FFIC FLUSHING Financial Corporation

3Q17 Earnings Conference Call

November 1, 2017

Safe Harbor Statement

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: **The 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 year ended December 31, 2016, and in other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company has no obligation to update these forward-looking statements.**

3Q17 Operating Results and Highlights

	3Q17	2Q17	3Q16
Earnings ($MM, except EPS data)			
Net Interest Income	$43.0	$43.6	$41.7
Net Income	$10.2	$12.7	$10.6
Core Net Income[1]	$10.9	$13.5	$11.3
EPS	$0.35	$0.44	$0.37
Core EPS[1]	$0.37	$0.46	$0.39
Profitability Ratios			
ROAA	0.65%	0.82%	0.71%
ROAE	7.59%	9.61%	8.36%
Net Interest Margin	2.90%	2.95%	2.94%
Efficiency Ratio[2]	56.51%	55.80%	57.37%
Capitalization Ratios			
Tangible Common Equity	8.39%	8.27%	8.30%
Dividend Payout	51.43%	40.91%	45.95%

3Q17 Operating Highlights

- Core ROAE = 8.13%
- Core ROAA = 0.70%
- Expenses remain well managed
- Successful execution against strategic objectives

Balance Sheet Highlights

- Total deposits up 10.0% YoY
- Total loans up 6.9% YoY
- Asset quality remains pristine
  - Nonaccrual loans of $12.2MM decreased 42.2% YTD
  - Nonperforming assets of $13.9MM decreased 36.7% YTD
  - Delinquent loans totaled $31.5MM compared to $36.8MM at 12/31/2016

[1] Excludes effects of net gains/losses from fair value adjustments, gains/losses on sale of securities and gain from life insurance proceeds. Core earnings presented in 3Q17 press release.

[2] Calculated by dividing non-interest expense (excl. OREO expense and the net gain/loss from the sale of OREO) by the total of net interest income and non-interest income (excl. net gains/losses from fair value adjustments, net gains/losses from the sale of securities, life insurance proceeds).

Key Messages

Exceeding Customer Expectations	▪ Committed to being the preeminent community financial services company in our multicultural market area ▪ Competitive strength as a commercial real estate lender ▪ Broad array of products and services delivered through customers' preferred channels ▪ Market to our ethnic communities, particularly in the Asian community in Queens ▪ Staff branches and lending units with seasoned, multi-lingual professionals
Enhancing Earnings Power	▪ Manage cost of funds ▪ Increase rate received on loans to drive net interest income ▪ Improve scalability and efficiency of operating expense base ▪ Manage yield through loan portfolio mix
Strengthening Our Commercial Bank Balance Sheet	▪ Focus on the origination of multi-family mortgage, commercial business and commercial real estate loans while remaining nimble and responsive to industry shifts ▪ Shift funding sources to core deposits from CDs and borrowings ▪ Continue to add key talent with commercial expertise
Maintaining Our Strong Risk Management Philosophy	▪ Remain well capitalized at all times ▪ Maintain sufficient sources of liquid assets and contingency funding ▪ Strong cyber and physical security measures to safeguard Company and customer assets and information ▪ Adequate loan loss reserve ▪ Conservative underwriting standards

Strategic Objectives

Increase Core Deposits and Continue to Improve Funding Mix to Manage Cost of Funds

Increase Net Interest Income by Leveraging Loan Pricing Opportunities and Portfolio Mix

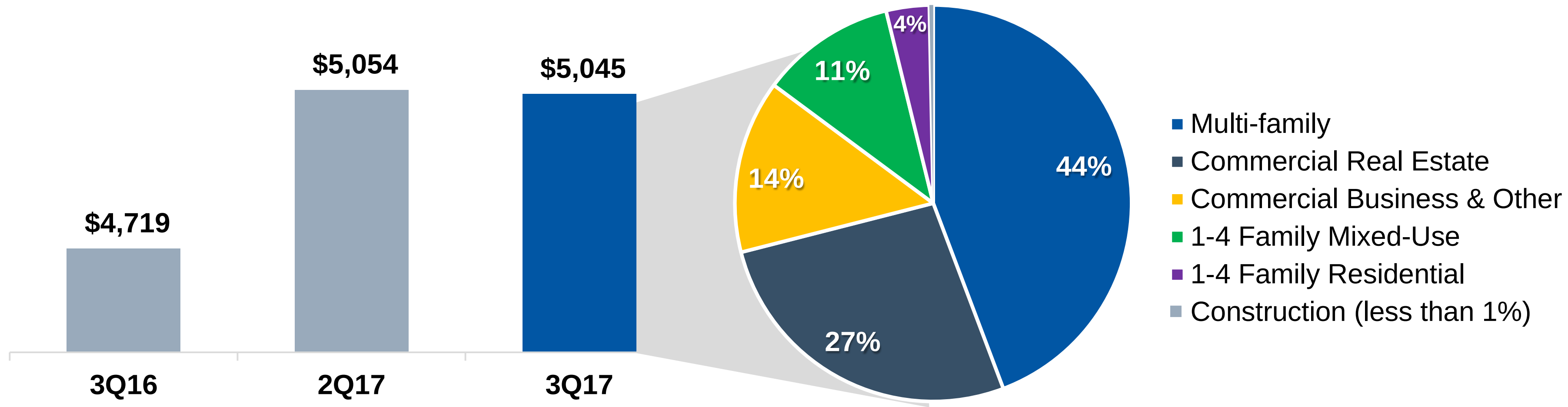
Enhance Core Earnings Power by Improving Scalability and Efficiency

Manage Credit Risk

Remain Well Capitalized

Loans

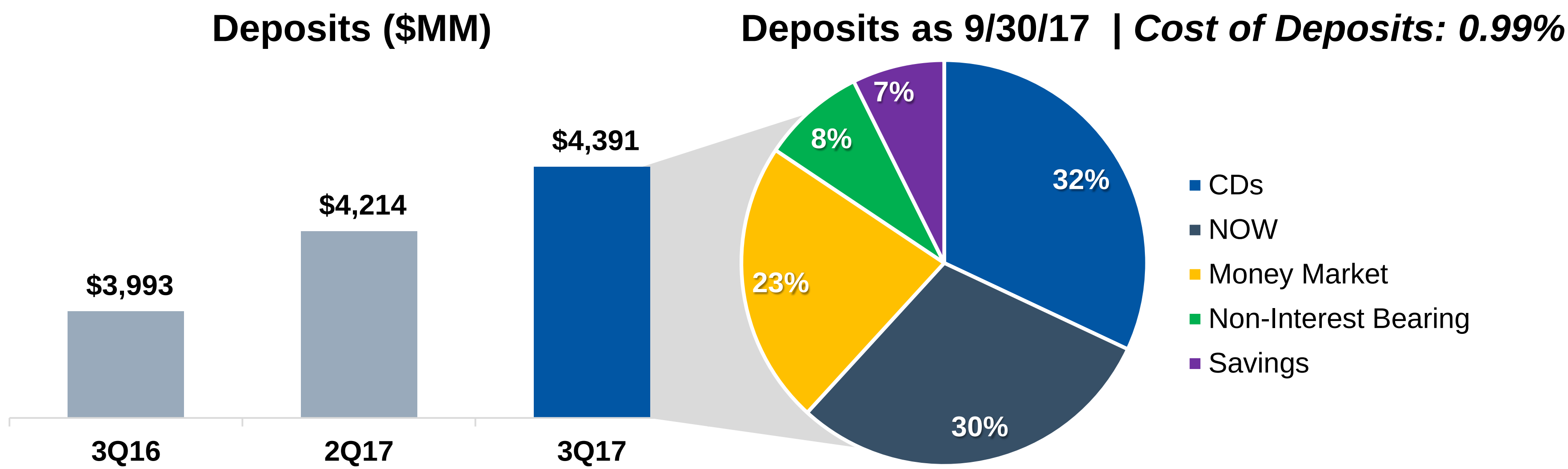
Total Loans ($MM) | **Net Loans as of 9/30/17**



3Q17 Highlights

- Total loans were $5,045MM reflecting a slight decrease of 0.2% QoQ (not annualized) and an increase of 6.9% YoY
  - Total loans were impacted by loan sales totaling $33.4MM
- Loan production totaled $182.9MM, at an average rate of 4.25%
- Loan originations and purchases of multi-family, commercial real estate and commercial business loans totaled $159.3MM for the quarter, or 87.1% of loan production
- Loan pipeline totaled $417.0MM at September 30, 2017, compared to $279.1MM at June 30, 2017 and $289.3MM at September 30, 2016
- Loan-to-value ratio on real estate dependent loans as of September 30, 2017 totaled 39.4%

Deposits

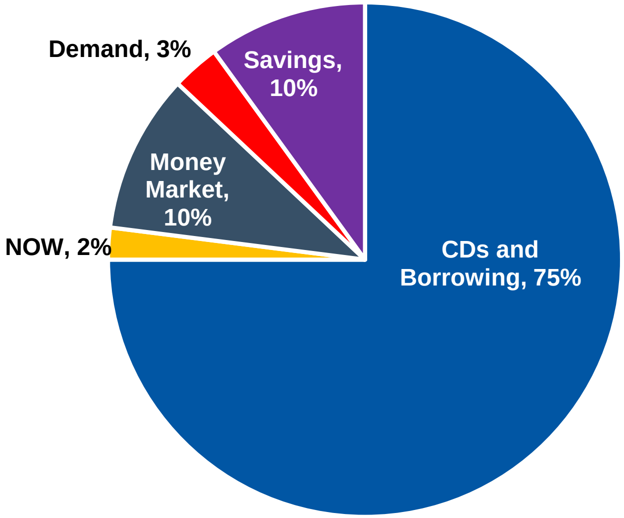


3Q17 Highlights

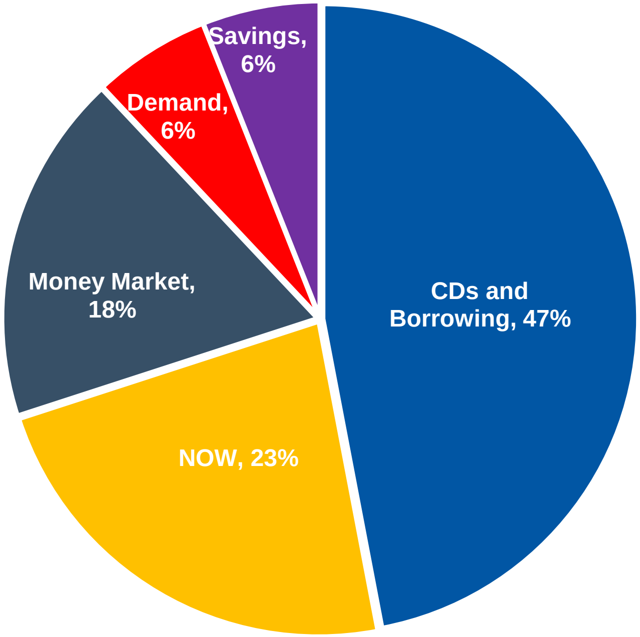
- Deposits increased 10.0% YoY and 4.2% QoQ, primarily driven by growth in core deposits
- YoY Growth driven primarily by money market and non-interest bearing accounts
- Core deposits increased 15% YoY and 4% QoQ

Continuing to Shift to Lower-cost Funding Sources

As of 12/31/06
$2.6B

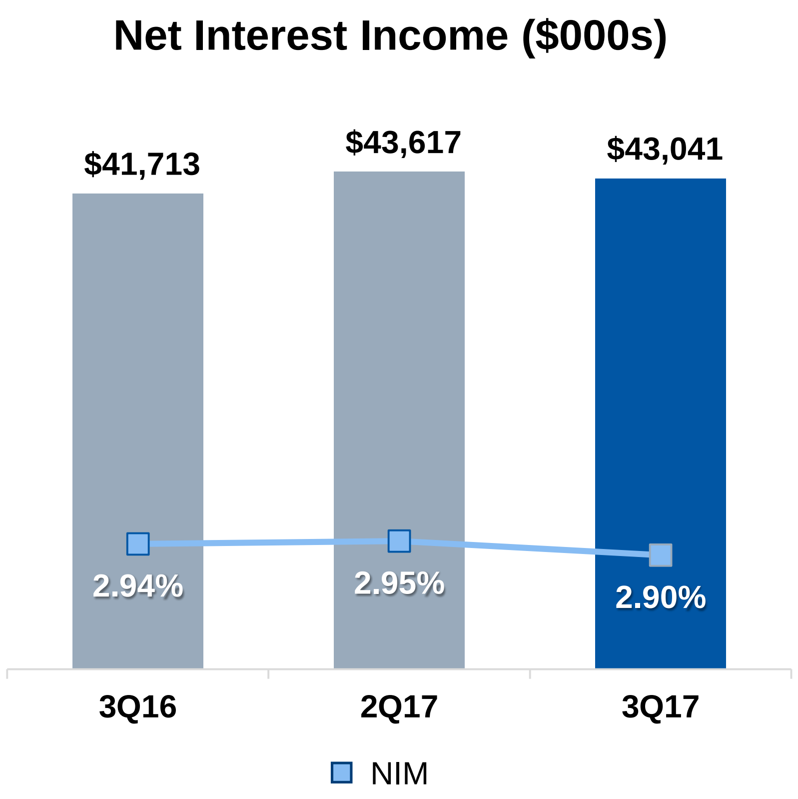


As of 9/30/17
$5.6B



Progress Made…More to Come

Strong Net Interest Income

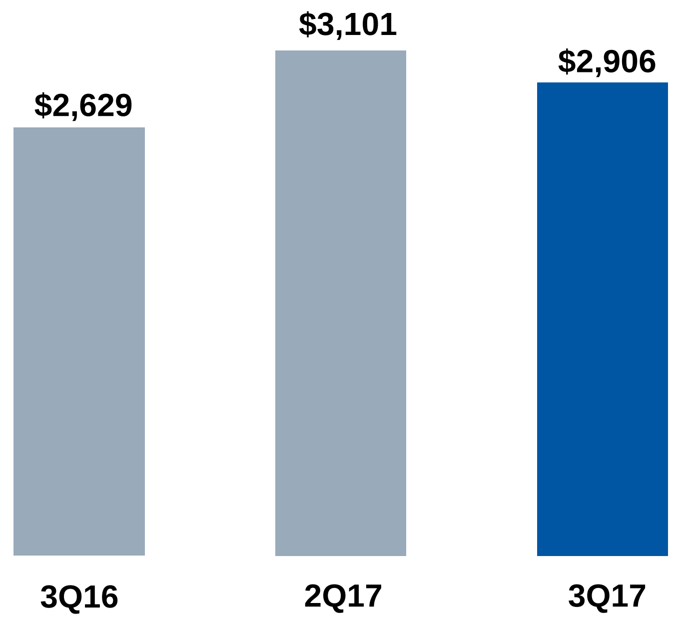


3Q17 Highlights

- Net interest income increased to $43.0MM, up 3.2% YoY but down 1.3% QoQ
- NIM of 2.90%, decreased 4bps YoY and 5bps QoQ
- Excluding prepayment penalty income from loans and securities and recovered interest from nonaccrual loans, NIM would have been 2.77% in 3Q17, compared with 2.83% in 2Q17 and 2.81% in 3Q16
- Cost of funds of 1.15% increased 13bps YoY and 10bps QoQ

Core Non-Interest Income

Core Non-Interest Income ($000s)[1]



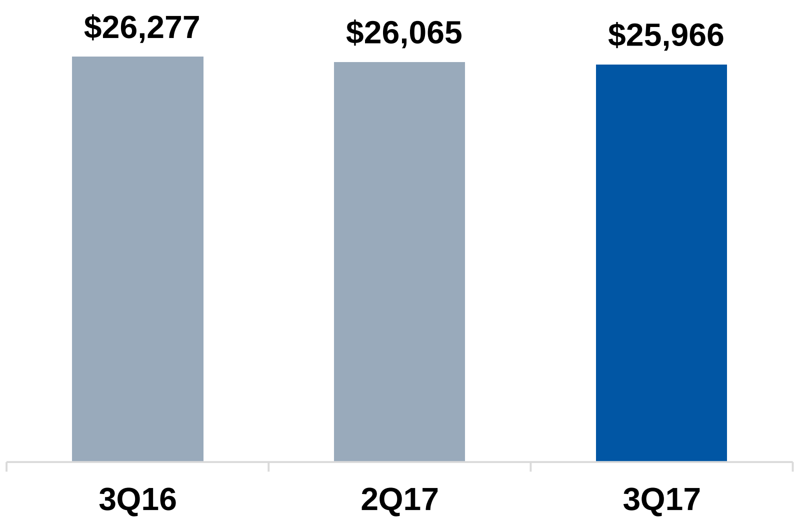
3Q17 Highlights

- Non-interest income was $1.7MM but core was $2.9MM excluding net gains/losses from fair value adjustments, gains/losses on sale of securities, and gain from life insurance proceeds
- Net losses from fair value adjustments in 3Q17 were $1.3MM, compared to $1.2MM for 2Q17 and $0.8MM for 3Q16
- 3Q17 included a loss on the sale of securities of $0.2MM and a gain from life insurance proceeds of $0.2MM

[1] Excludes effects of net gains/losses for fair value adjustments, gains/losses on sale of securities and gain from life insurance proceeds.

Controlling Non-Interest Expense

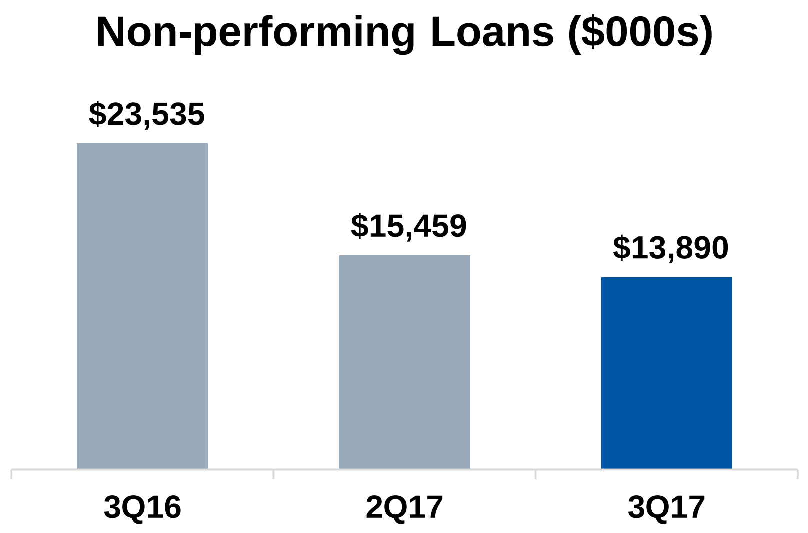
Non-Interest Expense ($000s)

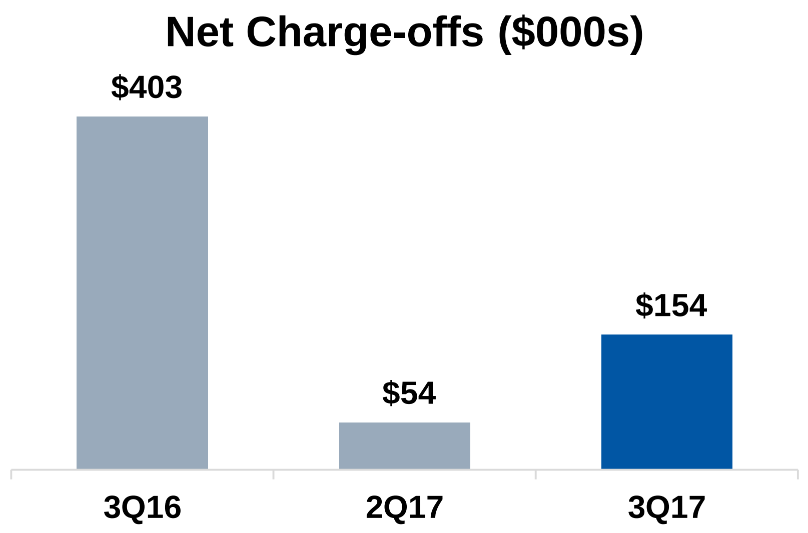


3Q17 Highlights

- Non-interest expense was $26.0MM, a decrease of 1.2% YoY and 0.4% QoQ
- Excluding $0.8MM from a write-down on an OREO property in 3Q16, non-interest expense was up $0.5MM, or 2.0% YoY, driven by increased salaries and benefits partially offset by reductions in FDIC insurance expense and foreclosure expense
- The efficiency ratio was 56.5% in 3Q17 compared to 57.4% in 3Q16 and 55.8% in 2Q17

Pristine Credit Quality

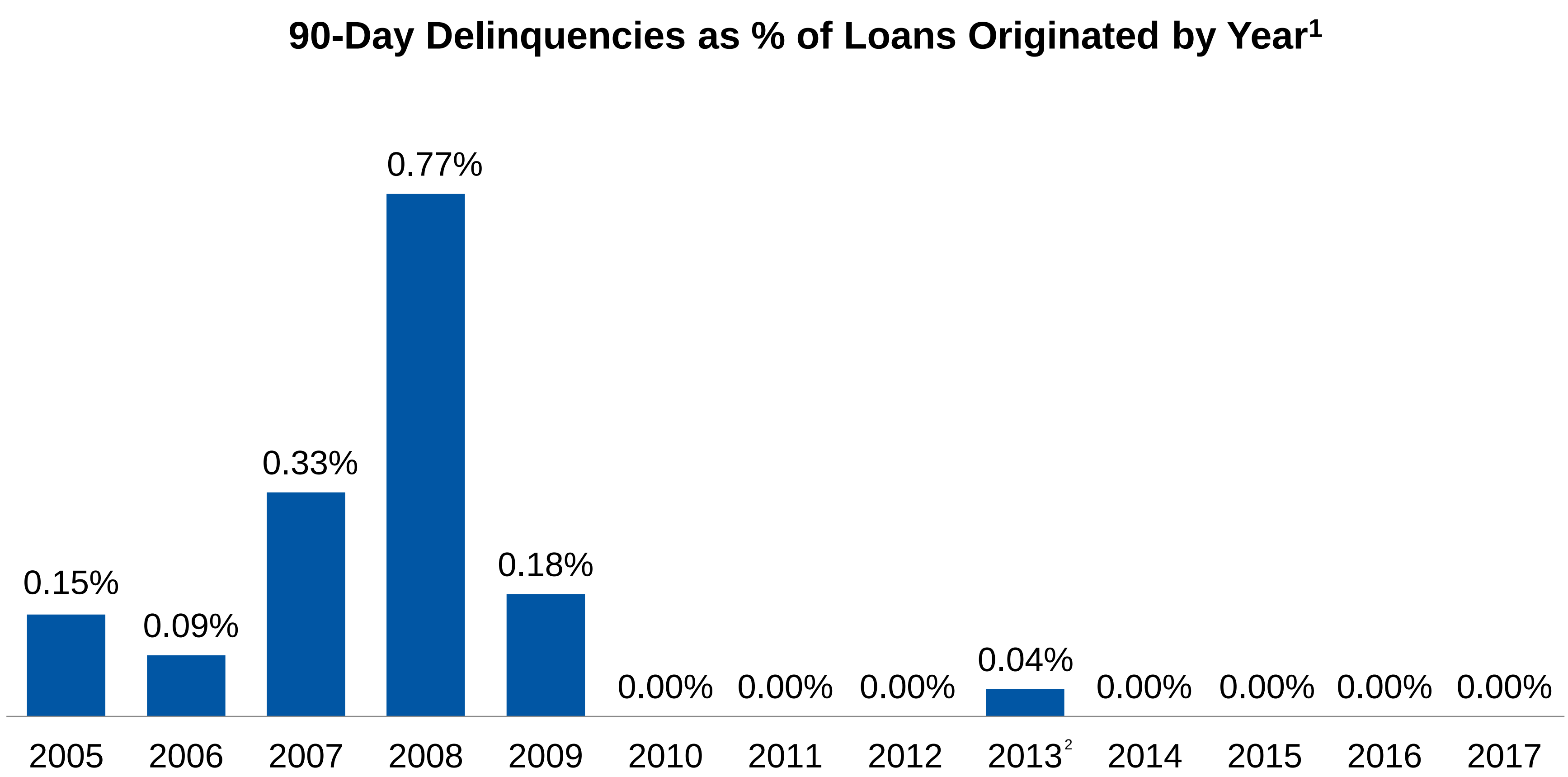




3Q17 Highlights

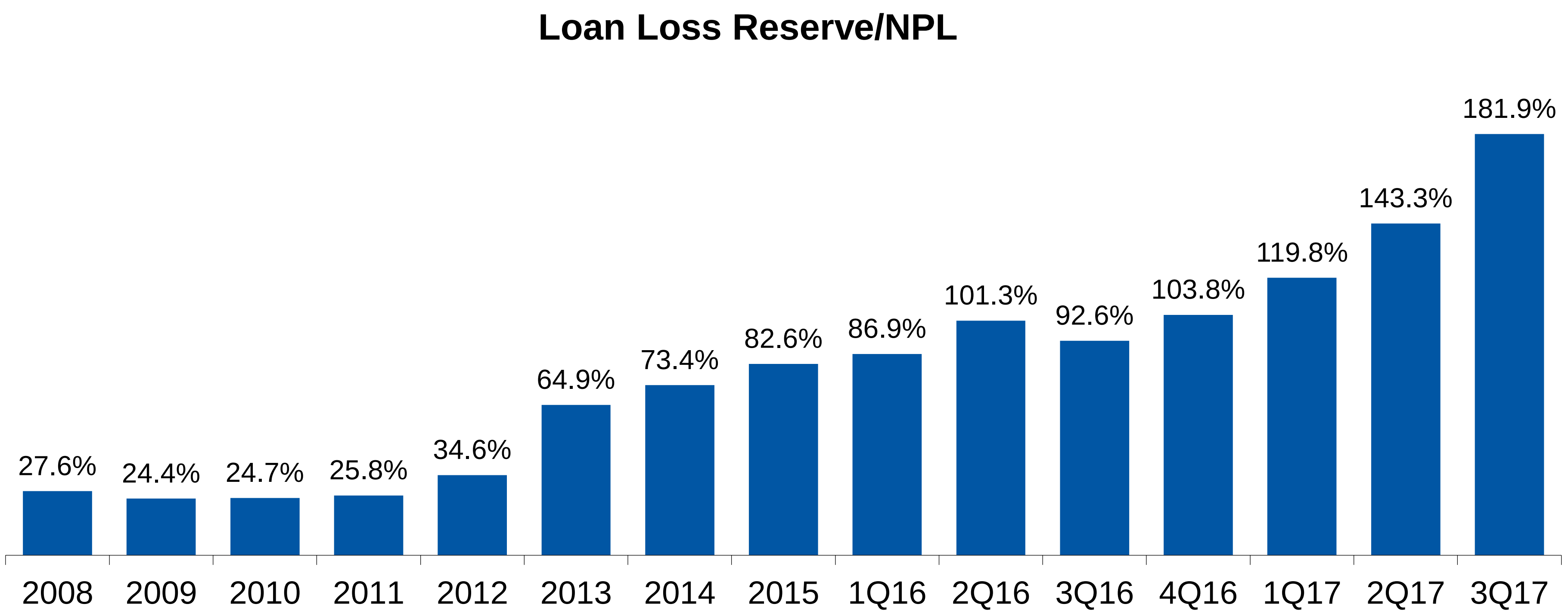
- Non-performing loans totaled $13.9MM, a decrease of 41.0% YoY and 10.1% QoQ
- Average loan-to-value for non-performing loans collateralized by real estate at September 30, 2017 was only 34.9%
- Provision for loan losses of $3.3 million was recorded during 3Q17, as the estimated fair value of NYC taxi medallions were lowered based on most recent sales data
- We anticipate continued low loss content in the portfolio due to our strong underwriting standards coupled with our practice of obtaining updated appraisals and recording charge-offs early in the delinquency process

Minimal Delinquencies on the Total Portfolio



[1] Calculated by dividing current 90-day delinquencies by total loans originated by vintage period.
[2] Represents one multi-family loan.

Increasing Coverage Ratio



Why Flushing Financial

Well Positioned for Strategic Growth

- Well capitalized for growth
- Growing multi-family and C&I loan portfolio
- Well-managed credit
  - Charge-offs below industry averages
- Managing our funding costs
- NYC market represents significant opportunity
- Nimble and responsive to industry shifts
  - Re-entry into non multi-family CRE
- Opportunities in the digital environment enable us to demonstrate our unique value

Maximizing Shareholder Value

- Solid 2017 YTD Performance
  - ROAE of 8.88%
  - ROAA of 0.76%
  - Core ROAE of 9.13%
  - Core ROAA of 0.78%
- Returning cash to shareholders: 2.55%[1] dividend yield and active share repurchases
- Shareholder base is over 80% institutional investors
- 5-year TSR of 118%[1]

[1] As of 9/30/17

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Appendix

Non-GAAP Measures

Core Diluted EPS, Core ROAE, Core ROAA, tangible book value per share and tangible common stockholders’ equity are each non-GAAP measures used in this presentation. A reconciliation to the most directly comparable GAAP financial measures appears in tabular form at the end of this presentation. The Company believes that these measures are useful for both investors and management to understand the effects of certain 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 share and tangible common stockholders’ equity are 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.

Non-GAAP to GAAP Reconciliation

	Three Months Ended			Nine Months Ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
GAAP income before income taxes	$ 15,470	$ 19,500	$ 17,289	$ 52,484	$ 83,617
Net loss from fair value adjustments	1,297	1,159	823	2,834	2,925
Net loss (gain) on sale of securities	186	-	-	186	(2,363)
Gain from life insurance proceeds	(238)	(6)	(47)	(1,405)	(458)
Net gain on sale of buildings	-	-	-	-	(33,814)
Prepayment penalty on borrowings	-	-	-	-	2,082
Core income before taxes	16,715	20,653	18,065	54,099	51,989
Provision for income taxes for core income	5,812	7,129	6,736	17,961	19,628
Core net income	$ 10,903	$ 13,524	$ 11,329	$ 36,138	$ 32,361
GAAP diluted earnings per common share	$ 0.35	$ 0.44	$ 0.37	$ 1.21	$ 1.75
Net loss from fair value adjustments, net of tax	0.03	0.02	0.03	0.07	0.06
Net loss (gain) on sale of securities, net of tax	-	-	-	-	(0.05)
Gain from life insurance proceeds	(0.01)	-	-	(0.05)	(0.02)
Net gain on sale of buildings, net of tax	-	-	-	-	(0.67)
Prepayment penalty on borrowings	-	-	-	-	0.04
Core diluted earnings per common share*	$ 0.37	$ 0.46	$ 0.39	$ 1.24	$ 1.12
Core net income, as calculated above	$ 10,903	$ 13,524	$ 11,329	$ 36,138	$ 32,361
Average assets	6,239,321	6,218,072	5,976,725	6,209,005	5,883,453
Average equity	536,468	529,451	508,974	527,975	491,617
Core return on average assets**	0.70%	0.87%	0.76%	0.78%	0.73%
Core return on average equity**	8.13%	10.22%	8.90%	9.13%	8.78%

* Core diluted earnings per common share may not foot due to rounding.
** Ratios are calculated on an annualized basis.

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