FFIC FLUSHING Financial Corporation

"Small Enough To Know You.

Large Enough To Help You."

KBW Community Bank Investor Conference

August 4, 2021

Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this Presentation relating to plans, strategies, economic performance and trends, projections of results of specific activities or investments and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, risk factors discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in other documents filed by the Company with the Securities and Exchange Commission from time to time. Forward-looking statements may be identified by terms such as “may”, “will”, “should”, “could”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “predicts”, “forecasts”, “goals”, “potential” or “continue” or similar terms or the negative of these terms. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. The Company has no obligation to update these forward-looking statements.

Key Messages

- **Leading Community Bank** in the Greater NYC Area
- Well Diversified **Loan Portfolio**
- **History of Sound Credit Quality** since IPO in 1995
- **Asian Banking** Niche
- **1MM Increase in Share Repurchase Authorization**

Conservative Underwriting with History of Solid Value Creation

Returns Strengthened From Pre-Pandemic Levels

	1H21		1H20		2020		2019	
Reported Results								
EPS	$1.21		$0.58		$1.18		$1.44	
ROAA	0.93	%	0.47	%	0.48	%	0.59	%
ROAE	12.11		5.95		5.98		7.35	
NIM FTE	3.16		2.66		2.85		2.47	
Core[1] Results								
EPS	$1.26		$0.55		$1.70		$1.65	
ROAA	0.97	%	0.44	%	0.68	%	0.68	%
ROAE	12.64		5.57		8.58		8.42	
NIM FTE	3.10		2.73		2.87		2.49	

- GAAP diluted EPS $1.21 in 1H21 compared to $0.58 a year ago; Core diluted EPS of $1.26, up 129% YoY
- GAAP ROAA and ROAE of 0.93% and 12.11%, respectively in 1H21; Core ROAA and ROAE of 0.97% and 12.64%, respectively, and improved significantly YoY
- 1H21 GAAP NIM increased 50 bps YoY; Core NIM up 37 bps YoY
- Period end loans, excluding Empire, increased ~2% from a year ago
- 1H21 Average deposits, including mortgage escrow, rose 26% YoY
- Credit quality remains solid with declining NPAs and only 11 bps of NCOs in 1H21
- Tangible book value per share of $20.51; TCE/TA of 7.80% at June 30, 2021

[1] See Reconciliation of GAAP Earnings and Core Earnings in Appendix.

Flushing Financial Snapshot (NASDAQ: FFIC)

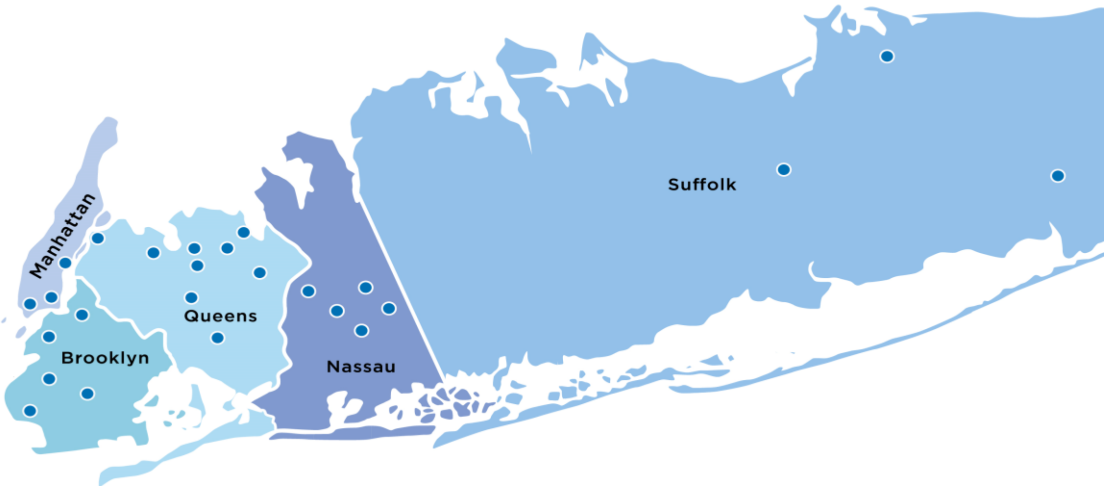
2Q21 Key Statistics

Balance Sheet	
Assets	$8.2B
Loans	$6.7B
Deposits	$6.4B[1]
Equity	$0.7B

Performance	
Core ROAA	1.11%
Core ROAE	14.27%
Efficiency Ratio[2]	53.4%
Tangible Book Value	$20.51
Dividend Yield	3.8%[3]

Footprint

Deposits primarily from 25 branches in multi-cultural neighborhoods and our online division, consisting of iGObanking.com® and BankPurely®



Competitive Advantages

Strong Franchise and Diverse Business Mix

- **Diversified loan portfolio** with focus on commercial business loans, multi-family mortgages, and commercial real estate
- Current/historical **strong credit** and capital positions

Track Record of Long Term Outperformance

- Of the 69 publicly traded banks in Flushing's markets in 1995, only 9 remain, with **FFIC has a total return of 979%** compared to 760% for the peer median[4] and 1060% for the S&P 500 Total Return[4]
- Relative to peers[5], FFIC has outperformed since its IPO date of 11/21/95 or the IPO of its peers by 452 percentage points and the BKX by 449 percentage points

Strategic Opportunities

- Increase customer usage of **mobile and online banking technology platform**
- **Optimizing funding mix** through internet banks and Asian initiatives
- Proactively managing balance sheet to **enhance net interest income**

[1] Includes mortgagors' escrow deposits; [2] See Reconciliation of GAAP Revenue & Pre-Provision Pre-Tax Net Revenue for calculation; [3] Calculated using 7/28/21 closing price of $22.26; [4] Performance calculated from 11/21/1995 to 6/30/21; Banks include: CARV, CNOB, DCOM, FLIC, LBAI, NYCB, UNTY, and VLY; [5] Peers include BCBP, DCOM, FLIC, ISBC, KRNY, LBAI, NFBK, OCFC, PFS, PGC, SBNY, and STL.

Strong Asian Banking Market Focus

Asian Communities – **Total Loans $684MM and Deposits $885M**

Multilingual Branch Staff Serves Diverse Customer Base in NYC Metro Area

Growth Aided by the **Asian Advisory Board**

Sponsorships of Cultural Activities Support New and Existing Opportunities

14%
of Total Deposits

$28B
Market Potential (~3% Market Share[1])

7.0%
FFIC 5 Year Asian Market CAGR vs 5.7%[1] for the Comparable Asian Markets

[1] as of June 30, 2020; Latest FDIC Data

Experienced Executive Leadership Team

John Buran
President
and CEO

FFIC: 20 years
Industry: 44 years

Maria Grasso
SEVP, COO,
Corporate Secretary

15 years
35 years

Susan Cullen
SEVP, CFO,
Treasurer

5 years
30 years

Francis Korzekwinski
SEVP, Chief of
Real Estate

27 years
31 years

Michael Bingold
SEVP, Chief Retail and
Client Development Officer

8 years
38 years

Allen Brewer
SEVP, Chief Information
Officer

12 years
47 years

Tom Buonaiuto
SEVP, Chief of Staff,
Deposit Channel Executive

12 years[1]
29 years

Vincent Giovinco
EVP, Commercial Real
Estate Lending

1 year
23 years

Jeoung Jin
EVP, Residential
and Mixed Use

22 years
24 years

Theresa Kelly
EVP, Business
Banking

15 years
37 years

Patricia Mezeul
EVP, Director of
Government Banking

13 years
41 years

Executive Compensation and Insider Stock Ownership (5.7%[2]) Aligned with Shareholder Interests

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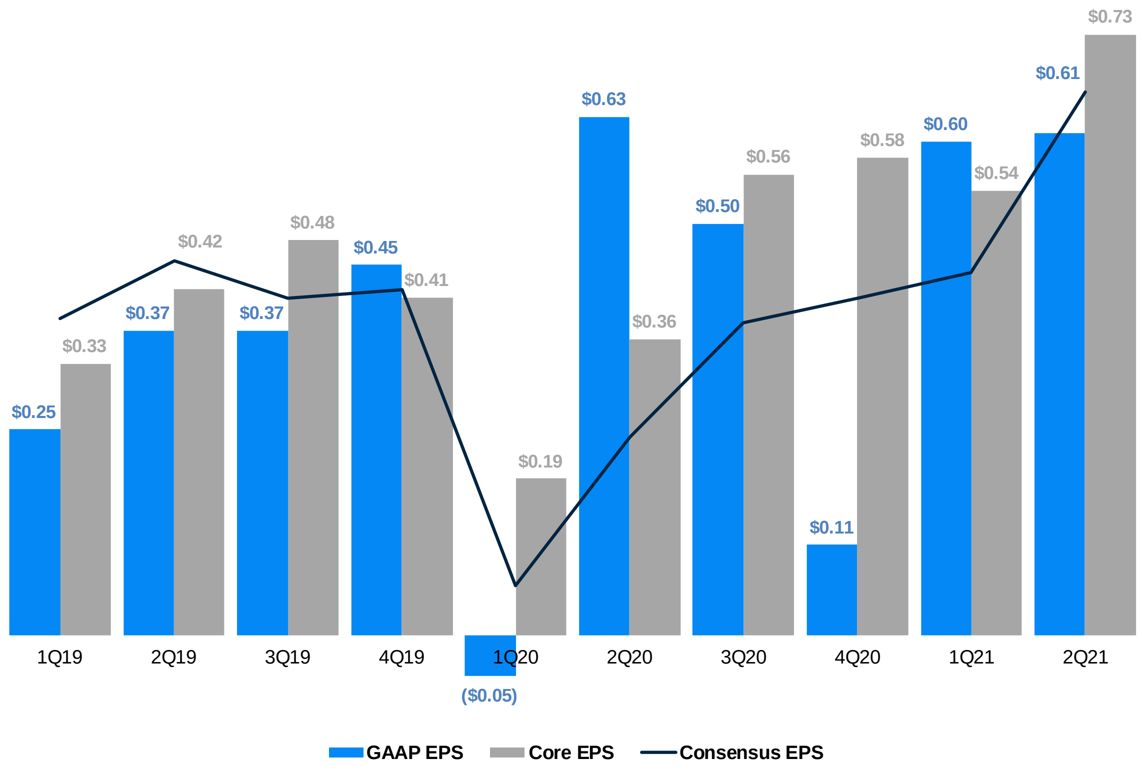
[1] Previously President and COO of Empire Bancorp and Empire National Bank from its inception in February 2008 until the sale to Flushing in October 2020.
[2] Directors and executive officers as of March 4, 2021.

Emerging from the Pandemic a Stronger Company

GAAP and Core EPS vs. Street Consensus

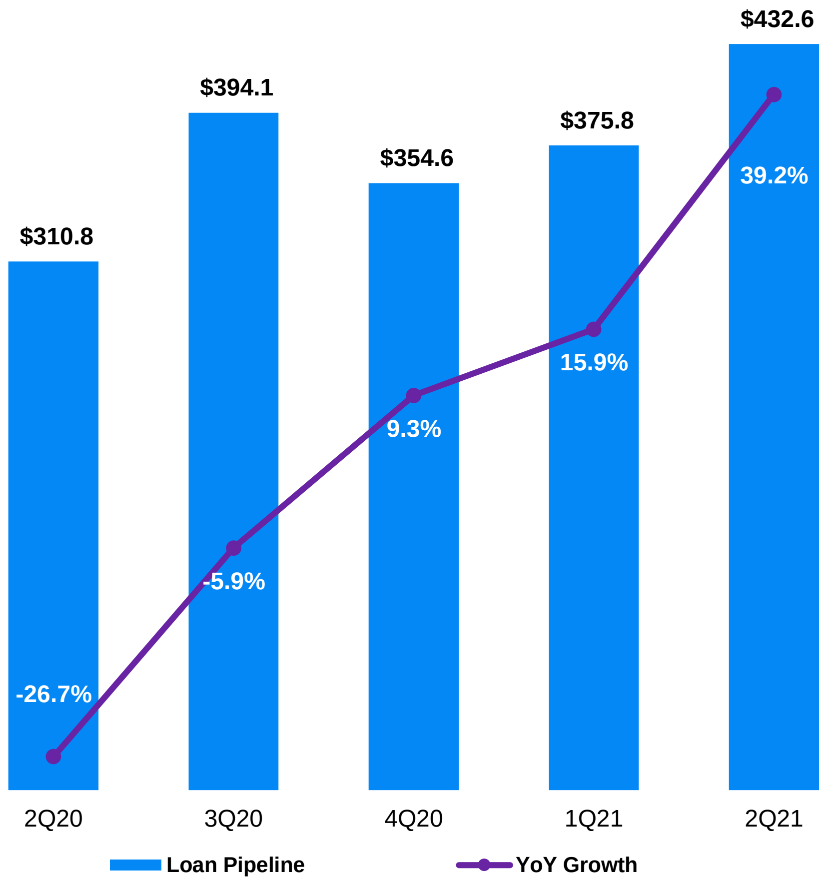


- **Since the end of 2019 (the last pre-pandemic year)**
  - Closed the Empire National Bank acquisition; adding $1B of assets
  - Enhanced earnings power
    - NIM expansion
    - Improved efficiency
  - Asset quality remains pristine with minimal credit losses
  - Tangible book value has increased even with the dilution from the Empire Bank acquisition
  - Significantly enhanced digital banking platforms
- **Board of Directors authorized a 1MM share increase in share repurchase authorization**

Overall Flushing Financial is a More Resilient Company

Positive Outlook Post Pandemic

Loan Pipeline Up 39% YoY
($MM)



- **New York City is re-opening**
  - Asian market activities and events are restarting as restrictions are lifted
- **Possible market disruption**
  - Numerous bank mergers announced within footprint
- **Digital Growth Continues**[1]
  - Customer base continued to use mobile and digital banking products
  - Looking to expand Fintech partnerships after initial assessment
- **Loan pipelines up 39% YoY**
  - Expecting loan growth, excluding PPP, to accelerate

Organic Growth Remains the Focus and Opportunities are Increasing

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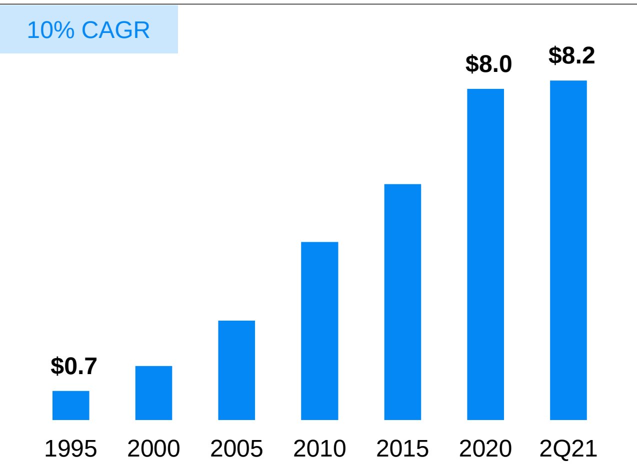
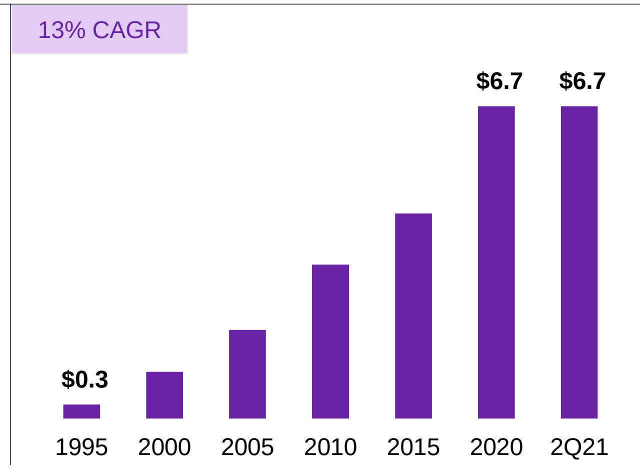
[1] See slide 20 for further details.

25 Year Track Record of Steady Growth

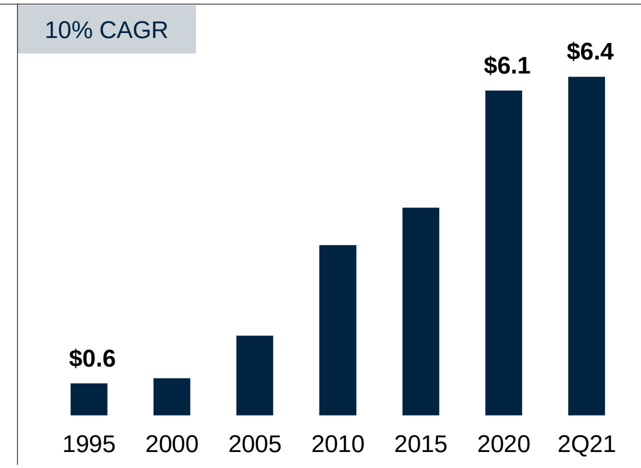
Assets ($B)



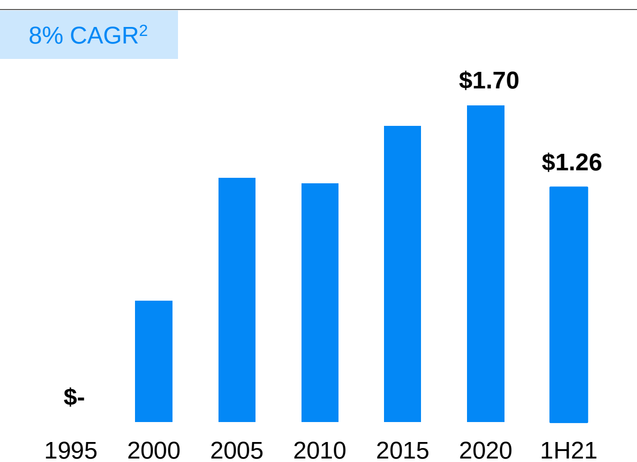
Total Gross Loans ($B)



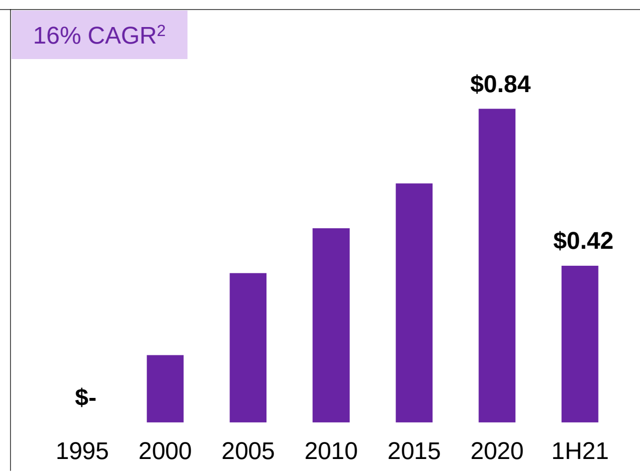
Total Deposits ($B)[1]



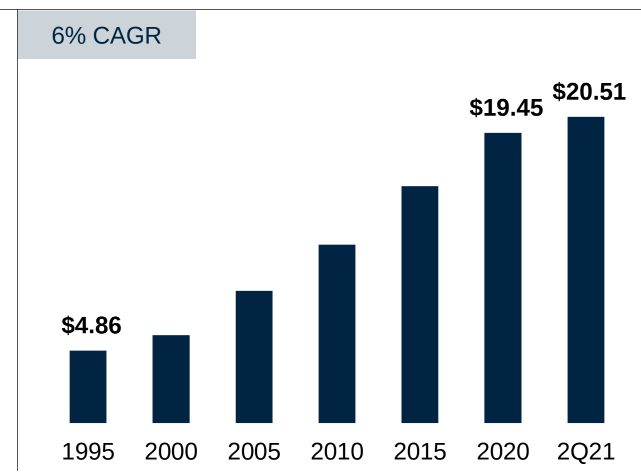
Core EPS ($)



Dividends per Share ($)



Tangible Book Value per Share ($)



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Note: Acquisition of Empire Bancorp in 2020 (loans and deposits acquired of $685MM and $854MM, respectively; assets acquired of $982MM); [1] Includes mortgagors' escrow deposits; [2] Calculated from 1996-2020.

Strategic Objectives

1

ENSURE

appropriate risk-adjusted returns for loans while optimizing cost of funds

2

MAINTAIN

strong historical loan growth

3

ENHANCE

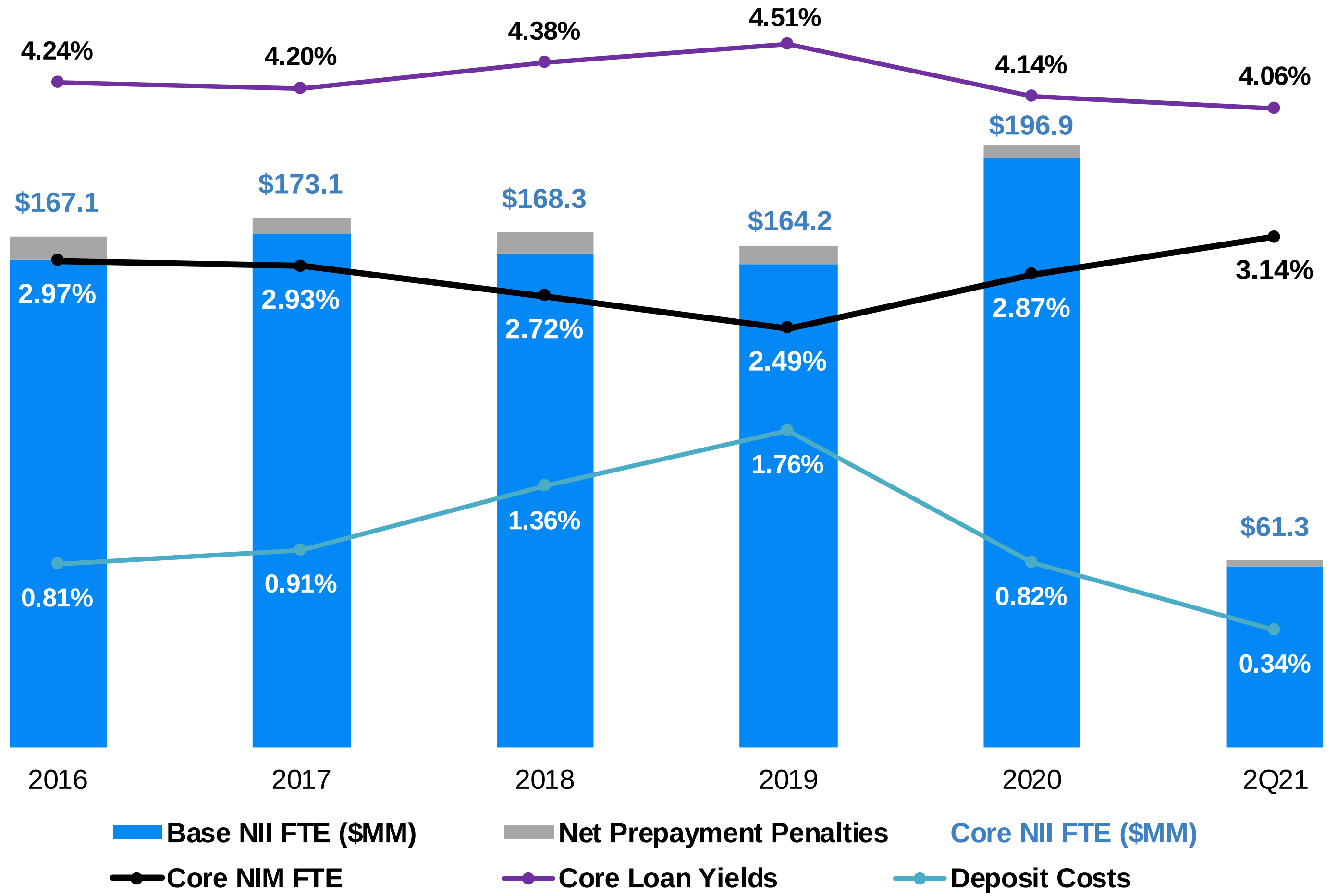
core earnings power by improving scalability and efficiency

4

MANAGE

asset quality with consistently disciplined underwriting

Core NIM Expansion Continues in 2021



Base NIM FTE

2.83%	2.81%	2.60%	2.40%	2.80%	3.04%

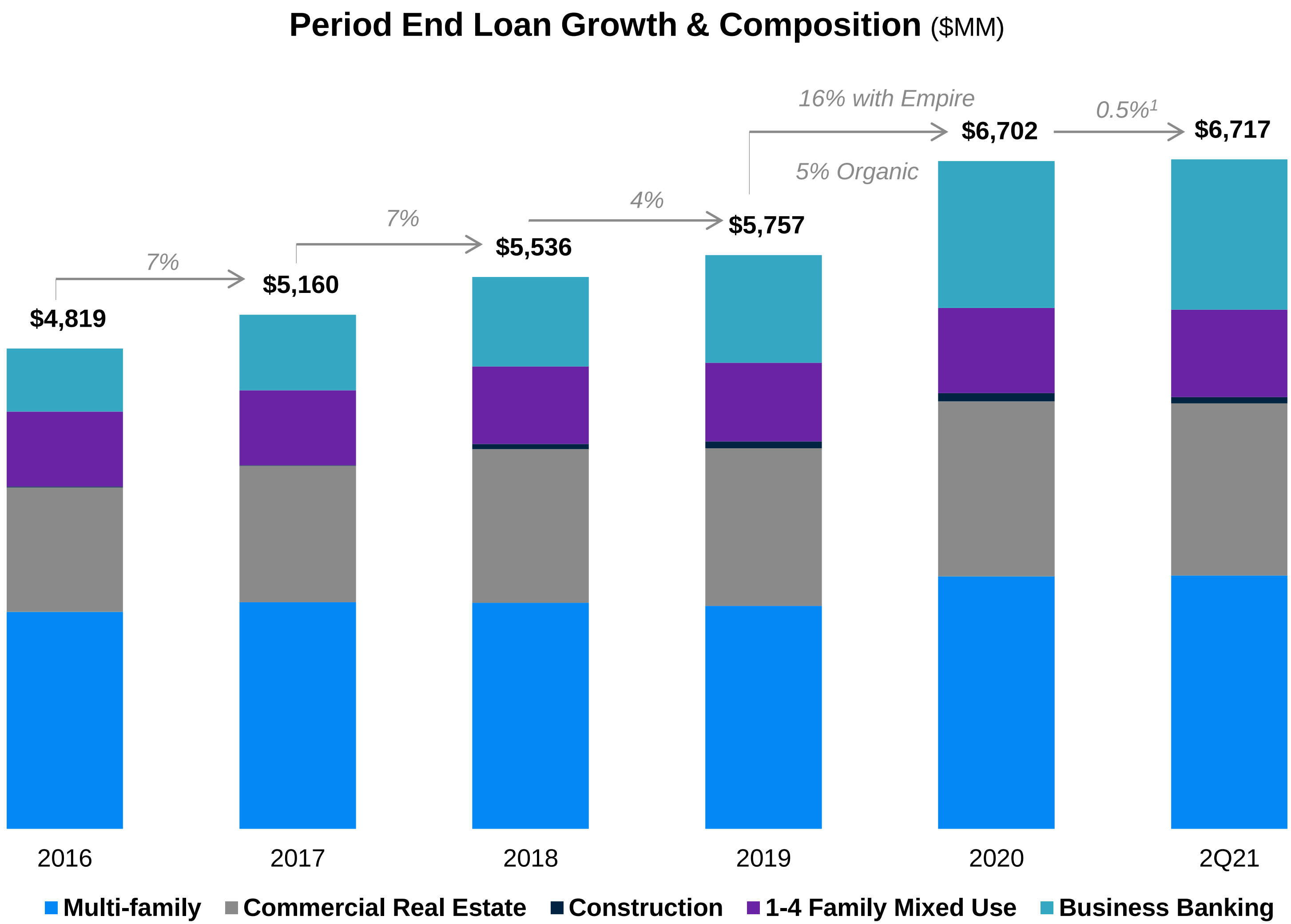
See Appendix for definitions of Core and Base NII FTE and Core NIM, Net Prepayment Penalties (prepayment penalties received on loans, net of reversals and recoveries of interest from non-accrual loans) and Base Loan Yields

Forward Starting Swaps Help Protect NIM from Rising Short-Term Rates

- **NIM stability as assets reprice slower than liabilities**
- **Our balance sheet naturally improves over the next two years without any actions and we can take, or have already taken, the following actions**
  - $592MM of effective swaps at 1.95% that pull down the NIM; the majority mature by the end of 2023
  - $405MM of forward starting swaps at 0.77% that largely replace the current effective swaps
  - On average the forward starting swaps begin in early 4Q22, which is ahead of the Fed's timing on rate increases in 2023
  - Extending the duration of liabilities to better match our assets; we will take further actions opportunistically
  - Continue to grow C&I portfolio and use back-to-back loan swap program to add shorter duration loans

Loan Growth, Excluding PPP, Expected to Accelerate in 2H21; Loan Pipeline Up 39% YoY

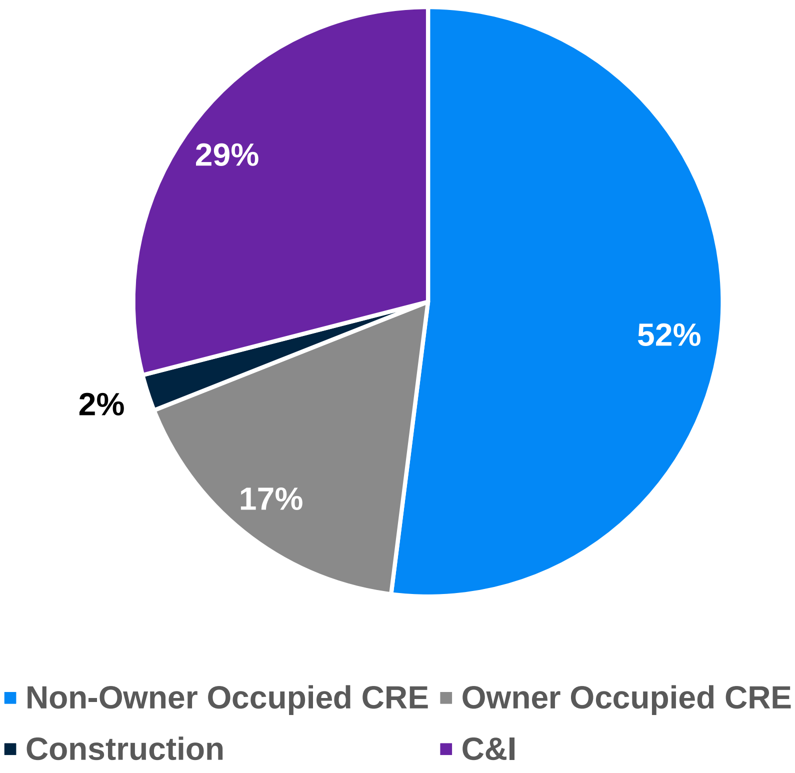
2



Note: Empire Bancorp acquisition added total loans of $685MM in 2020; [1] Annualized.

Commercial Business Loans are 49% of Total Loans

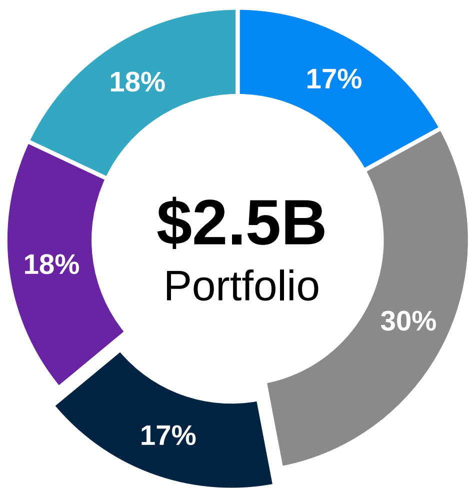
Commercial Business Loans of $3.3B



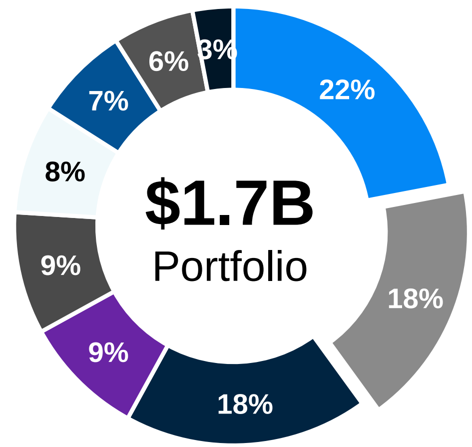
- Businesses in the New York City metro area with sales of up to $250MM
- Offering lines of credit, term loans including owner occupied mortgages; non-owner occupied CRE generally secured by in market properties
- Loans are secured by business assets, generally require personal guarantees
- Origination are generally $100,000 to $10MM
- ARMs with adjustment periods of 5 years for owner occupied mortgages
- Lines of credit are generally floating rates with month adjustment period and have floors

Well Secured Multi-Family and CRE Portfolios with DCR of 1.8x

Multi-Family Geography



Non-Owner Occupied CRE Geography



- Average loan size: $1.1MM
- Average monthly rent of **$1,307 vs** $2,799[1] for the market
- Weighted average LTV[2] is 46%, only $11MM of loans with an LTV above 75% LTV
- Weighted average DCR is ~1.8x[3]
- Borrowers typically do not sell properties, but refinance to buy more properties

- Average loan size: $2.2MM
- Weighted average LTV[2] is 51%, no loans with and LTV above 75%
- Weighted average DCR is ~1.8x[3]
- Borrowers have ~49% equity
- Require primary operating accounts

Underwrite Real Estate Loans with a Cap Rate in Mid-5s and Stress Test Each Loan

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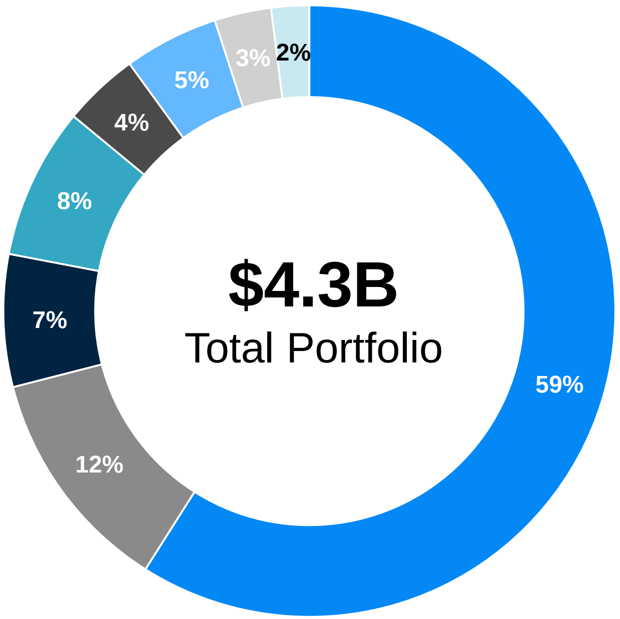
[1] CoStar New York Multi-Family Market Report, Q2 2021. [2] LTVs are based on value at origination. [2] Based on most recent Annual Loan Review.

Loans Secured by Real Estate Have an Average LTV of 38%



- Multifamily - 59%
- General Commercial - 12%
- CRE - Shopping Center -7%
- CRE - Strip Mall - 8%
- CRE - Single Tenant - 4%
- Office - 5%
- Industrial - 3%
- Commercial Special Use - 2%

Multi-Family

- In market lending
- Review net operating income and the collateral plus the financial resources and income level of the borrower (including experience in managing or owning similar properties)
- ARMs adjust each 5-year period with terms up to 30 years and comprise 81% of the portfolio; prepayment penalties are received for every 5-year reset period

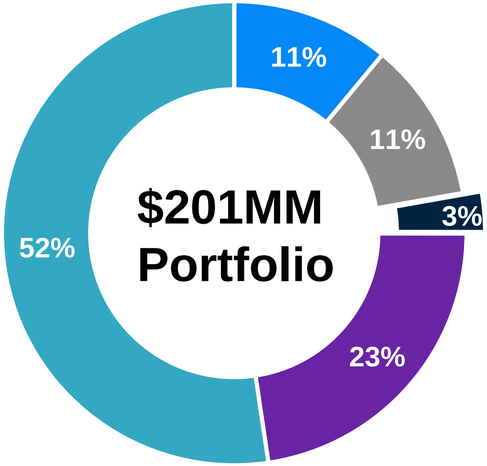
Commercial Real Estate

- Secured by in market office buildings, hotels/motels, small business facilities, strip shopping centers, and warehouses
- Similar underwriting standards as multi-family
- ARMs adjust each 5-year period with terms up to 30 years and comprise 80% of the portfolio

$201MM Office Real Estate Portfolio; WALTV of 55%

Office CRE Geography

- Bronx -11%
- Kings - 11%
- Manhattan - 3%
- Queens - 23%
- Other - 52%



Portfolio Concentration

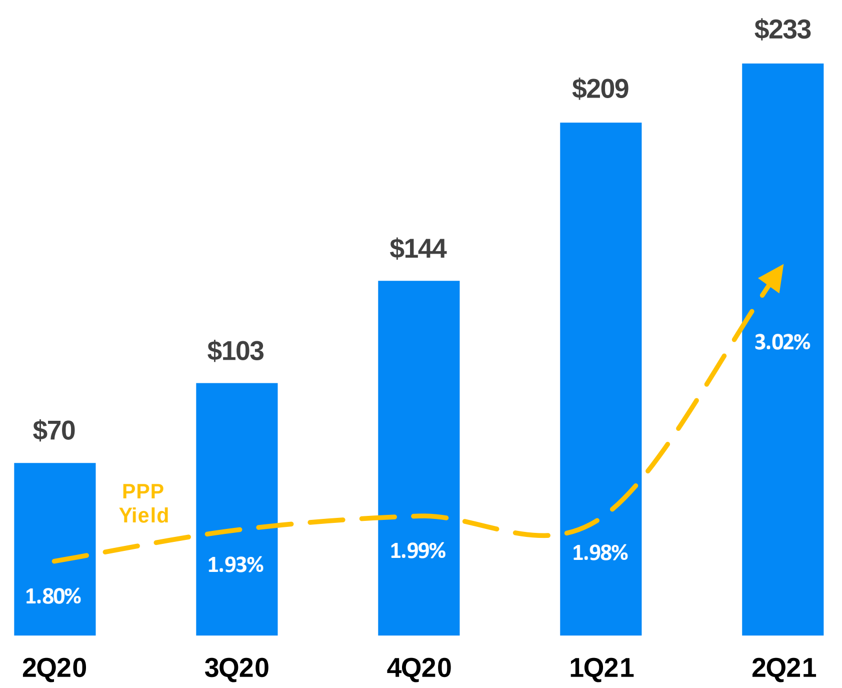
Property Type	$MMs	WALTV
Healthcare/Medical Office	$107	53 %
Multi Tenant	63	56
Single Tenant	32	58
Total Office CRE	$202	55 %

- ~3% of Total Loans
  - WALTV of 55%
  - Average loan size of $2.5MM
- $5.7MM in Manhattan
  - Less than 3% of Office CRE
  - WALTV of 36%
- 53% Healthcare or Medical Office
  - WALTV of 53%

PPP: Forgiveness Increases and Should Continue in 2H21

2

Average PPP Loans
($MM)



Period End PPP Loans ($MM)				
$93.2	$111.6	$151.9	$251.0	$197.3

PPP NIM Drag				
0.01%	0.02%	0.03%	0.04%	0.00%

- Lifetime originations and acquisitions of $310MM with a balance of $197MM at 2Q21
- Remaining unamortized net fees of $4MM
- Average monthly forgiveness was approximately $16MM in 1H21, and $23MM in 2Q21
- $22MM of PPP loans are in the process of forgiveness as of June 30, 2021
- Lifetime forgiveness of $113MM
- Forgiveness expected to continue in 2H21 and possibly into 2022
- SBA can take up to 90 days to approve forgiveness

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Scaling through Digital Banking Growth

38%

Increase in Monthly Mobile Active Users YoY

~3,500

Monthly Mobile Deposit Items Processed

74%

YoY Growth

$6.6M+

Monthly Mobile Deposit Volume Processed

231%

YoY Growth

~20,000

Active Online Banking Users

49%

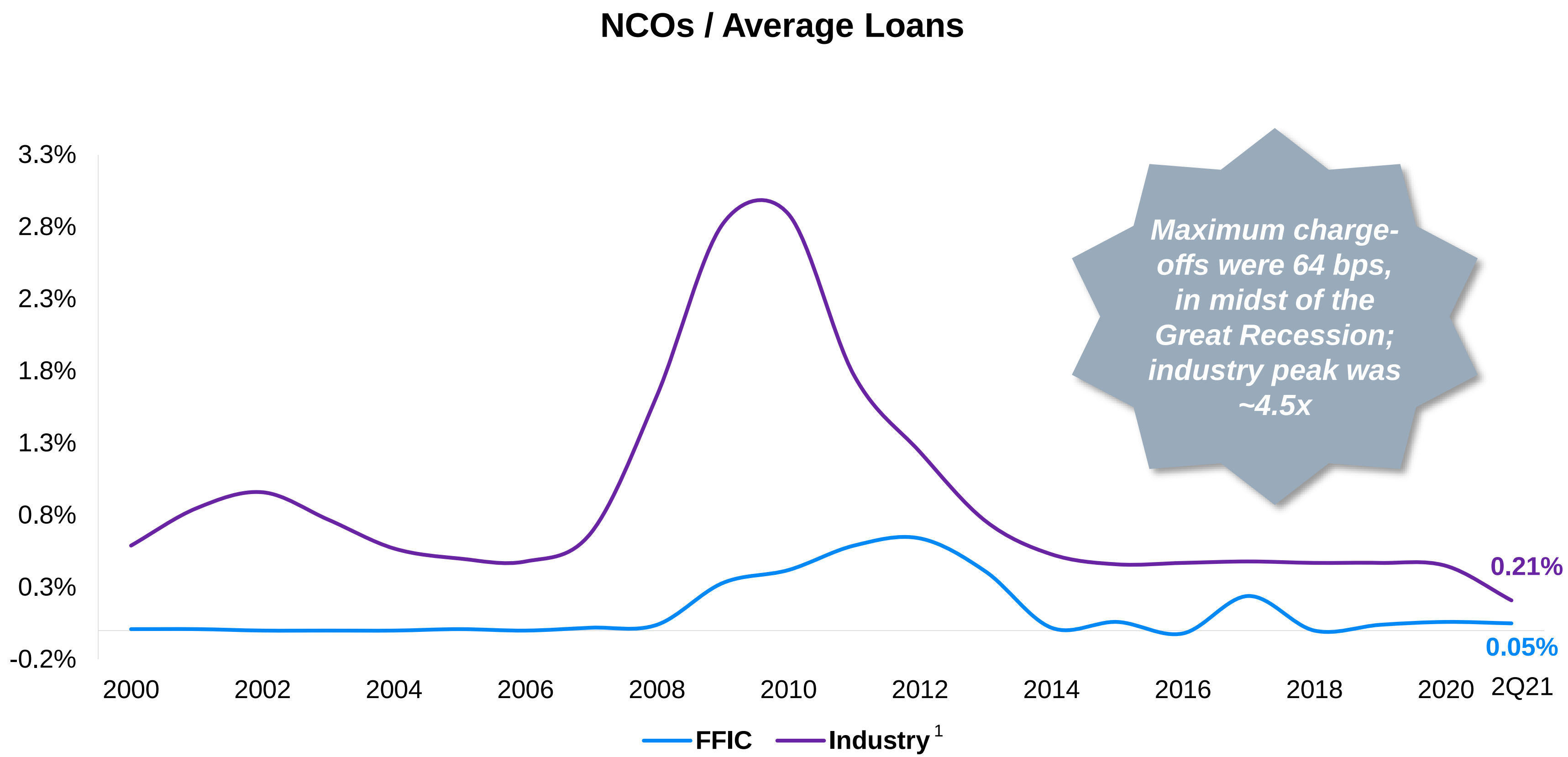
YoY Growth

21%

Digital Banking Enrollment Growth Since 2Q20

In Early Stages of Our Technology Enhancements – More to Come

Low Historical Net Charge-Offs



- Over two decades and multiple credit cycles, Flushing has a history of better-than-industry credit quality
- Average LTV on the real estate portfolio is 38%
  - Only $38MM of real estate loans with an LTV of 75% or more[2]

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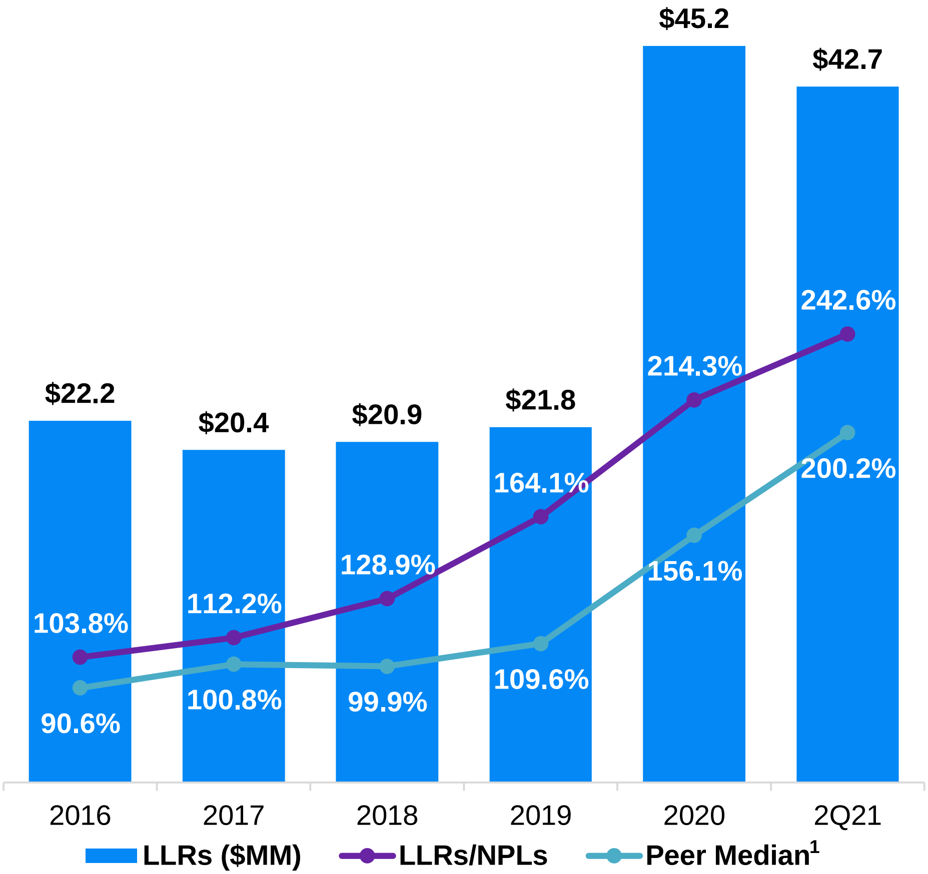
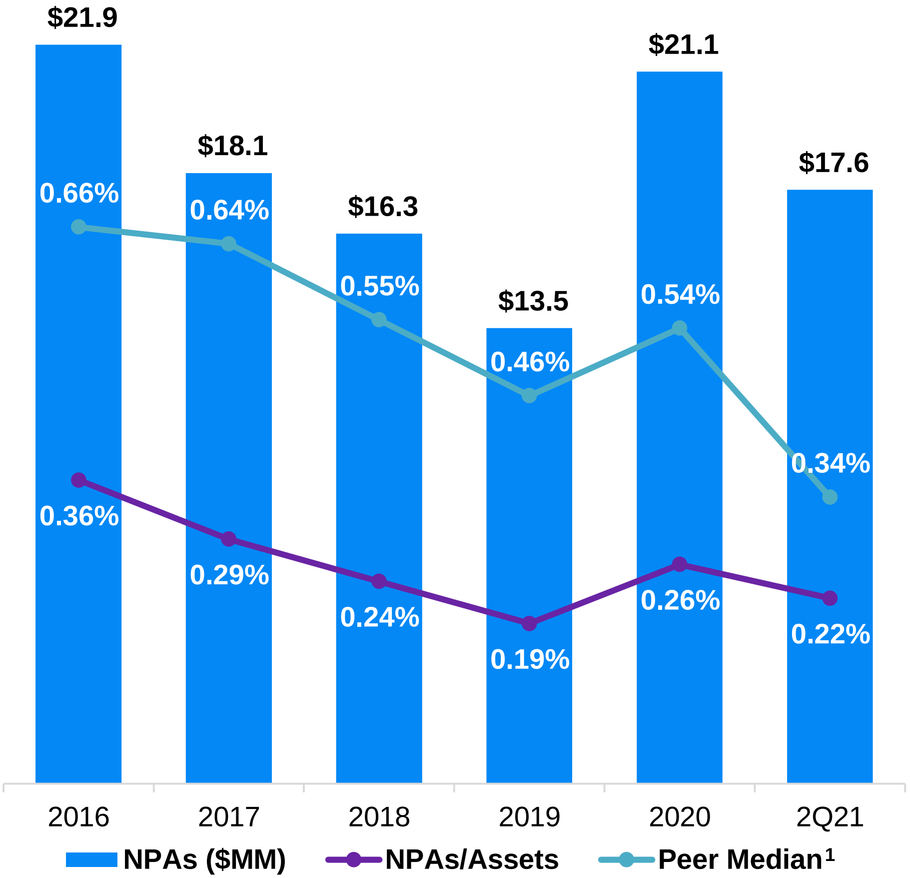
Source: SNL Financial. Financial data as of July 30, 2021. Note: Includes $11.2MM in taxi medallion write-offs in 2017 and $2.8MM in 2021;
[1] "Industry" includes the 310 banks that compose the SNL U.S. Bank and Thrift Index for 2Q21 as of July 30, 2021.
[2] Based on appraised value at origination.

Solid Credit Quality; Outperforming Peers

Rising Coverage Ratio
($MM)



30% LTV on 2Q21 NPAs
($MM)



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[1] Peers include DCOM, FLIC, NYCB, BKU, STL, VLY, ISBC, NFBK, PFS, OCFC, LBAI, and CNOB. Source: S&P Global and Company Data.

Outlook and Key Messages

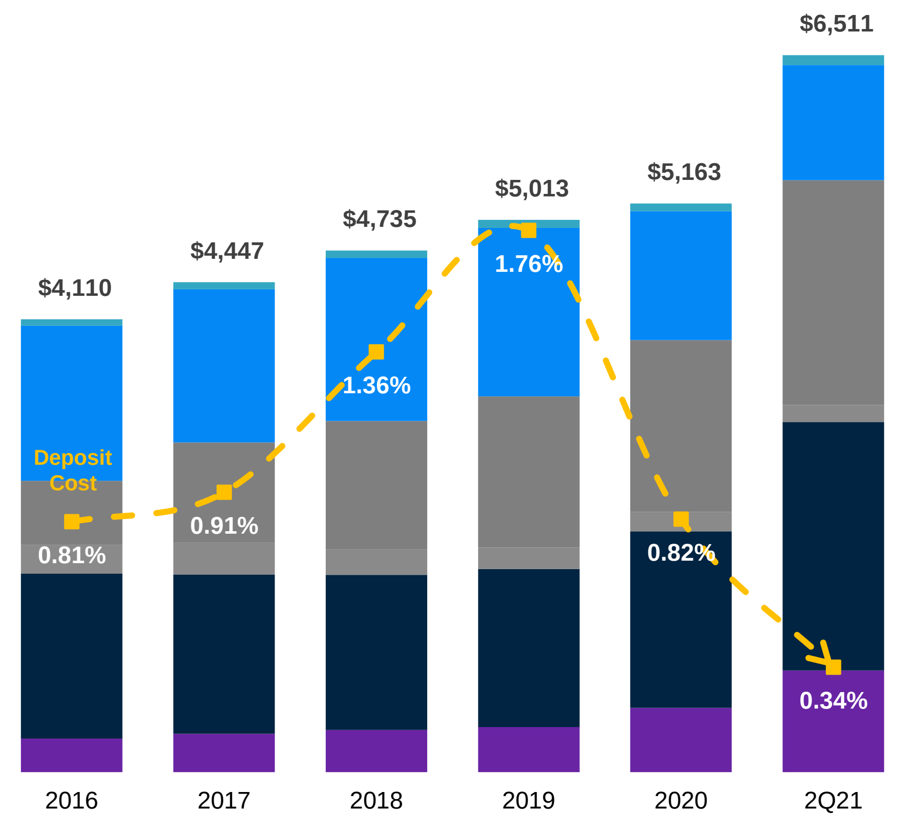
- **Loan growth, excluding PPP, poised to accelerate in 2H21**
  - New York City economy reopening; full reopening expected
  - Loan pipeline up 39% YoY; 15% QoQ
  - Line utilization has rebounded
  - $197MM PPP headwind as forgiveness continues
- **Core Net Interest Income to benefit from loan growth, redeployment of PPP forgiveness proceeds and investment of short-term liquidity**
  - Interest-earning deposits and federal funds averaged $242MM in 2Q21
  - Current loan yields exceed the quarterly average for PPP loans
- **Ability to repurchase stock with additional 1MM share authorization**
- **Tangible capital building as expected; on track to approach 8% target**
- **Low risk business model; 3.8%[1] dividend yield**
  - NCOs of 5 bps
  - Average LTV on real estate loans totals 38%
- **Exceeded through-the-cycle goals (ROAA ≥1% and ROAE ≥10%) in 2Q21 with or without the benefit for credit losses**

[1] Calculated using 7/28/21 closing price of $22.26.

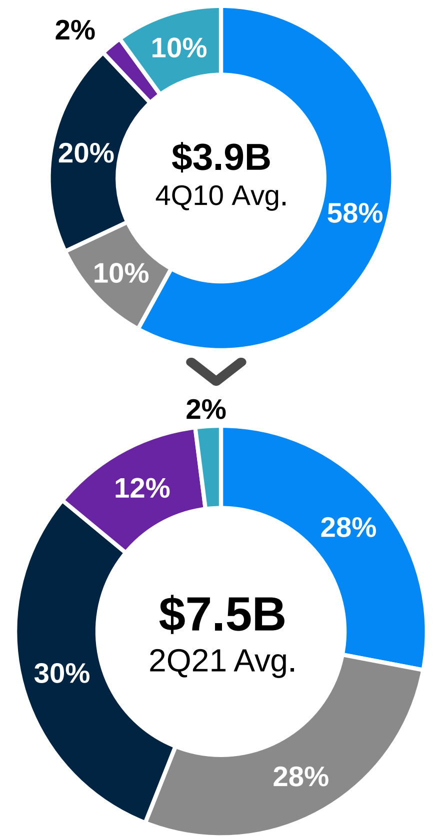
Appendix

Cost of Funds Continues to Decline; Funding Mix Improves

Average Deposits Rise While Costs Fall[1] ($MM)



Improved Funding Mix



Funding Costs: 2.19%
Effective Fed Funds: 0.19%

Funding Costs: 0.57%
Effective Fed Funds: 0.07%

Reduced Reliance on CDs & Borrowings; Increased Non-interest Bearing Deposits

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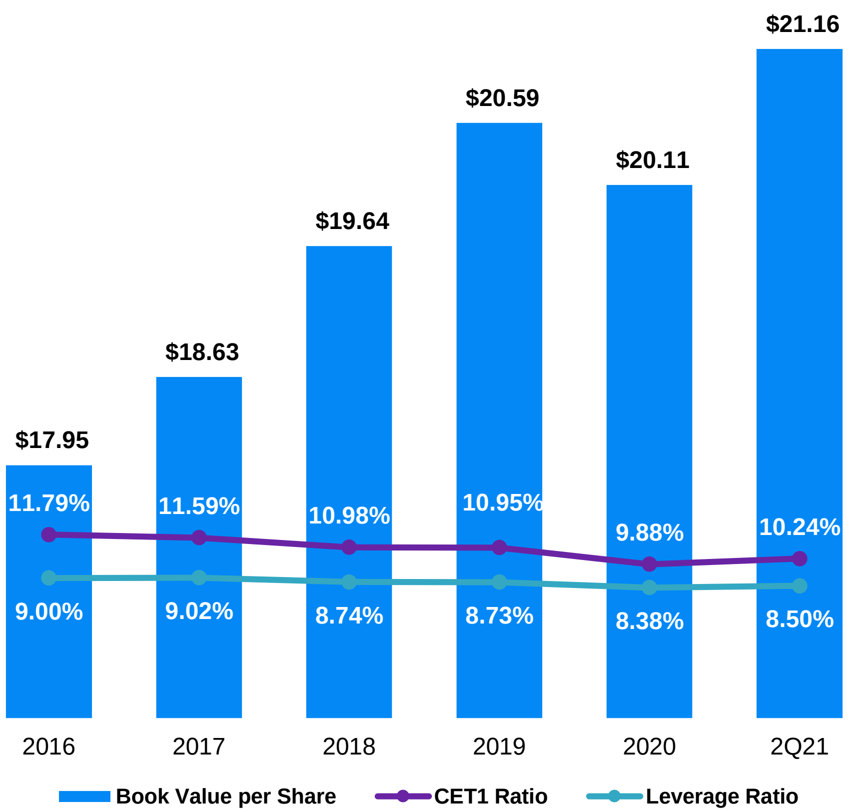
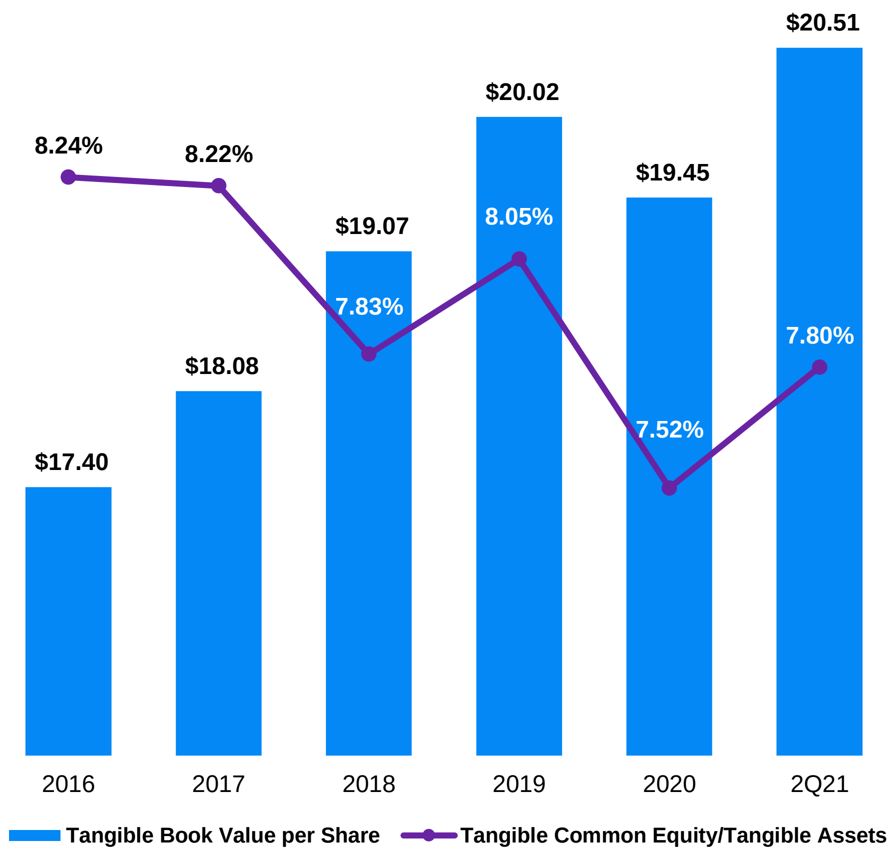
[1] Empire Bancorp acquisition added total deposits of $854MM from deal close on 10/30/20 and $142MM to the average balance for 2020; [2] Includes Mortgagors' escrow. Percentages may not foot due to rounding.

Solid Capital Ratios; Low Risk Business Model

Book Value of $21.16



Empire National Bank Dilution Recovered in 9 Months



1.3MM Remaining Share Repurchase Authorization

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Reconciliation of GAAP Earnings and Core Earnings

Non-cash Fair Value Adjustments to GAAP Earnings

The variance in GAAP and core earnings is partly driven by the impact of non-cash net gains and losses from fair value adjustments. These fair value adjustments relate primarily to swaps designated to protect against rising rates and borrowing carried at fair value under the fair value option. As the swaps get closer to maturity, the volatility in fair value adjustments will dissipate. In a declining interest rate environment, the movement in the curve exaggerates our mark-to-market loss position. In a rising interest rate environment or a steepening of the yield curve, the loss position would experience an improvement.

Core Net Income, Core Diluted EPS, Core ROAE, Core ROAA, Core Net Interest Income FTE, Core Net Interest Margin FTE, Base Net Interest Income FTE, Base Net Interest Margin FTE, Core Interest Income and Yield on Total Loans, Base Interest Income and Yield on Total Loans, Core Non-interest Income, Core Non-interest Expense and Tangible Book Value per common share are each non-GAAP measures used in this presentation. A reconciliation to the most directly comparable GAAP financial measures appears below in tabular form. The Company believes that these measures are useful for both investors and management to understand the effects of certain interest and non-interest items and provide an alternative view of the Company's performance over time and in comparison to the Company's competitors. These measures should not be viewed as a substitute for net income. The Company believes that tangible book value per common share is useful for both investors and management as these are measures commonly used by financial institutions, regulators and investors to measure the capital adequacy of financial institutions. The Company believes these measures facilitate comparison of the quality and composition of the Company's capital over time and in comparison to its competitors. These measures should not be viewed as a substitute for total shareholders' equity.

These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for analysis of results reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

Reconciliation of GAAP Earnings and Core Earnings

(Dollars In thousands, except per share data)	Years Ended December 31, 2020	Years Ended December 31, 2019	Years Ended December 31, 2018	Years Ended December 31, 2017	Years Ended December 31, 2016	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
GAAP income (loss) before income taxes	$ 45,182	$ 53,331	$ 65,485	$ 66,134	$ 106,019	$ 51,640	$ 22,484
Day 1, Provision for Credit Losses - Empire transaction	1,818	—	—	—	—	—	—
Net (gain) loss from fair value adjustments	2,142	5,353	4,122	3,465	3,434	5,566	(4,212)
Net (gain) loss on sale of securities	701	15	1,920	186	(1,524)	(123)	91
Life insurance proceeds	(659)	(462)	(2,998)	(1,405)	(460)	—	(659)
Net gain on disposition of assets	—	(770)	(1,141)	—	(48,018)	(621)	—
Net (gain) loss from fair value adjustments on qualifying hedges	1,185	1,678	—	—	—	(763)	2,438
Accelerated employee benefits upon Officer's death	—	455	149	—	—	—	—
Prepayment penalty on borrowings	7,834	—	—	—	10,356	—	—
Net amortization of purchase accounting adjustments	80	—	—	—	—	(1,207)	—
Merger expense	6,894	1,590	—	—	—	483	1,123
Core income before taxes	65,177	61,190	67,537	68,380	69,807	54,975	21,265
Provision for income taxes for core income	15,428	13,957	11,960	22,613	25,855	15,008	5,468
Core net income	$ 49,749	$ 47,233	$ 55,577	$ 45,767	$ 43,952	$ 39,967	$ 15,797
GAAP diluted earnings (loss) per common share	$ 1.18	$ 1.44	$ 1.92	$ 1.41	$ 2.24	$ 1.21	$ 0.58
Day 1, Provision for Credit Losses - Empire transaction, net of tax	0.05	—	—	—	—	—	—
Net (gain) loss from fair value adjustments, net of tax	0.06	0.14	0.10	0.07	0.07	0.13	(0.11)
Net (gain) loss on sale of securities, net of tax	0.02	—	0.05	—	(0.03)	—	—
Life insurance proceeds	(0.02)	(0.02)	(0.10)	(0.05)	(0.02)	—	(0.02)
Net gain on disposition of assets, net of tax	—	(0.02)	(0.03)	—	(0.95)	(0.01)	—
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	0.03	0.05	—	—	—	(0.02)	0.06
Accelerated employee benefits upon Officer's death, net of tax	—	0.01	—	—	—	—	—
Federal tax reform 2017	—	—	—	0.13	—	—	—
Prepayment penalty on borrowings, net of tax	0.20	—	—	—	0.21	—	—
Net amortization of purchase accounting adjustments, net of tax	—	—	—	—	—	(0.03)	—
Merger expense, net of tax	0.18	0.04	—	—	—	0.01	0.03
NYS tax change	—	—	—	—	—	(0.02)	—
Core diluted earnings per common share[(1)]	$ 1.70	$ 1.65	$ 1.94	$ 1.57	$ 1.52	$ 1.26	$ 0.55
Core net income, as calculated above	$ 49,749	$ 47,233	$ 55,577	$ 45,767	$ 43,952	$ 39,967	$ 15,797
Average assets	7,276,022	6,947,881	6,504,598	6,217,746	5,913,534	8,205,954	7,156,529
Average equity	580,067	561,289	534,735	530,300	496,820	632,238	576,006
Core return on average assets[(2)]	0.68 %	0.68 %	0.85 %	0.74 %	0.74 %	0.97 %	0.44 %
Core return on average equity[(2)]	8.58 %	8.42 %	10.39 %	8.63 %	8.85 %	12.64 %	5.57 %

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[1] Core diluted earnings per common share may not foot due to rounding; [2] Ratios are calculated on an annualized basis.

Reconciliation of GAAP Revenue & Pre-Provision Pre-Tax Net Revenue

	Years Ended					Six Months Ended	
(Dollars In thousands)	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	June 30, 2021	June 30, 2020
GAAP Net interest income	$ 195,199	$ 161,940	$ 167,406	$ 173,107	$ 167,086	$ 121,931	$ 89,543
Net (gain) loss from fair value adjustments on qualifying hedges	1,185	1,678	—	—	—	(763)	2,438
Net amortization of purchase accounting adjustments	(11)	—	—	—	—	(1,487)	—
Core Net interest income	$ 196,373	$ 163,618	$ 167,406	$ 173,107	$ 167,086	$ 119,681	$ 91,981
GAAP Non-interest income	$ 11,043	$ 9,471	$ 10,337	$ 10,362	$ 57,536	$ 3,101	$ 10,873
Net (gain) loss from fair value adjustments	2,142	5,353	4,122	3,465	3,434	5,566	(4,212)
Net (gain) loss on sale of securities	701	15	1,920	186	(1,524)	(123)	91
Life insurance proceeds	(659)	(462)	(2,998)	(1,405)	(460)	—	(659)
Net gain on disposition of assets	—	(770)	(1,141)	—	(48,018)	(621)	—
Core Non-interest income	$ 13,227	$ 13,607	$ 12,240	$ 12,608	$ 10,968	$ 7,923	$ 6,093
GAAP Non-interest expense	$ 137,931	$ 115,269	$ 111,683	$ 107,474	$ 118,603	$ 72,170	$ 61,135
Prepayment penalty on borrowings	(7,834)	—	—	—	(10,356)	—	—
Accelerated employee benefits upon Officer's death	—	(455)	(149)	—	—	—	—
Net amortization of purchase accounting adjustments	(91)	—	—	—	—	(280)	—
Merger expense	(6,894)	(1,590)	—	—	—	(483)	(1,123)
Core Non-interest expense	$ 123,112	$ 113,224	$ 111,534	$ 107,474	$ 108,247	$ 71,407	$ 60,012
Net interest income	$ 195,199	$ 161,940	$ 167,406	$ 173,107	$ 167,086	$ 121,931	$ 89,543
Non-interest income	11,043	9,471	10,337	10,362	57,536	3,101	10,873
Non-interest expense	(137,931)	(115,269)	(111,683)	(107,474)	(118,603)	(72,170)	(61,135)
Pre-provision pre-tax net revenue	$ 68,311	$ 56,142	$ 66,060	$ 75,995	$ 106,019	$ 52,862	$ 39,281
Core:							
Net interest income	$ 196,373	$ 163,618	$ 167,406	$ 173,107	$ 167,086	$ 119,681	$ 91,981
Non-interest income	13,227	13,607	12,240	12,608	10,968	7,923	6,093
Non-interest expense	(123,112)	(113,224)	(111,534)	(107,474)	(108,247)	(71,407)	(60,012)
Pre-provision pre-tax net revenue	$ 86,488	$ 64,001	$ 68,112	$ 78,241	$ 69,807	$ 56,197	$ 38,062
Efficiency Ratio	58.7 %	63.9 %	62.1 %	57.9 %	59.6 %	56.0 %	61.2 %

Efficiency ratio, a non-GAAP measure, was calculated by dividing non-interest expenses (excluding merger expenses, OREO expense, prepayment penalty on borrowings, the net gain/loss from the sale of OREO and net amortization of purchase accounting adjustment) by the total of net interest income (excluding net gains and loses from fair value adjustments on qualifying hedges and net amortization of purchase accounting adjustments) and non-interest income (excluding life insurance proceeds, net gains and losses from the sale or disposition of securities, assets and fair value adjustments).

Reconciliation of GAAP NII & NIM to CORE and Base NII & NIM

	Years Ended					Six Months Ended	
(Dollars In thousands)	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	June 30, 2021	June 30, 2020
GAAP net interest income	$ 195,199	$ 161,940	$ 167,406	$ 173,107	$ 167,086	$ 121,931	$ 89,543
Net (gain) loss from fair value adjustments on qualifying hedges	1,185	1,678	—	—	—	(763)	2,438
Net amortization of purchase accounting adjustments	(11)	—	—	—	—	(1,487)	—
Tax equivalent adjustment	508	542	895	—	—	224	277
Core net interest income FTE	$ 196,881	$ 164,160	$ 168,301	$ 173,107	$ 167,086	$ 119,905	$ 92,258
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from non-accrual loans	(4,576)	(6,501)	(7,058)	(7,050)	(7,723)	(2,993)	(1,965)
Base net interest income FTE	$ 192,305	$ 157,659	$ 161,243	$ 166,057	$ 159,363	$ 116,912	$ 90,293
Total average interest-earning assets [1]	$ 6,863,219	$ 6,582,473	$ 6,194,247	$ 5,916,073	$ 5,626,748	$ 7,738,344	$ 6,764,846
Core net interest margin FTE	2.87 %	2.49 %	2.72 %	2.93 %	2.97 %	3.10 %	2.73 %
Base net interest margin FTE	2.80 %	2.40 %	2.60 %	2.81 %	2.83 %	3.02 %	2.67 %
GAAP interest income on total loans, net	$ 248,153	$ 251,744	$ 232,719	$ 209,283	$ 195,125	$ 137,020	$ 121,666
Net (gain) loss from fair value adjustments on qualifying hedges	1,185	1,678	—	—	—	(763)	2,438
Net amortization of purchase accounting adjustments	(356)	—	—	—	—	(1,352)	—
Core interest income on total loans, net	$ 248,982	$ 253,422	$ 232,719	$ 209,283	$ 195,125	$ 134,905	$ 124,104
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from non-accrual loans	(4,501)	(6,501)	(6,956)	(6,221)	(7,687)	(2,993)	(1,965)
Base interest income on total loans, net	$ 244,481	$ 246,921	$ 225,763	$ 203,062	$ 187,438	$ 131,912	$ 122,139
Average total loans, net [1]	$ 6,007,857	$ 5,621,033	$ 5,316,968	$ 4,988,613	$ 4,600,682	$ 6,704,237	$ 5,870,640
Core yield on total loans	4.14 %	4.51 %	4.38 %	4.20 %	4.24 %	4.02 %	4.23 %
Base yield on total loans	4.07 %	4.39 %	4.25 %	4.07 %	4.07 %	3.94 %	4.16 %

[1] Excludes purchase accounting average balances for the six months ended June 30, 2021, and the year ended December 31, 2020.

Calculation of Tangible Stockholders' Common Equity to Tangible Assets

(Dollars in thousands)	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Total Equity	$ 655,167	$ 618,997	$ 579,672	$ 549,464	$ 532,608	$ 513,853
Less:						
Goodwill	(17,636)	(17,636)	(16,127)	(16,127)	(16,127)	(16,127)
Core deposit Intangibles	(2,859)	(3,172)	—	—	—	—
Intangible deferred tax liabilities	287	287	292	290	291	389
Tangible Stockholders' Common Equity	$ 634,959	$ 598,476	$ 563,837	$ 533,627	$ 516,772	$ 498,115
Total Assets	$ 8,159,345	$ 7,976,394	$ 7,017,776	$ 6,834,176	$ 6,299,274	$ 6,058,487
Less:						
Goodwill	(17,636)	(17,636)	(16,127)	(16,127)	(16,127)	(16,127)
Core deposit Intangibles	(2,859)	(3,172)	—	—	—	—
Intangible deferred tax liabilities	287	287	292	290	291	287
Tangible Assets	$ 8,139,137	$ 7,955,873	$ 7,001,941	$ 6,818,339	$ 6,283,438	$ 6,042,647
Tangible Stockholders' Common Equity to Tangible Assets	7.80 %	7.52 %	8.05 %	7.83 %	8.22 %	8.24 %

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