

Investor Presentation (May-June 2022)



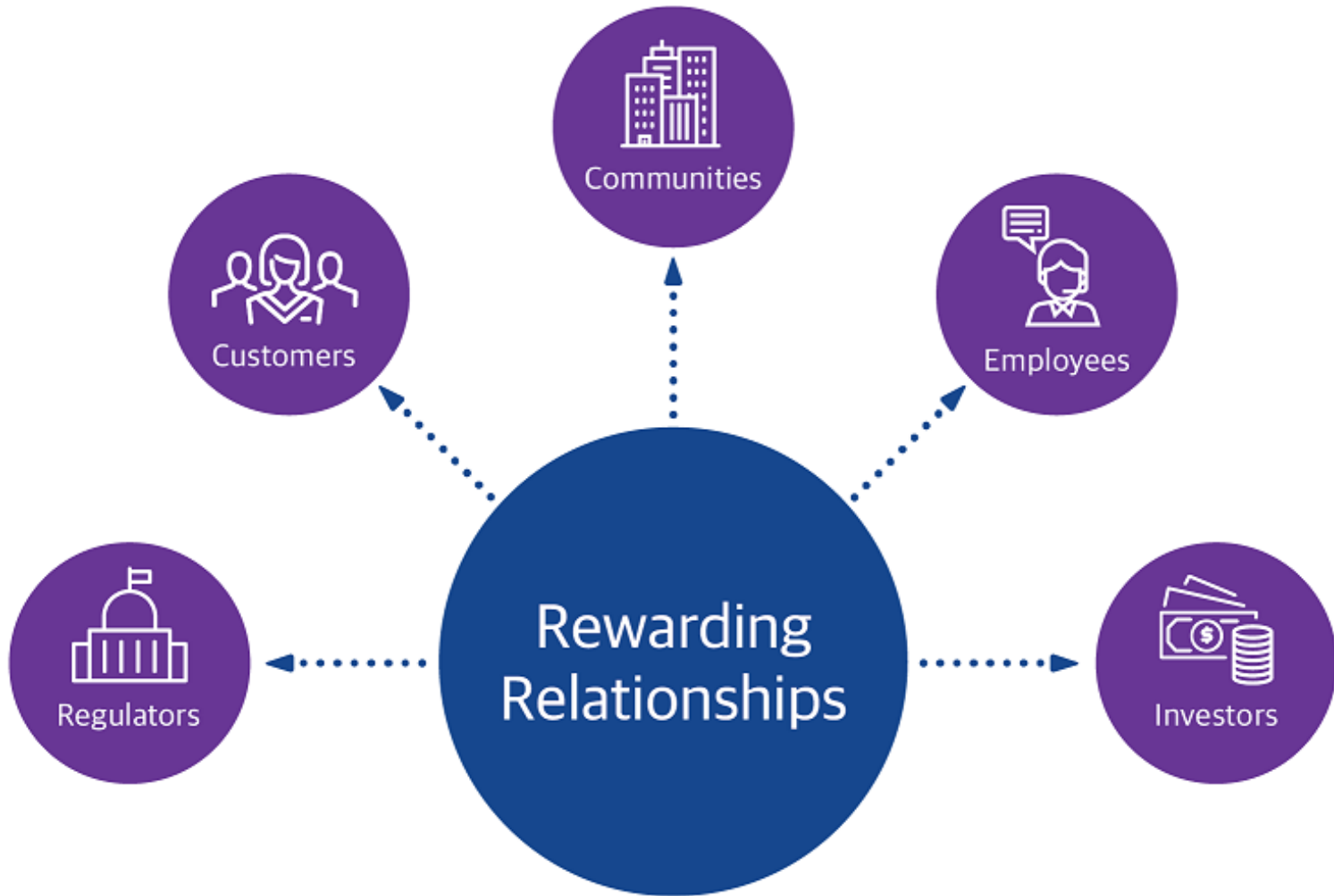
May 16, 2022

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

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.

Our Brand Promise: Rewarding Relationships



Nurturing Relationships and Rewarding Customers, Employees, and Shareholders

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

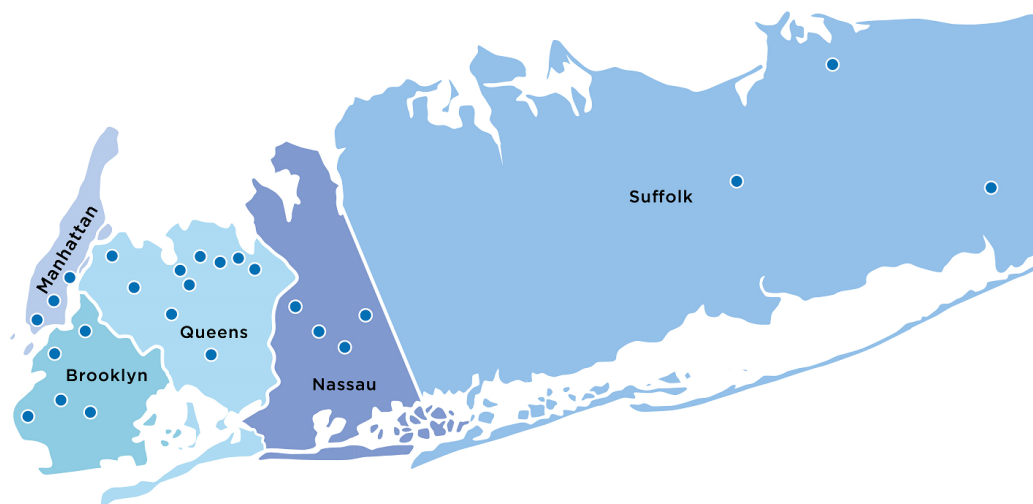
Flushing Financial Snapshot (NASDAQ: FFIC)

1Q22 Key Statistics

Balance Sheet		Performance	
Assets	\$8.2B	GAAP/Core ROAA	0.91%/0.94% ²
Loans	\$6.6B	GAAP/Core ROAE	10.83%/11.27% ²
Deposits	\$6.5B ¹	Efficiency Ratio	58.9% ²
Equity	\$0.7B	Tangible Book Value	\$21.61
		Dividend Yield	4.0% ³

Footprint

Deposits primarily from 25⁶ 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 median⁴ and 1,135% for the S&P 500 Total Return⁴
- FFIC has outperformed peers⁵ 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**

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 Deposits¹

\$34B
Deposit Market Potential
> (~3% Market Share¹)

6.9%
FFIC 5 Year Asian Market
CAGR vs 3.7%² for the
Comparable Asian
Markets

Experienced Executive Leadership Team



John Buran
President
and CEO

FFIC: 21 years
Industry: 45 years



Maria Grasso
SEVP, COO,
Corporate Secretary

16 years
36 years



Susan Cullen
SEVP, CFO,
Treasurer

7 years
32 years



Francis Korzekwinski
SEVP, Chief of
Real Estate

29 years
33 years



Michael Bingold
SEVP, Chief Retail and Client
Development Officer

9 years
39 years



Douglas McClintock
SEVP, General Counsel

<1 year
46 years



Allen Brewer
SEVP, Chief Information Officer

13 years
48 years



Tom Buonaiuto
SEVP, Chief of Staff, Deposit
Channel Executive

14 years¹
30 years



Vincent Giovinco
EVP, Commercial Real Estate
Lending

2 years
24 years



Jeoung Jin
EVP, Residential
and Mixed Use

24 years
29 years



Theresa Kelly
EVP, Business
Banking

16 years
38 years



Patricia Mezeul
EVP, Director of
Government Banking

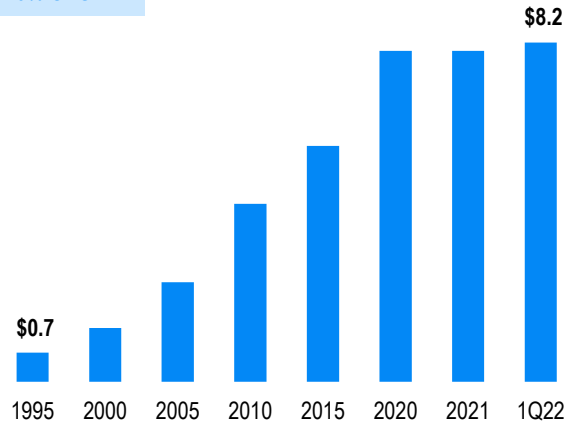
14 years
42 years

Executive Compensation and Insider Stock Ownership (6.1%²) Aligned with Shareholder Interests

26 Year Track Record of Steady Growth

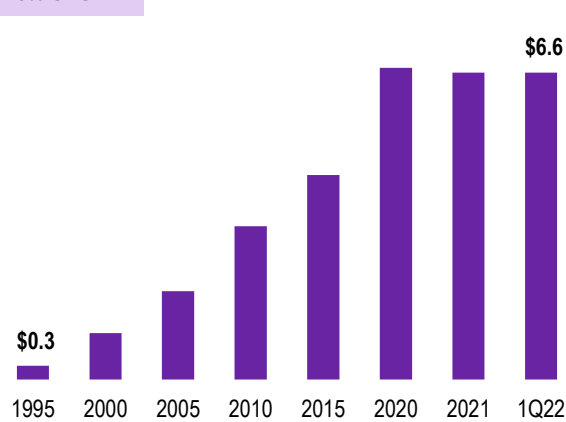
Assets (\$B)

10% CAGR



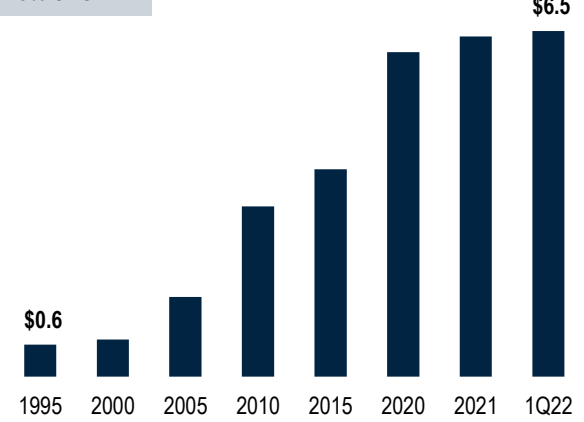
Total Gross Loans (\$B)

13% CAGR



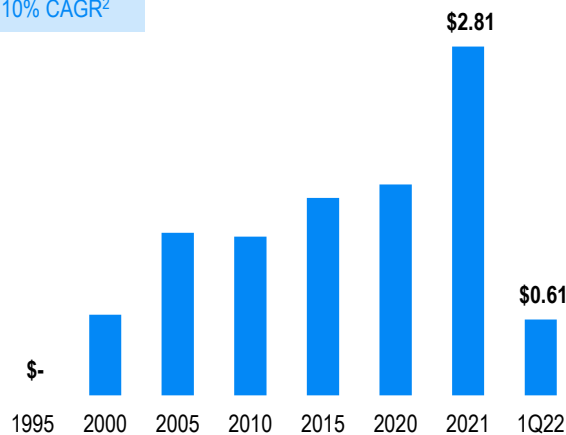
Total Deposits (\$B)¹

9% CAGR



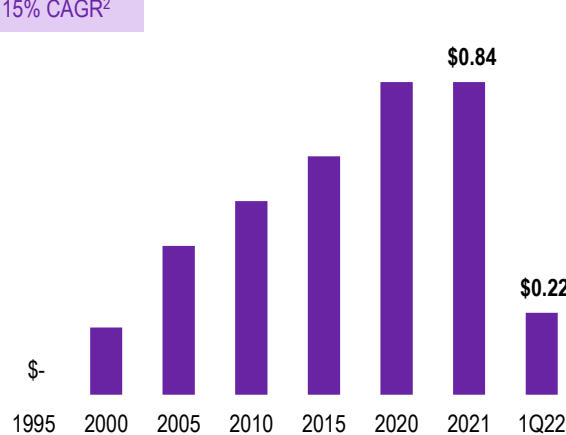
Core EPS (\$)

10% CAGR²



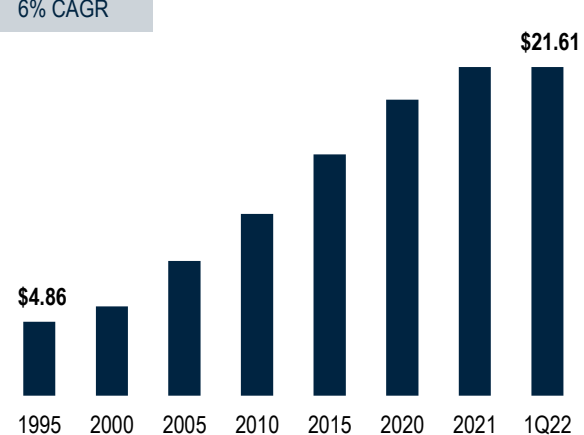
Dividends per Share (\$)

15% CAGR²



Tangible Book Value per Share (\$)

6% CAGR



2022 Strategic Objectives: Growth Through Investment

1 Improve and Grow Funding Mix

- Noninterest bearing DDA growth
- Increase core deposits
- Manage overall deposit costs

2 Generate Appropriately Priced Loan Growth

- Achieve historical loan growth
- Price loans in relation to acceptable risk
- More emphasis on floating-rate loans

3 Manage Asset Quality

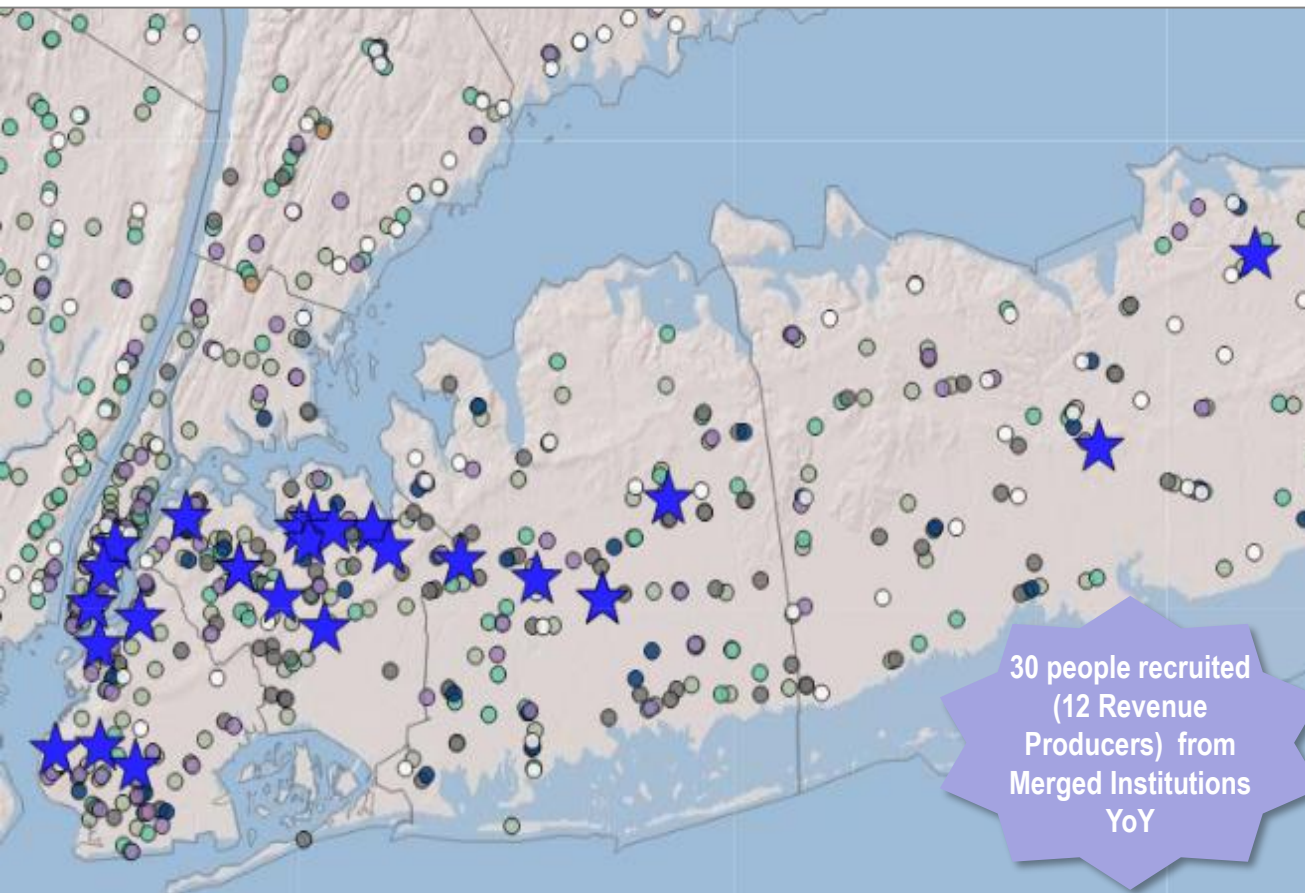
- Continue conservative underwriting
- No change to risk profile
- Manage through the cycle returns

4 Invest in the Future

- Capitalize on merger disruption
- Continue digital adoption gains
- Appropriately manage operating expenses while continuing franchise investments

Appropriately Managing the Short Term While Investing for the Long Term

Well-positioned to Benefit from Industry Merger Disruption



Current Pro Forma U.S. Branches

- ★ Flushing Financial (FFIC)¹
- M&T Bank (MTB)/ People's United Financial (PBCT) (Closed April 1, 2022)
- Webster Financial (WBS)/ Sterling Bancorp (STL) (Closed Feb 1, 2022)
- Citizens Financial Group (CFG)/ HSBC (Closed Feb 18, 2022) / Investors Bancorp (ISBC) (Closed April 6, 2022)
- New York Community Bancorp (NYCB)/ Flagstar Bancorp (FBC) (Pending)
- Valley National Bancorp (VLY)/ The Westchester Bank (Closed Dec 1, 2021)/ Bank Leumi USA (Closed April 1, 2022)
- Dime Community Bancshares (DCOM) (Closed Feb 1, 2021)
- TD Bank (TD)/First Horizon (FHN) (Pending)
- OceanFirst (OCFC)/Partners (PTRS) (Pending)

30 people recruited
(12 Revenue Producers) from
Merged Institutions
YoY

- 10 bank mergers have been announced or closed involving Long Island area banks²
- Out of the \$328B of total industry deposits in Nassau, Queens, Kings, and Suffolk Counties, \$87B or 27% involve a merger participant³
- 93% of FFIC's deposits are in the Long Island market, including Brooklyn and Queens

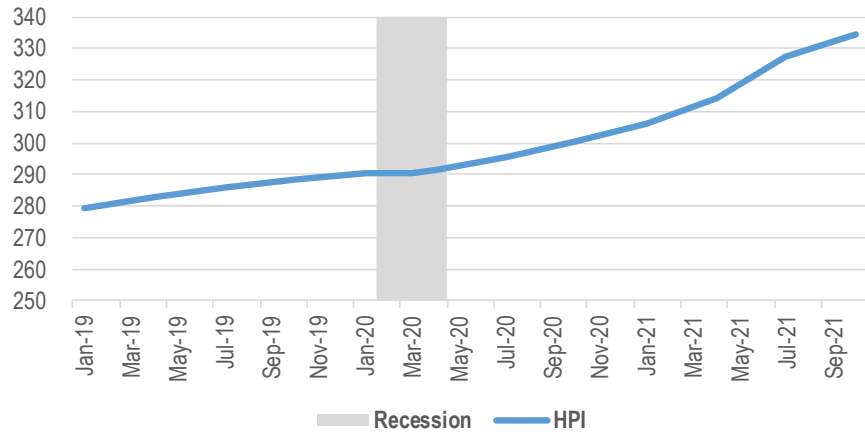
¹ 24 FFIC branches shown, for illustrative purposes only, includes Elmhurst (to open shortly); Shirley, NY location not pictured

² Includes MTB/PBCT, WBS/STL, CFG/ISBC/HSBC, NYCB/FBC, VLY/The Westchester Bank/Bank Leumi USA, DCOM, TD/FHN, and OCFC/PTRS

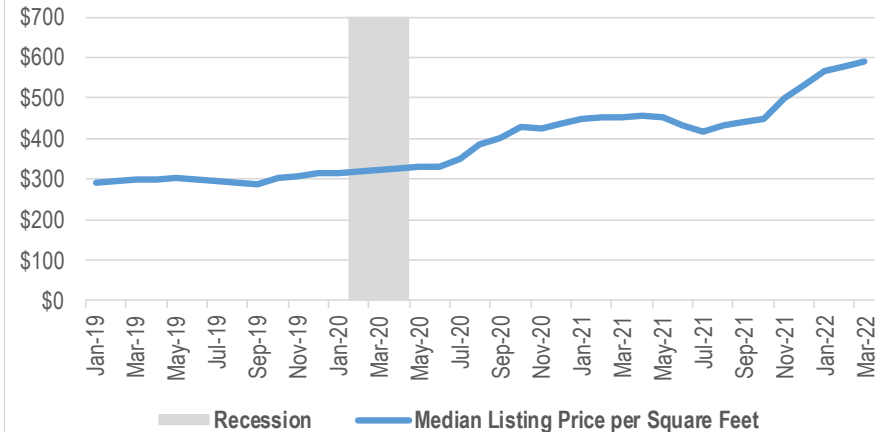
³ Based on most recent (June 30, 2021) S&P Global data

Metro New York City Economy Is Rebounding

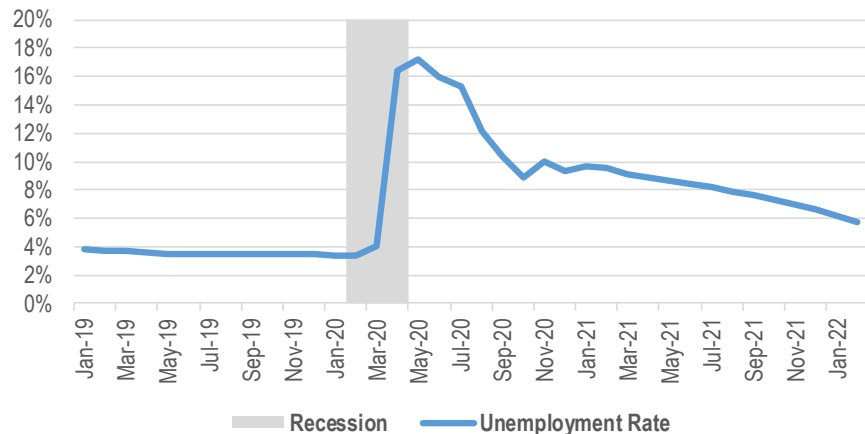
House Price Index for New York City MSA¹



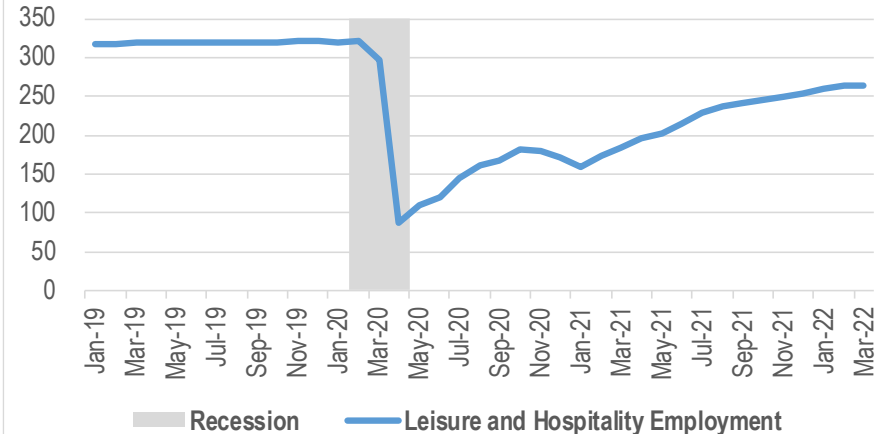
Median Listing Price per Sq Feet in NYC MSA



Unemployment Rate for New York City MSA

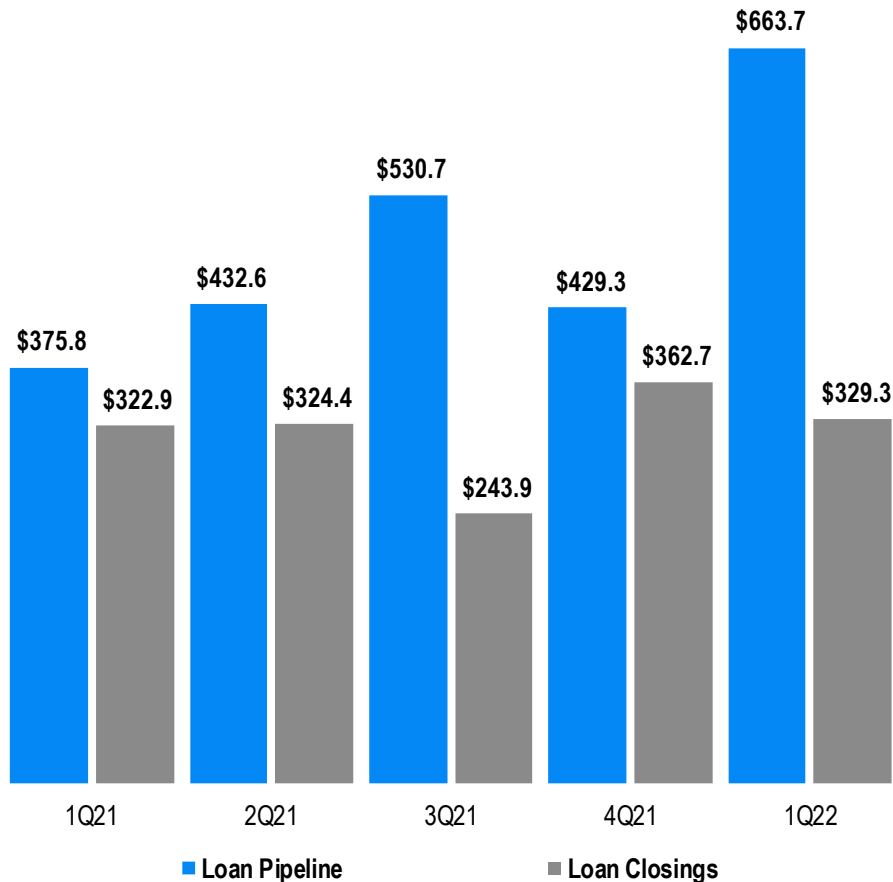


NYC Leisure and Hospitality Employment²



Record Loan Pipeline; Satisfactions Should Decline

Loan Pipeline Up 77% YoY
(\$MM)



- **Closings poised to accelerate**
 - Closings up 65% YoY excluding PPP
 - 10 bank mergers announced within footprint
 - Strong organic growth opportunity
- **Pipeline up 55% QoQ**
 - Commercial real estate is a larger driver
 - Business Banking pipeline up 46% YoY
- **Loan prepayments and satisfactions remained elevated**
 - Expected to decline over time with rising rates

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

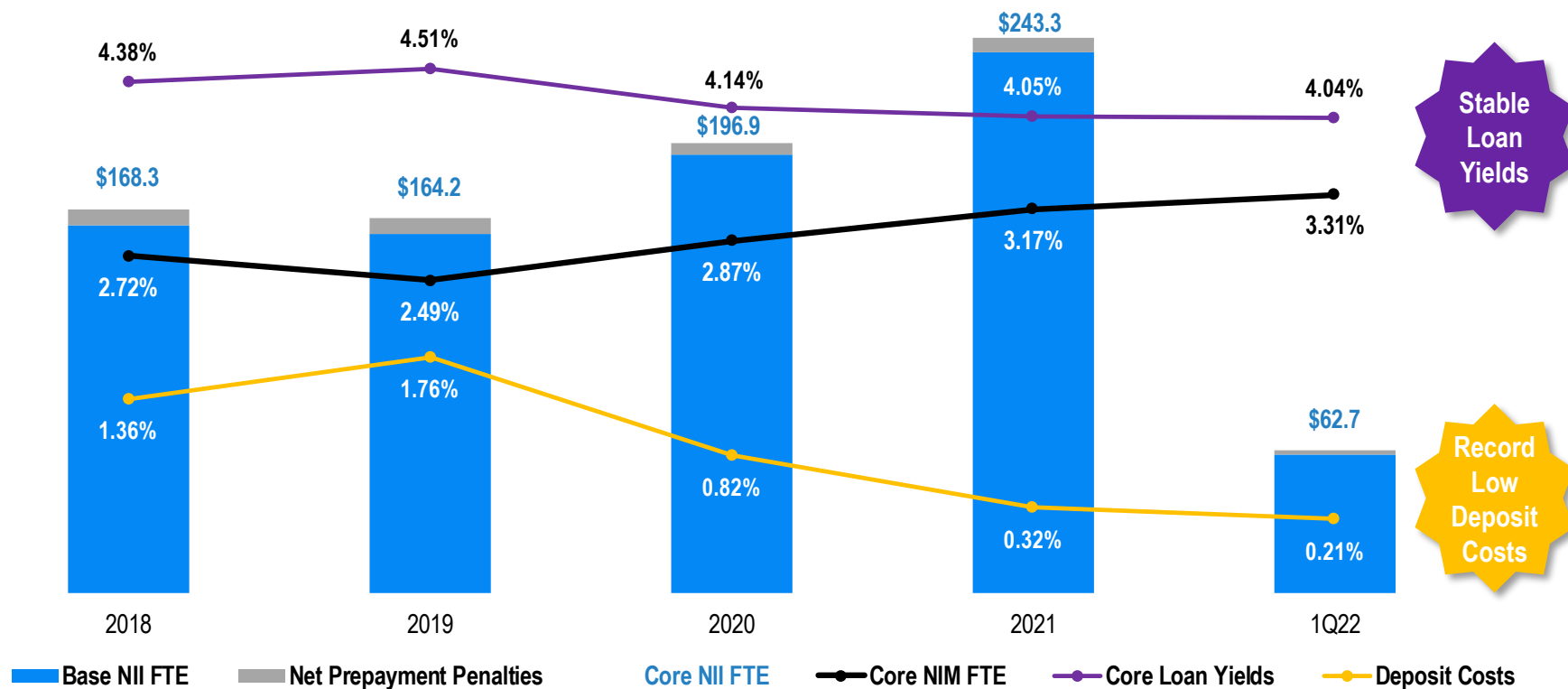
Zelle Dollar Transactions
in March 2022



Technology Enhancements Remain a Priority

Deposits Costs Drive NIM Expansion

(\$MM)



**Stable
Loan
Yields**

**Record
Low
Deposit
Costs**

GAAP NIM FTE

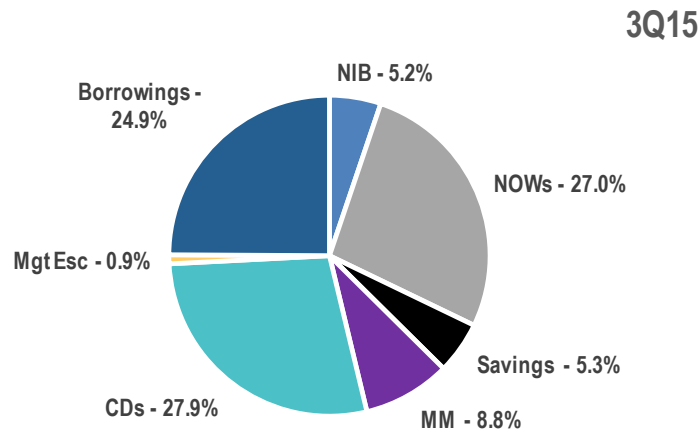
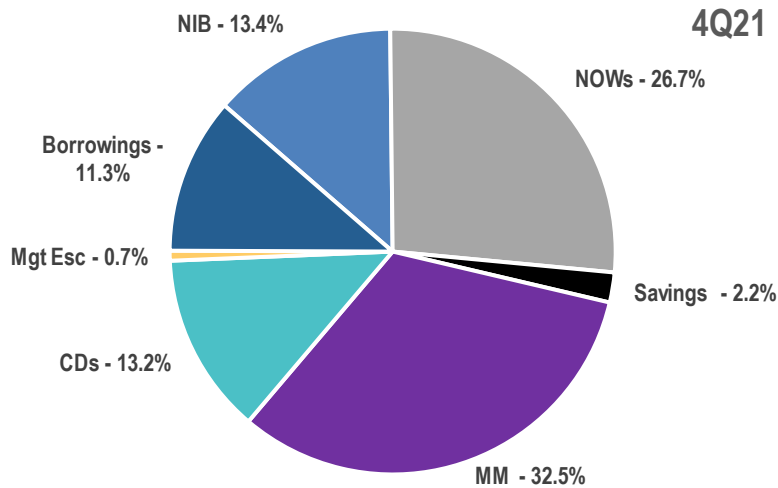
2.70% 2.47% 2.85% 3.24% 3.36%

Base NIM FTE

2.60% 2.40% 2.80% 3.08% 3.22%

Better Funding Profile Today Versus the Last Rising Rate Cycle

Funding Profile
(As a % of Total Funding)



- Prior to the first rate increase in the 2015-2019 cycle, higher yielding CDs and borrowings were 52.8% of funding; in this cycle, the starting point declined significantly to 24.5%
- Funding swaps to reprice 98 bps lower in 2Q22 and 139 bps lower in 2023
- The cost of funding was 1.02% or 88 bps over the Fed Funds in 3Q15; in this cycle the starting cost of funds improved to 0.50% or 42 bps over Fed Funds
- Noninterest bearing deposits were 5.2% of funding last rising rate cycle and improved to 13.4% of assets this cycle
- The split of the noninterest bearing deposits in 3Q15 was 82% business, 1% government, and 17% personal compared to 75%, 2%, and 23%, respectively, in 4Q21
- **A 50 bps change in rates with no deposit rate adjustments results in an approximate \$5MM annualized increase in net interest income**

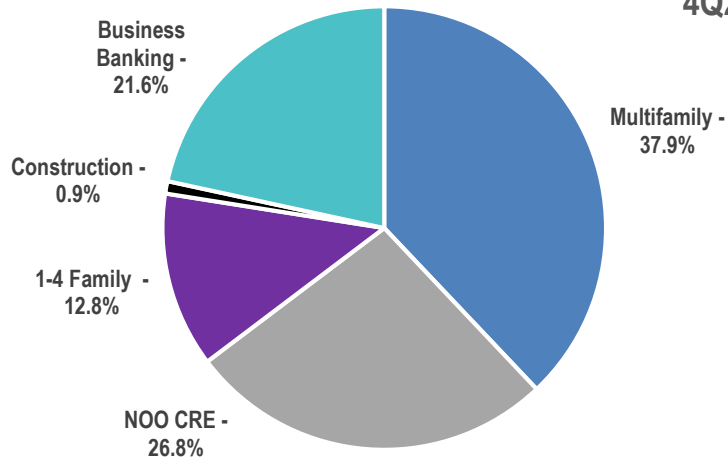
Our Ability to Lag Deposit Rate Increases Is a Key Factor in the NIM Outlook

Rising Rate Offsets – Asset Profile

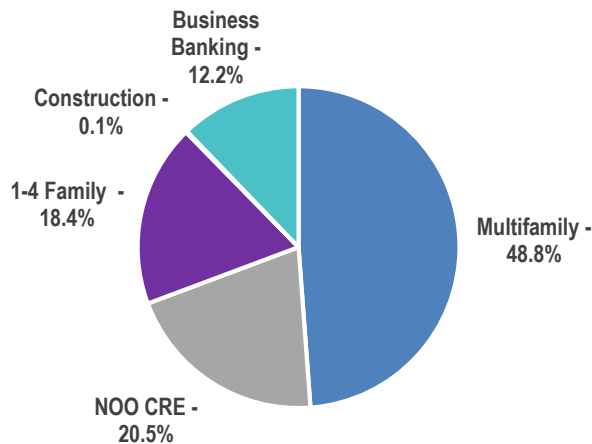
Loan Mix

(As a % of Total Loans)

4Q21



3Q15

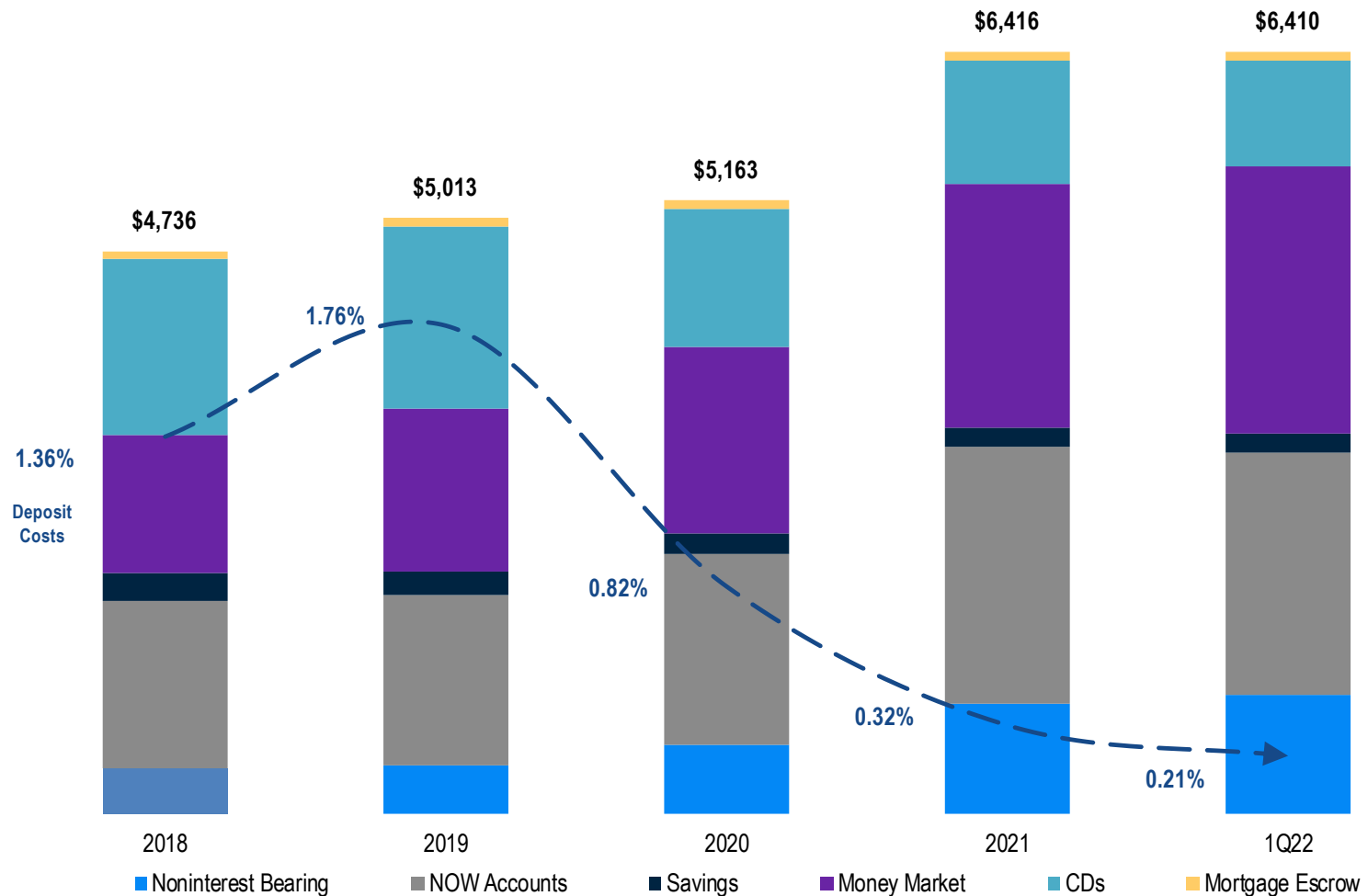


- **We have several items that can mitigate rising rates including:**
 - Business Banking portfolio that has increased to 21.6% of loans in this cycle compared to only 12.2% of loans last cycle
 - \$410MM of loan swaps that convert fixed rate loans to floating rate
 - Approximately \$480MM of real estate loans that will reprice by the end of 2022
- **Approximately 30% or over \$2B of loans (including hedges) will reprice higher (assuming stable or higher rates) within one year**

The Loan Mix Has Shifted to Business Banking Since the Start of the Last Cycle

Deposit Mix Improves As Costs Continue to Decline

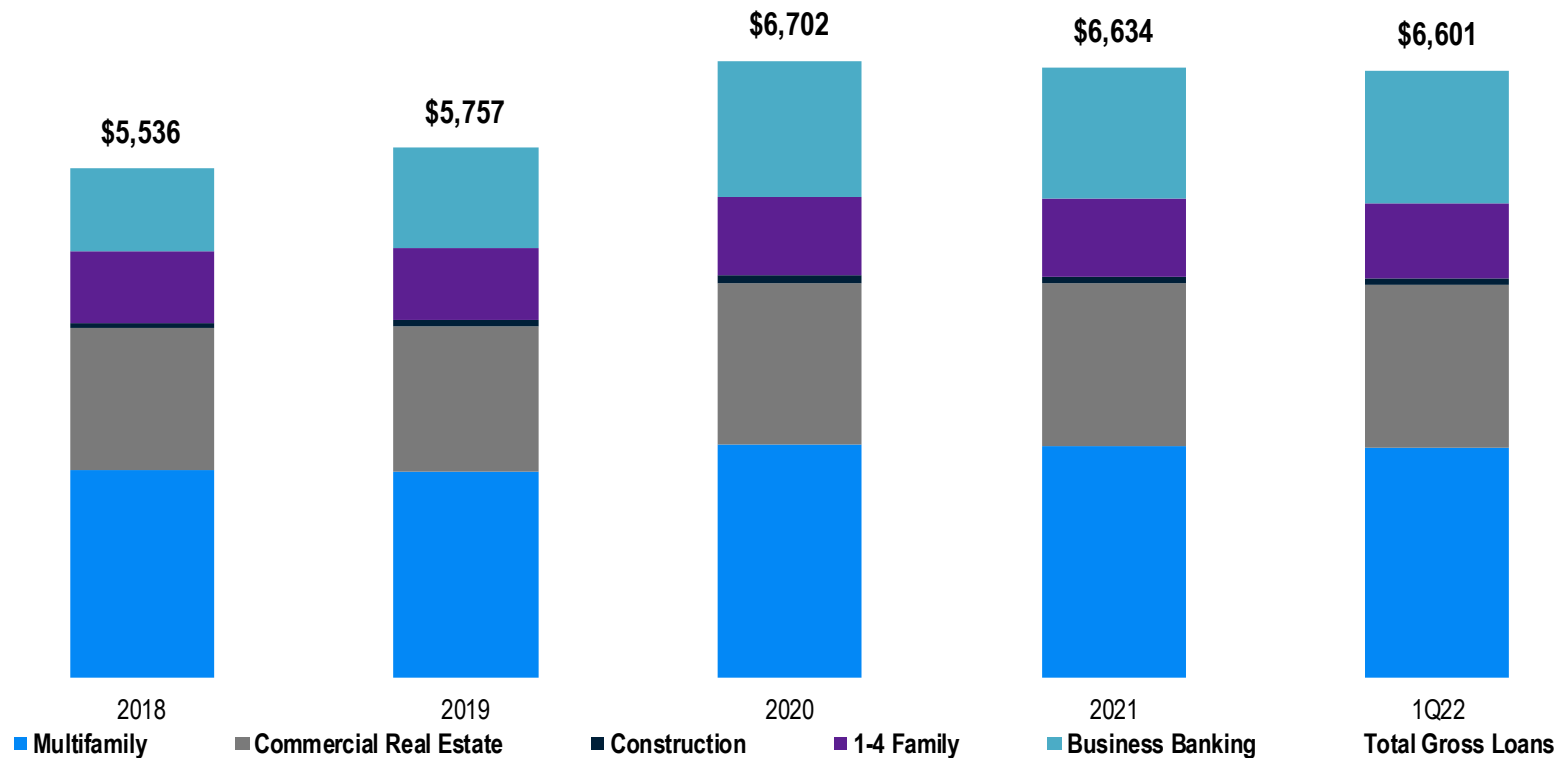
Average Deposits Composition
(\$MM)



Diversified Loan Mix; Yields Are Stable

Loan Composition

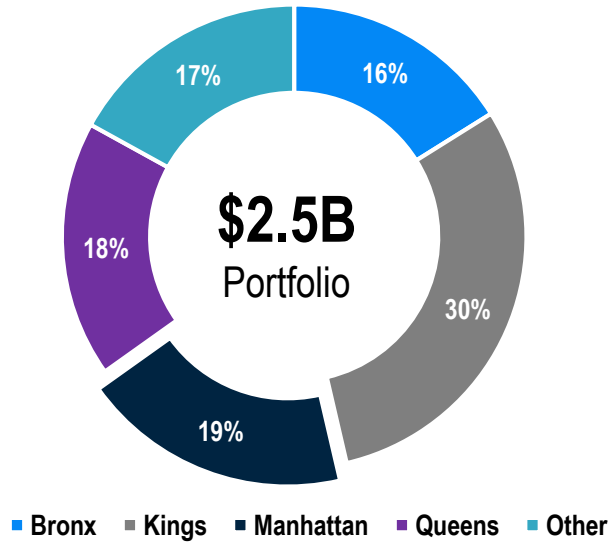
Period End Loans (\$MM)



	2018	2019	2020	2021	1Q22
Core Loan Yields	4.38%	4.51%	4.14%	4.05%	4.04%
Base Loan Yields	4.25%	4.39%	4.07%	3.95%	3.94%

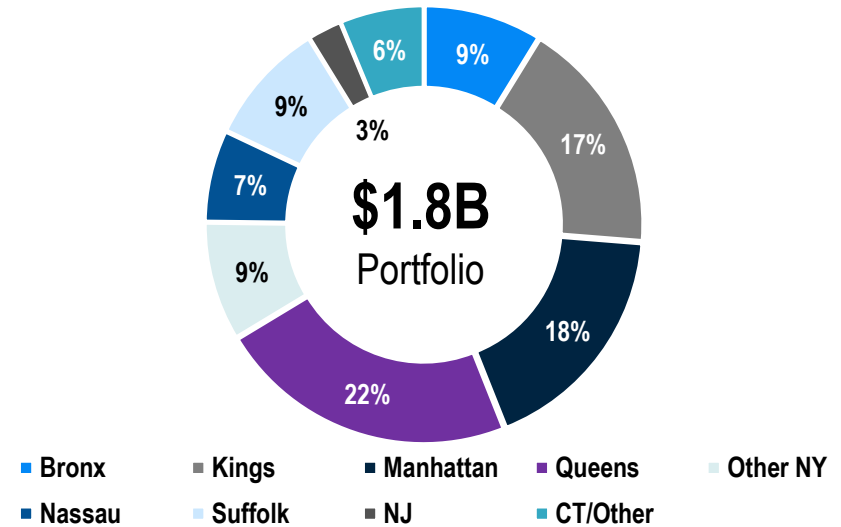
Well-Secured Multifamily and CRE Portfolios with DCR of 1.8x

Multifamily Geography



- Average loan size: \$1.1MM
- Average monthly rent of **\$1,307 vs \$2,903¹** for the market
- Weighted average LTV² is 33% with no loans having an LTV above 75%
- Weighted average DCR is ~1.8x³
- Borrowers typically do not sell properties, but refinance to buy more properties

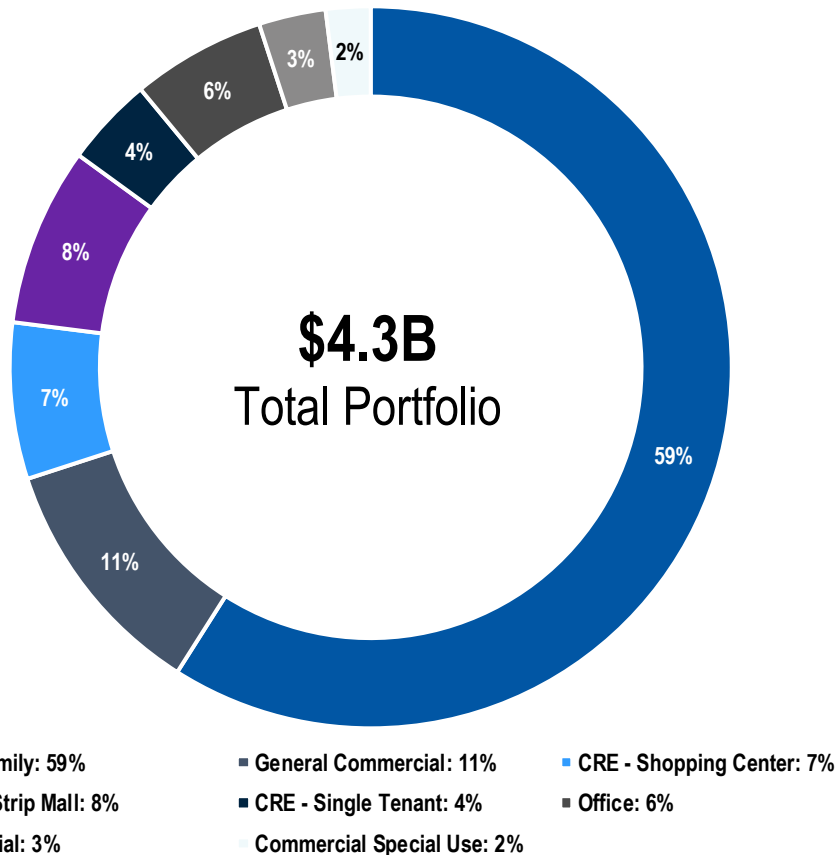
Non-Owner Occupied CRE Geography



- Average loan size: \$2.3MM
- Weighted average LTV² is 43% with no loans having an LTV above 75%
- Weighted average DCR is ~1.8x³
- ~18% of the portfolio outside of branch footprint
- Require primary operating accounts

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

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



Multifamily

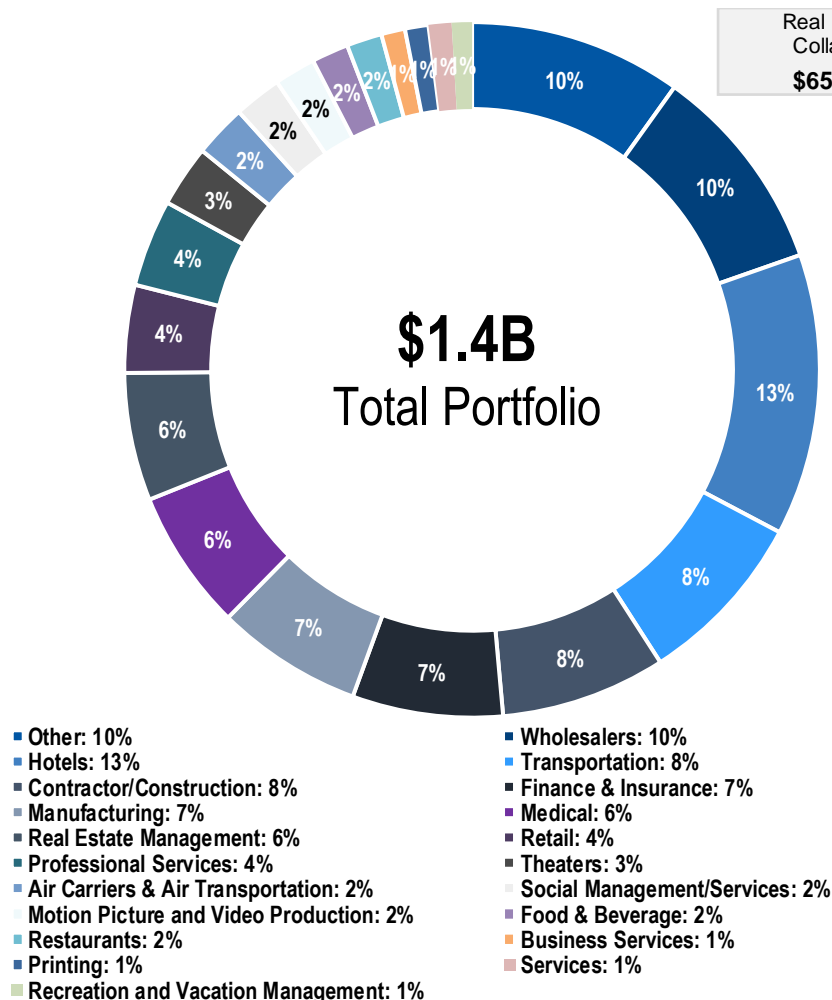
- Primarily in market lending
- Review net operating income and the collateral plus the financial resources and income level of the borrower (including experience in managing or owning similar properties)
- ARMs adjust each 5-year period with terms up to 30 years and comprise 81% of the portfolio; prepayment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

Commercial Real Estate

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

Well Secured and Diversified Real Estate Portfolio

Well-Diversified Commercial Business Portfolio



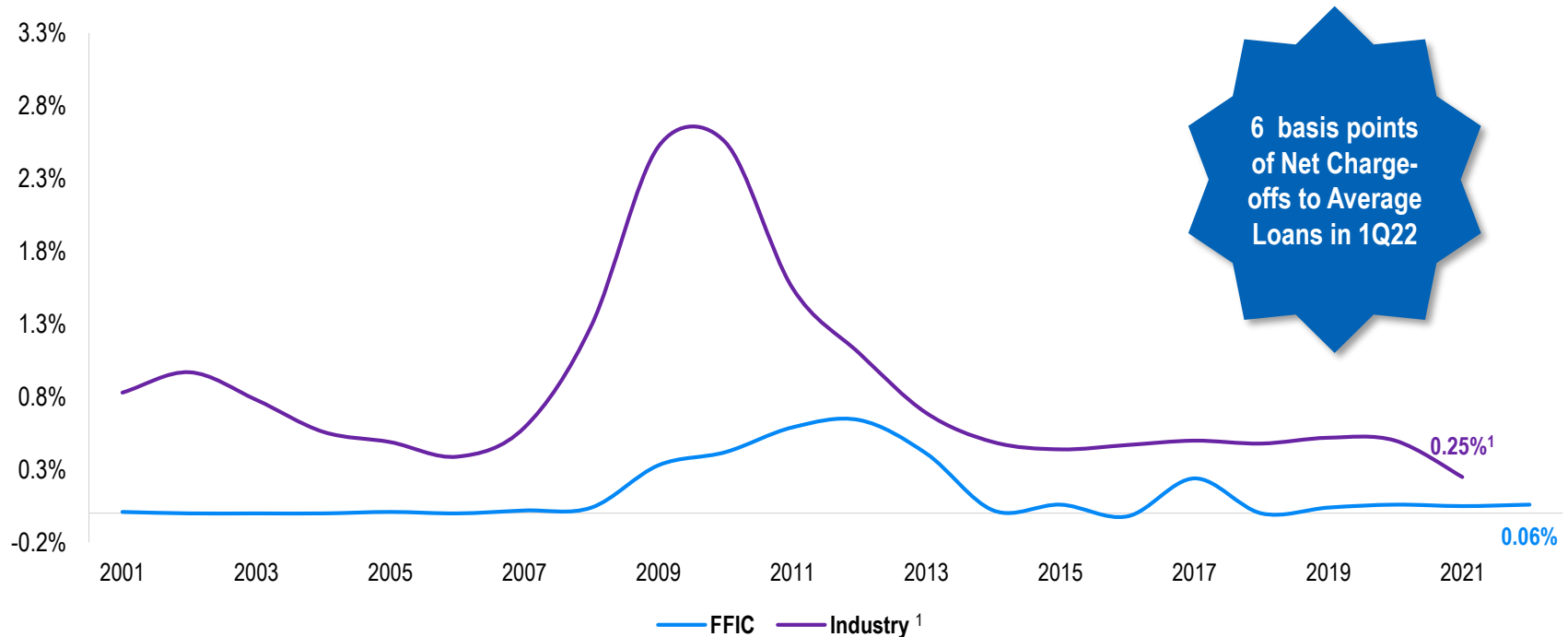
Commercial Business

- Primarily in market lending
- Annual sales up to \$250MM
- Lines of credit and term loans, including owner occupied mortgages
- Loans secured by business assets, including account receivables, inventory, equipment, and real estate
- Personal guarantees are generally required
- Originations are generally \$100,000 to \$10MM
- Adjustable rate loans with adjustment periods of five years for owner-occupied mortgages and for lines of credit the adjustment period is generally monthly
- Generally not subject to limitations on interest rate increases but have interest rate floors

Average loan size of \$1MM, excluding PPP¹

Net Charge-offs Significantly Better Than the Industry

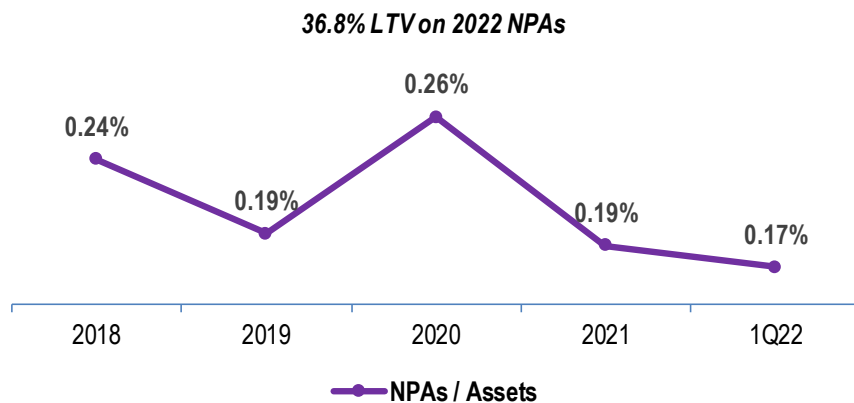
NCOs / Average Loans



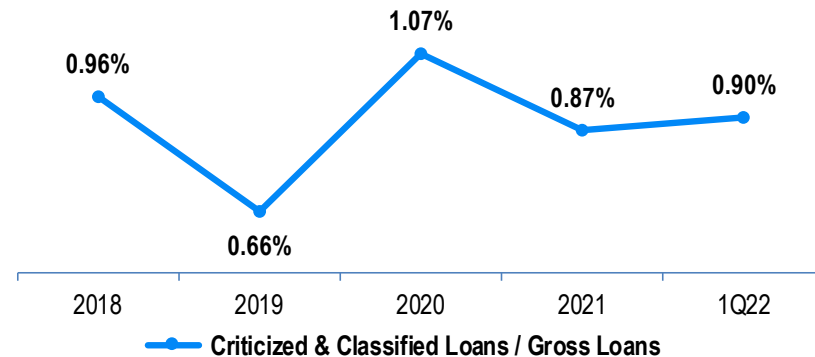
- Over two decades and multiple credit cycles, Flushing Financial has a history of better than industry credit quality
- Average LTVs on the Real Estate portfolio is <math><38\%^2</math>
 - Only \$20.7MM of real estate loans (0.3% of gross loans) with an LTV of 75% or more²

Continued Strong Credit Quality

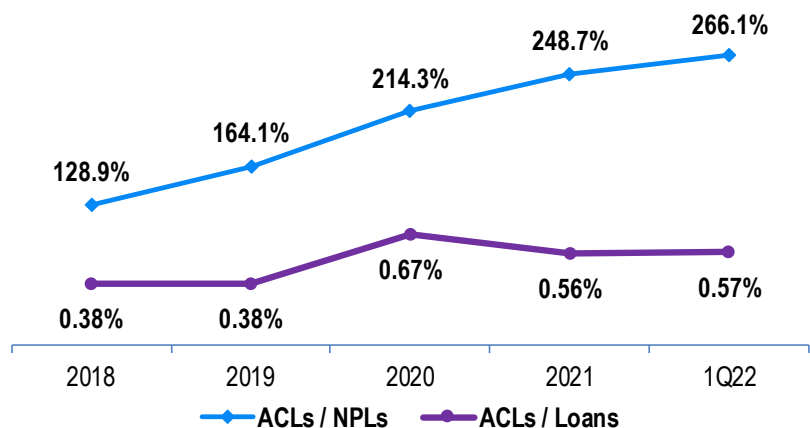
NPAs / Assets



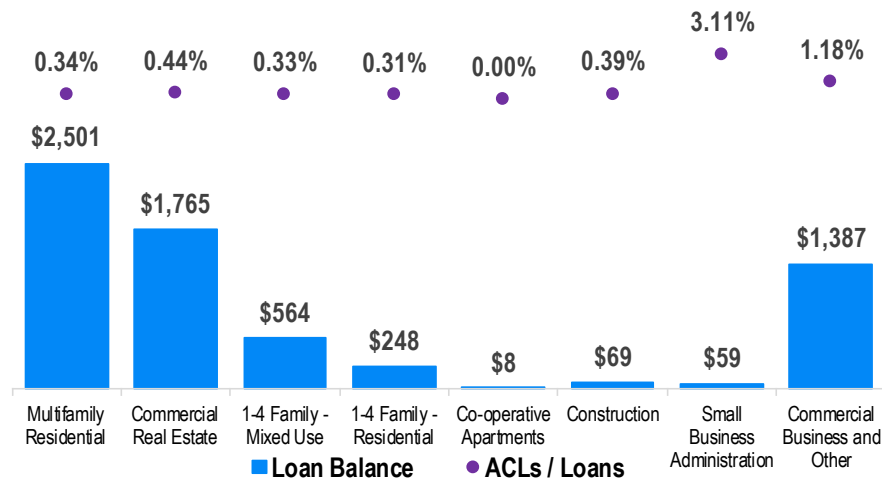
Criticized and Classified Loans / Gross Loans



Reserves / Gross Loans & Reserves / NPLs

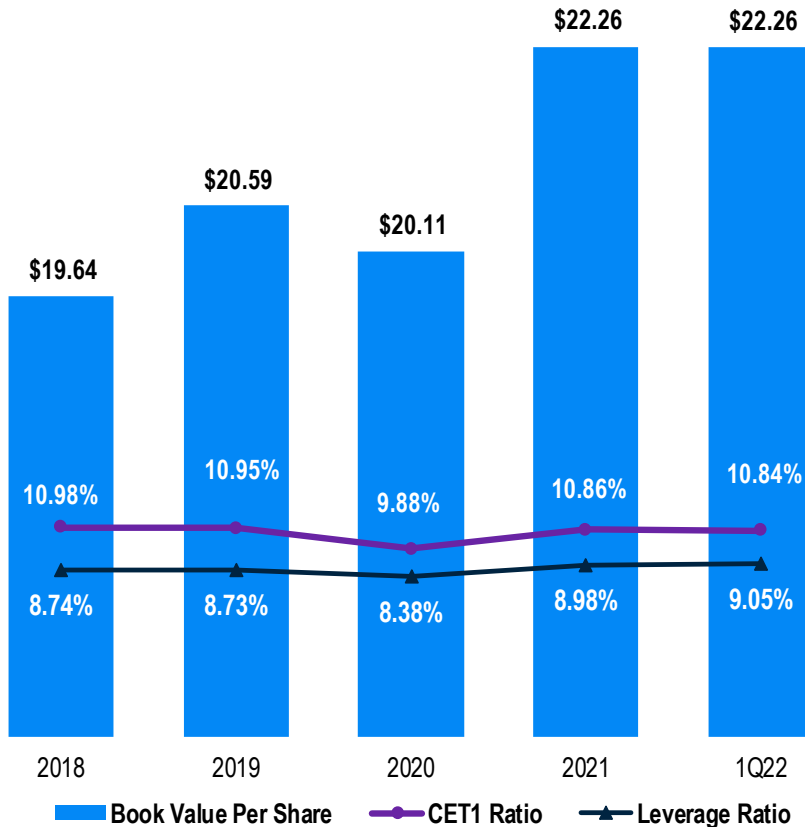


ACL by Loan Segment (1Q22)

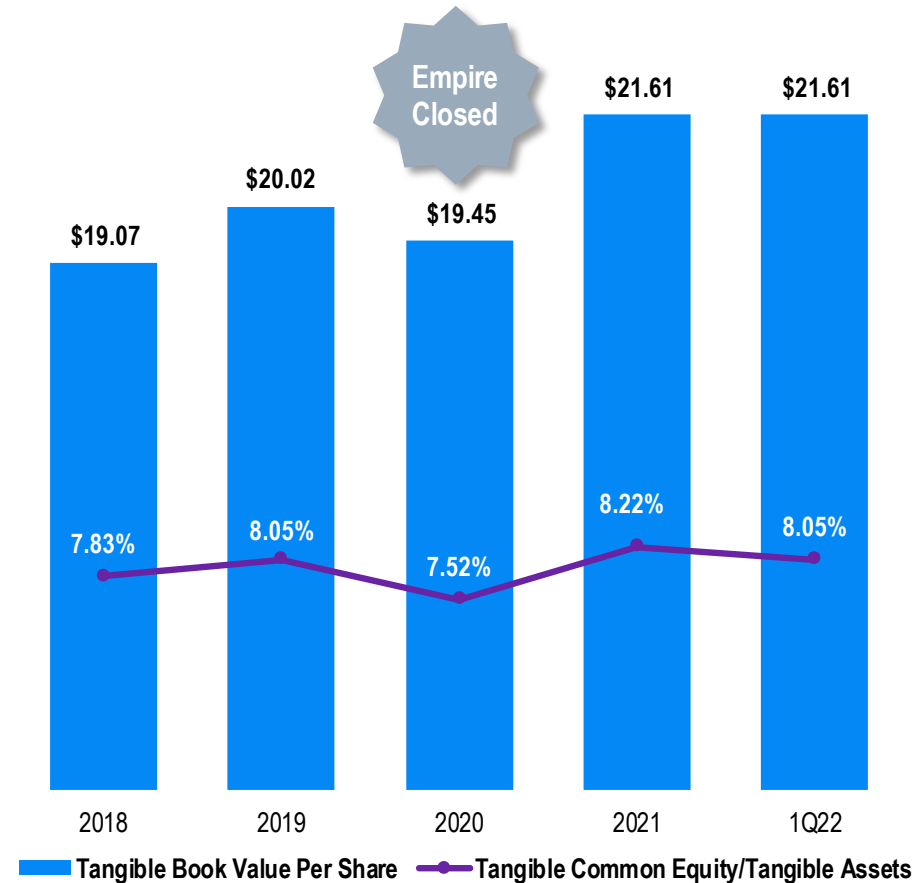


TCE Ratio Remains Over 8%; ~4.0% Dividend Yield¹

7.8% Book Value Per Share Growth YoY



8.1% YoY Increase in Tangible Book Value Per Share



84% of 1Q22 Earnings Returned; 45% in 2021

Key Messages

■ Expect loan growth to increase in 2022

- Pipeline at record levels
- Current quarter originations increased 65% YoY, net of PPP
- Refinancing activity should decline with higher rates
- Prepayment speeds remain elevated

■ Benefiting from merger disruption

- Added 30 people over the past year from announced/recently closed mergers; 12 are revenue producing

■ We are investing in the franchise and our employees

- New services and product enhancements set to launch in 2022
- \$4.3MM of seasonal expenses in 1Q22; not expected to repeat in 2Q22
- Still expect high single digit core expense growth in 2022 (\$144MM in 2021)

■ Better positioned for higher rates

- Funding costs are at record lows and funding is more favorable versus the last rising rate cycle; noninterest bearing deposits more than doubled as a percentage of funding
- Swap repricing starts in 2Q22 and is mostly done by the end of 2023 reducing swaps costs by 120 bps
- Our ability to control deposit rates is a key factor in determining the outlook for net interest income

■ Low risk business model; 4.0%¹ dividend yield

- Average LTV on real estate loans totals <38%
- Historical strong credit metrics
- No changes to underwriting process

■ Maintaining through-the-cycle goals of ROAA ≥1% and ROAE ≥10%

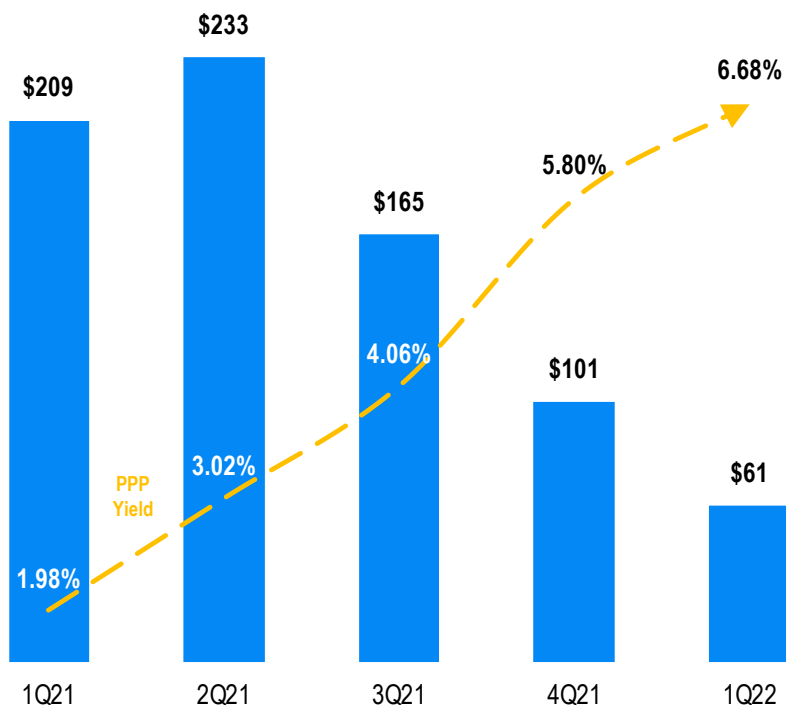
- On a core basis, ROAA of 0.94% and ROAE of 11.27% in 1Q22

Appendix



PPP: 86% of Lifetime Originations and Acquisitions Forgiven

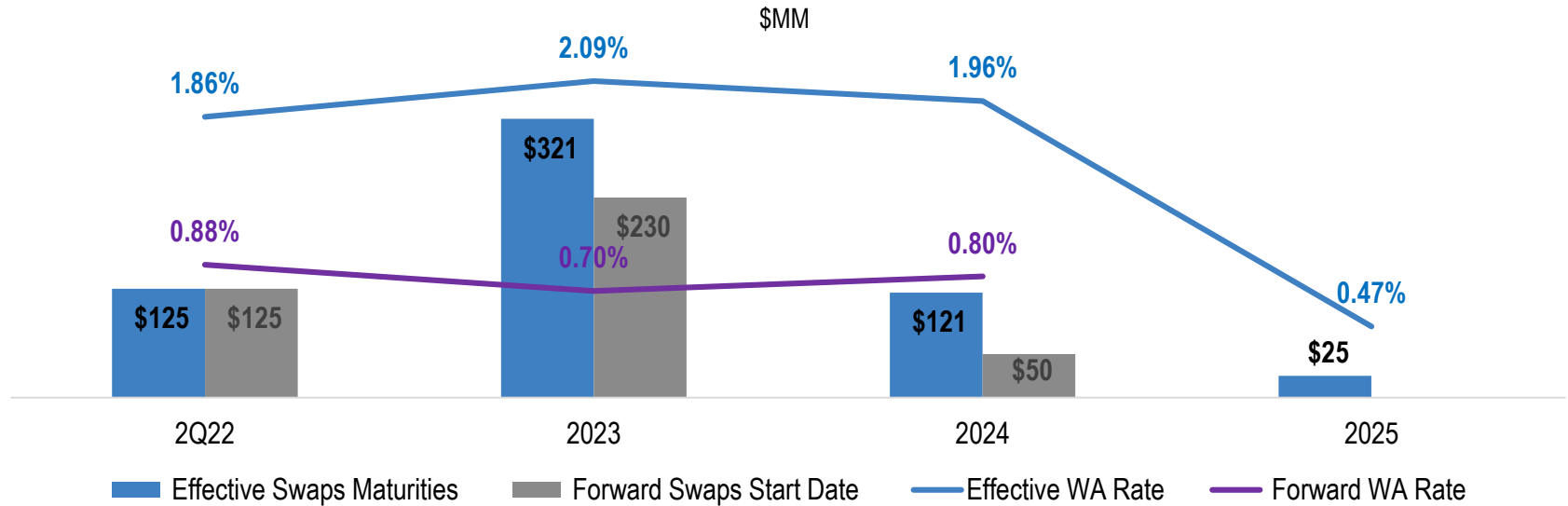
Average PPP Loans
(\$MM)



Period End PPP Loans (\$MM)				
\$251.0	\$197.3	\$130.8	\$77.4	\$43.2
PPP NIM Benefit/(Drag)				
(0.04)%	0.00%	0.02%	0.03%	0.03%

- Lifetime originations and acquisitions of \$310MM with a balance of \$43.2MM at 1Q22 and remaining fees of \$1.1MM
- Forgiveness totaled \$34.1MM in 1Q22, \$53.4MM in 4Q21, \$66.5MM in 3Q21, \$69.2MM in 2Q21, and \$24.1MM in 1Q21
- \$6.7MM of PPP loans are in the process of forgiveness as of March 31, 2022
- Forgiveness expected to largely be completed by Fall 2022
- SBA can take up to 90 days to approve forgiveness
- PPP benefited the NIM by 3 bps in 1Q22

Swaps Help Protect NIM from Rising Short-Term Rates



- The balance sheet naturally improves over the next two years without any changes in rates
 - \$592MM of effective swaps at 1.95%; current drag on NIM; the majority mature by the end of 2023
 - \$405MM of forward starting swaps at 0.77% that largely replace the current effective swaps

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 ⁽¹⁾	\$ 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 ⁽²⁾	1.09 %	0.68 %	0.68 %	0.85 %	0.94 %	0.83 %
Core return on average equity ⁽²⁾	13.68 %	8.58 %	8.42 %	10.39 %	11.27 %	10.96 %

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

<i>(Dollars In thousands)</i>	Years Ended				Three Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	March 31, 2022	March 31, 2021
GAAP Net interest income	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 63,479	\$ 60,892
Net (gain) loss from fair value adjustments on qualifying hedges	(2,079)	1,185	1,678	—	129	(1,427)
Net amortization of purchase accounting adjustments	(3,049)	(11)	—	—	(1,058)	(922)
Core Net interest income	<u>\$ 242,841</u>	<u>\$ 196,373</u>	<u>\$ 163,618</u>	<u>\$ 167,406</u>	<u>\$ 62,550</u>	<u>\$ 58,543</u>
GAAP Noninterest income	\$ 3,687	\$ 11,043	\$ 9,471	\$ 10,337	\$ 1,313	\$ 6,311
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 disposition of assets	(621)	—	(770)	(1,141)	—	(621)
Core Noninterest income	<u>\$ 15,948</u>	<u>\$ 13,227</u>	<u>\$ 13,607</u>	<u>\$ 12,240</u>	<u>\$ 3,122</u>	<u>\$ 4,708</u>
GAAP Noninterest expense	\$ 147,322	\$ 137,931	\$ 115,269	\$ 111,683	\$ 38,794	\$ 38,159
Prepayment penalty on borrowings	—	(7,834)	—	—	—	—
Accelerated employee benefits upon Officer's death	—	—	(455)	(149)	—	—
Net amortization of purchase accounting adjustments	(560)	(91)	—	—	(134)	(133)
Merger expense	(2,562)	(6,894)	(1,590)	—	—	(973)
Core Noninterest expense	<u>\$ 144,200</u>	<u>\$ 123,112</u>	<u>\$ 113,224</u>	<u>\$ 111,534</u>	<u>\$ 38,660</u>	<u>\$ 37,053</u>
Net interest income	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 63,479	\$ 60,892
Noninterest income	3,687	11,043	9,471	10,337	1,313	6,311
Noninterest expense	(147,322)	(137,931)	(115,269)	(111,683)	(38,794)	(38,159)
Pre-provision pre-tax net revenue	<u>\$ 104,334</u>	<u>\$ 68,311</u>	<u>\$ 56,142</u>	<u>\$ 66,060</u>	<u>\$ 25,998</u>	<u>\$ 29,044</u>
Core:						
Net interest income	\$ 242,841	\$ 196,373	\$ 163,618	\$ 167,406	\$ 62,550	\$ 58,543
Noninterest income	15,948	13,227	13,607	12,240	3,122	4,708
Noninterest expense	(144,200)	(123,112)	(113,224)	(111,534)	(38,660)	(37,053)
Pre-provision pre-tax net revenue	<u>\$ 114,589</u>	<u>\$ 86,488</u>	<u>\$ 64,001</u>	<u>\$ 68,112</u>	<u>\$ 27,012</u>	<u>\$ 26,198</u>
Efficiency Ratio	55.7 %	58.7 %	63.9 %	62.1 %	58.9 %	58.6 %

Efficiency ratio, a non-GAAP measure, was calculated by dividing noninterest 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 losses from fair value adjustments on qualifying hedges and net amortization of purchase accounting adjustments) and noninterest 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				Three Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	March 31, 2022	March 31, 2021
<i>(Dollars In thousands)</i>						
GAAP net interest income	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 63,479	\$ 60,892
Net (gain) loss from fair value adjustments on qualifying hedges	(2,079)	1,185	1,678	—	129	(1,427)
Net amortization of purchase accounting adjustments	(3,049)	(11)	—	—	(1,058)	(922)
Tax equivalent adjustment	450	508	542	895	124	111
Core net interest income FTE	<u>\$ 243,291</u>	<u>\$ 196,881</u>	<u>\$ 164,160</u>	<u>\$ 168,301</u>	<u>\$ 62,674</u>	<u>\$ 58,654</u>
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from nonaccrual loans	(6,627)	(4,576)	(6,501)	(7,058)	(1,716)	(948)
Base net interest income FTE	<u>\$ 236,664</u>	<u>\$ 192,305</u>	<u>\$ 157,659</u>	<u>\$ 161,243</u>	<u>\$ 60,958</u>	<u>\$ 57,706</u>
Total average interest-earning assets ⁽¹⁾	\$ 7,681,441	\$ 6,863,219	\$ 6,582,473	\$ 6,194,248	\$ 7,577,053	\$ 7,676,833
Core net interest margin FTE	3.17 %	2.87 %	2.49 %	2.72 %	3.31 %	3.06 %
Base net interest margin FTE	3.08 %	2.80 %	2.40 %	2.60 %	3.22 %	3.01 %
GAAP interest income on total loans, net	\$ 274,331	\$ 248,153	\$ 251,744	\$ 232,719	\$ 67,516	\$ 69,021
Net (gain) loss from fair value adjustments on qualifying hedges	(2,079)	1,185	1,678	—	129	(1,427)
Net amortization of purchase accounting adjustments	(3,013)	(356)	—	—	(1,117)	(728)
Core interest income on total loans, net	<u>\$ 269,239</u>	<u>\$ 248,982</u>	<u>\$ 253,422</u>	<u>\$ 232,719</u>	<u>\$ 66,528</u>	<u>\$ 66,866</u>
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from nonaccrual loans	(6,625)	(4,501)	(6,501)	(6,956)	(1,716)	(947)
Base interest income on total loans, net	<u>\$ 262,614</u>	<u>\$ 244,481</u>	<u>\$ 246,921</u>	<u>\$ 225,763</u>	<u>\$ 64,812</u>	<u>\$ 65,919</u>
Average total loans, net ⁽¹⁾	\$ 6,653,980	\$ 6,006,931	\$ 5,621,033	\$ 5,316,968	\$ 6,586,253	\$ 6,711,446
Core yield on total loans	4.05 %	4.14 %	4.51 %	4.38 %	4.04 %	3.99 %
Base yield on total loans	3.95 %	4.07 %	4.39 %	4.25 %	3.94 %	3.93 %

¹ Excludes purchase accounting average balances for the years ended 2021 and 2020 and for the quarters ended March 31, 2022 and 2021

Calculation of Tangible Stockholders' Common Equity to Tangible Assets

<i>(Dollars in thousands)</i>	March 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total Equity	\$ 675,813	\$ 679,628	\$ 618,997	\$ 579,672	\$ 549,464
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)
Core deposit Intangibles	(2,420)	(2,562)	(3,172)	—	—
Intangible deferred tax liabilities	328	328	287	292	290
Tangible Stockholders' Common Equity	<u>\$ 656,085</u>	<u>\$ 659,758</u>	<u>\$ 598,476</u>	<u>\$ 563,837</u>	<u>\$ 533,627</u>
Total Assets	\$ 8,169,833	\$ 8,045,911	\$ 7,976,394	\$ 7,017,776	\$ 6,834,176
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)
Core deposit Intangibles	(2,420)	(2,562)	(3,172)	—	—
Intangible deferred tax liabilities	328	328	287	292	290
Tangible Assets	<u>\$ 8,150,105</u>	<u>\$ 8,026,041</u>	<u>\$ 7,955,873</u>	<u>\$ 7,001,941</u>	<u>\$ 6,818,339</u>
Tangible Stockholders' Common Equity to Tangible Assets	<u>8.05 %</u>	<u>8.22 %</u>	<u>7.52 %</u>	<u>8.05 %</u>	<u>7.83 %</u>

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