

# 2022 Virtual Annual Shareholders Meeting



May 17, 2022

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 R. Buran, James D. Bennett, Alfred A. DelliBovi, and Douglas C. Manditch
2. Advisory vote to approve executive compensation
3. Ratification of appointment of BDO USA LLC as Independent Registered Public Accounting firm for the year ended December 31, 2022

## ■ 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, 2021 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.

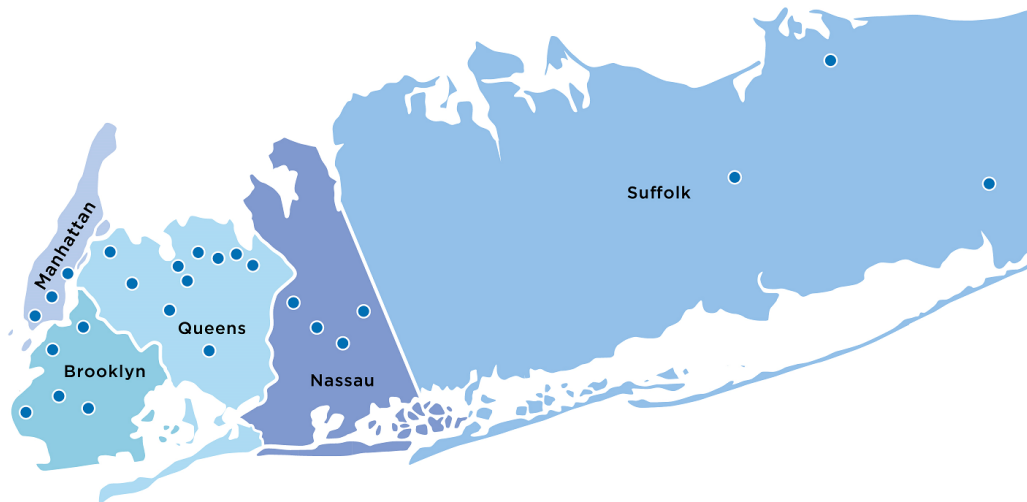
# Flushing Financial Snapshot (NASDAQ: FFIC)

## 1Q22 Key Statistics

Balance Sheet		Performance	
Assets	<b>\$8.2B</b>	GAAP/Core ROAA	<b>0.91%/0.94%</b> <sup>2</sup>
Loans	<b>\$6.6B</b>	GAAP/Core ROAE	<b>10.83%/11.27%</b> <sup>2</sup>
Deposits	<b>\$6.5B</b> <sup>1</sup>	Efficiency Ratio	<b>58.9%</b> <sup>2</sup>
Equity	<b>\$0.7B</b>	Tangible Book Value	<b>\$21.61</b>
		Dividend Yield	<b>4.1%</b> <sup>3</sup>

## Footprint

Deposits primarily from 25<sup>6</sup> branches in multicultural neighborhoods and our online division, consisting of iGObanking® and BankPurely®



## Competitive Advantages

### Strong Franchise and Diverse Business Mix

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

### Track Record of Long-Term Outperformance

- Only 9 of the 69 publicly traded banks in Flushing Bank's markets in 1995 remain; **FFIC has a total return of 1,056%** compared to 979% for the peer median<sup>4</sup> and 1,135% for the S&P 500 Total Return<sup>4</sup>
- FFIC has outperformed peers<sup>5</sup> since its IPO on 11/21/95 or the IPO of its peers by 482 percentage points and the BKX by 521 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**

# 1Q22 GAAP EPS \$0.58 and Core<sup>1</sup> EPS of \$0.61

**GAAP ROAA and ROAE 0.91% and 10.83%; Core<sup>1</sup> ROAA and ROAE 0.94% and 11.27% in 1Q22**

## 1 Improve and Grow Funding Mix

- Record low cost of deposits at 0.21% and cost of funds at 0.43% in 1Q22
- Record average noninterest bearing deposits of over \$1B; increased 17.0% YoY
- Core deposits are 86.1% of average deposits and mortgage escrow

## 2 Generate Appropriately Priced Loan Growth

- Loan closings, excluding PPP, up 65% YoY
- Gross loans, excluding PPP, were flat QoQ and up 1.0% YoY
- Record loan pipeline at \$664MM
- Commercial business loan growth (excluding PPP) of 4.6% YoY and 14.3% annualized QoQ (excluding PPP)

## 3 Manage Asset Quality

- NPAs/Assets improved to 17 bps
- Criticized and classified loans were 90 bps of loans
- ACLs/NPLs of 266%
- Average real estate LTV is <38%
- \$1.4MM LLP vs \$0.9MM of NCOs

## 4 Invest in the Future

- Added 30 people from merged/merging institutions over the past year; 12 are revenue producers
- Digital initiatives are progressing
- Continued digital adoption gains
- Expanded Fintech loan partnerships

# Record 2021 GAAP and Core EPS; 4Q21 GAAP EPS \$0.58 and Core EPS of \$0.67

**GAAP ROAA and ROAE 0.89% and 10.77%; Core<sup>1</sup> ROAA and ROAE 1.04% and 12.49% in 4Q21**

## 1 Ensure appropriate risk-adjusted returns for loans while optimizing costs of funds

- Average noninterest deposits increased 33.6% YoY
- Record low cost of deposits at 0.25% in 4Q21; Loan yields fell 2 bps QoQ; Core Loan yields down 4 bps
- Net interest income of \$62.7MM increased 12.5% YoY; Core net interest income of \$61.1MM up 11.7% YoY
- GAAP and Core NIM decreased 5 bps and 6 bps, respectively, QoQ

## 2 Maintain strong historical loan growth

- Loan closings up 49% QoQ
- Loans, excluding PPP, grew 0.9% QoQ
- Loan pipeline strong at \$429.3MM
- ~\$232.9MM of PPP forgiveness over life of program representing 75% of PPP originations/acquisitions; \$53.4MM of forgiveness in 4Q21; \$77.4MM PPP loans remain

## 3 Enhance core earnings power by improving scalability and efficiency

- GAAP EPS \$0.58 vs \$0.11 YoY, up 427%
- Core<sup>1</sup> EPS \$0.67 vs \$0.58 YoY, 16%
- Continued digital adoption gains
- Added 24 people from merged/merging institutions in 2021, 38% are revenue producers

## 4 Manage asset quality with consistently disciplined underwriting

- NPAs/Assets improved to 19 bps
- Criticized and classified loans were 87 bps of loans
- LLRs/NPLs of 249%
- Average real estate LTV is <38%
- \$0.8MM provision for loan losses

# Digital Banking Usage Continues to Increase

**28%**

Increase in Monthly Mobile  
Active Users  
YoY



**~24,000**

Active Online Banking Users

**31%**

YoY Growth



**15%**

Digital Banking  
Enrollment  
YoY Growth



**JAM FINTOP**

Early Look at Emerging  
Technology



**Numerated**

Small Business Lending  
Platform

**\$4.1MM Originated  
in 1Q22**



**~4,500**

Zelle® Transactions

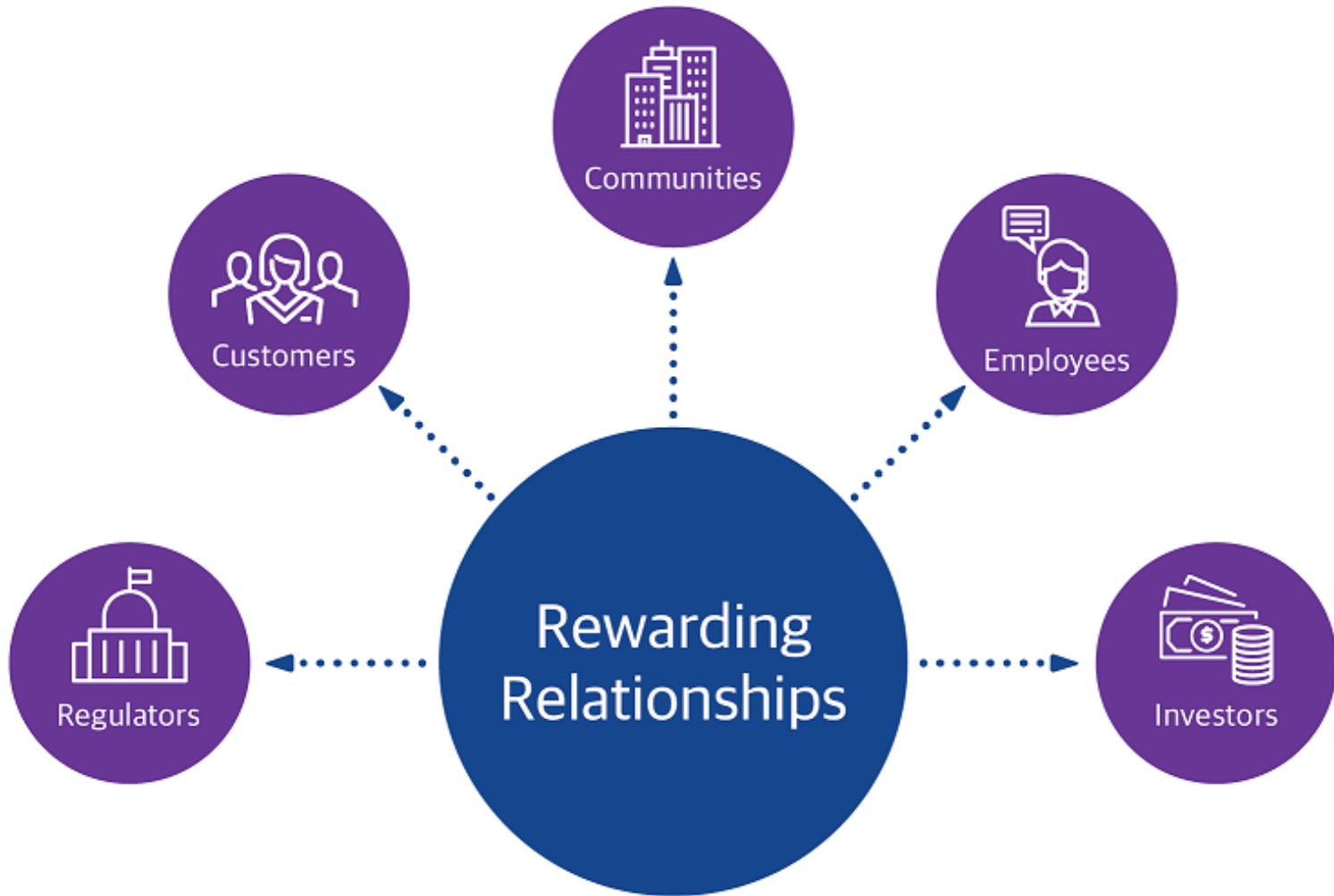
**>\$1.6MM**

Zelle Dollar Transactions  
in March 2022



Technology Enhancements Remain a Priority

# Our Brand Promise: Rewarding Relationships



Nurturing Relationships and Rewarding Customers, Employees, and Shareholders



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# Appendix



# Key Messages

- ▶ **Leading Community Bank** in the Greater NYC Area
- ▶ Well Diversified and Low Risk **Loan Portfolio**
- ▶ **History of Sound Credit Quality** since IPO in 1995
- ▶ **Asian Banking Niche**
- ▶ **Beneficiary of a Steepening Yield Curve**

Conservative Underwriting with History of Solid Value Creation

# Experienced Executive Leadership Team



**John Buran**  
President  
and CEO

**Maria Grasso**  
SEVP, COO,  
Corporate Secretary

**Susan Cullen**  
SEVP, CFO,  
Treasurer

**Francis Korzekwinski**  
SEVP, Chief of  
Real Estate

**Michael Bingold**  
SEVP, Chief Retail and Client  
Development Officer

**Douglas McClintock**  
SEVP, General Counsel

FFIC: 21 years  
Industry: 45 years

16 years  
36 years

7 years  
32 years

29 years  
33 years

9 years  
39 years

<1 year  
46 years



**Allen Brewer**  
SEVP, Chief Information Officer

**Tom Buonaiuto**  
SEVP, Chief of Staff, Deposit  
Channel Executive

**Vincent Giovinco**  
EVP, Commercial Real Estate  
Lending

**Jeoung Jin**  
EVP, Residential  
and Mixed Use

**Theresa Kelly**  
EVP, Business  
Banking

**Patricia Mezeul**  
EVP, Director of  
Government Banking

13 years  
48 years

14 years<sup>1</sup>  
30 years

2 years  
24 years

24 years  
29 years

16 years  
38 years

14 years  
42 years

**Executive Compensation and Insider Stock Ownership (6.1%<sup>2</sup>) Aligned with Shareholder Interests**

# Strong Asian Banking Market Focus

Asian Communities – Total Loans \$749MM  
and Deposits \$995M

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

Expansion into Elmhurst coming soon

**15%**  
of Total Deposits<sup>1</sup>

**\$34B**  
Deposit Market Potential  
> (~3% Market Share<sup>1</sup>)

**6.9%**  
FFIC 5 Year Asian Market  
CAGR vs 3.7%<sup>2</sup> for the  
Comparable Asian  
Markets

# 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, Pre-provision, Pre-tax Net Revenue, 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 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 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

	Years Ended				Three Months Ended	
	December 31,	December 31,	December 31,	December 31,	March 31,	March 31,
	2021	2020	2019	2018	2022	2021
<i>(Dollars in thousands, except per share data)</i>						
GAAP income (loss) before income taxes	\$ 109,278	\$ 45,182	\$ 53,331	\$ 65,485	\$ 24,640	\$ 26,224
Day 1, Provision for Credit Losses - Empire transaction	—	1,818	—	—	—	—
Net (gain) loss from fair value adjustments	12,995	2,142	5,353	4,122	1,809	(982)
Net (gain) loss on sale of securities	(113)	701	15	1,920	—	—
Life insurance proceeds	—	(659)	(462)	(2,998)	—	—
Net gain on sale or disposition of assets	(621)	—	(770)	(1,141)	—	(621)
Net (gain) loss from fair value adjustments on qualifying hedges	(2,079)	1,185	1,678	—	129	(1,427)
Accelerated employee benefits upon Officer's death	—	—	455	149	—	—
Prepayment penalty on borrowings	—	7,834	—	—	—	—
Net amortization of purchase accounting adjustments	(2,489)	80	—	—	(924)	(789)
Merger expense	2,562	6,894	1,590	—	—	973
Core income before taxes	119,533	65,177	61,190	67,537	25,654	23,378
Provision for income taxes for core income	30,769	15,428	13,957	11,960	6,685	6,405
Core net income	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577	\$ 18,969	\$ 16,973
GAAP diluted earnings (loss) per common share	\$ 2.59	\$ 1.18	\$ 1.44	\$ 1.92	\$ 0.58	\$ 0.60
Day 1, Provision for Credit Losses - Empire transaction, net of tax	—	0.05	—	—	—	—
Net (gain) loss from fair value adjustments, net of tax	0.31	0.06	0.14	0.10	0.04	(0.02)
Net (gain) loss on sale of securities, net of tax	—	0.02	—	0.05	—	—
Life insurance proceeds	—	(0.02)	(0.02)	(0.10)	—	—
Net gain on sale or disposition of assets, net of tax	(0.01)	—	(0.02)	(0.03)	—	(0.01)
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.05)	0.03	0.05	—	—	(0.03)
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	(0.06)	—	—	—	(0.02)	(0.02)
Merger expense, net of tax	0.06	0.18	0.04	—	—	0.02
NYS tax change	(0.02)	—	—	—	—	—
Core diluted earnings per common share <sup>(1)</sup>	\$ 2.81	\$ 1.70	\$ 1.65	\$ 1.94	\$ 0.61	\$ 0.54
Core net income, as calculated above	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577	\$ 18,969	\$ 16,973
Average assets	8,143,372	7,276,022	6,947,881	6,504,598	8,049,470	8,147,714
Average equity	648,946	580,067	561,289	534,735	673,012	619,647
Core return on average assets <sup>(2)</sup>	1.09 %	0.68 %	0.68 %	0.85 %	0.94 %	0.83 %
Core return on average equity <sup>(2)</sup>	13.68 %	8.58 %	8.42 %	10.39 %	11.27 %	10.96 %

<sup>1</sup> Core diluted earnings per common share may not foot due to rounding

<sup>2</sup> Ratios are calculated on an annualized basis

# Contact Details

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