in Tangible Book Value, adjusted for certain factors. The minimum and maximum awards that are achievable are 0 and 44,885 55,106 shares, respectively.

During the nine three months ended September 30, 2023 March 31, 2024, the Company granted 29,747 38,385 market-based RSUs at a fair value of $23.56 $22.21 per share which vest subject to the Bank's relative total shareholder return compared to a group of peer banks over a three-year period from February 15, 2023 March 1, 2024 to February 14, 2026 February 28, 2027. The minimum and maximum awards that are achievable are 0 and 44,621 57,578 shares, respectively.

During the nine three months ended September 30, 2023 March 31, 2024, the Company granted 619 and 2,656 4,423 shares at a fair value of $14.45 and $15.23 $14.97 per share, respectively, related to the vesting of performance-based RSUs to satisfy the achievement of corporate goals above target. Compensation expense attributable to the vesting of these shares was $66 thousand.

As of September 30, 2023 March 31, 2024, the Company reserved 188,945 272,442 shares for issuance upon vesting of performance-based RSUs assuming the Company's employees achieve the maximum share payout.

The Company repurchased 52,715 30,183 shares and 49,875 21,738 shares for RSUs vested in the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Of the 431,777 516,003 unvested RSUs and PSUs on September 30, 2023 March 31, 2024, the minimum units that will vest, solely due to a service test, are 305,814. 334,375. The maximum units that will vest, assuming the highest payout on performance and market-based units, are 494,759. 606,817.

Compensation expense attributable to RSUs and PSUs was $1.1 million and $3.1 million $1.0 million for the three and nine months ended September 30, 2023 March 31, 2024, and $0.5 million and $1.5 million $0.9 million for the three and nine months ended September 30, 2022 March 31, 2023. Other expenses for directors were The company recorded an expense of $0.1 million and $0.3 $0.1 million attributable to RSUs granted to directors for the three and nine months ended September 30, 2023 March 31, 2024 and March 31, 2023, and $0.1 million and $0.4 million for the three and nine months ended September 30, 2022. respectively. As of September 30, 2023 March 31, 2024, there was $7.4 $11.9 million of total unrecognized compensation cost related to the non-vested RSUs and PSUs granted. This expense may increase or decrease depending on the expected number of performance-based shares to be issued. This expense is expected to be recognized over 1.8 1.4 years.

Employee Stock Purchase Plan

On April 28, 2021, the Company's stockholders approved the Amalgamated Financial Corp. Employee Stock Purchase Plan (the "ESPP") which was implemented on March 2, 2022. The aggregate number of shares of common stock that may be purchased and issued under the ESPP will not exceed 500,000 of previously authorized shares. Under the terms of the ESPP, employees may authorize the withholding of up to 15% of their eligible compensation to purchase the Company's shares of common stock, not to exceed $25,000 of the fair market value of such common stock for any calendar year. The purchase price per shares acquired under the ESPP will never be less than 85% of the fair market value of the Company's common stock on the last day of the offering period. The Company's Board of Directors in its discretion may terminate the ESPP at any time with respect to any shares for which options have not been granted.

The Compensation Committee of the Board of Directors (the "Committee") has the right to amend the ESPP without the approval of our stockholders; provided, that no such change may impair the rights of a participant with respect to any outstanding offering period without the consent of such participant, other than a change determined by the Committee to be necessary to comply with applicable law. A participant may not dispose of shares acquired under the ESPP until six months following the grant date of such shares, or any earlier date as of which the Committee has determined that the participant would qualify for a hardship distribution from the Company's 401(k) Plan. Accordingly, the fair value award associated with their discounted purchase price is expensed at the time of purchase. The below following summarizes the shares purchased under the ESPP since the inception of the plan:

	Number of Shares
Shares available for purchase at December 31, 2022 December 31, 2023	478,081 424,848
Purchases during the three months ended:	
March 31, 2023 2024	(21,919) (10,175)
September 30, 2023	(7,918)
Year-to-date purchases	(37,672)
Remaining shares available for purchase at September 30, 2023 March 31, 2024	440,409 414,673

The expense related to the discount on purchased shares for the three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 was $20.4 $37 thousand and $25.2 $58 thousand, respectively, and is recorded within compensation and employee benefits expense on the Consolidated Statements of Income. The expense for the nine months ended September 30, 2023 and September 30, 2022 was $97.4 thousand and $77.3 thousand, respectively.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. A description of the disclosure hierarchy and the types of financial instruments recorded at fair value that management believes would generally qualify for each category are as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities. Accordingly, valuation of these assets and liabilities does not entail a significant degree of judgment. Examples include most U.S. Government securities and exchange-traded equity securities.

Level 2 - Valuations are based on either quoted prices in markets that are not considered to be active or significant inputs to the methodology that are observable, either directly or indirectly. Financial instruments in this level would generally include mortgage-related securities and other debt issued by GSEs, non-GSE mortgage-related securities, corporate debt, certain redeemable fund investments and certain trust preferred securities.

Level 3 - Valuations are based on inputs to the methodology that are unobservable and significant to the fair value measurement. These inputs reflect management's own judgments about the assumptions that market participants would use in pricing the assets and liabilities.

Assets Measured at Fair Value on a Recurring Basis

Available for sale securities

The Company's available for sale securities are reported at fair value. Investments in fixed income securities are generally valued based on evaluations provided by an independent pricing service. These evaluations represent an exit price or their opinion as to what a buyer would pay for a security, typically in an institutional round lot position, in a current sale. The pricing service utilizes evaluated pricing techniques that vary by asset class and incorporate available market information and, because many fixed income securities do not trade on a daily basis, applies available information through processes such as benchmark curves, benchmarking of available securities, sector groupings and matrix pricing. Model processes, such as option adjusted spread models, are used to value securities that have prepayment features. In those limited cases where pricing service evaluations are not available for a fixed income security, management will typically value those instruments using observable market inputs in a discounted cash flow analysis.

The following summarizes those financial instruments measured at fair value on a recurring basis in the Consolidated Statements of Financial Condition as of the dates indicated, categorized by the relevant class of investment and level of the fair value hierarchy:

	September 30, 2023			
(In thousands)	Level 1	Level 2	Level 3	Total
Available for sale securities:				
Mortgage-related:				
GSE residential CMOs	$ —	$ 353,171	$ —	$ 353,171
GSE commercial certificates & CMO	—	128,241	—	128,241
Non-GSE residential certificates	—	96,751	—	96,751
Non-GSE commercial certificates	—	84,877	—	84,877
Other debt:				
U.S. Treasury	197	—	—	197
ABS	—	667,402	—	667,402
Trust preferred	—	9,319	—	9,319
Corporate	—	112,966	—	112,966
Residential PACE assessments	—	—	38,526	38,526
Total assets carried at fair value	$ 197	$ 1,452,727	$ 38,526	$ 1,491,450

	March 31, 2024			
(In thousands)	Level 1	Level 2	Level 3	Total
Available for sale securities:				
Traditional securities:				
GSE certificates & CMOs	$ —	$ 465,788	$ —	$ 465,788
Non-GSE certificates & CMOs	—	186,453	—	186,453
ABS	—	668,290	—	668,290
Corporate	—	121,373	—	121,373
Other	198	3,691	—	3,889
PACE assessments:				
Residential PACE assessments	—	—	82,258	82,258
Total assets carried at fair value	$ 198	$ 1,445,595	$ 82,258	$ 1,528,051

Notes to Consolidated Financial Statements (unaudited)

(In thousands)	December 31, 2022 Level 1		Level 2		Level 3		Total	
Available for sale securities:								
Mortgage-related:								
GSE residential CMOs	$	—	$	389,260	$	—	$	389,260
GSE commercial certificates & CMO		—		213,786		—		213,786
Non-GSE residential certificates		—		107,080		—		107,080
Non-GSE commercial certificates		—		97,482		—		97,482
Other debt:								
U.S. Treasury		192		—		—		192
ABS		—		862,163		—		862,163
Trust preferred		—		10,143		—		10,143
Corporate		—		132,370		—		132,370
Total assets carried at fair value	$	192	$	1,812,284	$	—	$	1,812,476

(In thousands)	December 31, 2023 Level 1		Level 2		Level 3		Total	
Available for sale securities:								
Traditional securities:								
GSE certificates & CMOs	$	—	$	480,615	$	—	$	480,615
Non-GSE certificates & CMOs		—		196,860		—		196,860
ABS		—		627,635		—		627,635
Corporate		—		120,741		—		120,741
Other		199		3,689		—		3,888
PACE assessments:								
Residential PACE assessments		—		—		53,303		53,303
Total assets carried at fair value	$	199	$	1,429,540	$	53,303	$	1,483,042

The table below presents a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended March 31, 2024 and March 31, 2023:

(In thousands)	Residential PACE Assessments March 31, 2024		March 31, 2023	
Balance of recurring Level 3 assets at January 1	$	53,303	$	—
Amortization included in interest income		261		—
Change in unrealized holding gains/losses included in other comprehensive income		536		—
Purchases		34,879		—
Sales		(6,284)		—
Principal paydowns		(437)		—
Balance of recurring Level 3 assets at March 31	$	82,258	$	—

The fair value of the Company's PACE assessments are determined internally by calculating discounted cash flows using expected conditional prepayment rates, market spreads, and the Treasury yield curve. Qualitative assessments from recent commentary from dealers or investors or issuers, information revealed from secondary market trades of clean energy senior asset-backed securities, and volatility in the marketplace are reviewed and incorporated into the calculations.

The following table presents quantitative information about recurring Level 3 fair value measurements at March 31, 2024 and December 31, 2023:

	March 31, 2024			
(In thousands)	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
Residential PACE assessments	$ 82,258	Discounted cash flow	Conditional prepayment rate	7.0%-26.0% (18.2%)

	December 31, 2023			
(In thousands)	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
Residential PACE assessments	$ 53,303	Discounted cash flow	Conditional prepayment rate	7.0%-26.0% (18.2%)

Assets Measured at Fair Value on a Non-recurring Basis

Certain financial assets and financial liabilities are measured at fair value on a non-recurring basis. That is, they are subject to fair value adjustments in certain circumstances. Financial assets measured at fair value on a non-recurring basis include certain individually evaluated loans (or impaired loans prior to the adoption of ASU 2016-13) reported at the fair value of the underlying collateral if repayment is expected solely from the collateral.

The following tables summarize assets measured at fair value on a non-recurring basis in the Consolidated Statements of Financial Condition as of the dates indicated, categorized by the relevant class of investment and level of the fair value hierarchy:

March 31, 2024

September 30, 2023

March 31, 2024

March 31, 2024

(In thousands)	*(In thousands)*	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value	*(In thousands)*	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Fair Value Measurements:	**Fair Value Measurements:**											
Individually analyzed loans	Individually analyzed loans	$ 3,569	$ —	$ —	$3,569	$ 3,569						
Individually analyzed loans												
Individually analyzed loans		— $ = $ = $ =										

	December 31, 2022				
(In thousands)	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Fair Value Measurements:					
Impaired loans	$ 3,315	$ —	$ —	$ 3,315	$ 3,315

At December 31, 2023, there were no individually analyzed collateral-dependent loans.

Financial Instruments Not Measured at Fair Value

For those financial instruments that are not recorded at fair value in the consolidated statements of financial condition, but are measured at fair value for disclosure purposes, management follows the same fair value measurement principles and guidance as for instruments recorded at fair value. For a description of the methods, factors and significant assumptions utilized in estimating the fair values for significant categories of financial instruments not measured at fair value, refer to footnote 14, *Fair Value of Financial Instruments*, included in the Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. An additional category of financial instrument not measured at fair value that was not previously included in the Annual Report on Form 10-K is summarized below:

- Other borrowings - Other borrowings are valued using a present value technique that incorporates current rates offered on borrowings of comparable remaining maturity. Other borrowings are categorized as Level 2.

There are significant limitations in estimating the fair value of financial instruments for which an active market does not exist. Due to the degree of management judgment that is often required, such estimates tend to be subjective, sensitive to changes in assumptions and imprecise. Such estimates are made as of a point in time and are impacted by then-current observable market conditions; also such estimates do not give consideration to transaction costs or tax effects if estimated unrealized gains or losses were to become realized in the future. Because of inherent uncertainties of valuation, the estimated fair value may differ significantly from the value that would have been used had a ready market for the investment existed and the difference could be material. Lastly, consideration is not given to nonfinancial instruments, including various intangible assets, which could represent substantial value. Fair value estimates are not necessarily representative of the Company's total enterprise value.

The following table summarizes the financial statement basis and estimated fair values for significant categories of financial instruments:

	September 30, 2023				
(In thousands)	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Financial assets:					
Cash and cash equivalents	$ 140,219	$ 140,219	$ —	$ —	$ 140,219
Held-to-maturity securities	1,681,860	—	547,072	930,734	1,477,806
Loans held for sale	2,189	—	—	2,189	2,189
Loans receivable, net	4,296,930	—	—	3,868,176	3,868,176
Accrued interest receivable	47,745	276	12,675	34,794	47,745
Financial liabilities:					
Deposits payable on demand	$ 6,418,406	$ —	$ 6,418,406	$ —	$ 6,418,406
Time deposits and brokered CDs	572,448	—	567,275	—	567,275
FHLBNY advances	4,381	—	4,381	—	4,381
Other borrowings	230,000	—	228,658	—	228,658
Subordinated debt, net	70,427	—	57,045	—	57,045
Accrued interest payable	10,215	—	10,215	—	10,215

	March 31, 2024				
(In thousands)	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Financial assets:					
Cash and cash equivalents	$ 155,204	$ 155,204	$ —	$ —	$ 155,204
Held-to-maturity securities	1,673,962	—	571,999	949,622	1,521,621
Loans held for sale	2,137	—	—	2,137	2,137
Loans receivable, net	4,359,380	—	—	4,026,693	4,026,693
Resell agreements	131,242	—	—	131,242	131,242
Accrued interest receivable	53,436	281	13,111	40,044	53,436
Financial liabilities:					
Deposits payable on demand	$ 6,946,272	$ —	$ 6,946,272	$ —	$ 6,946,272
Time deposits and brokered CDs	359,493	—	357,684	—	357,684
FHLBNY advances	9,135	—	8,818	—	8,818
Other borrowings	60,000	—	59,958	—	59,958
Subordinated debt, net	70,570	—	56,456	—	56,456

Accrued interest payable	6,640	—	6,640	—	6,640

Notes to Consolidated Financial Statements (unaudited)

		December 31, 2022				
		December 31, 2023				
(In thousands)	*(In thousands)*	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value
Financial assets:	**Financial assets:**					
Cash and cash equivalents	Cash and cash equivalents	$ 63,540	$ 63,540	$ —	$ —	$ 63,540
Cash and cash equivalents						
Cash and cash equivalents						
Held-to-maturity securities						
Held-to-maturity securities						
Held-to-maturity securities	Held-to-maturity securities	1,541,301	—	574,609	840,262	1,414,871
Loans held for sale	Loans held for sale	7,943	—		7,943	7,943
Loans receivable, net	Loans receivable, net	4,060,971	—	—	3,718,308	3,718,308
Resell agreements	Resell agreements	25,754	—	—	25,754	25,754
Accrued interest and dividends receivable		41,441	17	12,197	29,227	41,441
Resell agreements						
Resell agreements						
Accrued interest receivable						
Financial liabilities:	**Financial liabilities:**					
Financial liabilities:						
Financial liabilities:						
Deposits payable on demand						
Deposits payable on demand						
Deposits payable on demand	Deposits payable on demand	$6,369,087	$ —	$6,369,087	$ —	$6,369,087
Time deposits and brokered CDs	Time deposits and brokered CDs	225,950	—	225,805	—	225,805
FHLBNY advances	FHLBNY advances	580,000	—	580,000	—	580,000

	December 31, 2023				
(In thousands)	Carrying Value	Level 1	Level 2	Level 3	Estimated Fair Value

Other borrowings						
Subordinated debt, net	Subordinated debt, net	77,708	—	68,966	—	68,966
Accrued interest payable	Accrued interest payable	1,218	—	1,218	—	1,218

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Notes to Consolidated Financial Statements (unaudited)

11. COMMITMENTS, CONTINGENCIES AND OFF BALANCE SHEET RISK

Credit Commitments

The Company is party to various credit related financial instruments with off balance sheet risk. The Company, in the normal course of business, issues such financial instruments in order to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated statements of financial condition.

The following financial instruments were outstanding whose contract amounts represent credit risk as of the related periods:

(In thousands)	September 30, 2023		December 31, 2022	
Commitments to extend credit	$	532,259	$	723,902
Standby letters of credit		30,601		29,568
Total	$	562,860	$	753,470

(In thousands)	March 31, 2024		December 31, 2023	
Commitments to extend credit	$	511,509	$	514,206
Standby letters of credit		31,213		31,678
Total	$	542,722	$	545,884

Commitments to extend credit are contracts to lend to a customer as long as there is no violation of any condition established in the contract. These commitments have fixed expiration dates and other termination clauses and generally require the payment of nonrefundable fees. Since a portion of the commitments are expected to expire without being drawn upon, the contractual principal amounts do not necessarily represent future cash requirements. The Company's maximum exposure to credit risk is represented by the contractual amount of these instruments. These instruments represent ultimate exposure to credit risk only to the extent they are subsequently drawn upon by customers.

Standby letters of credit are conditional lending commitments issued by the Company to guarantee the financial performance of a customer to a third party. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers. The balance sheet carrying value of standby letters of credit approximates any nonrefundable fees received but not yet recorded as income. The Company considers this carrying value, which is not material, to approximate the estimated fair value of these financial instruments.

The Company reserves for the credit risk inherent in off balance sheet credit commitments. Upon adoption of ASU 2016-13 on January 1, 2023, the Day 1 adjustment to allowance for credit losses on off-balance sheet credit exposures was $2.7 million. This allowance, which is included in other liabilities, amounted to approximately $3.8$4.9 million as of September 30, 2023March 31, 2024, compared to a reservean allowance of $1.6$4.2 million as of December 31, 2022December 31, 2023. The provision for credit losses related to off balance sheet credit commitments was a recovery of $1.3 million and $0.4$0.7 million for the three and nine months ended September 30, 2023March 31, 2024, and the expense related to off balance sheet credit commitments in other non-interest expense was a recovery of $0.2 million and an expense of $0.2$0.1 million for the three and nine months ended September 30, 2022March 31, 2023.

Investment Obligations

The Company is a party to agreements with Pace Funding Group LLC, which operates Home Run Financing, for the purchase of PACE assessment securities until December 2023. January 2025. As of September 30, 2023March 31, 2024, the Company had purchased $662.4$753.7 million of these obligations and had an estimated remaining commitment of $69.3$119.7 million. The PACE assessments have equal-lien priority with property taxes and generally rank senior to first lien mortgages. These investments are currently held in the Company's held-to-maturity investment portfolio. The Company evaluates these obligations for credit risk and the recorded reserve is immaterial.

Other Commitments and Contingencies

In the ordinary course of business, there are various legal proceedings pending against the Company. Based on the opinion of counsel, management believes that the aggregate liabilities, if any, arising from such actions would not have a material adverse effect on the consolidated financial position or results of operations of the Company. As part of the Company's ongoing investments in variable interest entity ("VIE") VIE projects, we also have commitments to provide financing, which are included in Note footnote 14.

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Notes to Consolidated Financial Statements (unaudited)

12. LEASES

The Bank as a lessee has operating leases primarily consisting of real estate arrangements where the Company operates its headquarters, branches and business production offices. All leases identified as in scope are accounted for as operating leases as of September 30, 2023 March 31, 2024. These leases are typically long-term leases and generally are not complicated arrangements or structures. Several of the leases contain renewal options at a rate comparable to the fair market value based on comparable analysis to similar properties in the Bank's geographies.

Real estate operating leases are presented as a right-of-use ("ROU") asset and a related operating lease liability on the Consolidated Statements of Financial Condition. The ROU asset represents the Company's right to use the underlying asset for the lease term and the operating lease liabilities represent the obligation to make lease payments arising from the lease. The Company applied its incremental borrowing rate ("IBR") as the discount rate to the remaining lease payments to derive a present value calculation for initial measurement of the operating lease liability. The IBR reflects the interest rate the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. Lease expense is recognized on a straight-line basis over the lease term.

The following table summarizes our lease cost and other operating lease information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(In thousands)				
Operating lease cost	$ 1,814	$ 2,257	$ 5,386	$ 6,765
Cash paid for amounts included in the measurement of operating leases liability	$ 2,823	$ 2,714	$ 8,452	$ 7,976
Note: Sublease income and variable income or expense considered immaterial				

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
(In thousands)		
Operating lease cost	$ 1,840	$ 1,777
Cash paid for amounts included in the measurement of operating leases liability	$ 4,186	$ 2,813
Note: Sublease income and variable income or expense considered immaterial		

The weighted average remaining lease term on operating leases at September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 was 3.2 2.9 years and 4.2 3.6 years, respectively.

The weighted average discount rate used for the operating lease liability was 3.26% 3.15% and 3.25% 3.24% at September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively.

The following table presents the remaining commitments for operating lease payments for the next five years and thereafter, as well as a reconciliation to the discounted operating leases liability recorded in the Consolidated Statements of Financial Condition as of September 30, 2023 March 31, 2024:

(In thousands)	*(In thousands)*	As of September 30, 2023	*(In thousands)*	As of March 31, 2024
2023		$ 2,842		
2024	2024	11,324		
2025	2025	10,593		
2026	2026	9,200		

2027	2027	959
2028		
Thereafter	Thereafter	—
Total undiscounted operating lease payments	Total undiscounted operating lease payments	34,918
Less: present value adjustment	Less: present value adjustment	1,676
Total Operating leases liability	Total Operating leases liability	$ 33,242

Notes to Consolidated Financial Statements (unaudited)

13. GOODWILL AND INTANGIBLE ASSETS

Goodwill

In accordance with GAAP, the Company performs an annual test as of June 30 to identify potential impairment of goodwill, or more frequently if events or circumstances indicate a potential impairment may exist. If the carrying amount of the Company, as a sole reporting unit, including goodwill, exceeds its fair value, an impairment loss is recognized in an amount equal to that excess up to the amount of the recorded goodwill.

The Company performed its annual test based upon market data as of June 30, 2023 and estimates and assumptions that the Company believes most appropriate for the analysis. Based on the qualitative analysis performed in accordance with ASC 350, the Company determined it is more likely than not that goodwill was not impaired as of June 30, 2023. During the three and nine months ended September 30, 2023 March 31, 2024, there were no events or circumstances that would indicate that a potential impairment exists. Changes in certain assumptions used in the Company's assessment could result in significant differences in the results of the impairment test. Should market conditions or management's assumptions change significantly in the future, an impairment to goodwill is possible.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the carrying amount of goodwill was $12.9 million.

Intangible Assets

The following table reflects the estimated amortization expense, comprised entirely by the Company's core deposit intangible asset, for the next five years and thereafter:

(In thousands)	*(In thousands)*	Total	*(In thousands)*	Total
2023		$ 222		
2024	2024	730		
2025	2025	574		
2026	2026	419		
2027	2027	265		
2028				
Thereafter	Thereafter	229		
Total	Total	$2,439		

Accumulated amortization of the core deposit intangible was $6.6 $7.0 million as of September 30, 2023 March 31, 2024.

Amortization expense recognized on the core deposit intangible was $0.2 million and $0.3 million $0.2 million for the three months ended September 30, 2023 March 31, 2024 and September 30, 2022, respectively, and $0.7 million and $0.8 million for the nine months ended September 30, 2023 and September 30, 2022 March 31, 2023, respectively.

Notes to Consolidated Financial Statements (unaudited)

14. VARIABLE INTEREST ENTITIES

Tax Credit Investments

The Company makes investments in unconsolidated entities that construct, own and operate solar generation facilities. An unrelated third party is the managing member and has control over the significant activities of the variable interest entities. entities ("VIE"). The Company generates a return through the receipt of tax credits allocated to the projects, as well as operational distributions. The primary risk of loss is generally mitigated by policies requiring that the project qualify for the expected tax credits prior to the Company making its investment. Any loans to the VIE are secured. As of September 30, 2023 March 31, 2024, the Company's maximum exposure to loss is $67.0 million. $63.0 million.

(In thousands)	September 30, 2023	December 31, 2022
Unconsolidated Variable Interest Entities		
Tax credit investments included in equity investments	$ 6,813	$ 3,299
Loans and letters of credit commitments	60,142	60,857
Funded portion of loans and letters of credit commitments	54,318	47,683

(In thousands)	March 31, 2024	December 31, 2023
Unconsolidated Variable Interest Entities		
Tax credit investments included in equity investments	$ 10,801	$ 9,024
Loan commitments	52,222	52,222
Funded portion of loan commitments	52,222	52,222

The following table summarizes the tax benefits conveyed by the Company's solar generation VIE investments:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Three Months Ended Three Months Ended Three Months Ended March 31, March 31, March 31, 2024 2024 2024			
(In thousands) *(In thousands)* *(In thousands)* *(In thousands)*				
Tax credits and other tax benefits recognized Tax credits and other tax benefits recognized	$ 790	$ 668	$ 2,390	$ 2,004
Tax credits and other tax benefits recognized				

Tax credits and other tax benefits recognized	

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Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

General

In this discussion, unless the context indicates otherwise, references to “we,” “us,” “our” and the “Company” refer to Amalgamated Financial Corp. and Amalgamated Bank. References to the “Bank” refer to Amalgamated Bank.

The following is a discussion of our consolidated financial condition as of September 30, 2023 March 31, 2024, as compared to December 31, 2022 December 31, 2023, and our results of operations for the three and nine month periods ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023. The purpose of this discussion is to focus on information about our financial condition and results of operations which is not otherwise apparent from our consolidated financial statements and is intended to provide insight into our results of operations and financial condition. This discussion and analysis is best read in conjunction with our unaudited consolidated financial statements and related notes as well as the financial and statistical data appearing elsewhere in this report and our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the “2022 “2023 Annual Report”), filed with the Securities and Exchange Commission on March 9, 2023 March 7, 2024. Historical results of operations and the percentage relationships among any amounts included, and any trends that may appear, may not indicate results of operations for any future periods.

In addition to historical information, this discussion includes certain forward-looking statements regarding business matters and events and trends that may affect our future results. For additional information regarding forward-looking statements and our related cautionary disclosures, see the “*Cautionary Note Regarding Forward-Looking Statements*” beginning on page ii of this report.

Overview

Our business

The Company was formed on August 25, 2020 to serve as the holding company for the Bank, effective March 1, 2021 when the Company acquired the common stock of the Bank. The 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. Although we are no longer majority union-owned, The Amalgamated Clothing Workers of America’s successor, Workers United, an affiliate of the Service Employees International Union that represents workers in the textile, distribution, food service and gaming industries, remains a significant stockholder, holding approximately 42% 41% of our equity as of September 30, 2023 March 31, 2024. As of September 30, 2023 March 31, 2024, our total assets were $7.91 billion $8.14 billion, our total loans, net of deferred fees and allowance for credit losses were $4.30 billion $4.36 billion, our total deposits were $6.99 billion $7.31 billion, and our stockholders' equity was $546.3 million $616.9 million. As of September 30, 2023 March 31, 2024, our trust business held $39.60 billion $34.95 billion in assets under custody and $13.90 billion $13.87 billion in assets under management.

We offer a complete suite of commercial and retail banking, investment management and trust and custody services. Our commercial banking and trust businesses are national in scope and we also offer a full range of products and services to both commercial and retail customers through our three branch offices across New York City, one branch office in Washington, D.C., one branch office in San Francisco, one commercial office in Boston and our digital banking platform. Our corporate divisions include Commercial Banking, Trust and Investment Management and Consumer Banking. Our product line includes residential mortgage loans, commercial and industrial ("C&I") loans, commercial real estate ("CRE") loans, multifamily mortgages, loans, consumer loans (predominantly consumer residential solar) and a variety of commercial and consumer deposit products, including non-interest-bearing accounts, interest-bearing demand products, savings accounts, money market accounts and certificates of deposit. We also offer online banking and bill payment services, online cash management, safe deposit box rentals, debit card and ATM card services, and the availability of a nationwide network of ATMs for our customers.

We currently offer a wide range of trust, custody and investment management services, including asset safekeeping, corporate actions, income collections, proxy services, account transition, asset transfers, and conversion management. We also offer a broad range of investment products, including both index and actively-managed funds spanning equity, fixed-income, real estate and alternative investment strategies to meet the needs of our clients. Our products and services are tailored to our target customer base that prefers a financial partner that is socially responsible, values-oriented and committed to creating positive change in the world. These customers include advocacy-based non-profits, social welfare organizations, national labor unions, political organizations, foundations, socially responsible businesses, and other for-profit companies that seek to balance their profit-making activities with activities that benefit their other stakeholders, as well as the members and stakeholders of these commercial customers. In 2021, we introduced ResponsiFunds which are Environmental, Social and Governance ("ESG") impact products designed to align our clients' investment growth goals with their organizational values.

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Our goal is to be the go-to financial partner for people and organizations who strive to make a meaningful impact in our society and who care about their communities, the environment, and social justice. The growth of our business is fundamental to our

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social mission and how we deliver impact and value for our stakeholders. The Company has obtained B Corporation™ certification, a distinction earned after being evaluated under rigorous standards of social and environmental performance, accountability, and transparency. The Company is also the largest of twelve commercial financial institutions in the United States that are members of the Global Alliance for Banking on Values, ("GABV"), a network of banking leaders from around the world committed to advancing positive change in the banking sector. Earlier this year, We hold governance positions in the Company hosted United Nations ("UN") convened Net Zero Banking Alliance and the annual GABV conference in New York alongside its centennial celebrations. Along with fellow GABV members, the Company has worked to launch the Global Partnership for Carbon Accounting Financials ("PCAF"). This is the third year the Company has reported its financed emissions across its portfolio of loans, investments and assets under management through PCAF. The Company was the first U.S. bank to set full portfolio targets under the guidelines of the UN Net Zero Banking Alliance. The Company has targets verified by the Science-Based Targets Initiative, with a goal to achieve net-zero emissions across all of its activities by 2045.

Recent Developments

In March 2023, the failures of Santa Clara, California-based Silicon Valley Bank ("SIVB" ("PCAF") and New York, New York-based Signature Bank have generated concerns regarding an advisory role for the overall health and liquidity of the banking sector. SIVB was placed into receivership on March 10, 2023, and Signature Bank was placed into receivership on March 12, 2023, with the Federal Deposit Insurance Corporation ("FDIC") being appointed receiver Glasgow Finance Alliance for both failed banks. On March 12, 2023, the Board of Governors of the Federal Reserve System, Department of Treasury and the FDIC issued a joint statement concerning actions they had taken in response to the SIVB and Signature Bank failures. The Federal Reserve Board announced that it would make available additional funding to eligible depository institutions through the creation of a new Bank Term Funding Program. Subsequently, on May 1, 2023, First Republic Bank was also placed into FDIC receivership. These failures represented the second, third, and fourth largest bank failures in U.S. history. As a result, there is increased scrutiny on the banking industry, particularly in the area of liquidity monitoring. In response, we have taken numerous precautionary actions to monitor and limit liquidity risk, including increased deposit monitoring and reporting, proactive customer outreach, increased pledging of loans and securities to the Federal Home Loan Bank of New York ("FHLBNY") and increased pledging of securities at the Federal Reserve Bank discount window to increase our borrowing capacity, pledging of securities to the Bank Term Funding Program, increased issuance of brokered certificates of deposit, and increasing our target cash balances. Net Zero.

Critical and Significant Accounting Policies and Estimates

Our consolidated financial statements are prepared based on the application of accounting policies generally accepted in the United States, or GAAP, and conform to general practices within the banking industry. Our significant accounting policies are more fully described in Note 1 of our audited consolidated financial statements included in our 2022 2023 Annual Report. The allowance for credit losses is a critical accounting policy, which has changed due to the adoption of ASU 2016-13 effective January 1, 2023. Our Current Expected Credit Losses ("CECL") policy is described under "Recently Adopted Accounting Standards" in Note 1 to the Consolidated Financial Statements in Item 1 of this Form 10-Q, in addition to our accounting policy related to treasury stock.

Apart from the aforementioned additions, there There have been no other significant changes to our significant accounting policies, or the estimates made pursuant to those policies as described in our 2022 2023 Annual Report.

Management has identified accounting policies that, due to the estimates, assumptions and judgments inherent in those policies, are critical in understanding our financial statements. Management has presented the application of these policies to the Audit Committee of our Board of Directors.

Allowance for credit losses on loans

Methods and Assumptions Underlying the Estimate

On January 1, 2023, we adopted the CECL Standard, which requires that loans held for investment be accounted for under the current expected credit losses model. The allowance for credit losses is established and maintained through a provision for credit losses based on expected losses inherent in our loan portfolio. Management evaluates the adequacy of the allowance on a quarterly basis, and additions to the allowance are charged to expense and subsequent changes (favorable and unfavorable) in expected credit losses are recognized immediately in net income as a credit loss expense or a reversal of credit loss expense. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In determining the allowance for credit losses for loans that share similar risk characteristics, the Company utilizes a model which compares the amortized cost basis of the loan to the net present value of expected cash flows to be collected. Expected credit losses are determined by aggregating the individual cash flows and calculating a loss percentage by loan segment for loans that share similar risk characteristics. For a loan that does not share risk characteristics with other loans, the Company will evaluate the loan on an individual basis. Within the model, assumptions are made in the determination of baseline loss rates, severity rates, reasonable and supportable economic forecasts, and prepayment rates.

The Company assesses the sensitivity of key assumptions at least annually by stressing the assumptions to understand the impact on the model. While management utilizes its best judgment and information available, the ultimate adequacy of our allowance is dependent upon a variety of factors beyond our control which are inherently difficult to predict, the most significant being the macroeconomic forecasts. The Company's forecast of economic conditions considers baseline, favorable, and adverse scenarios. As economic conditions can change, the anticipated amount of estimated loan defaults and losses, and therefore the adequacy of the allowance, could change significantly. Economic conditions more favorable than forecasted could lead to reductions in the amount of the allowance, and conversely conditions more adverse than forecasted could require increases in the amount of the allowance. Changes in economic forecasts may not occur in the same direction or magnitude across all segments of our loan portfolio and deterioration in some quantitative inputs may offset improvement in others. The Company selects the economic forecast that is most reflective of expectations at that point in time, and changes could significantly impact the calculated estimated credit losses.

For segments that rely on a peer group to develop baseline loss rates, statistical regression is utilized to relate historical macro-economic variables to historical credit loss experience of a peer group of banks. These models are then utilized to forecast future expected credit losses based on expected future behavior of the same macro-economic variables. Adjustments to the quantitative results are made using qualitative factors. These factors include: (1) borrower's financial condition; (2) borrower's ability to pay; (3) nature and volume of financial assets; (4) value of the underlying collateral; (5) lending policies and procedures; (6) quality of

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the loan review system; (7) the experience, ability, and depth of staff; (8) regulatory and legal environment; (9) changes in market conditions; and (10) changes in economic conditions.

For loans that do not share risk characteristics, the Company evaluates these loans on an individual basis based on various factors. Factors that may be considered are borrower delinquency trends and nonaccrual status, probability of foreclosure or note sale, changes in the borrower’s circumstances or cash collections, borrower’s industry, or other facts and circumstances of the loan or collateral. The expected credit loss is measured based on net realizable value, that is, the difference between the discounted value of the expected future cash flows, based on the original effective interest rate, and the amortized cost basis of the loan. For collateral dependent loans, expected credit loss is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral, less estimated costs to sell.

Uncertainties Regarding the Allowance for Credit Loss Estimate

Estimating the timing and amounts of future losses is subject to significant management judgment as these projected cash flows rely upon the estimates discussed within the CECL policy and factors that are reflective of current or future expected conditions. These estimates depend on the duration of current overall economic conditions, industry, borrower, or portfolio specific conditions. Volatility in certain credit metrics and differences between expected and actual outcomes are to be expected.

Customers may not repay their loans according to the original terms, and the collateral securing the payment of those loans may be insufficient to pay any remaining loan balance. Bank regulators periodically review our allowance for credit losses and may require us to increase our provision for credit losses or loan charge-offs.

Impact on Financial Condition and Results of Operations

If our assumptions prove to be incorrect, the allowance for credit losses may not be sufficient to cover expected losses in the loan portfolio, resulting in additions to the allowance. Future additions or reductions to the allowance may be necessary based on changes in economic, market or other conditions. Changes in estimates could result in a material change in the allowance through

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charges to earnings and would could materially decrease our net income.

We may experience significant credit losses if borrowers experience financial difficulties, which could have a material adverse effect on our operating results.

In addition, various regulatory agencies, as an integral part of the examination process, periodically review the allowance for credit losses. Such agencies may require the Bank Company to recognize adjustments to the allowance based on their judgments of the information available to them at the time of their examination.

Recent Accounting Pronouncements

Accounting Standards Effective in 2023 2024 and onward

ASU 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures

On January 7, 2021 November 27, 2023, the FASB has issued Accounting Standards Update No. 2021-01, Reference Rate Reform ASU 2023-07, Segment Reporting (Topic 848) 280): Scope. Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The new guidance amends the scope of ASU 2020-04, Facilitation purpose of the Effects amendments is to enable investors to better understand an entity's overall performance and assess potential future cash flows. A public entity should apply the amendments retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of Reference Rate Reform adoption. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of this standard on Financial Reporting, our consolidated financial statements and related disclosures.

ASU 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures

On December 14, 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which was aimed at easing is intended to enhance the potential accounting burden expected when global capital markets move away from the London Interbank Offered Rate ("LIBOR") (the benchmark interest rate banks use to make short-term loans to each other) transparency and provided temporary, optional expedients and exceptions decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for applying accounting guidance to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. As the majority of our securities tied to LIBOR transitioned enhanced income tax information primarily through changes to the Secured Overnight Financing Rate ("SOFR") or were rate reconciliation and income taxes paid off before information. The update will be effective for annual periods beginning after December 15, 2024, and early adoption is permitted. The Company is currently evaluating the transition date and given that we did not have a substantial amount impact of commercial loans or any derivative transactions tied to LIBOR, the Adoption of ASU 2021-01 is not expected to have a material impact this standard on our operating results or consolidated financial condition. statements and related disclosures.

Results of Operations

General

Our results of operations depend substantially on net interest income, which is the difference between interest income on interest-earning assets, consisting primarily of interest income on loans, investment securities and other short-term investments and interest expense on interest-bearing liabilities, consisting primarily of interest expense on deposits and borrowings. Our results of operations are also dependent on non-interest income, consisting primarily of income from Trust Department fees, service charges on deposit accounts, net gains on sales of investment securities and income from bank-owned life insurance ("BOLI"). Other factors contributing to our results of operations include our provisions for credit losses, income taxes, and non-interest expenses, such as salaries and employee benefits, occupancy and depreciation expenses, professional fees, data processing fees and other miscellaneous operating costs.

Net income for the third first quarter of 2023 2024 was $22.3 27.2 million, or $0.73 $0.89 per diluted share, compared to $22.9 21.3 million, or $0.74 $0.69 per diluted share, for the third first quarter of 2022. 2023. The $0.6 5.9 million decrease increase was primarily due to an increase in interest expense of $24.3 million primarily related to deposits, a $1.0 million increase in non-interest expense, and a $0.7 million increase in income tax expense, offset by $11.3 million $7.2 million increase in interest income on loans, an $8.4 million a $2.9 million increase in interest income on securities, a $3.4 million $2.0 million increase in interest on interest-bearing deposits in banks, a $5.0 million increase in non-interest income, and a $3.4 million decrease in the provision for credit losses, and a $1.8 million increase in non-interest income.

Net income for the nine months ended September 30, 2023 was $65.3 million, or $2.12 per diluted share, compared to $56.7 million, or $1.82 per diluted share, for the same period in 2022. The $8.6 million increase was primarily due to a $82.2 million increase in interest income, offset by a $60.6 million an increase in interest expense of $11.2 million primarily related to deposits, and a $8.5 million increase in non-interest expense, a $4.3 million $3.7 million increase in income tax expense.

Net Interest Income

Net interest income, representing interest income less interest expense, is a significant contributor to our revenues and earnings. We generate interest income from interest, dividends and prepayment fees on interest-earning assets, including loans, investment securities and other short-term investments. We incur interest expense from interest paid on interest-bearing liabilities, including interest-bearing deposits, FHLBNY Federal Home Loan Bank of New York ("FHLBNY") advances, federal funds purchased and other borrowings. To evaluate net interest income, we measure and monitor (i) yields on our loans and other interest-earning assets, (ii) the costs of our deposits and other funding sources, (iii) our net interest spread and (iv) our net interest margin. Net interest spread is equal to the difference between rates earned on interest-earning assets and rates paid on interest-bearing liabilities. Net interest margin is equal to the annualized net interest income divided by average interest-earning assets. Because non-interest-bearing sources of funds, such as non-interest-bearing non-interest-bearing deposits and stockholders' equity, also fund interest-earning assets, net interest margin includes the benefit of these non-interest-bearing sources.

Changes in the market interest rates and interest rates we earn on interest-earning assets or pay on interest-bearing liabilities, as well as the volume and types of interest-earning assets, interest-bearing and non-interest-bearing liabilities, are usually the largest drivers of periodic changes in net interest spread, net interest margin and net interest income.

Three Months Ended September 30, 2023 and 2022

The following table sets forth information related to our average balance sheet, average yields on assets, and average costs of liabilities for the periods indicated:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
(In thousands)	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest-earning assets:						
Interest-bearing deposits in banks	$ 170,830	$ 1,687	3.92 %	$ 222,071	$ 971	1.73 %
Securities(1)	3,208,334	39,971	4.94 %	3,522,863	29,735	3.35 %
Resell agreements	—	—	0.00 %	232,956	1,845	3.14 %
Total loans, net (2)(3)	4,314,767	49,578	4.56 %	3,732,976	38,264	4.07 %
Total interest-earning assets	7,693,931	91,236	4.70 %	7,710,866	70,815	3.64 %
Non-interest-earning assets:						
Cash and due from banks	6,129			4,783		
Other assets	204,506			226,448		
Total assets	$ 7,904,566			$ 7,942,097		
Interest-bearing liabilities:						
Savings, NOW and money market deposits	$ 3,446,027	$ 17,157	1.98 %	$ 3,031,402	$ 2,329	0.30 %
Time deposits	176,171	1,122	2.53 %	184,476	162	0.35 %
Brokered CDs	371,329	4,879	5.21 %	—	—	0.00 %
Total interest-bearing deposits	3,993,527	23,158	2.30 %	3,215,878	2,491	0.31 %
FHLBNY advances	74,534	982	5.23 %	3,314	25	2.99 %
Other Borrowings	302,051	3,368	4.42 %	82,009	671	3.25 %
Total borrowings	376,585	4,350	4.58 %	85,323	696	3.24 %
Total interest-bearing liabilities	4,370,112	27,508	2.50 %	3,301,201	3,187	0.38 %
Non-interest-bearing liabilities:						
Demand and transaction deposits	2,920,737			4,053,953		
Other liabilities	74,964			75,143		
Total liabilities	7,365,813			7,430,297		
Stockholders' equity	538,753			511,800		
Total liabilities and stockholders' equity	$ 7,904,566			$ 7,942,097		
Net interest income / interest rate spread		$ 63,728	2.20 %		$ 67,628	3.26 %
Net interest-earning assets / net interest margin	$ 3,323,819		3.29 %	$ 4,409,665		3.48 %
Total deposits / total cost of deposits	$ 6,914,264		1.33 %	$ 7,269,831		0.14 %
Total funding / total cost of funds	$ 7,290,849		1.50 %	$ 7,355,154		0.17 %

(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 income in 3Q2023 and 3Q2022 of $0 and $800 thousand, respectively

Net interest income was $63.7 million for the third quarter of 2023, compared to $67.6 million for the third quarter of 2022. The $3.9 million, or 5.8%, decrease from the third quarter of 2022 was primarily attributable to higher average balances and costs on interest-bearing liabilities, partially offset by higher yields on interest-earning assets.

Our net interest spread was 2.20% for the three months ended September 30, 2023, compared to 3.26% for the same period in 2022, a decrease of 106 basis points. Our net interest margin was 3.29% for the third quarter of 2023, a decrease of 19 basis points from 3.48% in the third quarter of 2022. No prepayment penalties were earned in loan income in the third quarter of 2023, compared to a four basis point contribution to net interest margin in the third quarter of 2022.

The yield on average earning assets was 4.70% for the three months ended September 30, 2023, compared to 3.64% for the same period in 2022, an increase of 106 basis points. This increase was driven primarily by the rising rate environment.

The average rate on interest-bearing liabilities was 2.50% for the three months ended September 30, 2023, an increase of 212 basis points from the same period in 2022, which was primarily due to the rising rate environment that led to an increase in interest expense paid for deposits, as well as the utilization of brokered CDs and other borrowings. Non-interest-bearing deposits represented 42% of average deposits for the three months ended September 30, 2023, compared to 56% for the three months ended September 30, 2022.

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Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

The following table sets forth information related to our average balance sheet, average yields on assets, and average costs of liabilities for the periods indicated:

(In thousands)	**Three Months Ended March 31, 2024**			**Three Months Ended March 31, 2023**		
	Average Balance	**Income / Expense**	**Yield / Rate**	**Average Balance**	**Income / Expense**	**Yield / Rate**
Interest-earning assets:						
Interest-bearing deposits in banks	$ 205,369	$ 2,592	5.08 %	$ 90,962	$ 618	2.76 %
Securities(1)	3,170,356	41,064	5.21 %	3,361,750	39,193	4.73 %
Resell Agreements	79,011	1,326	6.75 %	18,644	319	6.94 %
Total loans, net (2)	4,390,489	51,952	4.76 %	4,129,460	44,806	4.40 %
Total interest-earning assets	7,845,225	96,934	4.97 %	7,600,816	84,936	4.53 %
Non-interest-earning assets:						
Cash and due from banks	5,068			4,015		
Other assets	226,270			217,020		
Total assets	$ 8,076,563			$ 7,821,851		
Interest-bearing liabilities:						
Savings, NOW and money market deposits	$ 3,591,551	$ 21,872	2.45 %	$ 3,091,228	$ 9,555	1.25 %
Time deposits	188,045	1,576	3.37 %	149,814	297	0.80 %
Brokered CDs	190,240	2,443	5.16 %	367,684	3,983	4.39 %
Total interest-bearing deposits	3,969,836	25,891	2.62 %	3,608,726	13,835	1.55 %
Other borrowings	288,093	3,006	4.20 %	347,878	3,821	4.45 %
Total interest-bearing liabilities	4,257,929	28,897	2.73 %	3,956,604	17,656	1.81 %
Non-interest-bearing liabilities:						
Demand and transaction deposits	3,138,238			3,286,964		
Other liabilities	79,637			75,798		
Total liabilities	7,475,804			7,319,366		
Stockholders' equity	600,759			502,485		
Total liabilities and stockholders' equity	$ 8,076,563			$ 7,821,851		

Net interest income / interest rate spread		$ 68,037	2.24 %		$ 67,280	2.72 %
Net interest-earning assets / net interest margin	$ 3,587,296		3.49 %	$ 3,644,212		3.59 %
Total deposits / total cost of deposits	$ 7,108,074		1.46 %	$ 6,895,690		0.81 %
Total funding / total cost of funds	$ 7,396,167		1.57 %	$ 7,243,568		0.99 %

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
(In thousands)	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate
Interest-earning assets:						
Interest-bearing deposits in banks	$ 125,560	$ 3,360	3.58 %	$ 316,288	$ 1,701	0.72 %
Securities(1)	3,276,065	118,557	4.84 %	3,387,707	71,477	2.82 %
Resell agreements	8,003	432	7.22 %	227,932	3,610	2.12 %
Total loans, net (2)(3)	4,216,391	139,744	4.43 %	3,493,405	103,157	3.95 %
Total interest-earning assets	7,626,019	262,093	4.60 %	7,425,332	179,945	3.24 %
Non-interest-earning assets:						
Cash and due from banks	5,067			7,752		
Other assets	210,112			267,315		
Total assets	$ 7,841,198			$ 7,700,399		
Interest-bearing liabilities:						
Savings, NOW and money market deposits	$ 3,248,278	$ 40,010	1.65 %	$ 2,986,588	$ 4,908	0.22 %
Time deposits	161,756	2,030	1.68 %	191,944	466	0.32 %
Brokered CDs	383,521	13,769	4.80 %	—	—	0.00 %
Total interest-bearing deposits	3,793,555	55,809	1.97 %	3,178,532	5,374	0.23 %
FHLBNY advances	143,873	5,355	4.98 %	1,117	25	2.99 %
Other Borrowings	221,389	6,937	4.19 %	83,487	2,052	3.29 %
Total borrowings	365,262	12,292	4.50 %	84,604	2,077	3.28 %
Total interest-bearing liabilities	4,158,817	68,101	2.19 %	3,263,136	7,451	0.31 %
Non-interest-bearing liabilities:						
Demand and transaction deposits	3,086,482			3,821,571		
Other liabilities	72,821			85,996		
Total liabilities	7,318,120			7,170,703		
Stockholders' equity	523,078			529,696		
Total liabilities and stockholders' equity	$ 7,841,198			$ 7,700,399		
Net interest income / interest rate spread		$ 193,992	2.41 %		$ 172,494	2.93 %
Net interest-earning assets / net interest margin	$ 3,467,202		3.40 %	$ 4,162,196		3.11 %
Total deposits / total cost of deposits	$ 6,880,037		1.08 %	$ 7,000,103		0.10 %
Total funding / total cost of funds	$ 7,245,299		1.26 %	$ 7,084,707		0.14 %

(1) Includes FHLBNY stock in the average balance, and dividend income on FHLBNY stock in interest income. 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 September YTD 2023 1Q2024 and September YTD 2022 1Q2023 of $0 million $18 and $1.6 million, $0 thousand, respectively

Net interest income was $194.0 68.0 million for the nine months ended September 30, 2023, first quarter of 2024, compared to $172.5 67.3 million for the same period in 2022. first quarter of 2023. The year-over-year$0.7 million increase from the first quarter of $21.5 million, or 12.5%, 2023 was primarily attributable to higher yields and average balances on interest-earning assets, partially offset by higher costs and average balances on interest-bearing liabilities.

Our net Net interest spread was 2.41% 2.24% for the nine three months ended September 30, 2023 March 31, 2024, compared to 2.93% 2.72% for the same period in 2022, 2023, a decrease of 52 48 basis points. Our net interest margin was 3.40% 3.49% for the nine months ended September 30, 2023, an increase first quarter of 29 2024, a decrease of 10 basis points from 3.11% 3.59% in the same period first quarter of 2022. No prepayment penalties were earned 2023. This was largely due to increases in loan income interest-bearing liabilities outpacing increases in interest-earning assets, and increases in the nine months ended September 30, 2023, compared to a 3 basis point contribution to net interest margin cost of funds outpacing increases in the same period of 2022. yields.

The yield on average earning assets was 4.60% 4.97% for the nine three months ended September 30, 2023 March 31, 2024, compared to 3.24% 4.53% for the same period in 2022, 2023, an increase of 136 44 basis points. This increase was driven primarily by the rising current rate environment. environment resulting in increased yields across securities and loan portfolios.

The average rate on interest-bearing liabilities was 2.19% 2.73% for the nine three months ended September 30, 2023 March 31, 2024, an increase of 188 92 basis points from the same period in 2022, 2023, which was primarily due to the increase in interest expense on borrowings with the increase in the average balance other borrowings, brokered CDs utilization, and the rising rate environment that led to an increase in interest expense paid for deposits, particularly in savings, NOW, and money market deposits and time deposits. Non-interest-bearing deposits represented 45% 44% of average deposits for the nine three months ended September 30, 2023 March 31, 2024, compared to 55% 48% for the nine three months ended September 30, 2022 March 31, 2023.

Rate-Volume Analysis

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in weighted average interest rates. The table below presents the effect of volume and rate changes on interest income and expense. Changes in volume are changes in the average balance multiplied by the previous period's average rate. Changes in rate are changes in the average rate multiplied by the average balance from the previous period. The net changes attributable to the combined impact of both rate and volume have been allocated proportionately to the changes due to volume and the changes due to rate:

	Three Months Ended September 30, 2023 over September 30, 2022			Nine Months Ended September 30, 2023 over September 30, 2022		
	Changes Due To			Changes Due To		
(In thousands)	Volume	Rate	Net Change	Volume	Rate	Net Change
Interest-earning assets:						
Interest-bearing deposits in banks	$ (402)	$ 1,118	$ 716	$ (2,433)	$ 4,092	$ 1,659
Securities and FHLBNY stock	(3,549)	13,785	10,236	(3,919)	50,999	47,080
Resell Agreements	(1,845)	0	(1,845)	(3,693)	515	(3,178)
Total loans, net	6,296	5,018	11,314	22,420	14,167	36,587
Total interest income	500	19,921	20,421	12,375	69,773	82,148
Interest-bearing liabilities:						
Savings, NOW and money market deposits	1,842	12,986	14,828	2,986	32,116	35,102
Time deposits	(49)	1,009	960	(323)	1,887	1,564
Brokered CDs	4,879	—	4,879	13,769	—	13,769
Total deposits	6,672	13,995	20,667	16,432	34,003	50,435
FHLBNY advances	661	296	957	3,800	1,530	5,330
Other borrowings	1,978	719	2,697	3,633	1,252	4,885
Total borrowings	2,639	1,015	3,654	7,433	2,782	10,215
Total interest expense	9,311	15,010	24,321	23,865	36,785	60,650
Change in net interest income	$ (8,811)	$ 4,911	$ (3,900)	$ (11,490)	$ 32,988	$ 21,498

(In thousands)	Three Months Ended March 31, 2024 over March 31, 2023		
	Changes Due To		
	Volume	Rate	Net Change
Interest-earning assets:			
Interest-bearing deposits in banks	$ 1,085	$ 889	$ 1,974
Securities	(2,296)	4,167	1,871
Resell agreements	1,044	(37)	1,007
Total loans, net	3,145	4,001	7,146
Total interest income	2,978	9,020	11,998
Interest-bearing liabilities:			
Savings, NOW and money market deposits	2,728	9,589	12,317
Time deposits	269	1,010	1,279
Brokered CDs	(1,964)	424	(1,540)
Total deposits	1,033	11,023	12,056
Other borrowings	1,734	(2,549)	(815)
Total interest expense	2,767	8,474	11,241
Change in net interest income	$ 211	$ 546	$ 757

Provision for Credit Losses

On January 1, 2023, we adopted the CECL standard for calculating the allowance for credit losses and the provision for credit losses. We establish an allowance for credit losses through a provision for credit losses charged as an expense in our Consolidated Statements of Income. On January 1, 2023, we adopted the CECL standard for calculating the allowance for credit losses and the provision for credit losses. For further discussion of the adoption of and methodology under the CECL standard, refer to Note 1 to the Consolidated Financial Statements in Item 1 of this Form 10-Q.

Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

Our provision Provision for credit losses totaled an expense of $2.0 million $1.6 million for the third first quarter of 2023 2024 compared to an expense of $5.4 million $5.0 million for the same period in 2022. 2023. The provision for credit losses on loans totaled $3.3 million, an expense of $0.9 million, the provision for credit losses on securities totaled $18.0 a recovery of $11 thousand, and the provision for credit losses on off-balance sheet credit exposures was a release an expense of reserves of $1.3 million. $0.7 million. Overall, the provision expense in the third quarter of 2023 on loans was primarily driven by increases in specific loan

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reserves, charge-offs on the solar loan portfolio, growth, certain individual reserves, and $2.0 million of solar charge-offs, an increase in reserve for multifamily loans to reflect the current market repricing conditions, offset by improvements in macro-economic forecasts used in the CECL model and releases of reserves for lower unfunded exposures.

Nine Months Ended September 30, 2023 and 2022

Our provision for credit losses totaled an expense of $10.9 million for the nine months ended September 30, 2023 compared to an expense of $10.6 million for the same period in 2022. The provision for credit losses on loans totaled $10.0 million, the provision for credit losses on securities totaled $83.0 thousand, and the provision for credit losses on off-balance sheet credit exposures was a release of reserves of $0.4 million. Overall, provision expense was primarily driven by portfolio growth, certain individual reserves, offset by improvements in macro-economic forecasts used in the CECL model and releases of reserves for lower unfunded exposures.

model.

For a further discussion of the allowance, see “*Allowance for Credit Losses*” below.

Non-Interest Income

Our non-interest income includes Trust Department fees, which consist of fees received in connection with investment advisory and custodial management services of investment accounts, service fees charged on deposit accounts, income on BOLI, gain or loss on sales of securities, sales of loans, income from equity method investments, and other income.

The following table presents our non-interest income for the periods indicated:

		Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(In thousands)					
(In thousands)					
(In thousands)	*(In thousands)*	2023	2022	2023	2022
Trust Department fees	Trust Department fees	$ 3,678	$ 3,872	$ 11,613	$ 10,842
Trust Department fees					
Trust Department fees					
Service charges on deposit accounts					
Service charges on deposit accounts					
Service charges on deposit accounts	Service charges on deposit accounts	2,731	2,735	7,897	8,008
Bank-owned life insurance income	Bank-owned life insurance income	727	785	2,054	2,882
Bank-owned life insurance income					
Bank-owned life insurance income					
Losses on sale of securities	Losses on sale of securities	(1,699)	(1,844)	(5,052)	(2,264)
Gains (losses) on sale of loans, net		26	(367)	30	(32)
Losses on sale of securities					
Losses on sale of securities					
Gains on sale of loans, net					
Gains on sale of loans, net					
Gains on sale of loans, net					
Equity method investments income (loss)		550	(1,151)	1,261	(1,357)
Equity method investments income					
Equity method investments income					
Equity method investments income					
Other income					
Other income					
Other income	Other income	767	973	2,127	1,592
Total non-interest income	Total non-interest income	$ 6,780	$ 5,003	$ 19,930	$ 19,671
Total non-interest income					
Total non-interest income					

Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

Non-interest income was $6.8 10.2 million for the third first quarter of 2023, 2024, compared to $5.0 5.2 million for the third first quarter in 2022. 2023. The increase of $1.8 million $5.0 million in the third first quarter of 2023 2024 compared to the corresponding quarter in 2022, was 2023was primarily due to to a $1.8 million $3.6 million increase in service charges on deposit accounts primarily due to increases in ICS One-Way Sell income, and an increase in income from equity method investments. investments of $1.9 million. This was partially offset by a decrease in other income of $0.7 million primarily attributed to a gain on the repurchase of subordinated debt in the first quarter of 2023.

Trust Department fees consist of fees we receive in connection with our investment advisory and custodial management services of investment accounts. Our Trust Department fees were $3.7 million $3.9 million in the third first quarter of 2023, a decrease of $0.2 million, or 5.0%, from 2024, compared to $3.9 million in the same period in 2022.

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Equity method investments income consists of income from solar tax equity investments. Due to the recognition of tax credits upon initial investment, income from these investments is volatile before achieving steady state. In the early stages of the investment, accelerated depreciation of the value of the investment creates net losses, after which steady state income is achieved, generally within four quarters of the initial investment. Equity method investments income was $0.6 million for the third quarter of 2023 compared to a loss of $1.2 million in the third quarter of 2022.

Nine Months Ended September 30, 2023 and 2022

Non-interest income was $19.9 million for the nine months ended September 30, 2023, compared to $19.7 million for the nine months ended September 30, 2022. The increase of $0.2 million was primarily due to a $2.7 million increase in income from equity investments, and an increase in other income of $0.5 million primarily attributed to increased gains on the repurchase of subordinated debt. This was partially offset by $2.8 million in increased losses on the sale of securities, $0.6 million of which relates to the loss on the sale of a portion of a SIVB Corporate bond, and the remainder as part of strategic sales in order to reinvest in higher yielding securities.

Trust Department fees consist of fees we receive in connection with our investment advisory and custodial management services of investment accounts. Our Trust Department fees were $11.6 million in the third quarter of 2023, an increase of $0.8 million, or 7.1%, from same period in 2022.

Equity method investments income consists of income from solar tax equity investments. Due to the recognition of tax credits upon initial investment, income from these investments is volatile before achieving steady state. In the early stages of the investment, accelerated depreciation of the value of the investment creates net losses, after which steady state income is achieved, generally within four quarters of the initial investment. Equity method investments income was $1.3 million in the nine months ended September 30, 2023, compared to a loss of $1.4 million for the same period in 2022.

Non-Interest Expense

Non-interest expense includes compensation and employee benefits, occupancy and depreciation expense, professional fees (including legal, accounting and other professional services), data processing, office maintenance and depreciation, amortization of intangible assets, advertising and promotion, federal deposit insurance premiums, and other expenses. The following table presents non-interest expense for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2023**	**2022**	**2023**	**2022**
Three Months Ended September 30, 2023 and 2022	$ 21,345	$ 19,527	$ 64,525	$ 55,242
Occupancy and depreciation	3,349	3,481	10,184	10,378
Professional fees	[illegible]	[illegible]	[illegible]	[illegible]
decrease in professional fees of $1.0 million.	4,545	4,149	13,176	13,660
Office maintenance and depreciation	685	807	2,130	2,316
Amortization of intangible assets	222	262	666	785
Advertising and promotion	816	795	3,431	2,410
Federal deposit insurance premiums	1,200	1,014	3,018	2,440
Other expense	2,955	3,050	9,154	9,037
Total non-interest expense	$ 37,339	$ 36,258	$ 113,495	$ 105,001

Non-interest expense for the third quarter of 2023 was $37.3 million, an increase of $1.0 million from the third quarter of 2022. The increase of $1.0 million from the third quarter of 2022 was primarily driven by a $1.8 million increase in compensation and benefits expense related to an expected increase in compensation due to increased headcount, offset by a decrease in professional fees of $1.0 million.

Nine Months Ended September 30, 2023 and 2022

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	Three Months Ended March 31,	
(In thousands)	**2024**	**2023**
Compensation and employee benefits	$ 22,273	$ 22,014
Occupancy and depreciation	2,904	3,399
Professional fees	2,376	2,230
Data processing	4,629	4,549
Office maintenance and depreciation	663	728
Amortization of intangible assets	183	222
Advertising and promotion	1,219	1,587
Federal deposit insurance premiums	1,050	718
Other expense	2,855	3,180
Total non-interest expense	$ 38,152	$ 38,627

Three Months Ended March 31, 2024 and 2023

Non-interest expense for the nine months ended September 30, 2023 first quarter of 2024 was $113.5 million $38.2 million, an increase a decrease of $8.5 million $0.4 million from $105.0 million $38.6 million for nine months ended September 30, 2022. the first quarter of 2023. The increase decrease was driven by a $9.3 million $0.5 million decrease in occupancy and depreciation due to a gain from settlement of a lease termination, a $0.4 million decrease in advertising and promotion expense, and a $0.3 million decrease in other expense, offset by $0.4 million increase in federal deposit insurance premiums expense, by a $0.3 million increase in compensation expense, and benefits expense related to an expected a $0.2 million increase in compensation due to increased headcount, corporate incentive payments, and temporary personnel costs, offset by a decrease in professional fees of $1.5 million. fees.

Income Taxes

Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

We had a provision for income tax expense of $8.8 11.3 million for the third first quarter of 2023, 2024, compared to $8.1 7.6 million for the third first quarter of 2022. 2023. Our effective tax rate for the third first quarter of 2023 2024 was 28.4% 29.2%, compared to 26.0% 26.2% for the third first quarter of 2022, which reflects 2023. In the first quarter of 2024, we concluded on the analysis related to a higher state and city tax examination that began in 2023, resulting in an adjustment of $0.9 million that was recorded as income tax expense in the quarter. Excluding this adjustment, our effective tax rate for the year.

Nine Months Ended September 30, 2023 and 2022

We had a provision for income tax expense first quarter of $24.2 million for the nine months ended September 30, 2023, compared to $19.9 million for same period in 2022. Our effective tax rate for the nine months ended September 30, 2023 2024 was 27.1%, compared to 25.9% for the same period in 2022. 26.9%.

Financial Condition

Balance Sheet

Our total assets were $7.91 billion $8.14 billion at September 30, 2023 March 31, 2024, compared to $7.84 billion $7.97 billion at December 31, 2022 December 31, 2023. Notable changes within individual balance sheet line items include a $235.9 million $81.2 million increase in resell agreements, an increase in cash of $64.6 million and a $22.1 million increase in securities, a $13.8 million increase in loans receivable, net, a $180.5 million decrease in investment securities, a $395.8 million $293.8 million increase in deposits, and a $345.6 million $165.3 million decrease in FHLB advances and other borrowings.

Investment Securities

The primary goal of our securities portfolio is to maintain an available source of liquidity and an efficient investment return on excess capital, while maintaining a low-risk profile. We also use our securities portfolio to manage interest rate risk, meet Community Reinvestment Act (“CRA”) goals, support the Company's mission, and to provide collateral for certain types of deposits or borrowings. An Investment Committee chaired by our Chief Financial Officer manages our investment securities portfolio according to written investment policies approved by our Board of Directors. Investments in our securities portfolio may change over time based on management’s objectives and market conditions.

We seek to minimize credit risk in our securities portfolio through diversification, concentration limits, restrictions on high risk investments (such as subordinated positions), comprehensive pre-purchase analysis and stress testing, ongoing monitoring and by investing a significant portion of our securities portfolio in U.S. Government sponsored entity (“GSE”) obligations. GSEs include the Federal Home Loan Mortgage Corporation (“FHLMC”), the Federal National Mortgage Association (“FNMA”), the Government National Mortgage Association (“GNMA”) and the Small Business Administration (“SBA”). GNMA is a wholly-owned wholly-

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owned U.S. Government corporation whereas FHLMC and FNMA are private. Mortgage-related securities may include mortgage pass-through certificates, participation certificates and collateralized mortgage obligations (“CMOs”). We invest in non-GSE securities, including property assessed clean energy, or Property Assessed Clean Energy ("PACE") PACE, assessments, bonds, in order to generate higher returns, improve portfolio diversification and reduce interest rate and prepayment risk. With the exception of small legacy CRA investments, Trust Preferred securities, and certain corporate bonds, all of our non-GSE securities are senior positions that are the top of the capital structure.

Our investment securities portfolio consists of securities classified as available for sale and held-to-maturity. There were no trading securities in our investment portfolio at September 30, 2023 March 31, 2024 or at December 31, 2022 December 31, 2023. As of September 30, 2023, while the Company has the intent and ability to hold securities until maturity, if a strategic opportunity presents itself, the Company may sell All available for sale securities are carried at fair value and may be used for liquidity purposes should management consider it to be in order to reposition into higher yielding loans and securities. our best interest.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had available for sale securities of $1.49 billion $1.53 billion and $1.81 billion $1.48 billion, respectively.

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At September 30, 2023, March 31, 2024, our held-to-maturity securities portfolio primarily consisted of PACE assessments, tax-exempt municipal securities, GSE commercial and residential certificates and other debt. We carry these securities at amortized cost. We had held-to-maturity securities of $1.68 billion $1.67 billion at September 30, 2023 March 31, 2024, and $1.54 billion $1.70 billion at December 31, 2022 December 31, 2023.

With the adoption of the CECL standard as of January 1, 2023, management Management measures expected credit losses on held-to-maturity debt securities on a collective basis by major security type. Accrued interest receivable on held-to-maturity debt securities totaled $18.7 million $18.5 million at September 30, 2023 March 31, 2024 and $22.5 million at December 31, 2023, and is excluded from the estimate of credit losses, as accrued interest receivable is reversed for securities placed on nonaccrual status. The allowance for credit losses for held-to-maturity securities at January 1, 2023 March 31, 2024 was $0.7 million compared to $0.7 million at December 31, 2023. The provision for credit losses for held-to-maturity securities was a recovery of $11 thousand for the three months ended September 30, 2023 was $18.0 thousand, and $83.0 March 31, 2024, compared to an expense of $45 thousand for the nine three months ended September 30, 2023 March 31, 2023.

For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before the recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that an expected credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. There was no allowance for credit losses for available for sale securities at January 1, 2023.

Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale debt securities totaled $9.4 million $13.1 million at September 30, 2023 March 31, 2024 and $12.6 million at December 31, 2023, and is excluded from the estimate of credit losses, as accrued interest receivable is reversed for securities placed on nonaccrual status.

The following table is a summary of our investment portfolio, using market value for available for sale securities and amortized cost excluding the allowance for credit losses for held-to-maturity securities, as of the dates indicated.

	September 30, 2023		December 31, 2022	
(In thousands)	Amount	% of Portfolio	Amount	% of Portfolio
Available for sale:				
Mortgage-related:				
GSE residential CMOs	$ 353,171	11.1 %	$ 389,260	11.6 %
GSE commercial certificates & CMO	128,241	4.0 %	213,786	6.4 %
Non-GSE residential certificates	96,751	3.1 %	107,080	3.2 %
Non-GSE commercial certificates	84,877	2.7 %	97,482	2.9 %
Other debt:				
U.S. Treasury	197	0.0 %	192	0.0 %
ABS	667,402	21.0 %	862,163	25.7 %
Trust preferred	9,319	0.3 %	10,143	0.3 %
Corporate	112,966	3.6 %	132,370	3.9 %
Residential PACE assessments	38,526	1.2 %	—	0.0 %
Total available for sale	1,491,450	47.0 %	1,812,476	54.0 %
Held-to-maturity:				
Traditional securities:				
GSE residential CMOs	$ 65,353	2.1 %	$ 69,391	2.1 %

GSE commercial certificates	89,641	2.8 %	90,335	2.7 %
GSE residential certificates	416	0.0 %	428	0.0 %
Non GSE commercial certificates	32,669	1.0 %	32,635	1.0 %
Non GSE residential certificates	47,563	1.5 %	50,468	1.5 %
ABS	282,164	8.9 %	288,682	8.6 %
Municipal	94,275	3.0 %	95,485	2.8 %
Other	—	0.0 %	2,000	0.1 %
PACE assessments:				
Commercial PACE assessments	270,020	8.5 %	255,424	7.6 %
Residential PACE assessments	800,484	25.2 %	656,453	19.6 %
Total held-to-maturity	1,682,585	53.0 %	1,541,301	46.0 %
Total securities	$ 3,174,035	100.0 %	$ 3,353,777	100.0 %

	March 31, 2024		December 31, 2023	
(In thousands)	Amount	% of Portfolio	Amount	% of Portfolio
Available for sale:				
Traditional securities:				
GSE certificates & CMOs	$ 465,788	14.5 %	$ 480,615	15.1 %
Non-GSE certificates & CMOs	186,453	5.8 %	196,860	6.2 %
ABS	668,290	20.9 %	627,635	19.7 %
Corporate	121,373	3.8 %	120,741	3.8 %
Other	3,889	0.1 %	3,888	0.1 %
PACE assessments:				
Residential PACE assessments	82,258	2.6 %	53,303	1.7 %
Total available for sale	1,528,051	47.7 %	1,483,042	46.6 %
Held-to-maturity:				
Traditional securities:				
GSE certificates & CMOs	$ 193,070	6.0 %	$ 194,329	6.1 %
Non-GSE certificates & CMOs	78,510	2.5 %	79,406	2.5 %
ABS	278,249	8.7 %	279,916	8.8 %
Municipal	66,396	2.1 %	66,635	2.1 %
PACE assessments:				
Commercial PACE assessments	256,661	8.0 %	258,306	8.1 %
Residential PACE assessments	801,786	25.0 %	818,963	25.8 %
Total held-to-maturity	1,674,672	52.3 %	1,697,555	53.4 %
Total securities	$ 3,202,723	100.0 %	$ 3,180,597	100.0 %

The following table shows show contractual maturities and yields for the available-for sale and held-to-maturity securities portfolios:

Contractual Maturity as of September 30, 2023								
	One Year or Less		One to Five Years		Five to Ten Years		Due after Ten Years	
(In thousands)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)
Available for sale:								
Mortgage-related:								
GSE residential CMOs	$ —	0.0 %	$ —	0.0 %	$ 46,137	2.0 %	$ 350,322	3.6 %
GSE commercial certificates & CMO	—	0.0 %	17,359	2.8 %	82,363	5.4 %	38,189	2.6 %
Non-GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	113,429	2.8 %
Non-GSE commercial certificates	—	0.0 %	—	0.0 %	—	0.0 %	95,270	3.8 %
Other debt:								
U.S. Treasury	200	1.3 %	—	0.0 %	—	0.0 %	—	0.0 %
ABS	—	0.0 %	2,250	2.4 %	280,119	7.0 %	411,553	5.7 %
Trust preferred	—	0.0 %	9,991	6.2 %	—	0.0 %	—	0.0 %
Corporate	—	0.0 %	54,047	4.1 %	80,008	3.8 %	—	0.0 %
Residential PACE assessments	—	0.0 %	—	0.0 %	—	0.0 %	38,950	0.0 %
Held-to-maturity:								
Traditional securities:								
GSE residential CMOs	—	0.0 %	—	0.0 %	—	0.0 %	65,353	2.9 %
GSE commercial certificates	—	0.0 %	15,020	3.1 %	16,146	2.1 %	58,475	2.8 %
GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	416	3.9 %
Non GSE commercial certificates	—	0.0 %	—	0.0 %	—	0.0 %	32,669	2.1 %
Non GSE residential certificates	—	0.0 %	—	0.0 %	—	0.0 %	47,563	3.1 %
ABS	—	0.0 %	—	0.0 %	31,917	6.9 %	250,247	5.8 %
Municipal	—	0.0 %	9,433	3.7 %	3,551	2.2 %	81,291	2.6 %
PACE assessments:								
Commercial PACE assessments	—	0.0 %	—	0.0 %	—	0.0 %	270,020	4.9 %
Residential PACE assessments	—	0.0 %	—	0.0 %	—	0.0 %	800,484	5.1 %
Total securities	$ 200	1.3 %	$ 108,100	3.9 %	$ 540,241	5.7 %	$ 2,654,231	4.5 %

Contractual Maturity as of March 31, 2024								
	One Year or Less		One to Five Years		Five to Ten Years		Due after Ten Years	
(In thousands)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)	Amortized Cost	Weighted Average Yield (1)
Available for sale:								
Traditional securities:								
GSE certificates & CMOs	$ —	— %	$ 16,677	3.0 %	$ 88,228	2.1 %	$ 398,652	3.9 %
Non-GSE certificates & CMOs	—	— %	—	— %	—	— %	206,361	3.4 %
ABS	—	— %	2,664	6.7 %	225,689	7.2 %	457,393	6.1 %
Corporate	3,000	6.5 %	57,020	4.2 %	80,006	3.8 %	—	— %
Other	—	— %	4,197	6.1 %	—	— %	—	— %
PACE assessments:								
Residential PACE assessments	—	— %	—	— %	—	— %	81,282	7.7 %
Held-to-maturity:								
Traditional securities:								

GSE certificates & CMOs	—	— %	14,875	3.3 %	22,140	3.0 %	156,055	3.3 %
Non-GSE certificates & CMOs	—	— %	—	— %	—	— %	78,510	3.4 %
ABS	—	— %	—	— %	114,601	7.1 %	163,648	5.8 %
Municipal	—	— %	9,443	3.7 %	3,540	2.3 %	53,413	2.8 %
PACE assessments:								
Commercial PACE assessments	—	— %	—	— %	—	— %	256,661	5.3 %
Residential PACE assessments	—	— %	—	— %	—	— %	801,786	5.1 %
Total securities	$ 3,000	6.5 %	$ 104,876	4.0 %	$ 534,204	5.6 %	$ 2,653,761	4.9 %

(1) Estimated yield based on book price (amortized cost divided by par) using estimated prepayments and no change in interest rates.

The following table shows a breakdown of our asset-backed securities by sector and ratings at carrying value based on the fair value of available for sale securities and amortized cost of held-to-maturity securities as of September 30, 2023 March 31, 2024:

(In thousands)	Amount	%	Expected Avg. Life in Years	% Floating	Credit Ratings *Highest Rating if split rated* % AAA	% AA	% A	% BBB	%Not Rated	Total
CLO Commercial & Industrial	$ 535,790	56 %	2.8	100 %	98 %	2 %	0 %	0 %	0 %	100 %
Consumer	172,401	18 %	5.5	0 %	96 %	0 %	0 %	4 %	0 %	100 %
Mortgage	169,883	18 %	1.7	83 %	100 %	0 %	0 %	0 %	0 %	100 %
Student	71,492	8 %	4.3	70 %	79 %	21 %	0 %	0 %	0 %	100 %
Total Securities:	$ 949,566	100 %	3.2	77 %	96 %	3 %	0 %	1 %	0 %	100 %

(In thousands)	Amount	%	Expected Avg. Life in Years	% Floating	Credit Ratings *Highest Rating if split rated* % AAA	% AA	% A	% BBB	%Not Rated	Total
CLO Commercial & Industrial	$ 569,455	60 %	2.8	100 %	98 %	2 %	0 %	0 %	0 %	100 %
Consumer	150,318	16 %	6.2	0 %	15 %	18 %	67 %	0 %	0 %	100 %
Mortgage	138,184	15 %	2.3	0 %	100 %	0 %	0 %	0 %	0 %	100 %
Student	88,582	9 %	4.4	22 %	84 %	16 %	0 %	0 %	0 %	100 %
Total Securities:	$ 946,539	100 %	3.4	62 %	84 %	5 %	11 %	0 %	0 %	100 %

Our securities portfolio primarily consists of high quality investments in mortgage-backed securities to government sponsored entities and other asset-backed securities and PACE investments. assessments. All non-agency securities, composed of non-agency commercial

mortgage-backed securities, collateralized loan obligations, non-agency mortgage-backed securities, and asset-backed securities, are senior tranche and approximately 96% 86% carry AAA credit ratings and 3% 13% carry A credit ratings or higher. Approximately 70% 50% of this portfolio is classified as “available for sale.”

Loans

Lending-related income is the most important component of our net interest income and is the main driver of our results of operations. Total loans, net of deferred origination fees and allowance for credit losses, were $4.30 billion $4.36 billion as of September 30, 2023 March 31, 2024 compared to $4.06 billion $4.35 billion as of December 31, 2022 December

31, 2023. Within our commercial loan portfolio, our primary focus has been on C&I, multifamily and CRE lending. Within our retail loan portfolio, our primary focus has been on residential 1-4 family (1st lien) mortgages. We intend to focus any organic growth in our loan portfolio on these lending areas as part of our strategic plan.

In the first quarter of 2024, we purchased $0.7 million of commercial loans that are unconditionally guaranteed by the U.S. Government and $2.3 million of commercial energy efficient loans.

The following table sets forth the composition of our loan portfolio, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In thousands)	September 30, 2023		December 31, 2022	
	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:				
Commercial and industrial	$ 1,050,355	24.1 %	$ 925,641	22.5 %
Multifamily mortgages	1,094,955	25.1 %	967,521	23.6 %
Commercial real estate mortgages	324,139	7.4 %	335,133	8.2 %
Construction and land development mortgages	28,326	0.6 %	37,696	0.9 %
Total commercial portfolio	2,497,775	57.2 %	2,265,991	55.2 %
Retail portfolio:				
Residential real estate lending	1,409,530	32.3 %	1,371,779	33.5 %
Consumer solar(1)	415,324	9.5 %	416,849	10.2 %
Consumer and other(1)	42,116	1.0 %	47,150	1.1 %
Total retail portfolio	1,866,970	42.8 %	1,835,778	44.8 %
Total loans	4,364,745	100.0 %	4,101,769	100.0 %
Net deferred loan origination costs(2)	—		4,233	
Allowance for credit losses(3)	(67,815)		(45,031)	
Total loans, net	$ 4,296,930		$ 4,060,971	

(In thousands)	March 31, 2024		December 31, 2023	
	Amount	% of total loans	Amount	% of total loans
Commercial portfolio:				
Commercial and industrial	$ 1,014,084	22.9 %	$ 1,010,998	22.9 %
Multifamily mortgages	1,175,467	26.6 %	1,148,120	26.1 %
Commercial real estate mortgages	353,598	8.0 %	353,432	8.0 %
Construction and land development mortgages	23,266	0.5 %	23,626	0.5 %
Total commercial portfolio	2,566,415	58.0 %	2,536,176	57.5 %
Retail portfolio:				
Residential real estate lending	1,419,321	32.1 %	1,425,596	32.3 %
Consumer solar	398,501	9.0 %	408,260	9.3 %
Consumer and other	39,543	0.9 %	41,287	0.9 %
Total retail portfolio	1,857,365	42.0 %	1,875,143	42.5 %
Total loans	4,423,780	100.0 %	4,411,319	100.0 %
Allowance for credit losses	(64,400)		(65,691)	
Total loans, net	$ 4,359,380		$ 4,345,628	

(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 September 30, 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 September 30, 2023 is calculated under the current expected credit losses model. For December 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.

Commercial loan portfolio

Our commercial loan portfolio comprised 57.2% 58.0% of our total loan portfolio at September 30, 2023 March 31, 2024 and 55.2% 57.5% of our total loan portfolio at December 31, 2022 December 31, 2023. The major categories of our commercial loan portfolio are discussed below:

C&I. Our C&I loans are generally made to small and medium-sized manufacturers and wholesale, retail and service-based businesses to provide either working capital or to finance major capital expenditures. In addition, our C&I portfolio includes commercial solar financings; for many of these we are the sole lender, while for some others we are a participant in a syndicated credit facility led by another institution. The primary source of repayment for C&I loans is generally operating cash flows of the business or project. We also seek to minimize risks related to these loans by requiring such loans to be collateralized by various business assets (including inventory, equipment, accounts receivable, and the assignment of contracts that generate cash flow). The average size of our C&I loans at September 30, 2023 March 31, 2024 by exposure was $4.0 million $4.1 million with a median size of $0.9 million $1.0 million. We have shifted our lending strategy to focus on developing full customer relationships including deposits, cash management, and lending. The businesses that we focus on are generally mission-aligned mission aligned with our core values, including organic and natural products, sustainable companies, clean energy, nonprofits, and B Corporations TM.

Our C&I loans totaled $1.05 billion $1.01 billion at September 30, 2023 March 31, 2024, which comprised 24.1% 22.9% of our total loan portfolio. During the nine three months ended September 30, 2023 March 31, 2024, the C&I loan portfolio increased by 13.5% 0.3% from $925.6 million $1.01 billion at December 31, 2022 December 31, 2023.

Multifamily. Our multifamily loans are generally used to purchase or refinance apartment buildings of five units or more, which collateralize the loan, in major metropolitan areas within our markets. Multifamily loans have 70% of their exposure in New York City - our largest geographic concentration. City. Our multifamily loans have been underwritten under stringent guidelines on loan-to-value and debt service coverage ratios that are designed to mitigate credit and concentration risk in this loan category. The average current LTV of our multifamily loans is approximately 55%.

Our multifamily loans totaled $1.09 billion $1.18 billion at September 30, 2023 March 31, 2024, which comprised 25.1% 26.6% of our total loan portfolio. During the nine three months ended September 30, 2023 March 31, 2024, the multifamily loan portfolio increased by 13.2% 2.4% from $967.5 million $1.15 billion at December 31, 2022 December 31, 2023.

CRE. Our CRE loans are used to purchase or refinance office buildings, retail centers, industrial facilities, medical facilities and mixed-used buildings. Our CRE loans totaled $324.1 million $353.6 million at September 30, 2023 March 31, 2024, which comprised 7.4% 8.0% of our total loan portfolio. During the nine three months ended September 30, 2023 March 31, 2024, the CRE loan portfolio decreased by 3.3% was largely unchanged from $335.1 million $353.4 million at December 31, 2022 December 31, 2023.

Retail loan portfolio

Our retail loan portfolio comprised 42.8% 42.0% of our total loan portfolio at September 30, 2023 March 31, 2024 and 44.8% 42.5% of our loan portfolio at December 31, 2022 December 31, 2023. The major categories of our retail loan portfolio are discussed below.

Residential real estate lending. Our residential 1-4 family mortgage loans are residential mortgages that are primarily secured by single-family homes, which can be owner occupied or investor owned. These loans are either originated by our loan officers or purchased from other originators with the servicing generally retained by such originators. Our residential real estate lending portfolio is 99% first mortgage loans and 1% second mortgage loans. As of September 30, 2023 March 31, 2024, 82% approximately 80% of our residential 1-4 family mortgage loans were either originated by our loan officers since 2012 or were acquired in our acquisition of New Resource Bank, 16% and 20% were purchased from two third parties on or after July 2014, and 2% were purchased by us from other originators before 2010. acquired. Our residential real estate lending loans totaled $1.41 billion $1.42 billion at September 30, 2023 March 31, 2024, which comprised 75.5% 76.4% of our retail loan portfolio and 32.3% 32.1% of our total loan portfolio. As of September 30, 2023 March 31, 2024, our residential real estate lending loans increased decreased by 2.8% 0.4% from $1.37 billion $1.43 billion at December 31, 2022 December 31, 2023.

Consumer solar. Our consumer solar portfolio is comprised of purchased residential solar loans, secured by Uniform Commercial Code (UCC) ("UCC") financing statements. Our consumer solar loans totaled $415.3 million $398.5 million at September 30, 2023 March 31, 2024, which comprised 9.5% 9.0% of our total loan portfolio, compared to $416.8 million $408.3 million, or 10.2%, 9.3% of our total loan portfolio, at December 31, 2022 December 31, 2023.

Consumer and other. Our consumer and other portfolio is comprised of purchased student loans, unsecured consumer loans and overdraft lines. Our consumer and other loans totaled $42.1 million $39.5 million at September 30, 2023 March 31, 2024, which comprised 1.0% 0.9% of our total loan portfolio, compared to $47.2 million $41.3 million, or 1.1% 0.9% of our total loan portfolio, at December 31, 2022 December 31, 2023.

Maturities of Loans

The information in the following table is based on the contractual maturities of individual loans, including loans that may be subject to renewal at their contractual maturity. Renewal of these loans is subject to review and credit approval, as well as modification of terms upon maturity. Actual repayments of loans may differ from the maturities reflected below because borrowers have the right to prepay obligations with or without prepayment penalties. The following tables summarize the loan maturity distribution by type and related interest rate characteristics excluding deferred loan origination costs at September 30, 2023 March 31, 2024:

(In thousands)	One year or less	After one but within five years	After five years but within 15 years	After 15 years	Total
September 30, 2023:					
Commercial Portfolio:					
Commercial and industrial	$ 156,838	$ 309,018	$ 374,695	$ 209,804	$ 1,050,355
Multifamily	173,553	550,491	364,740	6,171	1,094,955
Commercial real estate	42,718	204,263	70,545	6,613	324,139
Construction and land development	26,717	1,609	—	—	28,326
Retail Portfolio:					
Residential real estate lending	11	2,861	153,121	1,253,537	1,409,530
Consumer solar	43	2,425	54,810	358,046	415,324
Consumer and other	476	2,764	28,887	9,989	42,116
Total Loans	$ 400,356	$ 1,073,431	$ 1,046,798	$ 1,844,160	$ 4,364,745

(In thousands)	One year or less	After one but within five years	After five years but within 15 years	After 15 years	Total
Commercial Portfolio:					
Commercial and industrial	$ 333,159	$ 220,903	$ 267,625	$ 192,397	$ 1,014,084
Multifamily	157,430	659,817	357,185	1,035	1,175,467
Commercial real estate	96,615	173,506	76,920	6,557	353,598
Construction and land development	21,686	1,580	—	—	23,266
Retail Portfolio:					
Residential real estate lending	8	6,087	139,903	1,273,323	1,419,321
Consumer solar	98	2,442	56,984	338,977	398,501
Consumer and other	806	2,422	27,105	9,210	39,543
Total Loans	$ 609,802	$ 1,066,757	$ 925,722	$ 1,821,499	$ 4,423,780

The following table presents our loans held for investment with maturity due after March 31, 2025:

(In thousands)	One year or less	After one but within five years	After 5 years but within 15 years	More than 15 years	Total
Gross loan maturing after one year with:					
Fixed interest rates	$ 240,539	$ 803,738	$ 925,970	$ 1,201,761	$ 3,172,008
Floating or adjustable interest rates	159,817	269,693	120,828	642,399	1,192,737
Total Loans	$ 400,356	$ 1,073,431	$ 1,046,798	$ 1,844,160	$ 4,364,745

(In thousands)	Fixed	Adjustable	Total
Commercial Portfolio:			
Commercial and industrial	$ 506,541	$ 174,384	$ 680,925
Multifamily	1,002,459	15,578	1,018,037
Commercial real estate	256,983	—	256,983

Construction and land development	1,580	—	1,580
Retail Portfolio:			
Residential real estate lending	781,771	637,542	1,419,313
Consumer solar	398,403	—	398,403
Consumer and other	38,579	158	38,737
Total Loans	$ 2,986,316	$ 827,662	$ 3,813,978

Allowance for Credit Losses

We maintain the allowance at a level we believe is sufficient to absorb current expected credit losses in our loan portfolio. For further discussion of the adoption of and methodology under the CECL standard, refer to refer to Note 1 to the Consolidated Financial Statements in Item 1 of this Form 10-Q.

The following tables presents, by loan type, the changes in the allowance for credit losses at September 30, 2023 under for the CECL standard, three months ended March 31, 2024 and the allowance for loans losses at September 30, 2022 under the incurred loss methodology: March 31, 2023:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
(In thousands)	
(In thousands)	
(In thousands)	

		Three Months Ended September 30,		**Nine Months Ended September 30,**	
(In thousands)		**2023**	**2022**	**2023**	**2022**
Balance at beginning of period	Balance at beginning of period	$ 67,431	$ 39,477	$ 45,031	$ 35,866
Adoption of ASU 2016-13		—	—	21,229	—
Balance at beginning of period					
Balance at beginning of period					
Adoption of ASU No. 2016-13					
Adoption of ASU No. 2016-13					
Adoption of ASU No. 2016-13					
Loan charge-offs:					
Loan charge-offs:					
Loan charge-offs:	Loan charge-offs:				
Commercial portfolio:	*Commercial portfolio:*				

Commercial portfolio:					
Commercial portfolio:					
Commercial and industrial					
Commercial and industrial					
Commercial and industrial	Commercial and industrial	—	—	1,726	—
Multifamily	Multifamily	1,228	—	2,355	416
Multifamily					
Multifamily					
Commercial real estate					
Commercial real estate					
Commercial real estate	Commercial real estate	—	—	—	—
Construction and land development	Construction and land development	—	389	—	389
Construction and land development					
Construction and land development					
Retail portfolio:	*Retail portfolio:*				
Retail portfolio:					
Retail portfolio:					
Residential real estate lending					
Residential real estate lending					
Residential real estate lending	Residential real estate lending	4	1,519	63	2,340
Consumer solar	Consumer solar	1,949	1,223	5,580	3,019
Consumer solar					
Consumer solar					
Consumer and other					
Consumer and other					
Consumer and other	Consumer and other	15	120	254	187
Total loan charge-offs	Total loan charge-offs	3,196	3,251	9,978	6,351
Total loan charge-offs					
Total loan charge-offs					
Recoveries of loans previously charged-off:					
Recoveries of loans previously charged-off:					
Recoveries of loans previously charged-off:	Recoveries of loans previously charged-off:				
Commercial portfolio:	*Commercial portfolio:*				
Commercial portfolio:					
Commercial portfolio:					
Commercial and industrial					
Commercial and industrial					
Commercial and industrial	Commercial and industrial	6	5	48	17
Multifamily	Multifamily	—	—	—	—
Multifamily					
Multifamily					

Commercial real estate					
Commercial real estate					
Commercial real estate	Commercial real estate	—	—	—	—
Construction and land development	Construction and land development	—	—	—	2
Construction and land development					
Construction and land development					
Retail portfolio:	*Retail portfolio:*				
Retail portfolio:					
Retail portfolio:					
Residential real estate lending					
Residential real estate lending					
Residential real estate lending	Residential real estate lending	244	300	571	1,625
Consumer solar	Consumer solar	—	219	842	343
Consumer solar					
Consumer solar					
Consumer and other					
Consumer and other					
Consumer and other	Consumer and other	11	9	25	52
Total loan recoveries	Total loan recoveries	261	533	1,486	2,039
Total loan recoveries					
Total loan recoveries					
Net charge-offs					
Net charge-offs					
Net charge-offs	Net charge-offs	2,935	2,718	8,492	4,312
Provision for credit losses	Provision for credit losses	3,319	5,363	10,047	10,568
Provision for credit losses					
Provision for credit losses					
Balance at end of period	Balance at end of period	$ 67,815	$ 42,122	$ 67,815	$ 42,122
Balance at end of period					
Balance at end of period					

During the quarter, the allowance for credit losses on loans increased decreased $0.4 1.3 million to $67.8 64.4 million at September 30, 2023March 31, 2024 from $67.4 65.7 millionat June 30, 2023 December 31, 2023. The ratio of allowance to total loans was 1.55%, a decrease of 4 basis points from 1.59% in the second quarter of 2023.

The allowance for credit losses on loans increased $22.8 million to $67.8 million1.46% at September 30, 2023 from $45.0 million March 31, 2024 and 1.49% at December 31, 2022. On January 1, 2023, 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 1.55% at September 30, 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% December 31, 2023.

At September 30, 2023, March 31, 2024 the allowance for credit losses on held-to-maturity securities was $0.7 million$0.7 million, compared to $0.7 million$0.7 million at June 30, 2023 December 31, 2023. On January 1, 2023, an allowance of $0.7 million was recorded to recognize the Day 1 cumulative effect, primarily attributed to commercial and residential PACE assessments. Additionally, the allowance for expected credit losses on

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off-balance sheet loan exposures was increased by $2.7 million to recognize the Day 1 cumulative impact of adopting the CECL standard.

Allocation of Allowance for Credit Losses

The following table presents the allocation of the allowance for credit losses on loans and the percentage of the total amount of loans in each loan category listed as of the dates indicated:

(In thousands)	At September 30, 2023 Amount	% of total loans	At December 31, 2022 Amount	% of total loans
Commercial Portfolio:				
Commercial and industrial	$16,936	24.1 %	$12,916	22.5 %
Multifamily	4,723	25.1 %	7,104	23.6 %
Commercial real estate	2,112	7.4 %	3,627	8.2 %
Construction and land development	1,214	0.6 %	825	0.9 %
Total commercial portfolio	$24,985	57.2 %	$24,472	55.2 %
Retail Portfolio:				
Residential real estate lending	$15,649	32.3 %	$11,338	33.5 %
Consumer solar	24,060	9.5 %	6,867	10.2 %
Consumer and other	3,121	1.0 %	2,354	1.1 %
Total retail portfolio	$42,830	42.8 %	$20,559	44.8 %
Total allowance for credit losses	$67,815		$45,031	

(In thousands)	At March 31, 2024 Amount	% of total loans	% of total loans	At December 31, 2023 Amount	% of total loans	% of total loans
Commercial Portfolio:						
Commercial and industrial						
Commercial and industrial						
Commercial and industrial	$ 15,997	22.9	22.9 %	$18,331	22.9	22.9 %
Multifamily	4,448	26.6	26.6 %	2,133	26.1	26.1 %
Commercial real estate	1,405	8.0	8.0 %	1,276	8.0	8.0 %
Construction and land development	853	0.5	0.5 %	24	0.5	0.5 %
Total commercial portfolio	$22,703	58.0	58.0 %	$ 21,764	57.5	57.5 %
Retail Portfolio:						
Retail Portfolio:						
Retail Portfolio:						
Residential real estate lending						
Residential real estate lending	$12,407		32.1 %	$ 13,273		32.3 %
Consumer Solar	26,775		9.0 % 33.1 %	27,978	9.3 %	
Consumer and other	2,515	0.9	0.9 %	2,676	0.9	0.9 %
Total retail portfolio	$41,697	42.0	42.0 %	$ 43,927	42.5	42.5 %
Total allowance for credit losses on loans						
Total allowance for credit losses on loans						
Total allowance for credit losses on loans						

The following table presents the allocation of the allowance for credit losses on securities and the percentage of the total amount of held-to-maturity securities in each security category listed as of the dates indicated:

(In thousands)	At March 31, 2024 Amount	At March 31, 2024 % of total held-to-maturity securities	At December 31, 2023 Amount	At December 31, 2023 % of total held-to-maturity securities
Traditional securities:				
GSE certificates & CMOs	$ —	11.5 %	$ —	11.4 %
Non-GSE certificates & CMOs	53	4.7 %	54	4.7 %
ABS	—	16.6 %	—	16.5 %
Municipal	—	4.0 %	—	3.9 %
Total traditional securities	$ 53	36.8 %	$ 54	36.5 %
PACE assessments:				
Commercial PACE assessments	$ 256	15.3 %	$ 258	15.2 %
Residential PACE assessments	401	47.9 %	409	48.3 %
Total retail portfolio	$ 657	63.2 %	$ 667	63.5 %
Total allowance for credit losses on securities	$ 710		$ 721	

Nonperforming Assets

Nonperforming assets include all loans categorized as nonaccrual, other real estate owned and other repossessed assets. The accrual of interest on loans is discontinued, or the loan is placed on nonaccrual, when the full collection of principal and interest is in doubt. Interest on loans is generally recognized on the accrual basis. Interest is not accrued on loans that are more than 90 days delinquent on payments, and any interest that was accrued but unpaid on such loans is reversed from interest income at that time, or when deemed to be uncollectible. Interest subsequently received on such loans is recorded as interest income or alternatively as

a reduction in the amortized cost of the loan if there is significant doubt as to the collectability of the unpaid principal balance. Loans are returned to accrual status when principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The following table sets forth our nonperforming assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Loans 90 days past due and accruing	Loans 90 days past due and accruing	$ —	$ —			
Nonaccrual loans held for sale	Nonaccrual loans held for sale	2,189	6,914			
Nonaccrual loans - Commercial	Nonaccrual loans - Commercial	28,041	18,308			
Nonaccrual loans - Retail	Nonaccrual loans - Retail	6,283	3,391			
Nonaccrual securities	Nonaccrual securities	31	36			
Nonaccrual securities						

Nonaccrual securities								
Total nonperforming assets	Total nonperforming assets	$ 36,544	$28,649					
Nonaccrual loans:	**Nonaccrual loans:**							
Nonaccrual loans:								
Nonaccrual loans:								
Commercial and industrial								
Commercial and industrial								
Commercial and industrial	Commercial and industrial	$ 7,575	$ 9,629					
Multifamily	Multifamily	—	3,828					
Commercial real estate	Commercial real estate	4,575	4,851					
Construction and land development	Construction and land development	15,891	—					
Total commercial portfolio	Total commercial portfolio	28,041	18,308					
Residential real estate lending	Residential real estate lending	3,009	1,807					
Residential real estate lending								
Residential real estate lending								
Consumer solar								
Consumer solar								
Consumer solar	Consumer solar	2,817	1,584					
Consumer and other	Consumer and other	457	—					
Total retail portfolio	Total retail portfolio	6,283	3,391					
Total nonaccrual loans	Total nonaccrual loans	$ 34,324	$21,699					
Nonperforming assets to total assets	Nonperforming assets to total assets	0.46 %	0.44 %					
Nonperforming assets to total assets								
Nonperforming assets to total assets					0.42	%	0.43	%
Nonaccrual assets to total assets	Nonaccrual assets to total assets	0.43 %	0.36 %	Nonaccrual assets to total assets	0.42	%	0.43	%
Nonaccrual loans to total loans	Nonaccrual loans to total loans	0.79 %	0.53 %	Nonaccrual loans to total loans	0.75	%	0.75	%
Allowance for credit losses on loans to nonaccrual loans	Allowance for credit losses on loans to nonaccrual loans	197.58 %	207.53 %	Allowance for credit losses on loans to nonaccrual loans	195.04	%	197.97	%

Allowance for credit losses on loans to total loans	Allowance for credit losses on loans to total loans	1.55 %	1.10 %	Allowance for credit losses on loans to total loans	1.46	%	1.49	%
Annualized net charge-offs (recoveries) to average loans		0.27 %	0.16 %					
Annualized net charge-offs to average loans				Annualized net charge-offs to average loans	0.20	%	0.33	%

Nonperforming assets totaled $36.5 million $34.0 million, or 0.46% 0.42% of period-end total assets at September 30, 2023 March 31, 2024, an increase a decrease of $7.9 million $0.2 million, compared with $28.6 million $34.2 million, or 0.44% 0.43% of period-end total assets at December 31, 2022 December 31, 2023. The increase decrease in non-performing assets at September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023 assets was primarily driven by $8.8 million a $2.5 million decrease in construction residential real estate nonaccrual loans, that were placed on offset by a $1.2 million increase in commercial and industrial nonaccrual status loans, and a $1.2 million increase in the third quarter. In addition, a $4.7 million construction loan was transferred from held for sale to held for investment in the second quarter. consumer solar nonaccrual loans.

Potential problem loans are loans which management has doubts as to the ability of the borrowers to comply with the present loan repayment terms. Potential problem loans are performing loans and include our special mention and substandard-accruing commercial loans and/or loans 30-89 days past due. Potential problem loans are not included in the nonperforming assets table above and totaled $62.9 million $88.4 million, or 0.8% 1.1% of total assets, at September 30, 2023 March 31, 2024, as follows: $54.8 million $67.9 million are commercial loans currently in workout that management expects will be rehabilitated; $8.1 million $14.9 million are residential 1-4 family or retail real estate loans at 30-89 days delinquent, and $5.6 million are consumer loans at 30-89 days delinquent.

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Resell Agreements

As of September 30, 2023 March 31, 2024, we have not entered into any short term investments of resell agreements. As of December 31, 2022, we had entered into $25.8 million $131.2 million of short term investments of resell agreements backed by residential first-lien mortgage loans, with a weighted interest rate of 6.86% 6.68%. As of December 31, 2023, we have entered into $50.0 million of short term investments of resell agreements backed by residential first-lien mortgage loans, with a weighted interest rate of 6.34%.

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Deferred Tax Asset

We had a deferred tax asset, net of deferred tax liabilities, of $63.3 million $49.2 million at September 30, 2023 March 31, 2024 and $62.5 million $56.6 million at December 31, 2022 December 31, 2023. As of September 30, 2023 March 31, 2024, our deferred tax assets were fully realizable with no valuation allowance held against the balance. Our management concluded that it was more likely than not more-likely-than-not that the entire amount will be realized.

We will evaluate the recoverability of our net deferred tax asset on a periodic basis and record decreases (increases) as a deferred tax provision (benefit) in the Consolidated Statements of Income as appropriate.

Deposits

Deposits represent our primary source of funds. We are focused on growing our core deposits through relationship-based banking with our business and consumer clients. Total deposits were $6.99 billion $7.31 billion at September 30, 2023 March 31, 2024, compared to $6.60 billion $7.01 billion at December 31, 2022 December 31, 2023. We believe that our strong deposit franchise is attributable to our mission-based strategy of developing and maintaining relationships with our clients who share similar values and through maintaining a high level of service.

We gather deposits through each of our three branch locations across New York City, our one branch in Washington, D.C., our one branch in San Francisco and through the efforts of our commercial banking team including our Boston group which focuses nationally on business growth. Through our branch network, online, mobile and direct banking channels, we offer a variety of deposit products including demand deposit accounts, money market deposits, NOW accounts, savings and certificates of deposit, Insured Cash Sweep accounts, Certificate of Deposit Account Registry Service accounts, and brokered certificates of deposit. We bank politically active customers, such as campaigns, PACs ("political action committees ("PACs" committees"), and state and national party committees, which we refer to as political deposits. These deposits exhibit seasonality based on election cycles. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had approximately $951.2 million $1.44 billion and $643.6 million $1.19 billion, respectively, in political deposits which are primarily in demand deposits.

Additionally, we utilize a custodial deposit transference structure through the IntraFi ICS ("Insured Cash Sweep") network for certain deposit programs whereby we, acting as custodian of account holder funds, places a portion of such account holder funds that are not needed to support near term settlement at one or more third-party banks insured by the FDIC (each, a "Program Bank"). Accounts opened at Program Banks are established in our name as custodian, for the benefit of our account holders. We remain the issuer of all accounts under the applicable account holder agreements and have sole custodial control and transaction authority over the accounts opened at Program Banks. We maintain the records of each account holder's deposits maintained at Program Banks. These off-balance sheet deposits totaled $456.8 million at March 31, 2024 and $303.1 million at December 31, 2023. In return for record keeping services at Program Banks, the Company receives a servicing fee. For the three months ended March 31, 2024, the Company recognized $2.9 million in servicing fee income compared to $148 thousand for the three months ended December 31, 2023.

Total estimated uninsured deposits at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were $3.76 billion $4.07 billion and $4.52 billion $4.04 billion, respectively.

Maturities of time certificates of deposit and other time deposits of $250,000 or more than $250,000 outstanding at September 30, 2023 March 31, 2024 are summarized as follows:

Maturities as of September 30, 2023 March 31, 2024		
(In thousands)	**Balance**	
Within three months	$	22,026 24,752
After three but within six months		1,865 10,045
After six months but within twelve months		7,463 8,267
After twelve months		750 2,839
Total	$	32,104 45,903

Evaluation of Interest Rate Risk

Our simulation models incorporate various assumptions, which we believe are reasonable but which may have a significant impact on results such as: (1) the timing of changes in interest rates, (2) shifts or rotations in the yield curve, (3) loan and securities prepayment speeds for different interest rate scenarios, (4) interest rates and balances of indeterminate-maturity deposits for different scenarios, and (5) new volume and yield assumptions for loans, securities and deposits. Because of limitations inherent in any approach used to measure interest rate risk, simulation results are not intended as a forecast of the actual effect of a change in market interest rates on our results but rather to better plan and execute appropriate asset-liability management strategies and manage our interest rate risk.

Potential changes to our net interest income and economic value of equity in hypothetical rising and declining rate scenarios calculated as of September 30, 2023 March 31, 2024 are presented in the following table. The projections assume immediate, parallel shifts downward of the yield curve of 100 and 200 basis points and immediate, parallel shifts upward of the yield curve of 100, 200, 300, and 400 basis points.

The results of this simulation analysis are hypothetical and should not be relied on as indicative of expected operating results. A variety of factors might cause actual results to differ substantially from what is depicted. For example, if the timing and magnitude of interest rate changes differ from those projected, our net interest income might vary significantly. Non-parallel yield curve shifts such as a flattening or steepening of the yield curve or changes in interest rate spreads, would also cause our net interest income to be different from that depicted. An increasing interest rate environment could reduce projected net interest income if deposits and other short-term liabilities re-price faster than expected or faster than our assets re-price. Actual results could differ from those projected if we grow assets and liabilities faster or slower than estimated, if we experience a net outflow of deposit liabilities or if our mix of assets and liabilities otherwise changes. Actual results could also differ from those projected if we experience substantially different repayment speeds in our loan portfolio than those assumed in the simulation model. Finally, these simulation results do not contemplate all the actions that we may undertake in response to potential or actual changes in interest rates, such as changes to our loan, investment, deposit, funding or hedging strategies.

Change in Market Interest Rates as of September 30, 2023	**Estimated Increase (Decrease) in:**			
Immediate Shift	Economic Value of Equity	Economic Value of Equity ($)	Year 1 Net Interest Income	Year 1 Net Interest Income ($)
+400 basis points	-28.5%	(405,626)	-18.8%	(48,463)
+300 basis points	-19.6%	(279,661)	-11.1%	(28,780)
+200 basis points	-11.7%	(167,007)	-5.4%	(13,926)

+100 basis points	-4.5%	(63,638)	-1.8%	(4,538)
-100 basis points	-2.1%	(29,334)	-1.2%	(3,103)
-200 basis points	-8.1%	(116,146)	-3.2%	(8,187)

Change in Market Interest Rates as of March 31, 2024	Estimated Increase (Decrease) in:			
Immediate Shift	Economic Value of Equity	Economic Value of Equity ($)	Year 1 Net Interest Income	Year 1 Net Interest Income ($)
+400 basis points	-22.7%	(357,476)	-10.5%	(29,865)
+300 basis points	-14.5%	(229,137)	-4.9%	(14,066)
+200 basis points	-7.4%	(116,802)	-1.2%	(3,308)
+100 basis points	-0.9%	(14,505)	0.6%	1,775
-100 basis points	-3.2%	(51,163)	-3.2%	(9,155)
-200 basis points	-8.9%	(140,331)	-8.0%	(22,928)

Liquidity

Liquidity refers to our ability to maintain cash flow that is adequate to fund our operations, support asset growth, maintain reserve requirements and meet present and future obligations of deposit withdrawals, lending obligations and other contractual obligations through either the sale or maturity of existing assets or by obtaining additional funding through liability management. Our liquidity risk management policy provides the framework that we use to maintain adequate liquidity and sources of available liquidity at levels that enable us to meet all reasonably foreseeable short-term, long-term and strategic liquidity demands. The Asset and Liability Management Committee is responsible for oversight of liquidity risk management activities in accordance with the provisions of our liquidity risk policy and applicable bank regulatory capital and liquidity laws and regulations. Our liquidity risk management process includes (i) ongoing analysis and monitoring of our funding requirements under various balance sheet and economic scenarios, (ii) review and monitoring of lenders, depositors, brokers and other liability holders to ensure appropriate diversification of funding sources and (iii) liquidity contingency planning to address liquidity needs in the event of unforeseen market disruption impacting a wide range of variables. We continuously monitor our liquidity position in order for our assets and liabilities to be managed in a manner that will meet our immediate and long-term funding requirements. We manage our liquidity position to meet the daily cash flow needs of customers, while maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives of our stockholders. We also monitor our liquidity requirements in light of interest rate trends, changes in the economy, and the scheduled maturity and interest rate sensitivity of our securities and loan portfolios and deposits. Liquidity management is made more complicated because different balance sheet

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components are subject to varying degrees of management control. For example, the timing of maturities of our investment portfolio is fairly predictable and subject to a high degree of control when we make investment decisions. Net deposit inflows and outflows, however, are far less predictable and are not subject to the same degree of certainty.

In addition to assessing liquidity risk on a consolidated basis, we monitor the parent company's liquidity. The parent company's routine funding requirements consist primarily of operating expenses, dividends paid to shareholders, debt service, repurchases of common stock and funds used for acquisitions. The parent company obtains funding to meet its obligations from dividends collected from its subsidiaries and the issuance of debt and capital securities. Dividend payments to the parent company by its subsidiary bank are subject to regulatory review and statutory limitations and, in some instances, regulatory approval. The Company maintains sufficient funding to meet expected capital and debt service obligations for 24 months without the support of dividends from subsidiaries and assuming access to the wholesale markets is maintained. The Company maintains sufficient

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liquidity to meet its capital and debt service obligations for 12 months under adverse conditions without the support of dividends from subsidiaries or access to the wholesale markets.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our short-term and long-term liquidity requirements are primarily to fund on-going operations, including payment of interest on deposits and debt, extensions of credit to borrowers and capital expenditures. These liquidity requirements are met primarily through our deposits, FHLBNY advances and other borrowings and the principal and interest payments we receive on loans and investment securities. Cash, interest-bearing deposits in third-party banks, securities available for sale and maturing or prepaying balances in our investment and loan portfolios are our most liquid assets. Other sources of liquidity that are available to us include the sale of loans we hold for investment, securitization of loans or PACE assessments, the ability to acquire additional national market non-core deposits, borrowings through the Federal Reserve's discount window federal fund purchases and the issuance of debt or equity securities. In addition, following the failures of SIVB and Signature Bank, the Federal Reserve created a new Bank Term Funding Program ("BTFP") as an additional source of liquidity against high-quality securities, offering loans of up to one year to eligible institutions pledging qualifying assets as collateral. We believe that the sources of available liquidity are adequate to meet our current and reasonably foreseeable future liquidity needs.

At September 30, 2023 March 31, 2024, our cash and equivalents, which consist of cash and amounts due from banks and interest-bearing deposits in other financial institutions, amounted to $140.2 million $155.2 million, or 1.8% 1.9% of total assets, compared to $63.5 million $90.6 million, or 0.8% 1.1% of total assets at December 31, 2022 December 31, 2023. The $76.7 million $64.6 million, or 120.7% 71.3%, increase is due to normal business activity and strategic investment securities sales and borrowings. sales. Our available for sale securities at September 30, 2023 March 31, 2024 were $1.49 billion $1.53 billion, or 18.9% 18.8% of total assets, compared to $1.81 billion $1.48 billion, or 23.1% 18.6% of total assets at December 31, 2022 December 31, 2023. Investment securities with an aggregate fair value of $116.2 million $1.28 billion at September 30, 2023 March 31, 2024 were pledged to secure public deposits outstanding advances, letters of credit, provide additional borrowing potential, and repurchase agreements. collateralize municipal deposits. Additionally, mortgage loans with an unpaid principal balance of $1.67 billion were pledged to the FHLBNY to secure outstanding advances, letters of credit and to provide additional borrowing potential.

The liability portion of the balance sheet serves as our primary source of liquidity. Over the long term, we plan to meet our future cash needs through the generation of deposits. Customer deposits have historically provided a sizeable source of relatively stable and low-cost funds. We are also a member of the FHLBNY, from which we can borrow for leverage or liquidity purposes. The FHLBNY requires that securities and qualifying loans be pledged to secure any advances. At September 30, 2023 March 31, 2024, we had $4.4 million $9.1 million advances from the FHLBNY and a remaining credit availability of $1.88 $2.03 billion. In addition, we maintain borrowing capacity of approximately $588.1 million $1.02 billion with the Federal Reserve's discount window or BTFP that is secured by certain securities from our portfolio which are not pledged for other purposes. The outstanding balance related to borrowings from the BTFP at March 31, 2024 was $60.0 million, and is recorded in Other borrowings on the Consolidated Statements of Financial Condition.

We also had $70.6 million in subordinated debt, net of issuance costs. Our cash, off-balance sheet deposits, and borrowing capacity totale totaled d $2.6 $3.69 billion of immediately available funds, in addition to unpledged securities with two-day availability of $576.0 $171.0 million for total liquidity within two-days of $3.2 $3.86 billion, which provided coverage for 85% 95% of total uninsured deposits.
The outstanding balance related to borrowings from the BTFP at September 30, 2023 was $230.0 million, and is recorded in Other borrowings on the consolidated statements of financial condition.

Capital Resources

Total stockholders' equity at September 30, 2023 March 31, 2024 was $546.3 million $616.9 million, compared to $509.0 million $585.4 million at December 31, 2022 December 31, 2023, an increase of $37.3 million $31.6 million. The increase was primarily driven by $65.3 million $27.2 million of net income for the quarter and a $3.4 million an $7.1 million improvement in accumulated other comprehensive loss due to the tax effected mark-to-market on our securities portfolio, offset by $9.3 million $3.1 million in dividends paid at $0.10 per outstanding share, and $0.2 million of dividends, $7.2 million in common stock repurchases, and 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.

On October 5, 2021, we filed a shelf registration statement with the SEC under which we may offer for sale, from time to time, either separately or together in any combination, equity, debt or other securities described in the shelf registration statement. The registration statement expires on October 5, 2024. repurchases.

We are subject to various regulatory capital requirements administered by federal banking regulators. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by federal banking regulators that, if undertaken, could have a direct material effect on our financial statements.

Regulatory capital rules adopted in July 2013 and fully phased in as of January 1, 2019, which are referred to as the Basel III rules, impose minimum capital requirements for bank holding companies and banks. The Basel III rules apply to all national and

state banks and savings associations regardless of size and bank holding companies and savings and loan holding companies with consolidated assets of more than $3 billion. In order to avoid restrictions on capital distributions or discretionary bonus payments to executives, a covered banking organization must maintain the fully phased in "capital conservation buffer" of 2.5% on top of its minimum risk-based capital requirements. This buffer must consist solely of common equity Tier 1 risk-based capital, but the buffer applies to all three measurements (common equity Tier 1 risk-based capital, Tier 1 capital and total capital). The capital conservation is equal to 2.5% of risk-weighted assets.

The following table shows the regulatory capital ratios for the Bank and the Company at the dates indicated:

	Actual		For Capital Adequacy Purposes(1)		To Be Considered Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(In thousands)						

September 30, 2023						
Consolidated:						
Total capital to risk weighted assets	$ 766,401	15.28 %	$ 401,208	8.00 %	N/A	N/A
Tier 1 capital to risk weighted assets	633,166	12.63 %	300,906	6.00 %	N/A	N/A
Tier 1 capital to average assets	633,166	7.89 %	321,014	4.00 %	N/A	N/A
Common equity tier 1 to risk weighted assets	633,166	12.63 %	225,680	4.50 %	N/A	N/A
Bank:						
Total capital to risk weighted assets	$ 751,113	14.98 %	$ 401,196	8.00 %	$ 501,495	10.00 %
Tier I capital to risk weighted assets	688,306	13.73 %	300,897	6.00 %	401,196	8.00 %
Tier I capital to average assets	688,306	8.58 %	321,011	4.00 %	401,264	5.00 %
Common equity tier 1 to risk weighted assets	688,306	13.73 %	225,673	4.50 %	325,972	6.50 %
December 31, 2022						
Consolidated:						
Total capital to risk weighted assets	$ 721,324	14.87 %	$ 387,957	8.00 %	N/A	N/A
Tier 1 capital to risk weighted assets	597,022	12.31 %	290,967	6.00 %	N/A	N/A
Tier 1 capital to average assets	597,022	7.52 %	317,738	4.00 %	N/A	N/A
Common equity tier 1 to risk weighted assets	597,022	12.31 %	218,226	4.50 %	N/A	N/A
Bank:						
Total capital to risk weighted assets	$ 715,458	14.75 %	$ 388,107	8.00 %	$ 485,134	10.00 %
Tier 1 capital to risk weighted assets	668,864	13.79 %	291,080	6.00 %	388,107	8.00 %
Tier 1 capital to average assets	668,864	8.44 %	317,111	4.00 %	396,389	5.00 %
Common equity tier 1 to risk weighted assets	668,864	13.79 %	218,310	4.50 %	315,337	6.50 %

	Actual		For Capital Adequacy Purposes(1)		To Be Considered Well Capitalized	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
(In thousands)						
March 31, 2024						
Consolidated:						
Total capital to risk weighted assets	$ 812,933	16.35 %	$ 397,804	8.00 %	N/A	N/A
Tier 1 capital to risk weighted assets	680,109	13.68 %	298,353	6.00 %	N/A	N/A
Tier 1 capital to average assets	680,109	8.29 %	328,199	4.00 %	N/A	N/A
Common equity tier 1 to risk weighted assets	680,109	13.68 %	223,765	4.50 %	N/A	N/A
Bank:						
Total capital to risk weighted assets	$ 782,171	15.73 %	$ 397,787	8.00 %	$ 497,234	10.00 %
Tier I capital to risk weighted assets	719,921	14.48 %	298,341	6.00 %	397,787	8.00 %
Tier I capital to average assets	719,921	8.77 %	328,194	4.00 %	410,243	5.00 %
Common equity tier 1 to risk weighted assets	719,921	14.48 %	223,755	4.50 %	323,202	6.50 %
December 31, 2023						
Consolidated:						
Total capital to risk weighted assets	$ 788,207	15.64 %	$ 403,277	8.00 %	N/A	N/A
Tier 1 capital to risk weighted assets	654,555	12.98 %	302,458	6.00 %	N/A	N/A
Tier 1 capital to average assets	654,555	8.07 %	324,511	4.00 %	N/A	N/A
Common equity tier 1 to risk weighted assets	654,555	12.98 %	226,843	4.50 %	N/A	N/A
Bank:						
Total capital to risk weighted assets	$ 752,828	14.93 %	$ 403,266	8.00 %	$ 504,083	10.00 %
Tier 1 capital to risk weighted assets	689,724	13.68 %	302,450	6.00 %	403,266	8.00 %
Tier 1 capital to average assets	689,724	8.50 %	324,515	4.00 %	405,643	5.00 %

Common equity tier 1 to risk weighted assets	689,724	13.68 %	226,837	4.50 %	327,654	6.50 %

(1) Amounts are shown exclusive of the capital conservation buffer of 2.50%.

As of September 30, 2023 March 31, 2024, the Bank was categorized as “well capitalized” under the prompt corrective action measures and met the capital conservation buffer requirements.

Contractual Obligations

We have entered into contractual obligations in the normal course of business that involve elements of credit risk, interest rate risk and liquidity risk. The following table summarizes these relations as of September 30, 2023 March 31, 2024:

September 30, 2023										
(In thousands)	**Total**		**Less than 1 year**		**1-3 years**		**3-5 years**		**More than 5 years**	
Subordinated Debt	$	70,427	$	—	$	—	$	—	$	70,427
Operating Leases		34,918		2,842		31,117		959		—
Purchase Obligations		21,734		4,612		8,672		3,900		4,550
Certificates of Deposit		572,448		216,926		282,418		38,400		34,704
	$	699,527	$	224,380	$	322,207	$	43,259	$	109,681

March 31, 2024										
(In thousands)	**Total**		**Less than 1 year**		**1-3 years**		**3-5 years**		**More than 5 years**	
FHLBNY Advances	$	9,135	$	9,135	$	—	$	—	$	—
Subordinated Debt		70,570		—		—		—		70,570
Other Borrowings		60,000		60,000		—		—		—
Operating Leases		28,501		8,076		20,425		—		—
Certificates of Deposit		359,493		157,931		166,654		26,884		8,024
	$	527,699	$	235,142	$	187,079	$	26,884	$	78,594

Investment Obligations

We are a The Company is party to agreements with Pace Funding Group LLC, which operates Home Run Financing, for the purchase of PACE assessment securities assessments until December 2023. the end of January 2025. These investments are to be held in the Company's available for sale and held-to-maturity investment portfolio. As of September 30, 2023 March 31, 2024, we the Company had purchased $662.4 $753.7 million of these obligations and had an estimated remaining commitment of $69.3 $119.7 million. The PACE assessments have equal-lien priority with property taxes and generally rank senior to first lien mortgages. The PACE assessments held Company anticipates these commitments will be funded by means of normal cash flows, a reduction in the Company's available for sale cash and held-to-maturity investment portfolios at September 30, 2023 were $38.5 million cash equivalents, or by pay-downs and $1.07 billion, respectively. maturities of loans and other investments.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Material changes in our market risk as of September 30, 2023 March 31, 2024 from that presented in the 2022 2023 Annual Report are described in Part II, Item 1A of this Form 10-Q below. Our interest rate sensitivity position at September 30, 2023 March 31, 2024 is set forth in the table labeled “Evaluation of Interest Rate Risk” in Management’s Discussion and Analysis of Financial Condition and Results of Operation of this Quarterly Report on Form 10-Q and incorporated herein by this reference.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e), as of September 30, 2023 March 31, 2024. Based on such evaluations, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during the quarter ended September 30, 2023 March 31, 2024 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

We are subject to certain pending and threatened legal proceedings that arise out of the ordinary course of business. Additionally, we, like all banking organizations, are subject to regulatory examinations and investigations. Based upon management’s current knowledge, following consultation with legal counsel, in the opinion of management, there is no pending or threatened legal matter that would result in a material adverse effect on our consolidated financial condition or results of operation, either individually or in the aggregate.

Item 1A. Risk Factors.

Investing in shares of our common stock involves certain risks, including those identified and described in Item 1A. of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, as filed with the SEC on March 9, 2023 March 7, 2024, as well as cautionary statements contained in this report, including those under the caption “*Cautionary Note Regarding Forward-Looking Statements*,” risks and matters described elsewhere in this report and in our other filings with the SEC.

Material There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 are listed below:

Our business may be affected by stress and volatility in the banking sector related to recent bank failures.

The March 10, 2023 failure of Santa Clara, California-based Silicon Valley Bank, and subsequent bank failures in 2023, have generated concerns regarding the overall health and liquidity of the banking sector. The Board of Governors of the Federal Reserve System, Department of Treasury and the FDIC issued a joint statement concerning actions they had taken in response to the bank failures. The Federal Reserve Board announced that it would make available additional funding to eligible depository institutions through the creation of a new Bank Term Funding Program. Despite these actions, concern about the banking sector could continue into the future, which could lead to difficulties in attracting and maintaining deposits and customers. In addition, the FDIC is likely to increase the costs of insurance assessments and impose special assessments on some or all banks in order to replenish the Deposit Insurance Fund, the amounts of which are outside of our control. Any of these events could materially and adversely affect our business, results of operations or financial condition.

We could see increased credit risk due to recent bank failures.

Our net income for the first quarter of 2023 reflected a $1.2 million impairment charge to provision expense on a SIVB Corporate bond and a $0.6 million loss related to the sale of a portion of the SIVB Corporate bond. Because the financial system contains many interdependencies, the failures of additional banks and financial institutions that are counterparties to commercial agreements with us could lead to additional credit losses, threaten our investments, and adversely affect our ability to meet our own contractual obligations, originate new loans, invest in securities, or fulfill obligations to customers and depositors. If any of our customers are unable to access deposits or lending arrangements with other financial institutions, they could experience a downgrade in their credit quality or lose their ability to repay their obligations to us. These negative events may cause us to incur losses and may adversely affect our capital, liquidity and financial condition.

We are subject to liquidity risk.

We require liquidity to meet our deposit and debt obligations as they come due. Our access to funding sources in amounts adequate to finance our activities or on terms that are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy generally. Factors that could detrimentally impact our access to liquidity sources include a downturn in the geographic markets in which our loans are concentrated, difficult credit markets, adverse regulatory or judicial actions against labor unions, political organizations or not-for profits, adverse regulatory actions against us, declines in the value of our investments, and ongoing instability and concerns in the banking sector following recent high-profile bank failures.

Liquidity constraints may require that we sell investment securities at a loss, negatively impacting our net income, earnings, and capital. As of September 30, 2023, our net unrealized losses on available for sale securities totaled $128.7 million, and our net unrecognized losses on held-to-maturity securities totaled $204.8 million December 31, 2023. Our access to deposits may also be affected by the liquidity needs of our depositors, particularly in an inflationary environment where they may be compelled to withdraw deposits in order to cover rising expenses. As a part of our liquidity management, we must ensure we can respond effectively to potential volatility in our customers' deposit balances. For instance, our political campaigns, PACs, and state and national party committee clients totaled $951.2 million in deposits as of September 30, 2023 and may increase or decrease their deposit balances

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significantly as we approach an election campaign, resulting in short-term volatility in their deposit balances held with us through election cycles. Although we have been able to replace maturing or withdrawn deposits and advances historically as necessary, we might not be able to replace such funds in the future, especially if a large number of our depositors or those depositors with a high concentration of deposits sought to withdraw their accounts. We could encounter difficulty meeting a significant deposit outflow which could negatively impact our profitability or reputation. Any long-term decline in deposit funding would adversely affect our liquidity. While we believe our funding sources are adequate to meet any significant unanticipated deposit withdrawal, we may not be able to manage the risk of deposit volatility effectively. A failure to maintain adequate liquidity could materially and adversely affect our business, results of operations or financial condition.

The recent bank failures caused substantial market disruption that has not yet stabilized, leading to ongoing concerns about the liquidity of the financial services industry. Ongoing destabilization could exacerbate deposit outflows due to concerns that deposits held at the Bank exceed the amount of insurance provided by the FDIC, which provides basic deposit coverage with limits up to $250,000 per customer. In particular, continuing negative media attention and the rapid spread of rumors, concerns and misinformation on social media could cause panic among investors, depositors, customers and the general public. Deposit outflows could increase if customers with uninsured deposits look for alternative placements for their funds to weather banking sector volatility and instability. Our total estimated uninsured deposits at September 30, 2023 was $3.8 billion. Our cash and borrowing capacity totaled $2.6 billion of immediately available funds, in addition to unpledged securities with two-day availability of $576.0 million for total liquidity within two-days of $3.2 billion, which provided coverage for 85% of total uninsured deposits. An increase in deposit outflows could require us to seek alternate sources of liquidity to fund our operations and meet withdrawal demands. These alternate sources of liquidity could include higher-cost borrowings (as a result of competition for liquidity and rising interest rates), which could negatively affect our financial performance. Regulators could impose new requirements on banks, which could limit future growth. These changes may be more difficult or expensive than we anticipate.

Shares of our common stock could face volatility due to banking sector uncertainty.

The recent bank failures have negatively impacted the price of securities issued by financial institutions, which underscores the sensitivity of bank holding company public trading prices to generalized concerns about the health of the banking industry as a whole, regardless of the health of a particular institution. Ongoing stress in the banking sector could adversely impact the market price of our common stock and our business, financial condition and results of operations. We cannot predict if investors will find our common stock less attractive as a result of these market stresses. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Fiscal challenges facing the U.S. government could negatively impact the value of investments in GSEs and the financial markets, which in turn could have an adverse effect on our financial position or results of operations.

Fiscal challenges facing the U.S. government, such as the recent downgrade of the sovereign credit ratings of the U.S. by Fitch Ratings, could have an adverse impact on value of investments in GSEs and on the financial markets, interest rates and economic conditions in the U.S. and worldwide. Federal budget deficit concerns and the potential for political conflict over legislation to fund U.S. government operations and raise the U.S. government's debt limit may increase the possibility of a default by the U.S. government on its debt obligations, additional related credit-rating downgrades, or an economic recession in the U.S. A significant portion of our securities portfolio is invested in GSE securities. As a result of uncertain domestic political conditions, including potential future federal government shutdowns or the possibility of the federal government defaulting on its obligations for a period of time, investments in financial instruments issued or guaranteed by the federal government pose liquidity and credit risks.

A debt default or further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could also adversely affect the ability of the U.S. government to support the financial stability of Fannie Mae, Freddie Mac and the FHLBNY, with which we do business and in whose securities we invest.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table contains information regarding purchases of our common stock during the three months ended September 30, 2023 March 31, 2024 by or on behalf of the Company or any "affiliate purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act:

Period (Settlement Date)	Issuer Purchases of Equity Securities Total number of shares purchased (1)		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs		Approximate dollar value that may yet be purchased under plans or programs (2)
July 1 through July 31, 2023	120,710	$	18.80	112,158	$	21,413,458
August 1 through August 31, 2023	26,871		18.56	19,590	$	21,042,899
September 1 through September 30, 2023	10,000		17.56	10,000	$	20,867,261
Total	**157,581**	**$**	**18.68**	**141,748**		

Period (Settlement Date)	Issuer Purchases of Equity Securities Total number of shares purchased (1)		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs		Approximate dollar value that may yet be purchased under plans or programs (2)
January 1 through January 31, 2024	21,705	$	24.87	—	$	19,781,192
February 1 through February 29, 2024	25,441		24.70	—	$	19,781,192
March 1 through March 31, 2024	10,497		23.17	10,000	$	19,549,731
Total	**57,643**	**$**	**24.48**	**10,000**		

(1) Includes 17,460 shares withheld by the Company to pay the costs associated with tax withholdings for options exercises, 30,813 shares withheld for taxes related to the exercise or vesting of stock options and RSU and PSU vesting. There were 7,585 awards, as well as 10,000 shares withheld for taxes during repurchased pursuant to the quarter. share repurchase program described in footnote (2).

(2) Effective February 25, 2022, the Company's Board of Directors approved an increase to the share repurchase program authorizing the repurchase of an aggregate amount up to $40 million of the Company's outstanding common stock. The authorization did not require the Company to acquire any specified number of shares and can be suspended or discontinued without prior notice. Under this authorization, $2.6 million $232 thousand of common stock was purchased during the third first quarter of 2023. 2024. The approximate dollar value that may yet to be purchased under the plans or programs is $19.5 million.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

On July 31, 2023 February 16, 2024, Sean Searby, Edgar Romney, Executive Vice President, Chief Operations Strategy and Administrative Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 5,500 28,020 shares of the Company's common stock, net of shares to be withheld for taxes upon the exercise or vesting of underlying stock awards, with such transactions to occur during sale periods beginning on or after November 6, 2023 May 16, 2024 and ending on the earlier of October 31, 2024 May 15, 2025 or the date on which all shares authorized for sale have been sold in conformance with the terms of the arrangement.

On August 14, 2023, Mandy Tenner, Executive Vice President and General Counsel, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 12,155 shares of the Company's common stock, net of shares to be withheld for taxes upon the exercise or vesting of underlying stock awards, with such transactions to occur during sale periods beginning on or after November 13, 2023 and ending on the earlier of November 12, 2024 or the date on which all shares authorized for sale have been sold in conformance with the terms of the arrangement.

Item 6. Exhibits.

Exhibit No.	Description of Exhibit
3.1	Certificate of Incorporation of Amalgamated Financial Corp. (incorporated by reference to Exhibit 3.1 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on March 1, 2021).
3.2	Bylaws of Amalgamated Financial Corp. (incorporated by reference to Exhibit 3.2 3.1 to Amalgamated Financial Corp.'s Current Report on Form 8-K filed with the SEC on March 1, 2021 April 8, 2024).
4.1	Pursuant to Item 601(b)(4)(iii)(A), other instruments that define the rights of holders of the long-term indebtedness of Amalgamated Financial Corp. and its subsidiaries that does not exceed 10% of its consolidated assets have not been filed; however, Amalgamated Financial Corp. agrees to furnish a copy of any such agreement to the SEC upon request.
10.1	Amalgamated Financial Corp. Equity Incentive Plan (incorporated by reference to Annex A of the Amalgamated Financial Corp.'s Definitive Proxy Statement on form DEF 14A filed with the SEC on April 14, 2023).
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer
32.1	Section 1350 Certifications
101	Interactive data files for the Quarterly Report on Form 10-Q of Amalgamated Financial Corp. for the quarter ended September 30, 2023 March 31, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Statements of Financial Condition at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (ii) Consolidated Statements of Income for the quarters ended September 30, 2023 March 31, 2024 and 2022, 2023, (iii) Consolidated Statements of Comprehensive Income for the quarters ended September 30, 2023 March 31, 2024 and 2022, 2023, (iv) Consolidated Statements of Changes in Shareholders' Equity for the quarters ended September 30, 2023 March 31, 2024 and 2022, 2023, (v) Consolidated Statements of Cash Flows for the quarters ended September 30, 2023 March 31, 2024 and 2022 2023 and (vi) Notes to Consolidated Financial Statements (unaudited).
104	The cover page of Amalgamated Financial Corp.'s Form 10-Q Report for the quarter ended September 30, 2023 March 31, 2024, formatted in iXBRL (included with the Exhibit 101 attachments).

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 thereunto duly authorized.

AMALGAMATED FINANCIAL CORP.

November 3, 2023 May 7, 2024	By:	/s/ Priscilla Sims Brown
		Priscilla Sims Brown
		President and Chief Executive Officer
		(*Principal Executive Officer*)
November 3, 2023 May 7, 2024	By:	/s/ Jason Darby
		Jason Darby
		Chief Financial Officer
		(*Principal Financial Officer)*
November 3, 2023 May 7, 2024	By:	/s/ Leslie Veluswamy
		Leslie Veluswamy
		Chief Accounting Officer
		(Principal Accounting Officer)

Exhibit 31.1

Rule 13a-14(a) Certification of the Chief Executive Officer

I, Priscilla Sims Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amalgamated Financial Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 7, 2024

/s/ Priscilla Sims Brown

Priscilla Sims Brown, President and Chief Executive Officer

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Exhibit 31.2

Rule 13a-14(a) Certification of the Chief Financial Officer

I, Jason Darby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amalgamated Financial Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 7, 2024

/s/ Jason Darby

Jason Darby, Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amalgamated Financial Corp. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Priscilla Sims Brown

Priscilla Brown

President and Chief Executive Officer

November 3, 2023 May 7, 2024

/s/ Jason Darby

Jason Darby

Chief Financial Officer

November 3, 2023 May 7, 2024

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.