

# AMERANT

## **Investor Presentation**

As of June 30, 2020



# Important Notices and Disclaimers

## Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, including, without limitation, future financial and operating results; costs and revenues; economic conditions generally and in our markets and among our customer base; the challenges and uncertainties caused by the COVID-19 pandemic; the measures we have taken in response to the COVID-19 pandemic; our participation in the PPP Loan program; loan demand; changes in the mix of our earning assets and our deposit and wholesale liabilities; net interest margin; yields on earning assets; interest rates and yield curves (generally and those applicable to our assets and liabilities); credit quality, including loan performance, non-performing assets, provisions for loan losses, charge-offs, other-than-temporary impairments and collateral values; market trends; rebranding and staff realignment costs and expected savings; customer preferences; and anticipated closures of banking centers in Florida and Texas, as well as statements with respect to our objectives, expectations and intentions and other statements that are not historical facts. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as “may,” “will,” “anticipate,” “assume,” “should,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “plan,” “point to,” “project,” “could,” “intend,” “target,” “goals,” “outlooks,” “modeled,” and other similar words and expressions of the future.

Forward-looking statements, including those as to our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the Company’s actual results, performance, achievements, or financial condition to be materially different from future results, performance, achievements, or financial condition expressed or implied by such forward-looking statements. You should not rely on any forward-looking statements as predictions of future events. You should not expect us to update any forward-looking statements. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, together with those risks and uncertainties described in “Risk factors” in our annual report on Form 10-K for the fiscal year ended December 31, 2019, in our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2020 and in our other filings with the U.S. Securities and Exchange Commission (the “SEC”), which are available at the SEC’s website [www.sec.gov](http://www.sec.gov).

## Interim Financial Information

Unaudited financial information as of and for interim periods, including as of and for the three and six month periods ended June 30, 2020 and 2019, may not reflect our results of operations for our fiscal year ending, or financial condition as of December 31, 2020, or any other period of time or date.

## Non-GAAP Financial Measures

The Company supplements its financial results that are determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”) with non-GAAP financial measures, such as “adjusted noninterest income,” “adjusted noninterest expense,” “adjusted net income (loss),” “operating income,” “adjusted net income (loss) per share (basic and diluted),” “adjusted return on assets (ROA),” “adjusted return on equity (ROE),” and other ratios. This supplemental information is not required by, or are not presented in accordance with, U.S. generally accepted accounting principles (“GAAP”). The Company refers to these financial measures and ratios as “non-GAAP financial measures” and they should not be considered in isolation or as a substitute for the GAAP measures presented herein.

We use certain non-GAAP financial measures, including those mentioned above, both to explain our results to shareholders and the investment community and in the internal evaluation and management of our businesses. Our management believes that these non-GAAP financial measures and the information they provide are useful to investors since these measures permit investors to view our performance using the same tools that our management uses to evaluate our past performance and prospects for future performance, especially in light of the additional costs we have incurred in connection with the Company’s restructuring activities that began in 2018 and continued into 2020, the one-time gain on sale of the vacant Beacon land in the fourth quarter of 2019, the Company’s increases of its allowance for loan losses and net gains on sales of securities in the first and second quarters of 2020. While we believe that these non-GAAP financial measures are useful in evaluating our performance, this information should be considered as supplemental and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ from similar measures presented by other companies.

# Who We Are

## Mission

To provide our customers with the financial products and services they need to achieve their success and life goals, with an inspired talented team, and increase shareholder value

## Vision

To be recognized as a trusted financial advisor dedicated to building stronger and deeper customer relationships in the markets we serve, leading to the company's success

## Values

- Focus on the Customer
- Innovative and Forward Thinking
- Sound Financial Management
- Doing What is Right
- Collaborative Thinking
- Developing Our People
- Strengthening Communities

**Meant for You - Our mission, vision and values define our culture and guide our future**

# About Us

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## History

- Founded in 1979
- Acquired in 1987 by MSF <sup>(1)</sup>
- 80.1% spin-off in Aug. 2018
- Completed IPO in Dec. 2018
- Rebranded as Amerant in June 2019
- MSF no longer has stake in the Company

## Headquarters

- Coral Gables, FL

## Employees

- 825 FTEs

## Footprint

- 27 branches throughout South Florida and Houston, with loan production offices in New York, NY and Dallas, TX <sup>(7)</sup>

## Market Share

- Largest community bank headquartered in Florida

## Assets

- \$8.13 billion

## Deposits

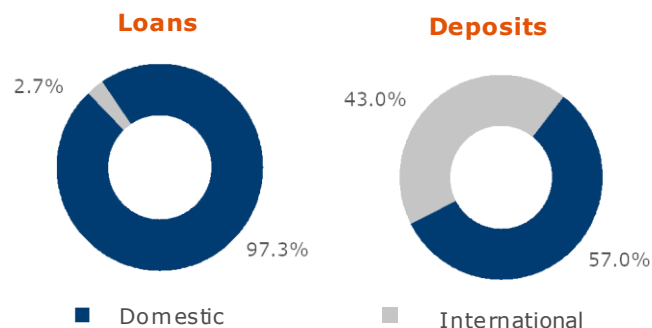
- \$6.02 billion

## AUM

- \$1.7 billion under management/custody

## Geographic Mix

June 30, 2020



## Financial Highlights

(in millions, except per share data and percentages)

	2015	2016	2017	2018	2019	2Q20 YTD
<b>Balance Sheet</b>						
Assets	\$ 8,163	\$ 8,434	\$ 8,437	\$ 8,124	\$ 7,985	\$ 8,131
Loans	5,623	5,765	6,066	5,920	5,744	5,872
Deposits	6,520	6,577	6,323	6,033	5,757	6,025
Tangible Common Equity <sup>(2)(3)</sup>	661	683	732	726	813	809
<b>Income Statement</b>						
Net Income (Loss)	\$ 15.0	\$ 23.6	\$ 43.1	\$ 45.8	\$ 51.3	\$ (11.9)
Adjusted Net Income (Loss) <sup>(3)</sup>	\$ 15.0	\$ 23.6	\$ 48.4	\$ 57.9	\$ 53.1	\$ (10.6)
Operating income <sup>(3)</sup>	\$ 33.7	\$ 54.9	\$ 72.0	\$ 56.9	\$ 63.5	\$ 38.3
Net Income (Loss) per Share - Basic	\$ 0.35	\$ 0.55	\$ 1.01	\$ 1.08	\$ 1.21	\$ (0.28)
Adjusted Net Income (Loss) per Share - Basic <sup>(3)</sup>	\$ 0.35	\$ 0.55	\$ 1.14	\$ 1.36	\$ 1.25	\$ (0.25)
ROA	0.19%	0.29%	0.51%	0.55%	0.65%	(0.30)%
Adjusted ROA <sup>(3)</sup>	0.19%	0.29%	0.57%	0.69%	0.67%	(0.26)%
ROE	2.14%	3.29%	5.62%	6.29%	6.43%	(2.82)%
Adjusted ROE <sup>(3)</sup>	2.14%	3.29%	6.32%	7.95%	6.66%	(2.51)%
Efficiency Ratio <sup>(4)</sup>	84.7%	78.0%	73.8%	78.8%	77.5%	59.5%
Adjusted Efficiency Ratio <sup>(3)(4)</sup>	84.7%	78.0%	74.8%	74.0%	76.4%	58.3%
<b>Capital</b>						
Tier 1 Common Ratio	10.1%	10.3%	10.7%	11.1%	12.6%	12.1%
Tier 1 Capital Ratio	11.8%	11.9%	12.3%	12.7%	13.9%	13.1%
Total Risk-based Capital	12.9%	13.1%	13.3%	13.5%	14.8%	14.3%
Tangible Common Equity Ratio	8.1%	8.1%	8.7%	9.0%	10.2%	10.0%
Stockholders' book value per common share	\$ 16.06	\$ 16.59	\$ 17.73	\$ 17.31	\$ 19.35	\$ 19.69
Tangible Book Value per Common Share <sup>(3)</sup>	\$ 15.56	\$ 16.08	\$ 17.23	\$ 16.82 <sup>(2)</sup>	\$ 18.84	\$ 19.18
<b>Credit</b>						
Non-performing Assets <sup>(5)</sup> / Assets	0.95%	0.85%	0.32%	0.22%	0.41%	0.95%
Net charge offs (Recoveries) / Average Total Loans <sup>(6)</sup>	(0.01)%	0.32%	0.11%	0.18%	0.11%	0.11%

- (1) Mercantil Servicios Financieros, C.A. ("MSF"), the Company's former parent company
- (2) Reflects special one-time dividend of \$40.0 million paid on March 13, 2018 to MSF in connection with the spin-off
- (3) See Appendix 2 "Non-GAAP Financial Measures Reconciliations" for a reconciliation of these non-GAAP financial measures to their GAAP counterparts. There were no non-GAAP adjustments in 2015 and 2016
- (4) Efficiency ratio and adjusted efficiency ratio are the result of noninterest expense and adjusted noninterest expense, respectively divided by the sum of noninterest income and net interest income
- (5) Non-performing assets include all accruing loans past due 90 days or more, all nonaccrual loans, restructured loans that are considered "troubled debt restructurings" or "TDRs", and OREO properties acquired through or in lieu of foreclosure
- (6) Calculated based upon the average daily balance of outstanding loan principal balance net of deferred loan fees and costs, excluding the allowance for loan losses
- (7) The Company is in the process of closing one banking center in Florida, and another in Texas, expected completion in Q3 2020

**AMERANT**

# Investment Opportunity Highlights

## Established Franchise in Attractive Markets

- Long history with strong reputation and deep client relationships
- Presence in high-growth markets of Florida, Texas, and New York
- Seasoned management team and board with long tenure
- Largest community bank headquartered in Florida <sup>(1)</sup> and one of the leading banks serving the Hispanic community in the markets we serve

## Strong and Diverse Deposit Base

- Combination of domestic and low-cost international deposits
- Growing customer deposit base (approximately 12% CAGR since 2015)
- Low-cost international customer deposit are a strategic advantage (0.39% average cost in the first half of 2020)
- Retaining international deposits by adding new and revamped product bundles and services, and improved customer journey

## Well-Positioned Loan Portfolio

- Loan book well-diversified across various asset classes and markets
- Outstanding credit performance due to disciplined underwriting culture
- High level of relationship lending
- Strong risk management to allow adjustments based on market conditions

## Significant Fee Income Platform

- Wealth management and brokerage platform with accompanying trust and private banking capabilities
- Approximately 20.3% noninterest income/total operating revenue <sup>(2)</sup> in the six months ended June 30, 2020 <sup>(3)</sup>
- Adaptive product lineup to increase fee income

## Pathway to Strong Profitability

- Dynamic initiatives to improve ROA/ROE through efficiency, fee income, and other levers
- Proactive strategy to enhance financial performance as part of a multi-year shift towards increasing core domestic growth and profitability
- Ongoing digital transformation to adapt to a new competitive environment

(1) Community banks include those with less than \$10 billion in assets. Source: S&P Market Intelligence

(2) Operating revenue is the result of net interest income before provision for loan losses plus noninterest income. Noninterest income excludes all securities gains and losses (\$17.4 million net gain in the first half of 2020)

(3) See Appendix 2 "Non-GAAP Financial Measures Reconciliations" for a reconciliation of this non-GAAP financial measures to its GAAP counterpart

# Experienced Management Team



**Frederick  
Copeland**

**Chairman of the Board**

78 years old

- Chairman since January 2019
- Director of Company and Bank from 2007 to 2018
- Former President and CEO of Far East National Bank
- Former President and CEO of Aetna International, Inc.
- Former Chairman, President, and CEO of Fleet Bank, N.A. Connecticut
- Former President and CEO of Citibank Canada



**Millar  
Wilson**

**Vice-Chairman & CEO**

67 years old

- CEO since 2009, Vice-Chairman since 2013 and Director since 1987 of Company and Bank
- Spearheaded MSF's entry into the U.S. in 1983
- 42 years of experience with MSF/Amerant Bancorp ("AMTB"), including Executive Director of International Business
- Director of the Federal Reserve Bank of Atlanta-Miami Branch from 2013 to 2018



**Carlos  
Iafigliola**

**Executive Vice President &  
Chief Financial Officer**

43 years old

- CFO since May 2020
- 22 years with MSF / AMTB
- Head of Treasury from 2015 to April 2020
- Asset & Liability Manager at AMTB from 2004 to 2015
- Served in Market Risk Management at MSF 1998 to 2004



**Alfonso  
Figueredo**

**President & Chief Operating  
Officer**

59 years old

- President and COO since February 2018
- 32 years with MSF / AMTB
- Executive Vice President of Operations and Administration of MSF from 2015 to 2018
- CFO of MSF from 2008 to 2015



**Alberto  
Capriles**

**Executive Vice President  
& Chief Risk Officer**

53 years old

- Executive Vice President and Chief Risk Officer since 2015
- 24 years with MSF / AMTB
- Corporate Treasurer of MSF from 2008 to 2015
- Corporate Market Risk Manager of MSF from 1999 to 2008



**Miguel  
Palacios**

**Executive Vice President  
& Chief Business Officer**

51 years old

- Executive Vice President and Chief Business Officer since February 2018
- All 27 years of banking experience spent with MSF / AMTB
- Domestic Personal and Commercial Manager from 2012 to 2018
- Special Assets Manager from 2009 to 2012

# Value Proposition and Brand Attributes



## Meant for You

By leveraging our experience and knowledge, we proactively anticipate your financial needs based on where you are and where you plan to go. We appreciate that everyone's journey and goals are different, and our commitment is to inspire you and support you along the way.

We combine traditions and innovations to offer a diverse portfolio of financial solutions to meet your evolving preferences and priorities.

You have choices to create a relationship that is uniquely yours and backed by a team of financial partners that share your sense of community and a vision for what's ahead.

### High Touch Service

- Dynamic
- Adaptable
- Attentive
- Diligent
- Responsive
- Innovative

### Trustworthy

- Dependable
- Insightful
- Solid
- Transparent
- Reliable

### Community Orientation

- Caring
- Responsible
- Committed
- Inspiring
- Purposeful

Everything we do is designed with our stakeholders in mind

# Market Strategy

**Our strategy is to operate and expand in high-growth, diverse economies where we can build from our heritage serving the Hispanic community**

## Target markets have:

- Substantial domestic deposit growth potential
- Diversified industries, requiring high-quality loans<sup>(1)</sup>
- Population growth, and thus a larger number of potential customers
- Customers that require more than one of our banking services
- Existing, significant Hispanic communities that value our bilingual employees and services



## Miami-Dade MSA

- Major industry sectors are trade, tourism, services, manufacturing, education, and real estate
- Low unemployment rates, historically
- Ranked #1 MSA for startup activity by the 2017 Kauffman Index among the 39 largest MSAs

## Houston MSA

- Major industry sectors of health care, retail, oil/gas, travel, and services
- Low unemployment rates, historically
- Home to the world's largest medical complex. Ranks #2 in manufacturing GDP nationwide

## NYC MSA

- Major industry sectors of education, health care, tourism, financial services, and professional / business services
- Low unemployment rates, historically
- MSA has #1 GDP in the nation

**Our markets are diverse with growing demographics and industry**

(1) See "Supplemental Information COVID-19"



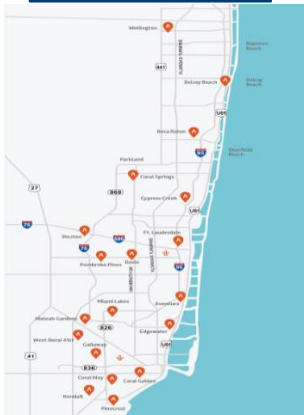
# Growing and Diverse Markets

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Florida

## Branch Footprint (1) June 30, 2020

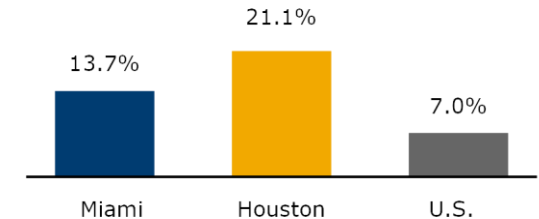
19 banking centers



## Deposit Market Share (2) June 30, 2019

Market	Branches	Deposits (\$mm)	% of AMTB	Market Share %
Miami-Dade, FL	9	\$4,793	81.6	3.6
Broward, FL	5	330	5.6	0.6
Palm Beach, FL	1	106	1.8	0.2
<b>Florida</b>	<b>15</b>	<b>\$5,228</b>	<b>89.0%</b>	<b>0.9%</b>

## Market Demographics 2010 – 2020 Est. Population Change



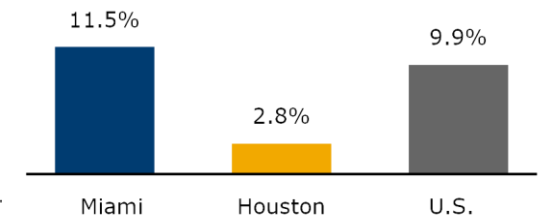
Texas(6)

8 banking centers

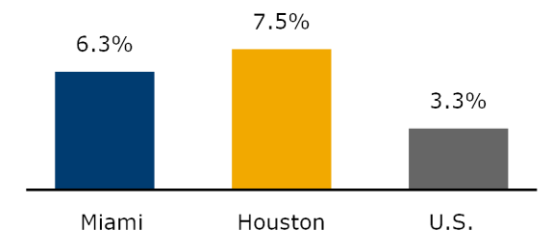


Market	Branches	Deposits (\$mm)	% of AMTB	Market Share %
Harris, TX(3) (4)	7	\$573	9.8	0.3
Montgomery, TX	1	73	1.2	0.6
<b>Texas</b>	<b>8</b>	<b>\$645</b>	<b>11.0%</b>	<b>0.1%</b>

## 2020 – 2025 Median Est. Household Income Change



## 2020 – 2025 Est. Population Change



**Amerant is growing in attractive markets and is the largest community bank in the Miami-Dade MSA (5)**

- (1) During 4Q19, the Bank opened two new branches: Miami Lakes, Miami-Dade County, FL (10/07/19), and Boca Raton, Palm Beach County, FL (12/09/2019). On March 2nd, 2020, the Bank opened one branch in Delray Beach, Palm Beach County, FL. The Company is in the process of closing one banking center in Florida, and another in Texas, expected completion in 3Q 20
- (2) Deposits amount does not reflect recently opened branches in the second half of 2019 and the first quarter of 2020
- (3) Includes the Katy, TX branch. The city of Katy is in Harris, Fort Bend, and Waller Counties and the new facility serves nearby areas of these counties
- (4) Our Sugar Land, TX branch also serves Fort Bend County and our Katy, TX branch lies adjacent to this market
- (5) Community banks include those with less than \$10 billion in asset
- (6) In January 2019, the Bank opened a Loan Production in Dallas, Texas

Sources: Deposit data from FDIC as of June 30, 2019 (Bank-level). Market demographics, and county data and market share from S&P Global. Market Intelligence as of June 30, 2019

**AMERANT**

# Ongoing Business Transformation

## From...

Part of a diverse international financial group, with a sophisticated international customer base



## To...

Focused on traditional community banking business in the U.S. and an international business to service valued relationships

A number of non-core products and services were offered as a result of the relationship with former parent



No ongoing commercial or shared services relationships with former parent

Wide range of lending products with diverse underwriting standards



Loan growth in a refined U.S. product suite and tightened credit standards have led to much improved credit performance<sup>(1)</sup>

Depositor base comprised substantially of individuals and corporations outside of the U.S.



Double-digit growth of domestic deposits over the last five years while continuing to benefit from low cost international deposit base

Value proposition "in development" and strong reliance on "non-relationship" assets and liabilities



Value proposition focused on expanding presence within target U.S. communities and strengthening relationships (share of wallet)

**Pivot from an internationally focused bank to a traditional community bank with a Latin American heritage**

(1) See "Supplemental Information COVID-19"

# Summary of Our Strategic Plan

## Building on our strengths to shape our future

### Domestic focus with an International Heritage

- Grow U.S. presence and enhance market share in existing and adjacent markets
- Protect and serve valuable international customer base
- Enhance multi-channel client experience with improved branch experience
- Replace low yielding foreign loans with higher margin domestic loans (completed in 2019)

### Strong Credit Culture<sup>(1)</sup>

- Exit higher-risk and less attractive businesses
- Pursue targeted lending opportunities within prudent credit guidelines
- Refined product suite targeting selected domestic customers and verticals/niches

### Growth in Core, Domestic Deposits

- Continue strong domestic deposit growth through a high-touch, needs-based approach
- Improve deposit account penetration of the commercial customer base
- Enhance retail and commercial sales with consultative sales approach and improved banking centers

### Expanding Business and Geographic Presence

- Continued strategic expansion (e.g. Dallas, Palm Beach - completed during the first quarter of 2020)
- Utilization of Online CDs as a channel to raise out of footprint deposits
- Focus on increased share of wallet and non-lending products from existing client base
- Expand wealth management client acquisition and cross-selling opportunities

### Increased Profitability and Returns

- Improve cross-selling initiatives, including scalable wealth management platform
- Ongoing expense rationalization and efficiency initiatives
- Focus on solidifying presence in target U.S. communities
- Initiatives to increase domestic fee income generation

Creating shareholder value through the implementation of a multi-dimensional strategic plan

(1) See "Supplemental Information COVID-19"

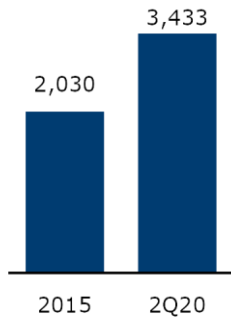
# Build on Improving Financial Performance

## Increased Domestic Deposits

### Domestic Deposits

(\$ in millions)

↑ 12.4% CAGR

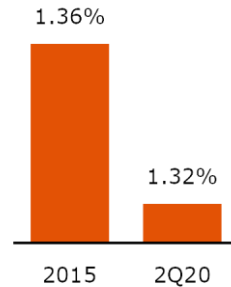


Domestic Deposits  
as % of  
Total Deposits:  
31.1% — 57.0%

## Attractive Risk-Adjusted Loan Profile <sup>(1)</sup>

### Non-performing Loans <sup>(2)</sup> / Total Loans

↓ 4 bps decrease

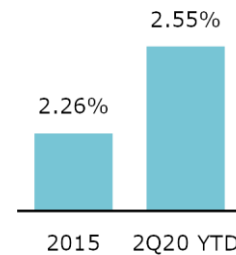


International Loans  
as % of  
Total Loans:  
24.2% — 2.7%

## Higher Net Interest Margin

### Net Interest Margin <sup>(3)</sup>

↑ 29 bps increase

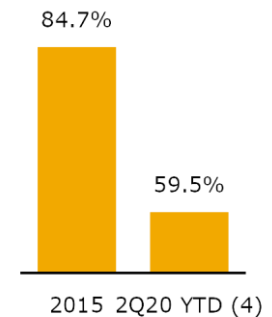


Yield on Loans:  
3.06% — 4.04%

## Rationalizing Cost Structure

### Efficiency Ratio <sup>(3)</sup>

↓ 2,521 bps decrease



# of FTEs:  
1,007 — 825

**Multi-year shift towards increasing core domestic growth and profitability**

(1) See "Supplemental Information COVID-19"

(2) Non-performing loans include all accruing loans past due by 90 days or more, all nonaccrual loans and restructured loans that are considered "troubled debt restructurings" or "TDRs"

(3) Balances annualized through June 30, 2020

(4) Includes effect of loan origination fee deferrals on PPP loans funded in 2Q 20

# Deep Culture of Enterprise Risk Management

✓ **Enterprise-Wide Risk Governance**

✓ **Risk Culture**

✓ **Risk Appetite**

✓ **Strategic Planning**

**Board of Directors**

**Senior Management**



## Three Lines of Defense

**1**

### Front Line Units

- Own and manage their risks
- Identify, measure, monitor, report, analyze, and mitigate risks
- Internal controls
- Strong culture of compliance with BSA/AML and all regulatory standards
- Comprehensive daily OFAC screening of all clients and counterparties

**2**

### Risk Management

- Independent from front line units
- Direct access to the Board
- Sophisticated and specialized: Credit Risk, Operational Risk, Information Security, Market Risk & Analytics, BSA, and Compliance
- Comprehensive and robust BSA/AML program with extensive experience and resources
- Proprietary BSA/AML monitoring and risk rating programs

**3**

### Internal Audit

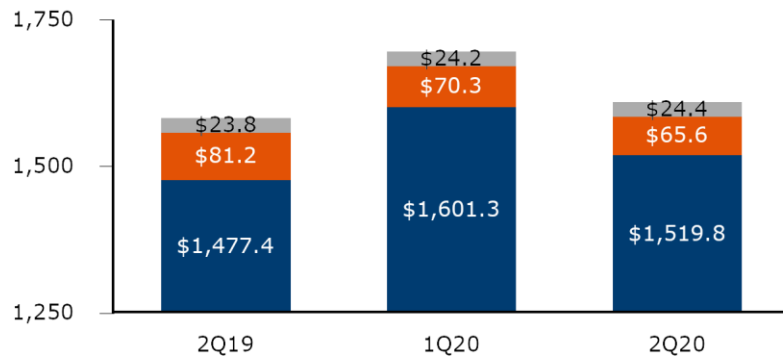
- Direct report to the Board
- Independent
- Experience risk-based approach

# Investment Portfolio

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## Investment Securities Balances and Yields <sup>(1)</sup>

(\$ in millions)

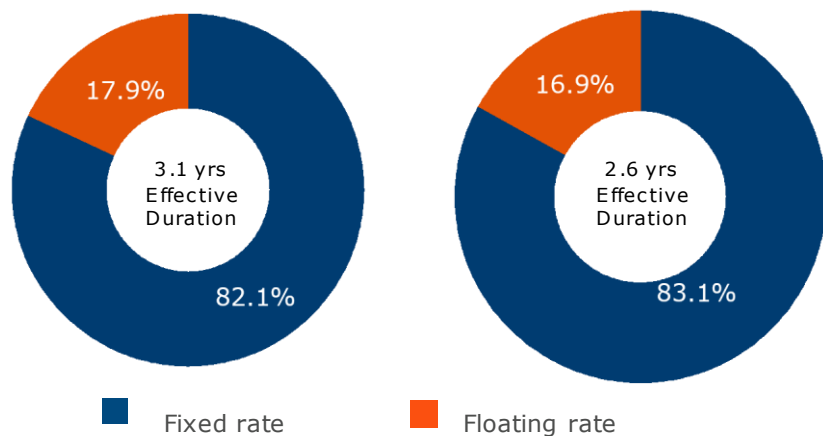


■ Available for Sale (AFS) ■ Held to Maturity (HTM) ■ Marketable Equity Securities <sup>(2)</sup>

## Highlights

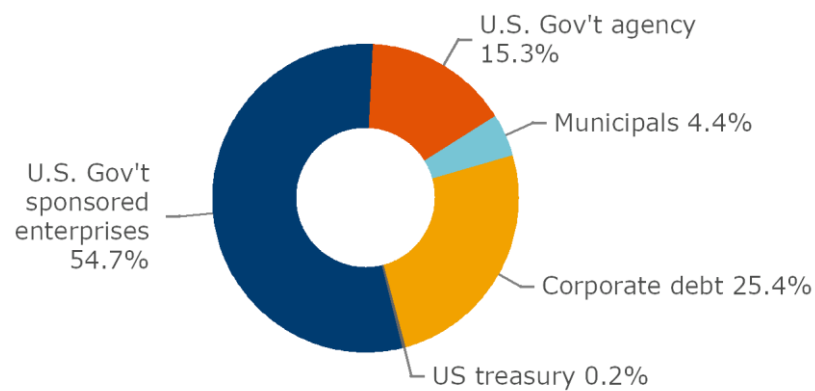
- Effective duration of 2.6 years as expected prepayment speeds stabilized in the mortgage securities portfolio
- Floating portion of the portfolio at 16.9% of the total portfolio
- Continued purchasing higher-yielding corporate debt, primarily in the subordinated FI sector, while maintaining portfolio duration

## Investments Securities Fixed vs. Floating Jun. 2019 Jun. 2020



■ Fixed rate ■ Floating rate

## Available for Sale Securities by Type June 30, 2020

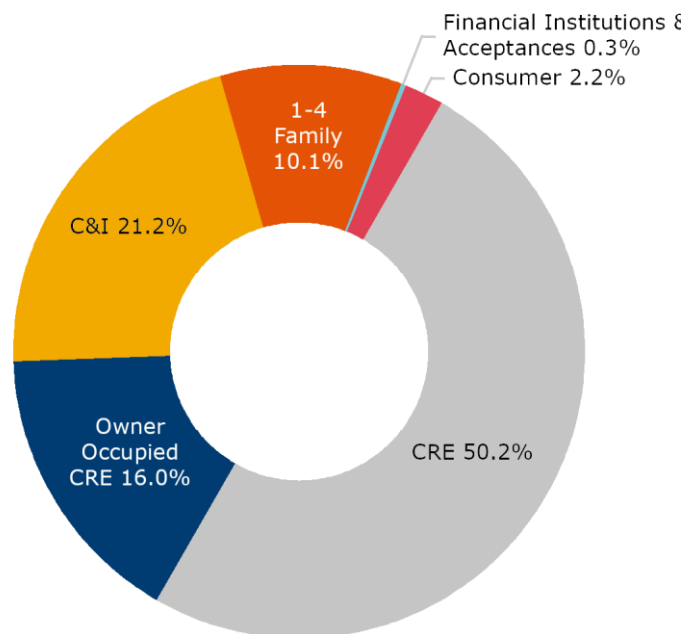


(1) Excludes Federal Reserve Bank and FHLB stock  
 (2) The Company adopted ASU 2016-01 on December 31, 2019. Marketable Equity Securities shown for prior quarters only for comparative purposes

# Strategic Shift in Loan Mix Yielding Benefits

## Loan Portfolio

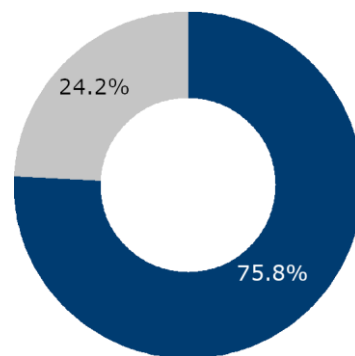
June 30, 2020



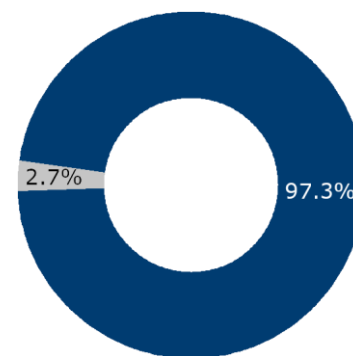
**Total: \$5.9 billion**

## Loan Mix by Geography

December 31, 2015



June 30, 2020



■ Domestic ■ International

## Highlights

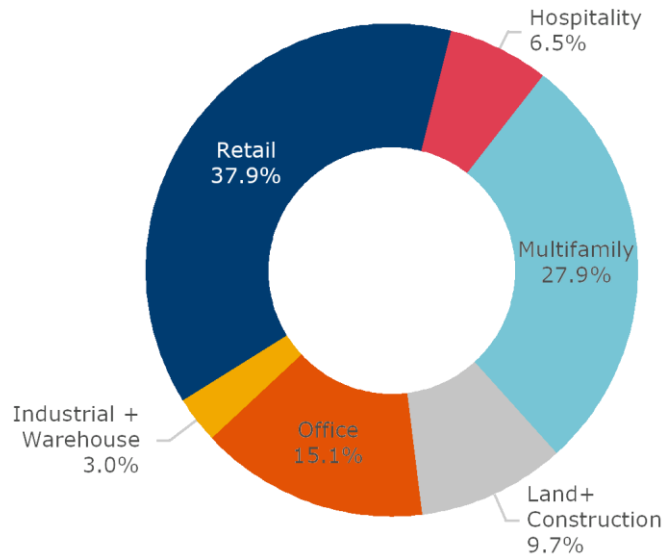
- Continued focus on domestic lending activities. Domestic loan CAGR of 6.7% since 2015
- Average loan yields have increased from 3.06% in 2015 to 4.04% in the first half of 2020
- Diversified portfolio - highest sector concentration, other than real estate, at 11% of total loans <sup>(1)</sup>
- 76% of total loans secured by real estate <sup>(1)</sup>
- Planned reduction of foreign financial institution (FI) and non-relationship SNC loans (C&I) was completed during 2019

**Targeted reduction in international loan portfolio, coupled with growth in domestic C&I, CRE, and residential mortgages, has resulted in a better risk-adjusted loan book**

(1) See "Supplemental Information COVID-19"

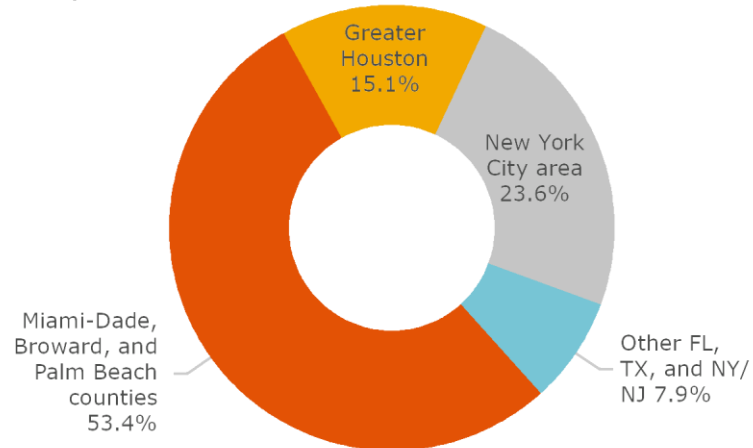
# Balanced CRE Loan Portfolio

**CRE Portfolio**  
June 30, 2020



**Total: \$2.9 billion**

**CRE Loan Mix by Primary Market Area<sup>(1)</sup>**  
June 30, 2020



## Highlights <sup>(2)</sup>

- Well diversified among geographies and property types, with construction representing less than 10%
- Conservative weighted average LTV 61% and DSC 1.7x
- Strong sponsorship profile
- No significant tenant concentration in CRE retail loan portfolio, where the top 15 tenants represent 39% of the total. Major tenants include recognized national food and health retailers

**Our CRE loan portfolio is highly diversified across geographies and industry segments**

(1) Primary market areas are Miami-Dade, Broward, and Palm Beach counties; Dallas and the Greater Houston market area; and the New York City area, including all five boroughs  
 (2) See "Supplemental Information COVID-19"



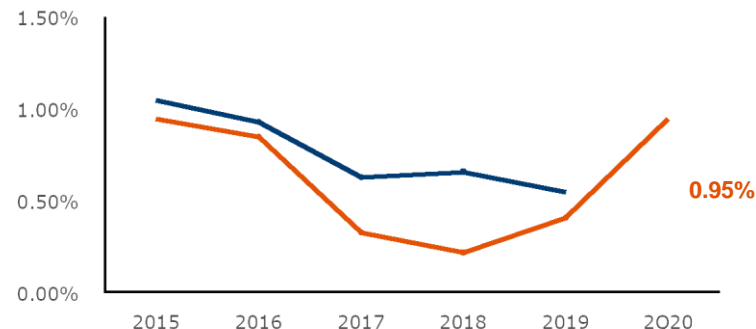
# Disciplined Credit Culture

17

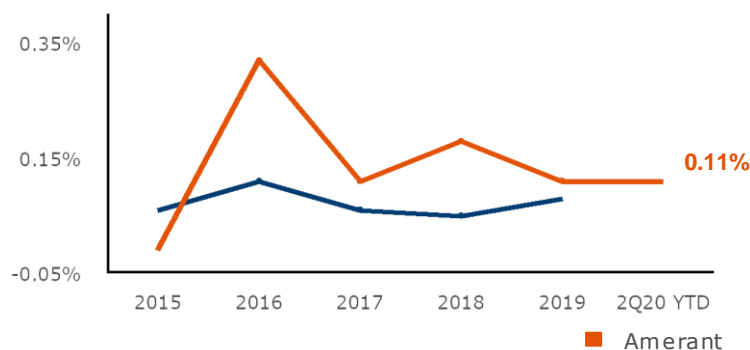
## Robust Underwriting Standards

- Credit quality remains sound and reserve coverage is strong
- As of June 30, 2020, provision for loan losses of \$48.6 million to account for estimated portfolio deterioration due to COVID-19, and specific reserves associated with one large loan relationship; will continue to reassess provisions as conditions evolve
- The increase in charge-offs was due to: (1) Several international commercial credits (2016); (2) One isolated CRE loan <sup>(1)</sup> (2018); and (3) Approx 60% of charge-offs was due to the planned discontinuation of the credit card products ; otherwise Net Charge-offs / Avg Loans was 0.02% (2019)
- The increase in Non-performing assets was mainly due to: (1) \$11.9 million multiple loan relationship to a South Florida borrower in the food wholesale industry secured with a combination of real estate, receivables and inventory and with an allocated 30% in specific reserves (2019); and (2) \$39.8 million related to one Miami based U.S. coffee trader (2Q 20)

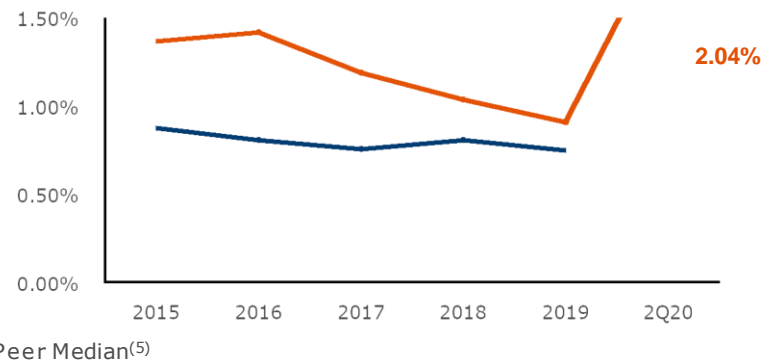
## Non-performing Assets<sup>(3)</sup> / Total Assets



## Net Charge-Offs / Average Total Loans<sup>(2)</sup>



## Allowance for Loan Losses / Total Loans<sup>(4)</sup>



**Prudent underwriting across portfolios has translated into exceptional credit performance**

- (1) During the fourth quarter of 2018, the Company sold and charged-off \$5.8 million of a Houston CRE loan that originated in 2007, which had been restructured. This resulted in Net ChargesOff / Average Total Loans of 0.18% for 2018
- (2) Calculated based upon the average daily balance of outstanding loan principal balance net of deferred loan fees and costs, excluding the allowance for loan losses
- (3) Non-performing assets include all accruing loans past due 90 days or more, all nonaccrual loans, restructured loans that are considered "troubled debt restructurings" or "TDRs", and OREO properties acquired through or in lieu of foreclosure
- (4) Outstanding loans are net of unamortized deferred loan origination fees and costs. 2015 and 2017 include loans held for sale of \$9.7 million and \$5.6 million, respectively. There were no loans held for sale at any of the other dates presented
- (5) Peer data is not yet available for 2Q20. Peers are BRKL, CADE, CSFL, CNOB, DCOM, FFIC, HOMB, INDB, IBTX, IBOC, LBAI, SBCF, TOWN, TRMK. Source: S&P Global Market Intelligence. Peer group updated in 1Q20

**AMERANT**

# Highly Attractive Deposit Franchise

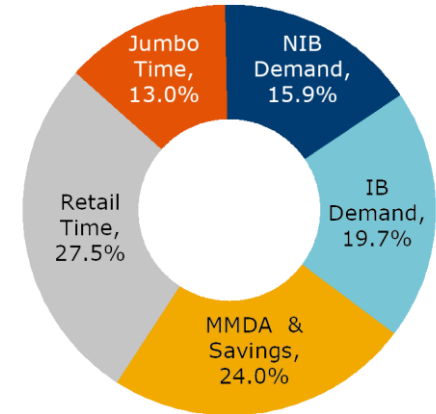
## Highlights

- Focus on developing domestic relationships as opposed to rate sensitive, non-relationship time deposits
- Experienced 12% CAGR in domestic deposits as a result of increased cross-selling efforts
- Protect and grow low cost deposits.

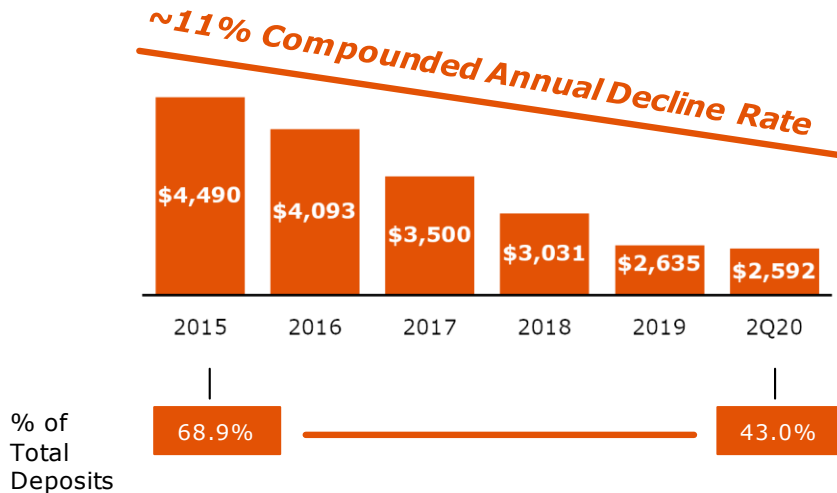
## Deposit Mix <sup>(1)</sup>

June 30, 2020

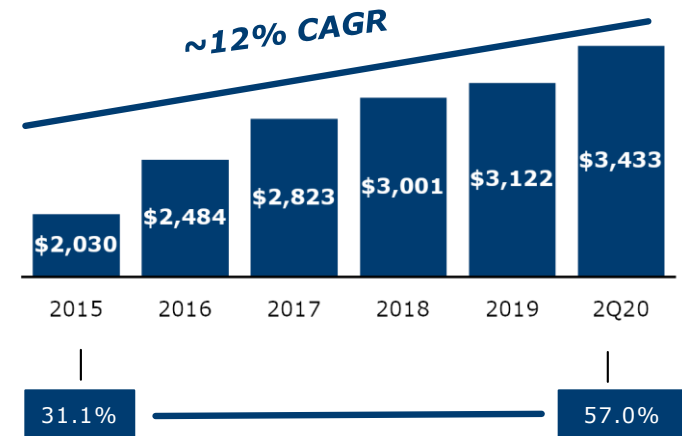
**Total Deposits:**  
**\$6.0 billion**



## International Deposits (\$ in millions)



## Domestic Deposits (\$ in millions)

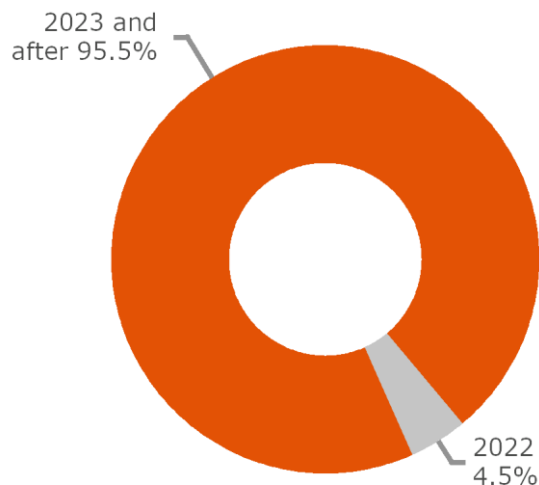


**Strategic focus on maintaining international deposits while steadily growing domestic deposit base**

<sup>(1)</sup> Based on Bank's June 30, 2020 call report

# Wholesale Funding

## FHLB advances, Senior Notes and Other Borrowings <sup>(1)</sup> by Maturity June 30, 2020



## Advances from the Federal Home Loan Bank, Senior Notes and Other Borrowings <sup>(1)</sup> (\$ in millions)

Year of Maturity	Interest Rate	2Q19	1Q20	2Q20
2019	1.80% to 3.86%	\$ 350	\$ —	\$ —
2020	0.44% to 2.63%	325	215	—
2021	1.75% to 3.08%	240	210	—
2022	0.65% to 2.80%	120	170	50
2023 and after	0.62% to 5.75%	90	670	1,058 <sup>(1)(2)</sup>
<b>Total</b>		<b>\$ 1,125</b>	<b>\$ 1,265</b>	<b>\$ 1,108</b>
Weighted Average Interest Rate for Period		2.43%	1.43%	1.45%

(1) 2Q20 and 1Q20 include \$530 million in callable advances with fixed interest rates ranging from 0.62% to 0.97%

(2) Includes senior notes issued in 2Q20 totaling \$58.4 million (interest rate - 5.75%)

## Highlights

- Completed \$60.0 million offering of 5.75% Senior Notes as a new source of funding during COVID-19 pandemic
- Modified maturities on \$420.0 million fixed-rate FHLB advances resulting in 26 bps of annual savings for this portfolio and representing \$2.4 million cost savings for the rest of 2020
- Will continue to actively manage professional funding to leverage opportunities in the wholesale market to drive down funding costs

<sup>(1)</sup> As of June 30, 2020, there were no Other Borrowings outstanding.

# Interest Income and Margin Trends

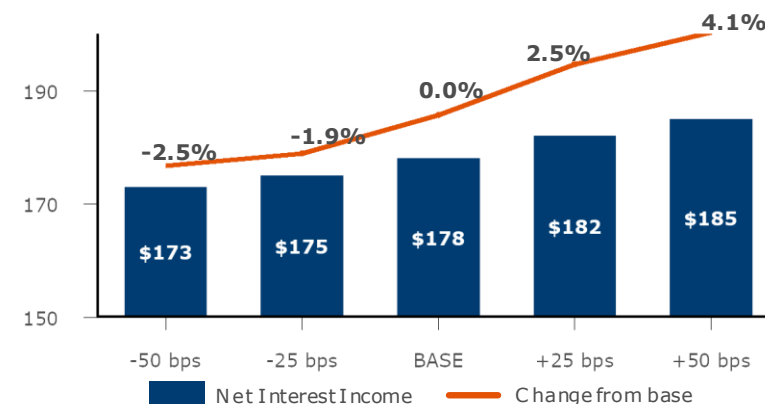
## Highlights

- In 2Q20 proactive steps to protect NIM:
  - Higher loan volumes resulting from PPP program
  - Strategic deposit rate cuts
  - Continued retention efforts resulting in lower international deposit decay
  - Leveraged opportunities for higher-yield investments including \$34.5 million of higher yielding corporate debt, helping to contain the impact of lower rates on total income from interest-earning assets
  - Continued focusing on relationship accounts to enhance demand deposit account (DDA) balances and online CDs as a lower cost alternative to brokered deposits
  - Modified maturities on \$420.0 million fixed-rate FHLB advances, resulting in 26 bps of annual savings and \$2.4 million of savings for the remainder of 2020
- The Company continues to be asset sensitive as over half of loans have floating rate structures or mature within a year

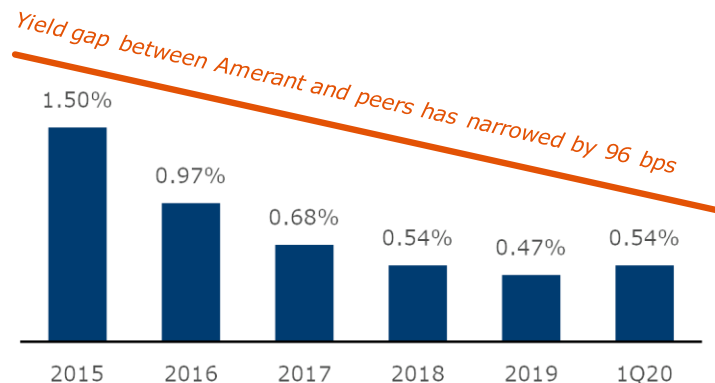
## Impact on NII from Interest Rate Change (2)

(\$ in Millions and percentages)

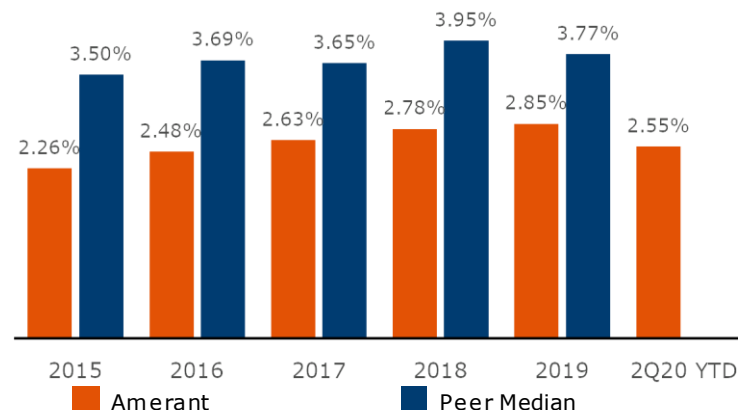
(As of June 30, 2020)



## Loan Yield Gap (1)



## Net Interest Margin (1)



## Continued improvement in Loan Yields and NIM

- (1) Peer data is not yet available for 2Q20. Peers are BRKL, CADE, CSFL, CNOB, DCOM, FFIC, HOMB, INDB, IBTX, IBOC, LBAI, SBCF, TOWN, TRMK, when data is available in source. Source: S&P Global Market Intelligence. Peer group updated in 1Q20
- (2) Assumes a static balance sheet and instantaneous and parallel interest rate shocks to the yield curve

# Wealth Management Franchise Expansion - Key Component of Noninterest Income

## Wealth Management Platform

### Amerant Trust

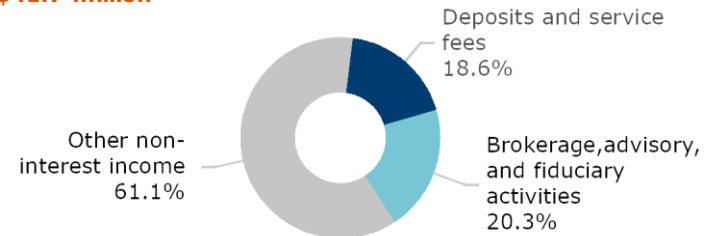
- Estate Planning
- Asset Protection
- Escrow Services

### Amerant Investments

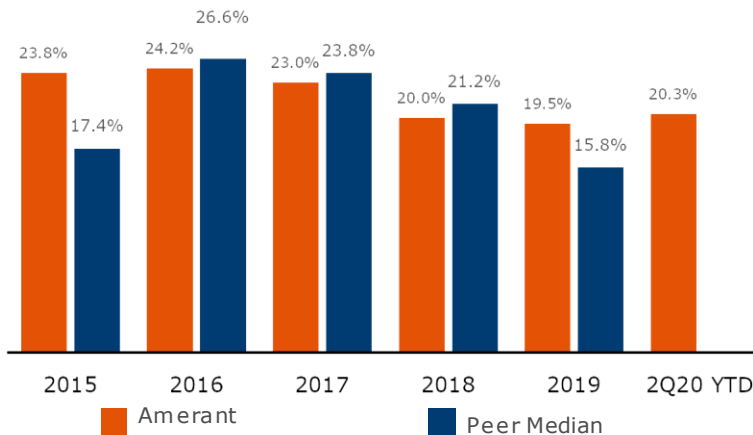
- Brokerage Services
- Investment Advisory Services

## 2020 YTD Noninterest Income Mix

Total: \$41.7 million



## Noninterest Income as a % of Operating Revenue (1)(2)(3)



## Highlights

- In 4Q19, acquired Grand Cayman-based trust company subsidiary, Elant Bank & Trust Ltd. \$195 million in AUM acquired
- \$1.72 billion in assets under management/custody
- Continue focus on domestic market to expand our footprint
- Deposit and service fees also contribute significant portion to noninterest income
- Brokerage and advisory fees continue to increase due to improved allocation of assets under management into advisory services and higher volume of customer trading activity, supported by online platform

**Expansion of fee income capabilities a key focal point and growth lever**

- (1) Peers are BRKL, CADE, CSFL, CNOB, DCOM, FFIC, HOMB, INDB, IBTX, IBOC, LBAI, SBCF, TOWN, TRMK. Source: S&P Global Market Intelligence and is adjusted to exclude all securities gains and losses. Peer group updated in 1Q20
- (2) Operating revenue is the result of net interest income before provision for loan losses plus noninterest income. Noninterest income excludes net securities gains of \$17.4 million in 2Q20 YTD. Years 2019, 2018, 2017, 2016 and 2015 exclude net securities gains and (losses) of \$2.6 million, \$(1.0) million, \$(1.6) million, \$1.0 million and \$1.1 million, respectively. Years 2019 and 2017, also exclude \$2.8 million gain on sale of vacant Beacon land and \$10.5 million gain on sale of the NY building, respectively.
- (3) 2Q20 YTD includes \$2.4 million fee income from derivative transactions sold to customers

# Increasing Operating Efficiency

## Cost Initiatives

### Rationalization of Business Lines

- Simplification of business model and product offerings following spin-off
- Deemphasized international business resulting in less complexity and reduced costs

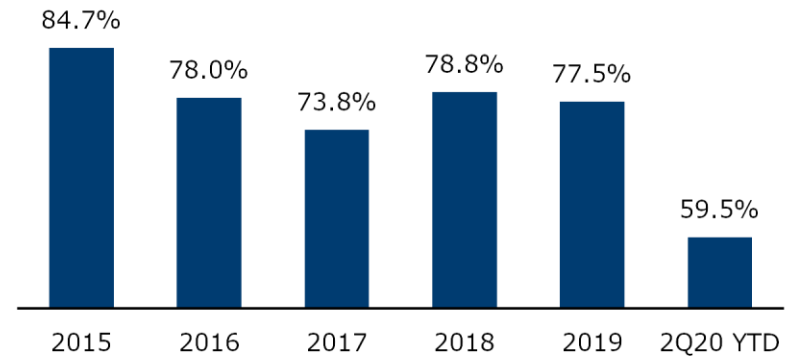
### Head Count Reduction

- Investments in technology are expected to generate efficiencies
- FTEs down 14, or 1.7% since June 2019 <sup>(3)</sup>

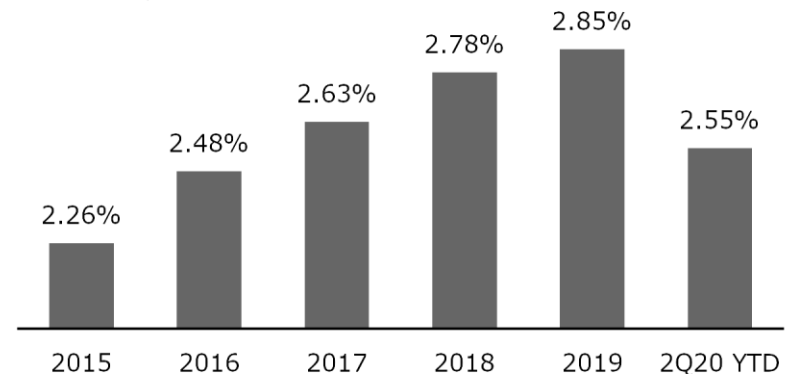
### Space Efficiencies

- Reduction and reorganization of existing office space to increase the amount available for lease to third parties
- Branch of the future model is smaller and optimizes customer interaction

## Efficiency Ratio <sup>(1)</sup>



## Net Interest Income as a % of Average Earnings Assets <sup>(2)</sup>



**Simplification of business model and new technology initiatives will allow for a significant reduction in headcount and further improvement in the efficiency ratio**

(1) Balances annualized through June 30, 2020

(2) Includes loans, securities available for sale and held to maturity, deposits with banks and other financial assets, which yield interests or similar income

(3) As of June 30, 2020

# Drivers for Improvement

1

## Technology, Operating Model and Expense Saving Initiatives

Continue to rationalize expenses and improve scalable platform, while investing in digital transformation to drive great customer experience and increase future profitability

2

## Changing Business Mix

Redeploy lower yielding loans into higher yielding domestic C&I, CRE, and residential loans

3

## Fee Income Growth

Improve fee income from treasury management products, commercial loans, leveraged wealth management platform, and greater share of wallet strategies

4

## Interest Expense

In early April, modified maturities on \$420.0 million fixed-rate FHLB advances, resulting in 26 bps of annual savings and \$2.4 million of savings for the remainder of 2020

**Multi-year shift towards increasing core domestic growth and profitability**

# Investment Highlights

- ✓ Focus on driving profitable growth and shareholder value
- ✓ Substantial and continuing insider ownership, approximately 30%
- ✓ Strong asset quality and domestic loan growth
- ✓ Focus on expanding domestic deposit base throughout our high growth U.S. markets
- ✓ Low cost deposits from international customers who view U.S. as a safe haven for their savings
- ✓ Diversification of revenue from a greater share of wallet strategy and an attractive wealth management platform that is being emphasized and cross-sold to domestic customers
- ✓ Top-shelf risk management culture stemming from having been part of large, multi-national organization
- ✓ Embarked on digital transformation to adapt to a new competitive environment and drive future profitability



# **Supplemental Information**

## COVID-19 Update

# Business Update Related to COVID-19

## Business Continuity Plan <sup>1</sup>

- Amerant's Business Continuity Plan ("BCP"), activated on March 16, 2020, successfully supports approximately 86% of employees with remote work capabilities
- Phased opening approach started June 3rd to re-introduce employees back to the workplace on a voluntary and capped basis based on roles and responsibilities and includes safety protocols per CDC guidelines, placing rotating schedules to minimize risk of contagion
- Banking centers returned to regular business hours, following strict CDC protocols

## Relief Requests Summary <sup>1</sup>

- As of June 30, 2020, loans outstanding, which had been modified, totaled \$1,128MM or 19% of total loans. Forbearance period expired on \$519.5MM
- Modified loans totaling \$164.9 million had scheduled payments due. Collected payments due on \$136.9 million of these loans. The remaining modified loans totaling \$354.6 million have payments due by July 31, 2020. The remaining balance of modified loans is comprised of:
  - 64% in Florida, 21% in Texas and 15% in New York
  - 34% 90-day int. only, 61% 90-day no payments, 4% 180-day int. only
  - 81% of CRE relief requests tied to hotel and retail loans
  - 98% of total requests are loans secured with RE collateral
  - CRE requests as % of their respective portfolio: Hotel 55%, Industrial 20%, Retail 15%, Office 8% and Multifamily 2.2%

## PPP Requests Summary

- Approvals Received: over 2,000 loans totaling \$218.6 million
- Average loan size: over 90% of these loans were under \$350,000 each

## Credit Quality

- Proactive and careful monitoring of credit quality practices, including examining and responding to patterns or trends that may arise across certain industries or regions. Tightening of underwriting standards while continuing to do business, enhancing the monitoring of the entire loan portfolio
- Ongoing review of credit exposures by industry and geography to identify loans susceptible to increased credit risk in light of the COVID-19 pandemic

**Implemented remote-work arrangements across the organization, with 86% of our employees with remote work capabilities**

<sup>1</sup> As of July 17, 2020 unless specified otherwise

# Loan portfolio by industry

(As of 06/30/2020)

(\$ in millions)

	Real Estate	Non-Real Estate	Total	% Total Loans	Unfunded Commitments <sup>(8)</sup>
Financial Sector <sup>(1)</sup>	\$ 5	\$ 74	\$ 79	1.3%	\$ 17
Construction and Real Estate & Leasing:					
Commercial real estate loans	2,949	—	2,949	50.2%	213
Other real estate related services and equipment leasing <sup>(2)</sup>	41	82	123	2.1%	22
<b>Total construction and real estate &amp; leasing</b>	<b>2,990</b>	<b>82</b>	<b>3,072</b>	<b>52.3%</b>	<b>235</b>
Manufacturing:					
Foodstuffs, Apparel	74	29	103	1.8%	10
Metals, Computer, Transportation and Other	14	102	116	2.0%	21
Chemicals, Oil, Plastics, Cement and Wood/Paper	25	14	39	0.7%	13
<b>Total Manufacturing</b>	<b>113</b>	<b>145</b>	<b>258</b>	<b>4.5%</b>	<b>44</b>
Wholesale <sup>(3)</sup>	166	504	670	11.4%	163
Retail Trade <sup>(4)</sup>	271	152	423	7.2%	37
Services:					
Communication, Transportation, Health and Other <sup>(5)</sup>	237	172	409	7.0%	31
Accommodation, Restaurants, Entertainment and other services <sup>(6)</sup>	100	70	170	2.9%	24
Electricity, Gas, Water, Supply and Sew age Services	6	22	28	0.5%	4
<b>Total Services</b>	<b>343</b>	<b>264</b>	<b>607</b>	<b>10.4%</b>	<b>59</b>
Primary Products:					
Agriculture, Livestock, Fishing and Forestry	—	—	—	—%	—
Mining	—	4	4	0.1%	—
<b>Total Primary Products</b>	<b>—</b>	<b>4</b>	<b>4</b>	<b>0.1%</b>	<b>—</b>
Other Loans <sup>(7)</sup>	591	167	758	12.8%	209
<b>Total Loans</b>	<b>\$ 4,479</b>	<b>\$ 1,392</b>	<b>\$ 5,871</b>	<b>100.0%</b>	<b>\$ 764</b>

## Highlights

- Diversified portfolio - highest sector concentration, other than real estate, at 11% of total loans
- 76% of total loans secured by real estate
- Main concentrations:
  - CRE or Commercial Real Estate
  - Wholesale - Food
  - Retail - Gas stations
  - Services - Healthcare, Repair and Maintenance

(1) Consists mainly of finance facilities granted to non-bank financial companies.

(2) Comprised mostly of construction and real estate related services and equipment rental and leasing activities

(3) Food wholesalers represented approximately 45%

(4) Gasoline stations represented approximately 58%

(5) Healthcare represented approximately 57%

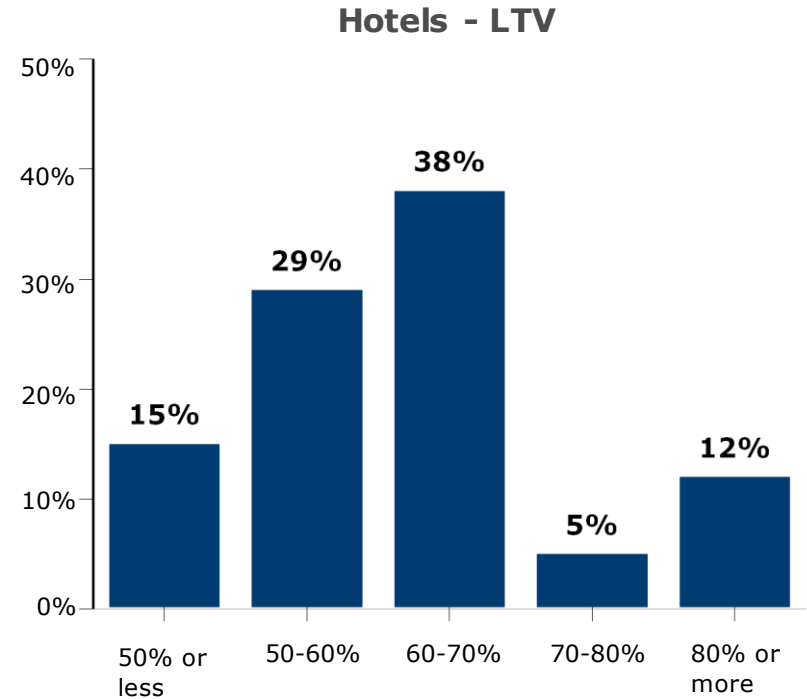
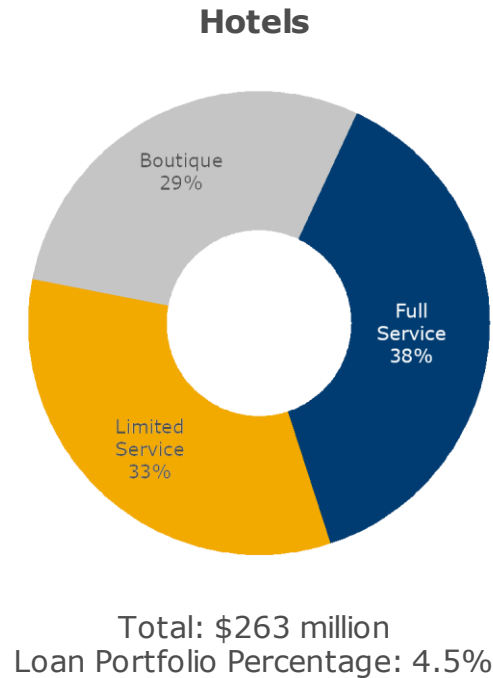
(6) Other repair and maintenance services represented 52%

(7) Primarily residential, consumer loans, and cash secured loans and loans belonging to industrial sectors not included in the above sectors, which do not individually represent more than 1 percent of the total loans portfolio

(8) Not all unfunded commitments are unilaterally available to borrowers. For example, certain revolving loans and asset based lending loans require borrowers provide additional collateral to access the full amount of the commitment

# Industries with escalated monitoring

CRE Hotels (As of 06/30/2020)



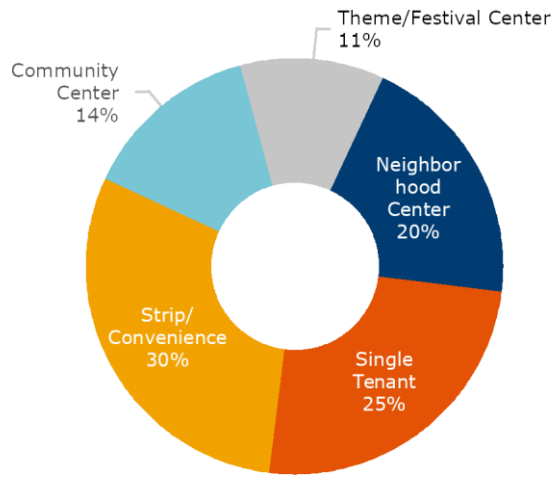
## Highlights

- CRE Hotel portfolio is limited to 27 properties majority in popular travel destinations such as Miami Beach (#9 / \$99 MM) and New York (#2 / \$55 MM)
- Three hotel construction loans to borrowers who are experienced hotel operators within their markets with significant equity and resources as well as previous construction track record with the Bank
- To date, hotel construction projects continue on budget and without significant delays

# Industries with escalated monitoring

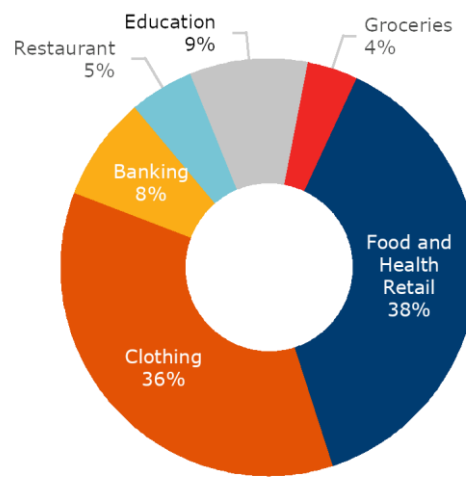
CRE Retail (As of 06/30/2020)

**CRE Retail<sup>(1)</sup>**



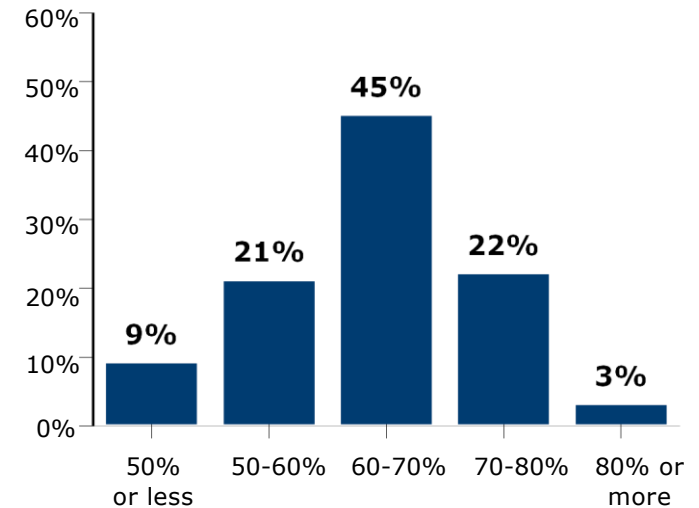
Total: \$1.1 billion  
Loan Portfolio Percentage: 19.2%

**CRE Retail - Single Tenant<sup>(1)</sup>**



Total: \$202 million  
Loan Portfolio Percentage: 3.4%

**Retail - LTV**



<sup>(1)</sup> CRE retail loans above \$5 million

## Highlights

- Florida and Texas are focused on neighborhood shopping centers or service centers with basic needs related anchor stores, as well as the retail corridor in Miami Beach
- New York is focused on high traffic retail corridors with proximity to public transportation services

# Appendices



# Appendix 1

## Summary Financial Statements

(in millions)	December 31,					June 30,
	2015	2016	2017	2018	2019	2020
<b>Assets</b>						
Cash and cash equivalents	\$ 138.3	\$ 135.0	\$ 153.4	\$ 85.7	\$ 121.3	\$ 217.3
Total Securities <sup>(1)</sup>	2,055.6	2,123.2	1,777.0	1,671.2	1,666.5	1,609.8
Loans Held for Sale (HFS)	9.7	—	5.6	—	—	—
Loans, Gross (Excl HFS)	5,623.2	5,764.8	6,066.2	5,920.2	5,744.3	5,872.3
Allowance for Loan Losses	77.0	81.8	72.0	61.8	52.2	119.7
Loans, net (Excl HFS)	5,546.2	5,683.0	5,994.2	5,858.4	5,692.1	5,752.6
Premises & Equipment, net	150.2	148.7	129.4	123.5	128.8	128.3
Goodwill	19.2	19.2	19.2	19.2	19.5	19.5
Bank Owned Life Insurance	100.4	164.9	200.3	206.1	211.9	214.7
Other Assets	143.2	160.3	157.6	160.1	145.3	188.5
<b>Total Assets</b>	<b>\$8,162.8</b>	<b>\$8,434.3</b>	<b>\$8,436.8</b>	<b>\$8,124.3</b>	<b>\$7,985.4</b>	<b>\$8,130.7</b>
<b>Liabilities</b>						
Total Deposits	\$ 6,519.7	\$ 6,577.4	\$ 6,323.0	\$ 6,032.7	\$ 5,757.1	\$ 6,024.7
Total Fed Funds & Repos	73.5	50.0	—	—	—	—
Advances from the Federal Home Loan Bank and Other Borrowings	722.3	931.0	1,173.0	1,166.0	1,235.0	1,050.0
Senior notes <sup>(2)</sup>	—	—	—	—	—	58.4
Junior Subordinated Debentures Held by Trust Subsidiaries	118.1	118.1	118.1	118.1	92.2	64.2
Accounts Payable, Accrued Liabilities and Other Liabilities	46.9	53.1	69.2	60.1	66.3	103.2
<b>Total Liabilities</b>	<b>\$7,480.4</b>	<b>\$7,729.6</b>	<b>\$7,683.3</b>	<b>\$7,376.9</b>	<b>\$7,150.7</b>	<b>\$7,300.5</b>
<b>Total Stockholders' Equity</b>	<b>682.4</b>	<b>704.7</b>	<b>753.5</b>	<b>747.4</b>	<b>834.7</b>	<b>830.2</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$8,162.8</b>	<b>\$8,434.3</b>	<b>\$8,436.8</b>	<b>\$8,124.3</b>	<b>\$7,985.4</b>	<b>\$8,130.7</b>

<sup>(1)</sup> As of June 30, 2020 and December 31, 2019, the balance of securities includes only held to maturity, available for sale and equity securities with readily determinable fair value not held for trading. For all other periods shown, the balance of securities includes only held to maturity and available for sale. In 2019, the Company adopted ASU 2016-01, as a result, mutual funds previously classified as available for sale were reclassified as equity securities with readily determinable fair value not held for trading. FHLB and FRB stock are included in "Other Assets".

<sup>(2)</sup> The balance of Senior Notes are presented net of direct issuance cost which is deferred and amortized over 5 years.

# Appendix 1

## Summary Financial Statements (cont'd)

(in thousands)	Years ended December 31,					Six months ended
	2015	2016	2017	2018	2019	June 30, 2020
Total Interest Income	\$208,199	\$238,827	\$273,320	\$309,358	\$312,974	\$135,482
Total Interest Expense	35,914	46,894	63,610	90,319	99,886	39,930
Net Interest Income	\$172,285	\$191,933	\$209,710	\$219,039	\$161,826	\$95,552
Provision for (Reversal of) Loan Losses	11,220	22,110	(3,490)	375	(3,150)	70,620
Total Noninterest Income	54,756	62,270	71,485	53,875	57,110	41,663
Total Noninterest Expense	192,262	198,303	207,636	214,973	209,317	81,607
Income (Loss) before Income Tax	23,559	33,790	77,049	57,566	64,031	(15,012)
Income Tax (Expense) Benefit	(8,514)	(10,211)	(33,992)	(11,733)	(12,697)	3,115
<b>Net Income (Loss)</b>	<b>\$15,045</b>	<b>\$23,579</b>	<b>\$43,057</b>	<b>\$45,833</b>	<b>\$51,334</b>	<b>(\$11,897)</b>



# Appendix 2

## Non-GAAP Financial Measures Reconciliations

### Explanation of Certain Non-GAAP Financial Measures

This Presentation contains certain adjusted financial information, and their effects on noninterest income, noninterest expense, income taxes, net income, operating income, efficiency ratios, ROA and ROE and certain other financial ratios. These adjustments include:

- the \$2.8 million net gain on the sale of vacant Beacon land during the fourth quarter of 2019,
- the \$10.5 million net gain on the sale of the Company's New York City building during the third quarter of 2017,
- the \$9.6 million expense in the fourth quarter of 2017 resulting from the 2017 Tax Act,
- spin-off expenses totaling \$6.7 million in 2018, \$5.2 million in 2017, beginning in the fourth quarter of 2017 and continuing to the fourth quarter of 2018,
- the \$6.4 million, \$5.0 million and \$1.7 million in restructuring expenses in 2018, 2019 and the first six months of 2020, respectively, related to staff reduction costs, legal and strategic advisory costs, rebranding costs and digital transformation costs,
- the securities gains of \$17.4 million and \$2.6 million in the first six months of 2020 and year ended 2019, respectively, and securities losses of \$1.0 million and \$1.6 million in the years ended 2018 and 2017, respectively,
- the provision for loan losses of \$70.6 million and \$0.4 million in the first six months of 2020 and year ended 2018, respectively, and reversal of loan losses of \$3.2 million and \$3.5 million in the years ended 2019 and 2017, respectively, and
- the income tax expense benefit of \$3.1 million in the first six months of 2020, and the income tax benefit of \$12.7 million, \$11.7 million and \$34.0 million in the years ended 2019, 2018 and 2017, respectively.

These as-adjusted measures are not in accordance with generally accepted accounting principles ("GAAP"). This Appendix 2 reconciles these adjustments to reported results.

The Company uses certain non-GAAP financial measures, within the meaning of SEC Regulation G, which are included in this Presentation to explain our results and which are used in our internal evaluation and management of the Company's businesses. The Company's management believes these non-GAAP financial measures and the information they provide are useful to investors since these measures permit investors to view the Company's performance using the same tools that management uses to evaluate the Company's past performance and prospects for future performance. The Company believes these are especially useful in light of the effects of our spin-off and related restructuring expenses, as well as the sale of vacant Beacon land in the fourth quarter of 2019, the sale of our New York City building in third quarter 2017, the charges to our deferred tax assets in fourth quarter 2017 resulting from the enactment of the 2017 Tax Act in December 2017, and other adjustments mentioned above. No adjustments were made to the 2015 and 2016 financial information.

# Appendix 2

## Non-GAAP Financial Measures Reconciliations (cont'd)

(in thousands)

	2Q20 YTD	2019	2018	2017
Total noninterest income	\$ 41,663	\$ 57,110	\$ 53,875	\$ 71,485
Less: gain on sale of vacant Beacon land	—	(2,795)	—	—
Less: gain on sale of New York building	—	—	—	(10,469)
<b>Adjusted noninterest income</b>	<b>\$ 41,663</b>	<b>\$ 54,315</b>	<b>\$ 53,875</b>	<b>\$ 61,016</b>
Total noninterest expenses	\$ 81,607	\$ 209,317	\$ 214,973	\$ 207,636
Less: Restructuring costs (1):				
Staff reduction costs	414	1,471	4,709	—
Digital transformation expenses	1,258	—	—	—
Legal and strategy advisory costs	—	—	1,176	—
Rebranding costs	—	3,575	400	—
Other costs	—	—	110	—
Total restructuring costs	1,672	5,046	6,395	—
Less Spin-off costs:				
Legal fees	—	—	\$ 3,539	\$ 2,000
Additional contribution to non-qualified deferred compensation plan on behalf of participants to mitigate tax effects of unexpected early distribution due to spin-off (2)	—	—	\$ 1,200	—
Accounting and consulting fees	—	—	\$ 1,384	\$ 2,400
Other expenses	—	—	544	845
Total Spin-off costs	—	—	6,667	5,245
<b>Adjusted noninterest expense</b>	<b>\$ 79,935</b>	<b>\$ 204,271</b>	<b>\$ 201,911</b>	<b>\$ 202,391</b>

# Appendix 2

## Non-GAAP Financial Measures Reconciliations (cont'd)

(in thousands)

	2Q20 YTD	2019	2018	2017
Net (loss) income	\$ (11,897)	\$ 51,334	\$ 45,833	\$ 43,057
Plus after-tax restructuring costs:				
Restructuring costs before income tax effect	1,672	5,046	6,395	—
Income tax effect	(347)	(1,001)	(1,303)	—
Total after-tax restructuring costs	1,325	4,045	5,092	—
Plus after-tax total Spin-off costs:				
Total Spin-off costs before income tax effect	—	—	6,667	5,245
Income tax effect (3)	—	—	331	(2,314)
Total after-tax Spin-off costs	—	—	6,998	2,931
Less after-tax gain on sale of vacant Beacon land:				
Gain on sale of vacant Beacon land before income tax effect	—	(2,795)	—	—
Income tax effect	—	554	—	—
Total after-tax gain on sale of vacant Beacon land	—	(2,241)	—	—
Less after-tax gain on sale of New York building:				
Gain on sale of New York building before income tax effect	—	—	—	(10,469)
Income tax effect (4)	—	—	—	3,320
Total after-tax gain on sale of New York building	—	—	—	(7,149)
Plus impact of lower rate under the 2017 Tax Act:				
Remeasurement of net deferred tax assets, other than balances corresponding to items in AOCI	—	—	—	8,470
Remeasurement of net deferred tax assets corresponding to items in AOCI	—	—	—	1,094
Total impact of lower rate under the 2017 Tax Act	—	—	—	9,564
<b>Adjusted net (loss) income</b>	<b>\$ (10,572)</b>	<b>\$ 53,138</b>	<b>\$ 57,923</b>	<b>\$ 48,403</b>
Net (loss) income	\$ (11,897)	\$ 51,334	\$ 45,833	\$ 43,057
Plus: income tax (benefit) expense	(3,115)	12,697	11,733	33,992
Plus: provision (reversal) for loan losses	70,620	(3,150)	375	(3,490)
Less: securities gains, net	17,357	2,605	(999)	(1,601)
<b>Operating income</b>	<b>\$ 38,251</b>	<b>\$ 63,486</b>	<b>\$ 56,942</b>	<b>\$ 71,958</b>

# Appendix 2

## Non-GAAP Financial Measures Reconciliations (cont'd)

	2Q20 YTD	2019	2018	2017
Basic (loss) earnings per share	\$ (0.28)	\$ 1.21	\$ 1.08	\$ 1.01
Plus: after tax impact of restructuring costs	0.03	0.09	0.12	—
Plus: after tax impact of total spin-off costs	—	—	0.16	0.07
Plus: effect of lower rate under the 2017 Tax Act	—	—	—	0.23
Less: after tax gain on sale of vacant Beacon land	—	(0.05)	—	—
Less: after-tax gain on sale of New York building	—	—	—	(0.17)
<b>Total adjusted basic earnings (loss) per common share</b>	<b>\$ (0.25)</b>	<b>\$ 1.25</b>	<b>\$ 1.36</b>	<b>\$ 1.14</b>
Diluted earnings per share (5)	\$ (0.28)	\$ 1.20	\$ 1.08	\$ 1.01
Plus: after tax impact of restructuring costs	0.03	0.09	0.12	—
Plus: after tax impact of total spin-off costs	—	—	0.16	0.07
Plus: effect of lower rate under the 2017 Tax Act	—	—	—	0.23
Less: after tax gain on sale of vacant Beacon land	—	(0.05)	—	—
Less: after-tax gain on sale of New York building	—	—	—	(0.17)
<b>Total adjusted diluted earnings per common share</b>	<b>\$ (0.25)</b>	<b>\$ 1.24</b>	<b>\$ 1.36</b>	<b>\$ 1.14</b>
Net income / Average total assets (ROA)	(0.30)%	0.65%	0.55%	0.51%
Plus: after tax impact of restructuring costs	0.04%	0.05%	0.06%	—%
Plus: after tax impact of total spin-off costs	—%	—%	0.08%	0.03%
Plus: effect of lower rate under the 2017 Tax Act	—%	—%	—%	0.11%
Less: after tax gain on sale of vacant Beacon land	—%	(0.03)%	—%	0.00%
Less: after-tax gain on sale of New York building	—%	—%	—%	(0.08)%
<b>Adjusted net (loss) income / Average total assets (Adjusted ROA)</b>	<b>(0.26)%</b>	<b>0.67%</b>	<b>0.69%</b>	<b>0.57%</b>
Net income / Average stockholders' equity (ROE)	(2.82)%	6.43%	6.29%	5.62%
Plus: after tax impact of restructuring costs	0.31%	0.51%	0.70%	—%
Plus: after tax impact of total spin-off costs	—%	—%	0.96%	0.38%
Plus: effect of lower rate under the 2017 Tax Act	—%	—%	—%	1.25%
Less: after tax gain on sale of vacant Beacon land	—%	(0.28)%	—%	0.00%
Less: after-tax gain on sale of New York building	—%	—%	—%	(0.93)%
<b>Adjusted net (loss) income / stockholders' equity (Adjusted ROE)</b>	<b>(2.51)%</b>	<b>6.66%</b>	<b>7.95%</b>	<b>6.32%</b>

# Appendix 2

## Non-GAAP Financial Measures Reconciliations (cont'd)

(in thousands, except per share data and percentages)

	2Q20 YTD	2019	2018	2017
Efficiency ratio	59.47%	77.47%	78.77%	73.84%
Less: impact of restructuring costs	(1.21)%	(1.89)%	(2.34)%	—%
Less: impact of total spin-off costs	—%	—%	(2.44)%	(1.86)%
Plus: gain on sale of vacant Beacon land	—%	0.81%	—%	—%
Plus: gain on sale of New York building	—%	—%	—%	2.78%
<b>Adjusted efficiency ratio</b>	<b>58.26%</b>	<b>76.39%</b>	<b>73.99%</b>	<b>74.76%</b>
Total noninterest income	\$ 41,663	\$ 57,110	\$ 53,875	\$ 71,485
Less: securities gains, net	7,737	2,605	(999)	(1,601)
Less: net gain on sale of properties	—	2,795	—	10,469
Adjusted noninterest income for operating revenue	\$ 12,016	\$ 51,710	\$ 54,874	\$ 62,617
Net interest income before provision	46,323	213,088	219,039	209,710
Operating revenue	58,339	264,798	273,913	272,327
<b>Adjusted noninterest income as a % of operating revenue</b>	<b>20.6%</b>	<b>19.5%</b>	<b>20.0%</b>	<b>23.0%</b>
Tangible common equity ratio:				
Stockholders' equity	\$ 830,198	\$ 834,701	\$ 747,418	\$ 753,450
Less: Goodwill and other intangibles	(21,653)	(21,744)	(21,042)	(21,186)
Tangible common stockholders' equity	\$ 808,545	\$ 812,957	\$ 726,376	\$ 732,264
Total assets	8,130,723	7,985,399	8,124,347	8,436,767
Less: Goodwill and other intangibles	(21,653)	(21,744)	(21,042)	(21,186)
Tangible assets	\$ 8,109,070	\$ 7,963,655	\$ 8,103,305	\$ 8,415,581
Common shares outstanding	42,159	43,146	43,183	42,489
<b>Tangible common equity ratio</b>	<b>9.97%</b>	<b>10.21%</b>	<b>8.96%</b>	<b>8.70%</b>
<b>Stockholders' book value per common share</b>	<b>\$ 19.69</b>	<b>\$ 19.35</b>	<b>\$ 17.31</b>	<b>\$ 17.73</b>
<b>Tangible stockholders' book value per common share</b>	<b>\$ 19.18</b>	<b>\$ 18.84</b>	<b>\$ 16.82</b>	<b>\$ 17.23</b>

- (1) Expenses incurred for actions designed to implement the Company's strategy as a new independent company. These actions include, but are not limited to, reductions in workforce, streamlining operational processes, rolling out the Amerant brand, implementation of new technology system applications, enhanced sales tools and training, expanded product offerings and improved customer analytics to identify opportunities.
- (2) The spin-off caused an unexpected early distribution for U.S. federal income tax purposes from our deferred compensation plan. This distribution was taxable to plan participants as ordinary income during 2018. We partially compensated plan participants, in the aggregate amount of \$1.2 million, for the higher tax expense they incurred as a result of the distribution increasing the plan participants' estimated effective federal income tax rates by recording a contribution to the plan on behalf of its participants. The after tax net effect of this \$1.2 million contribution for the period ended September 30, 2018, was approximately \$952,000. As a result of the early taxable distribution to plan participants, we expensed and deducted for federal income tax purposes, previously deferred compensation of approximately \$8.1 million, resulting in an estimated tax credit of \$1.7 million, which exceeded the amount of the tax gross-up paid to plan participants.
- (3) Calculated based upon the estimated annual effective tax rate for the periods, which excludes the tax effect of discrete items, and the amounts that resulted from the permanent difference between spin-off costs that are non-deductible for Federal and state income tax purposes, and total spin-off costs recognized in the consolidated financial statements. The estimated annual effective rate applied for the calculation differs from the reported effective tax rate since it is based on a different mix of statutory rates applicable to these expenses and to the rates applicable to the Company and its subsidiaries.
- (4) Calculated based upon an estimated annual effective rate of 31.71%.
- (5) As of June 30, 2020 and December 31, 2019, potential dilutive instruments consisted unvested shares of restricted stock and restricted stock units mainly related to the Company's IPO in 2018, totaling 491,360 and 530,620, respectively. As of June 30, 2020, potential dilutive instruments were not included in the diluted earnings per share computation because the Company reported a net loss and their inclusion would have an antidilutive effect. As of December 31, 2019, potential dilutive instruments were included in the diluted earnings per share computation because, when the unamortized deferred compensation cost related to these shares was divided by the average market price per share at those dates, fewer shares would have been purchased than restricted shares assumed issued. Therefore, at that date, such awards resulted in higher diluted weighted average shares outstanding than basic weighted average shares outstanding, and had a dilutive effect in per share earnings. We had no outstanding dilutive instruments as of any period prior to December 2018.

**AMERANT**

**Thank you**

