

2023 Virtual Annual Shareholders Meeting



May 16, 2023

Small enough to know you.
Large enough to help you.®

FFIC FLUSHING
Financial Corporation

Agenda

■ Formal Annual Meeting

- Introductions

- Quorum

- Proposals

1. Election of Directors: John J. McCabe, Donna M. O'Brien, and Caren C. Yoh
2. Advisory vote to approve executive compensation
3. Advisory vote on the frequency of stockholder advisory votes on executive compensation
4. Ratification of appointment of BDO USA LLC as Independent Registered Public Accounting firm for the year ended December 31, 2023

■ CEO Comments

■ Shareholder Questions

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, 2022 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.

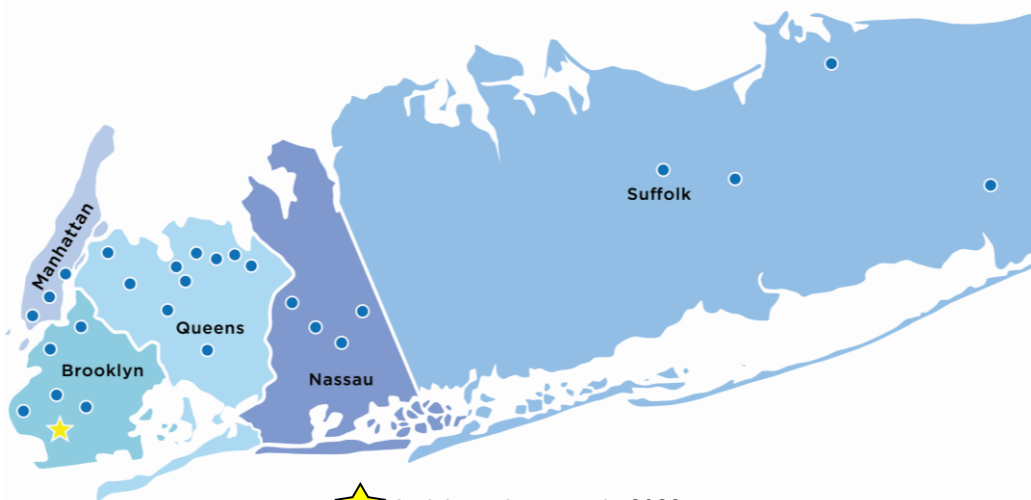
Flushing Financial Snapshot (NASDAQ: FFIC)


1Q23 Key Statistics

Balance Sheet		Performance	
Assets	\$8.5B	GAAP/Core ROAA	0.24%/0.14% ¹
Loans, net	\$6.9B	GAAP/Core ROAE	3.02%/1.76% ¹
Total Deposits	\$6.7B	GAAP/Core Exp/Avg Assets	1.78%/1.78% ¹
Equity	\$0.7B	Tangible Book Value	\$22.18
		Dividend Yield	8.5% ²

Footprint

Deposits primarily from 26 branches (+1 in process) in multicultural neighborhoods and our online division, consisting of iGObanking® and BankPurely®

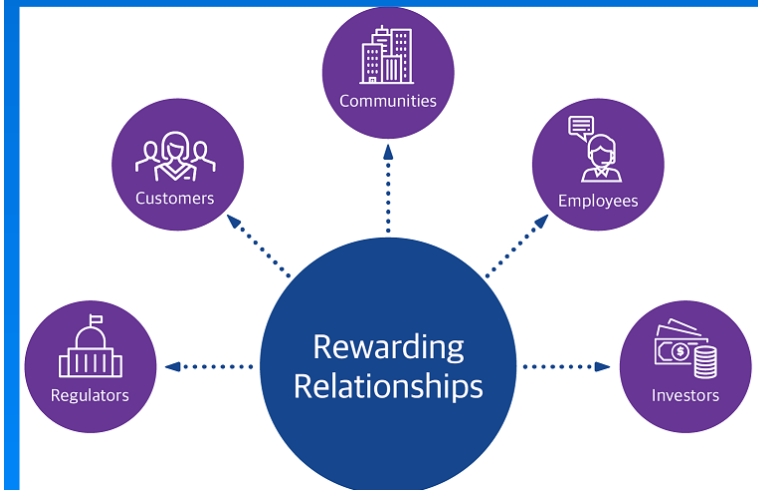


 Anticipated to open in 2023

Key Messages

- Leading Community Bank in the Attractive Greater NYC Area
- Well Diversified and Low Risk Loan Portfolio
- History of Sound Credit Quality
- Asian Banking Niche
- Beneficiary of Lower Short-Term Rates or a Steepening of the Yield Curve

Brand Promise



Nurturing Relationships and Rewarding Customers, Employees, and Shareholders

Second Best Annual Earnings in 2022; GAAP EPS of \$2.50

GAAP ROAA and ROAE 0.93% and 11.44%; Core¹ ROAA and ROAE 0.92% and 11.42%

1 Improve and Grow Funding Mix

- 2022 average noninterest bearing deposits increased 10.4% YoY
- Core deposits are 84.0% of average total deposits in 2022
- 2022 core deposit yields increased 41 bps YoY to 0.74%

2 Generate Appropriately Priced Loan Growth

- Loan closings of \$1.5B in 2022, up 36.5% YoY, with yields of 4.35%, up 79 bps YoY
- Net loans increased 4.4% YoY
- Loan pipeline of \$252.2MM at December 31, 2022
- 2022 loan yield increased 22 bps YoY; Core loan yield expanded 25 bps YoY

3 Manage Asset Quality

- NPAs only 63 bps of assets as of December 31, 2022
- LTV on NPAs is 52.3%
- The total real estate portfolio has an average LTV of <37%
- Weighted average debt service coverage ratios of 1.7x for the multifamily and commercial real estate portfolios

4 Invest in the Future

- Added 51 people from merged/merging institutions since 2021; 23 are revenue producers
- Digital users and engagement continues to expand
- In 2022, originated approximately \$22.5MM of loan commitments on the digital platform

1Q23 GAAP EPS \$0.17 and Core¹ EPS of \$0.10

GAAP ROAA and ROAE 0.24% and 3.02%; Core¹ ROAA and ROAE 0.14% and 1.76%

1 Grow Funding Sources

- Average total deposits increased 6.2% YoY and 2.0% QoQ; Core deposits are 75.3% of average total deposits
- Uninsured and uncollateralized deposits are a low 16.2% of total deposits
- Deposit yields increased 66 bps QoQ to 2.29%; Overall cost of funds totaled 2.47%, an increase of 63 bps QoQ and 204 bps YoY

2 Maintain Loan Portfolio

- Loan closings of \$173.5MM, down 47.3% YoY, with weighted average yields of 7.01%, up 91 bps QoQ and 357 bps YoY
- Net loans increased 4.5% YoY
- Loan pipeline of \$266.1MM, up 5.5% QoQ
- Portfolio loan yield increased 12 bps QoQ; Core loan yield expanded 17 bps QoQ

3 Focus on Asset Quality

- NPAs decreased 21.0% QoQ; only 50 bps of assets
- The total real estate portfolio has a low average LTV of <37%
- Weighted average debt service coverage ratios are strong at 1.9x for the multifamily and commercial real estate portfolios

4 Leverage Technology

- Digital users and engagement continues to expand
- In 1Q23, originated approximately \$6.6MM of loan commitments on the digital platform
- Expanded fintech partnerships to offer customers assistance with filing and processing Employee Retention Tax Credit refunds

Delivering Rewarding Relationships

Supporting Local Business Growth.
Building Rewarding Relationships.

FLUSHING Bank

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Building Relationships Across All Stakeholders

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Appendix



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 borrowings carried at fair value under the fair value option.

Core Net Income, Core Diluted EPS, Core ROAE, Core ROAA, Pre-provision, Pre-tax Net Revenue, Core Net Interest Income FTE, Core Net Interest Margin FTE, Core Interest Income and Yield on Total Loans, Core Noninterest Income, Core Noninterest 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 noninterest 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 this measure is 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

	Years Ended				Three Months Ended	
	December 31,	December 31,	December 31,	December 31,	March 31,	March 31,
	2022	2021	2020	2019	2023	2022
<i>(Dollars in thousands, except per share data)</i>						
GAAP income (loss) before income taxes	\$ 104,852	\$ 109,278	\$ 45,182	\$ 53,331	\$ 6,959	\$ 24,640
Day 1, Provision for Credit Losses - Empire transaction	—	—	1,818	—	—	—
Net (gain) loss from fair value adjustments	(5,728)	12,995	2,142	5,353	(2,619)	1,809
Net (gain) loss on sale of securities	10,948	(113)	701	15	—	—
Life insurance proceeds	(1,822)	—	(659)	(462)	—	—
Net gain on sale or disposition of assets	(104)	(621)	—	(770)	—	—
Net (gain) loss from fair value adjustments on qualifying hedges	(775)	(2,079)	1,185	1,678	(100)	129
Accelerated employee benefits upon Officer's death	—	—	—	455	—	—
Prepayment penalty on borrowings	—	—	7,834	—	—	—
Net amortization of purchase accounting adjustments	(2,030)	(2,489)	80	—	(188)	(924)
Merger expense	—	2,562	6,894	1,590	—	—
Core income before taxes	105,341	119,533	65,177	61,190	4,052	25,654
Provision for income taxes for core income	28,502	30,769	15,428	13,957	1,049	6,685
Core net income	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 3,003	\$ 18,969
GAAP diluted earnings (loss) per common share	\$ 2.50	\$ 2.59	\$ 1.18	\$ 1.44	\$ 0.17	\$ 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	(0.14)	0.31	0.06	0.14	(0.06)	0.04
Net (gain) loss on sale of securities, net of tax	0.26	—	0.02	—	—	—
Life insurance proceeds	(0.06)	—	(0.02)	(0.02)	—	—
Net gain on sale or disposition of assets, net of tax	—	(0.01)	—	(0.02)	—	—
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.02)	(0.05)	0.03	0.05	—	—
Accelerated employee benefits upon Officer's death, net of tax	—	—	—	0.01	—	—
Federal tax reform 2017	—	—	—	—	—	—
Prepayment penalty on borrowings, net of tax	—	—	0.20	—	—	—
Net amortization of purchase accounting adjustments, net of tax	(0.05)	(0.06)	—	—	(0.01)	(0.02)
Merger expense, net of tax	—	0.06	0.18	0.04	—	—
NYS tax change	—	(0.02)	—	—	—	—
Core diluted earnings per common share ⁽¹⁾	\$ 2.49	\$ 2.81	\$ 1.70	\$ 1.65	\$ 0.10	\$ 0.61
Core net income, as calculated above	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 3,003	\$ 18,969
Average assets	8,307,137	8,143,372	7,276,022	6,947,881	8,468,311	8,049,470
Average equity	672,742	648,946	580,067	561,289	683,071	673,012
Core return on average assets ⁽²⁾	0.92 %	1.09 %	0.68 %	0.68 %	0.14 %	0.94 %
Core return on average equity ⁽²⁾	11.42 %	13.68 %	8.58 %	8.42 %	1.76 %	11.27 %

¹ Core diluted earnings per common share may not foot due to rounding

² Ratios are calculated on an annualized basis

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