

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 24, 2024**

**FLUSHING FINANCIAL CORPORATION**

*(Exact name of registrant as specified in its charter)*

**001-33013**

*(Commission File Number)*

**Delaware**

*(State or Other Jurisdiction of Incorporation)*

**11-3209278**

*(I.R.S. Employer Identification No.)*

**220 RXR Plaza, Uniondale, NY 11556**

*(Address of principal executive offices)*

**(718) 961-5400**

*(Registrant's telephone number, including area code)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	FFIC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01. Regulation FD Disclosure.**

On October 24, 2024 Flushing Financial Corp. (the “Company”) made available to investors, and to post on this website, the earnings presentation for the 2024 third quarter earnings, the presentation attached hereto as Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits.**

[Exhibit 99.1. Presentation dated October 25, 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

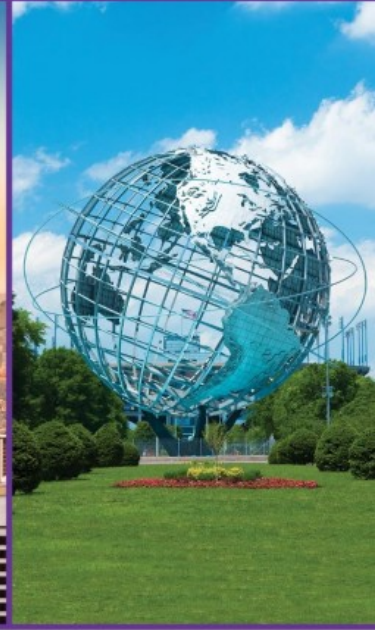
**FLUSHING FINANCIAL CORPORATION**

Date: October 24, 2024

By: /s/ SUSAN K. CULLEN  
Susan K. Cullen  
Senior Executive Vice President, Chief Financial Officer and Treasurer

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# 3Q24 Earnings Conference Call



**Building Rewarding Relationships**

October 25, 2024

**FFIC FLUSHING**  
Financial Corporation

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## 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, 2023, 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.

## 3Q24 Financial Highlights

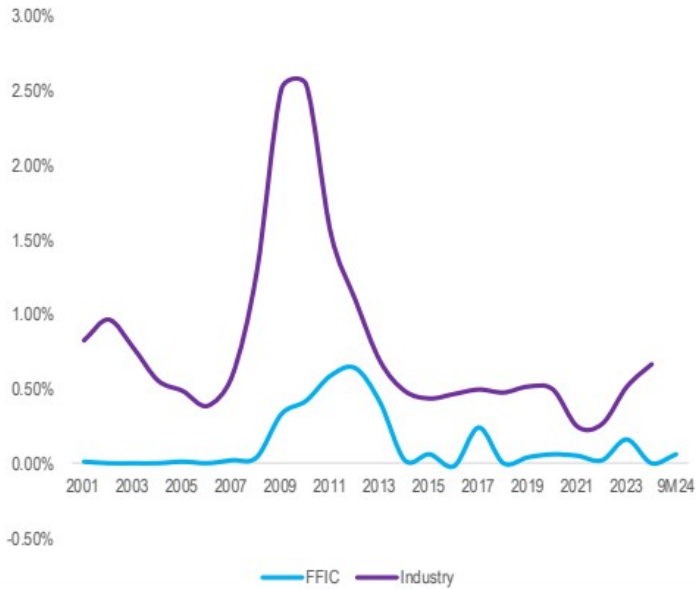
(\$ in 000s, except for EPS)

	3Q24	2Q24	3Q23
Net Interest Income	\$45,603	\$42,776	\$44,427
Provision for Credit Losses	1,727	809	596
Noninterest Income	6,277	4,216	3,309
Noninterest Expense	38,696	39,047	36,388
Income Before Income Taxes	11,457	7,136	10,752
Provision for Income Taxes	2,551	1,814	2,917
Net Income	\$8,906	\$5,322	\$7,835
GAAP EPS	\$0.30	\$0.18	\$0.26
Core EPS <sup>1</sup>	\$0.26	\$0.18	\$0.25
GAAP NIM FTE	2.10 %	2.05 %	2.22 %
Core NIM FTE <sup>1</sup>	2.07	2.03 %	2.13
NCOs/Average Loans	0.18 %	(0.01) %	- %
NPAs/Assets	0.59	0.61	0.45
Criticized and Classified Loan/Loans	1.00	1.13	1.08
30-89 Day Past Due/Total Loans	0.43	0.35	0.13

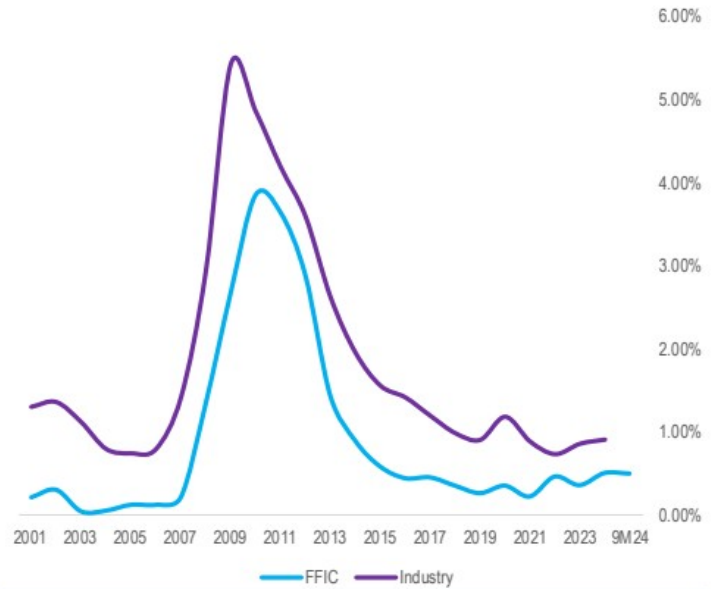
- Net interest recoveries on nonaccrual and delinquent loans added 5 bps to the 3Q24 NIM (~\$0.03 per share); NIM bottomed in July before expanding in August and September
- Noninterest income includes back-to-back swap fee income of \$0.6 million in 3Q24, \$0.5 million in 2Q24, and \$1.6 million in 3Q23
- Noninterest expense increased 6.3% YoY; still expect core noninterest expense growth of mid single digits in 2024
- Credit quality remains solid; NCOs primarily reflect a loan that was fully reserved
- 3Q24 GAAP and Core EPS include \$0.05 per share of insurance recoveries, discrete income tax items, and other events that are not expected to repeat

# Net Charge-offs Significantly Better Than the Industry; Strong DCR

**NCOs / Average Loans<sup>1</sup>**



**Noncurrent Loans / Loans**



**Weighted average debt coverage ratios (DCR) for Multifamily and Investor CRE portfolios at ~1.87x<sup>2</sup>**

- 200 bps shock increase in rates produces a weighted average DCR of ~1.46x<sup>3</sup>
- 10% increase in operating expense yields a weighted average DCR of ~1.74x<sup>3</sup>
- 200 bps shock increase in rates and 10% increase in operating expenses results in a weighted average DCR ~1.31<sup>3</sup>
- In all scenarios, weighted average CLTV is less than 50%<sup>3,4</sup>

- 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 less than 36%<sup>4</sup>
  - Only \$31.7 million of real estate loans (0.5% of gross loans) with an LTV of 75% or more<sup>4</sup>; \$9.1 million have mortgage insurance



<sup>1</sup> "Industry" includes FDIC insured institutions from "FDIC Statistics At A Glance" through June 30, 2024

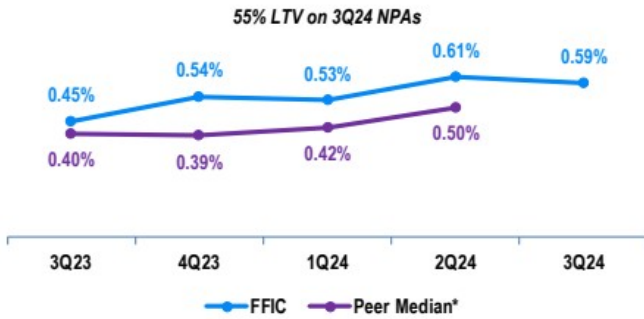
<sup>2</sup> Based on most recent Annual Loan Review

<sup>3</sup> Based upon a sample size of 74% of multifamily and investor real estate loans as of December 31, 2023

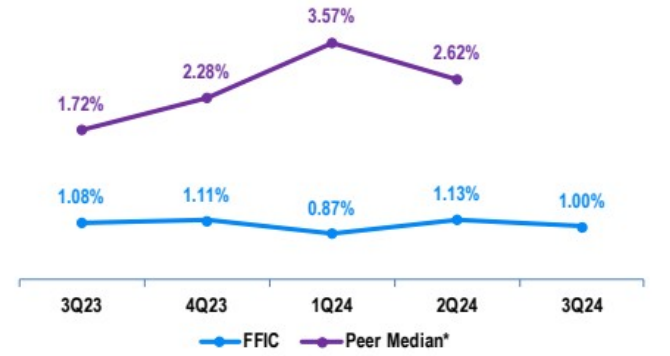
<sup>4</sup> Based on appraised value at origination

# Low Risk Credit Profile Results

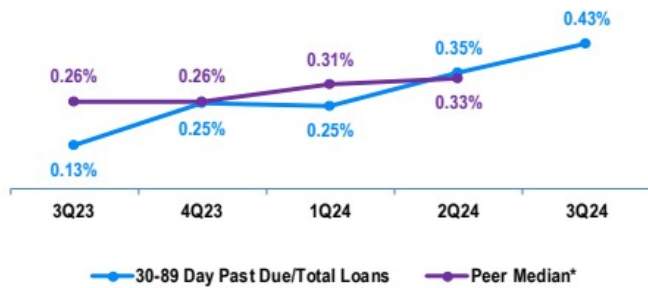
## NPAs / Assets



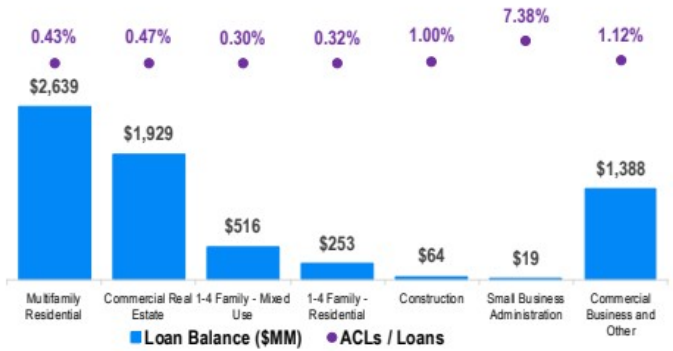
## Criticized and Classified Loans / Gross Loans



## 30-89 Day Past Due / Total Loans



## ACL by Loan Segment (3Q24)





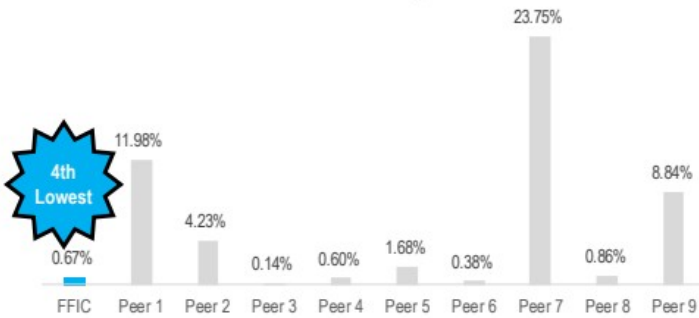
## Strong Credit Quality In Key Portfolios

Portfolio Data Points	Multifamily	Investor CRE <sup>1</sup>	Office CRE
NPLs/Loans	33 bps	0 bps	274 bps
Criticized and Classified Loans/Loans	55 bps	0 bps	274 bps
Weighted Average DCR <sup>2</sup> :	1.9x	1.9x	1.9x
Portfolio Size:	\$2.6 billion	\$1.7 billion	\$244.7 million
Average Loan Size:	\$1.2 million	\$2.5 million	\$3.0 million

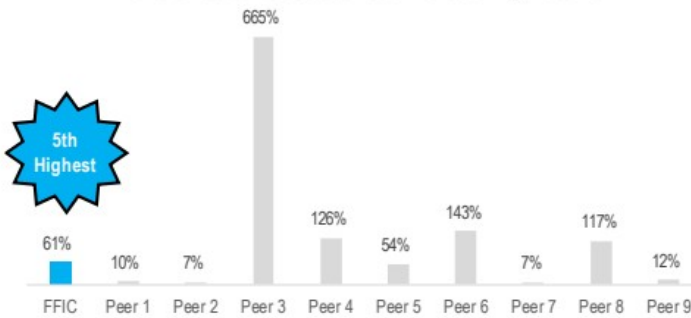
# Low Risk Multifamily Loan Portfolio

## Multifamily Ratios vs Peer Banks<sup>1</sup>

Criticized and Classified Multifamily Loans / Total Multifamily Loans



Multifamily Allowance for Credit Losses / Criticized and Classified Multifamily Loans



## Loan Rating Criteria

- We employ a model to determine loan risk ratings for real estate loans
- The model consists of four factors: property condition, current DCR, current LTV, and loan payment history with DCR and LTV combining for 70% of the weight
- The model output cannot be overridden to improve the risk rating

## Multifamily Credit Quality Statistics<sup>2</sup>

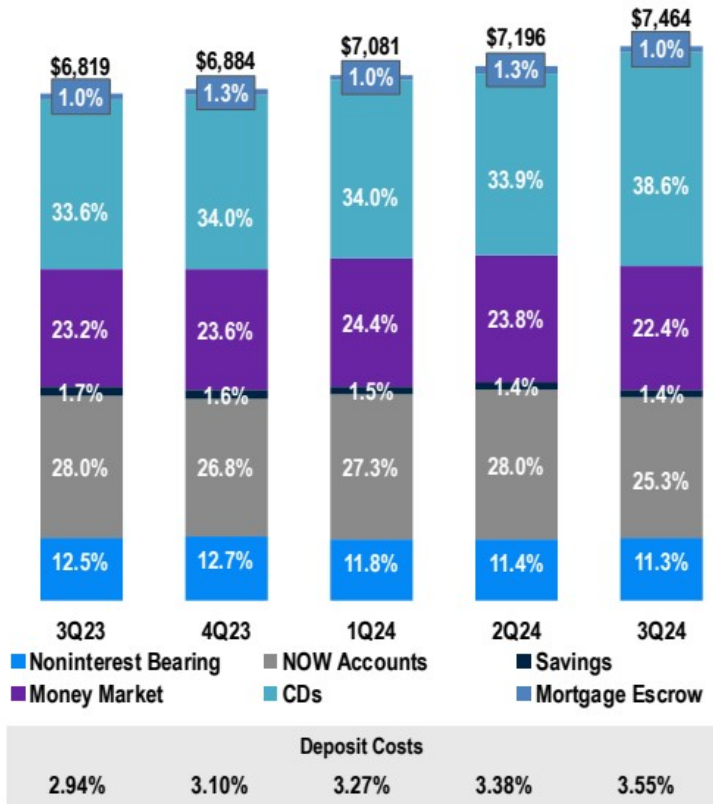
- 30-89 days past due are 0.52% of total multifamily loans
- NPL loans are 0.33% of total multifamily loans
- Criticized and Classified loans to multifamily loans are 0.55%
- LLRs to multifamily criticized and classified loans are 71%

## Credit Metrics Prove Conservative Underwriting

- Low risk credit profile supported by:
  - Year to date NCOs of 6 bps compares favorable versus the industry and historical charge-offs are well below industry levels
  - Noncurrent loans to loans are below industry levels currently and historically
  - Conservatively underwritten multifamily portfolio that is performing well versus the industry and peers
  - Investor commercial real estate portfolio has favorable credit metrics and is performing well versus the industry
  - One office loan on nonaccrual; mixed use property in Manhattan with retail and office space; about 50% of the office units are current vacant; current LTV is less than 90% (August 2024 appraisal); we expect this credit will be resolved shortly with no loss to principal
  - NPAs, Criticized, and Classified loans improved QoQ
  - 30-89 Day Delinquencies remain at low levels.

# Average Total Deposits Expand YoY and QoQ

**Total Average Deposits**  
(\$ Millions)



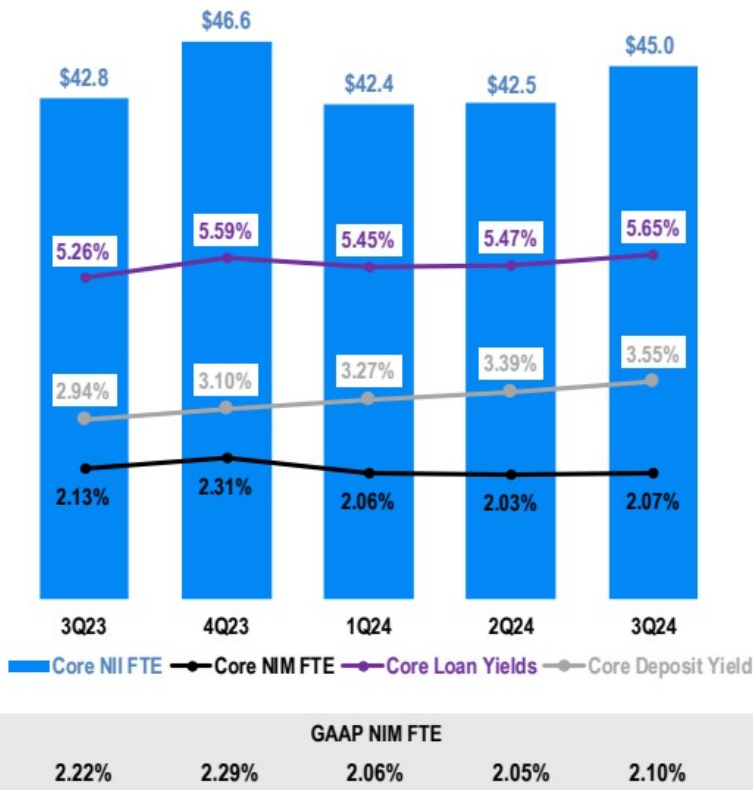
**Average Noninterest Bearing Deposits**  
(\$ Millions)



- Average total deposits increased 9.5% YoY and 3.7% QoQ with QoQ growth in CDs and noninterest bearing deposits more than offset seasonal declines
- Average noninterest bearing deposits are 11.3% of average total deposits, down from 12.5% a year ago
- Checking account openings increased 3% YOY and 24% QoQ

# GAAP and Core NIM Near Stabilization

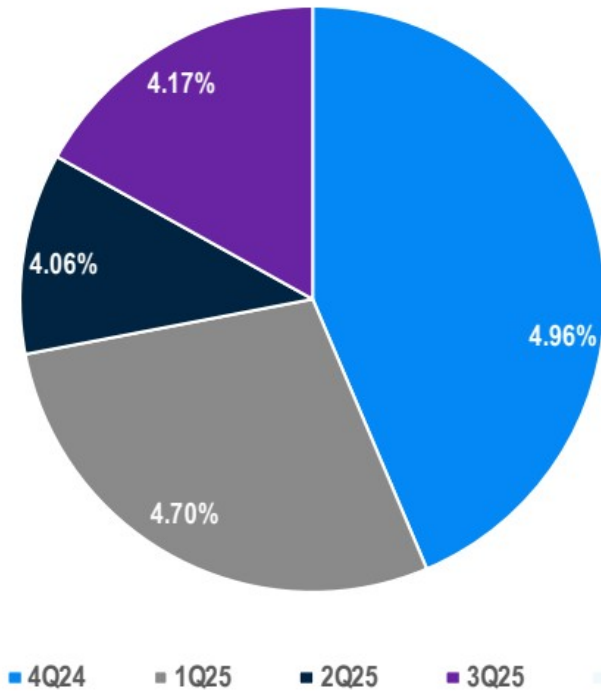
Net Interest Income and NIM  
(\$ Millions)



- The 50 bps cut by the Fed should help NIM over time; timing of the benefit will largely depend on market deposit pricing
- If the inversion in the yield curve (primarily Overnight/3- month SOFR relative to the 5- year FHLB-NY Advance rate) lessens, this should improve spreads on the real estate portfolio over time
- On October 1, 2024, rates on \$1.8 B out of \$3.7 B of non-maturity deposits were lowered by 50 bps
- After a lag, NIM improvement is expected to occur over time and be bumpy rather than linear; a flattening of the curve will help, and a steepening will have a greater positive impact

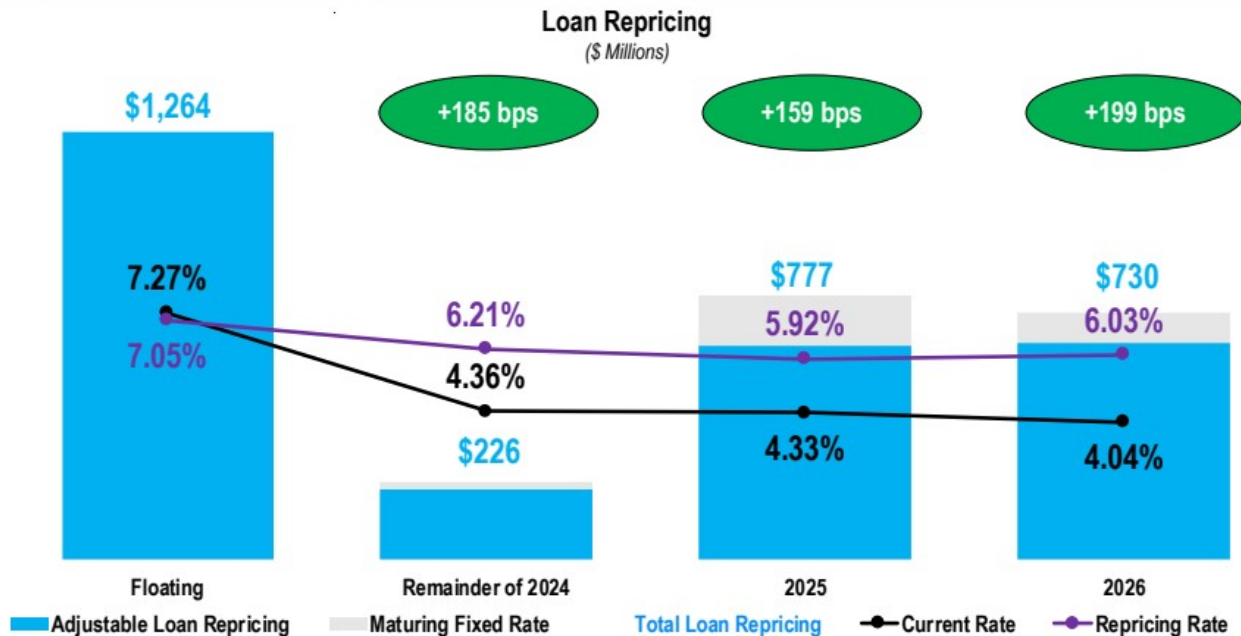
## CDs Expected to Reprice Favorably

Total CDs of \$2.9 Billion;  
Repricing Dates with Weighted Average Rate<sup>1</sup>



- CDs have a weighted average rate of 4.64%<sup>1</sup> as of September 30, 2024
- Current CD APYs are approximately 3.75-4.75%
- Approximately 72%<sup>1</sup> of the CD portfolio will mature within one year
  - \$647.2 million in 4Q24 at 4.96%<sup>1</sup>
  - \$420.8 million in 1Q25 at 4.70%
  - \$164.6 million in 2Q25 at 4.06%
  - \$251.0 million in 3Q25 at 4.17%
- Historically, we retain a high percentage of maturing CDs

# Effective Floating Rate Loans are ~26% of the Loan Portfolio; Significant Repricing to Occur Through 2026



- Floating rate loans include any loans (including back-to-back swaps) tied to an index that reprices within 90 days; Including interest rate hedges of \$500 million, \$1.8 billion or ~26% of the loan portfolio is effectively floating rate
- Through 2026, loans to reprice ~159-199 bps higher assuming index values as of September 30, 2024
- ~19% of loans reprice (~26% including all loan portfolio hedges) with every Fed move and an additional 11-15% reprice annually

## Net Interest Margin to Improve Over Time

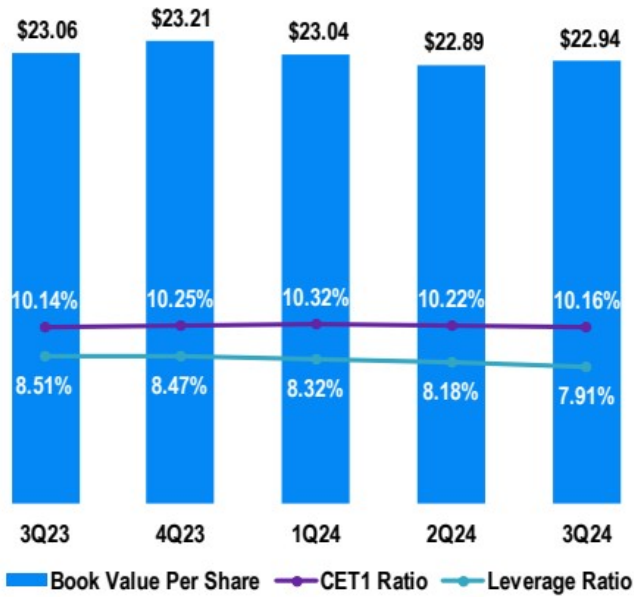
- Short-term NIM improvement driven by:
  - Significant CD repricing at lower roll over rates (likely 50-100 bps in 4Q24)
  - Meaningful real estate loan repricing 150-200 bps higher over the next couple of years
  - Approximately 50% of the non-maturity deposits had rates lowered by 50 bps on October 1<sup>st</sup>
  - Floating rate assets and swaps will serve as a potential offset to the funding reductions
- Long-term NIM improvement driven by:
  - Flattening to positive sloped yield curve
  - Continued remixing of earning assets and funding

Net Interest Margin to Improve Over Time But the Trend Could be Bumpy

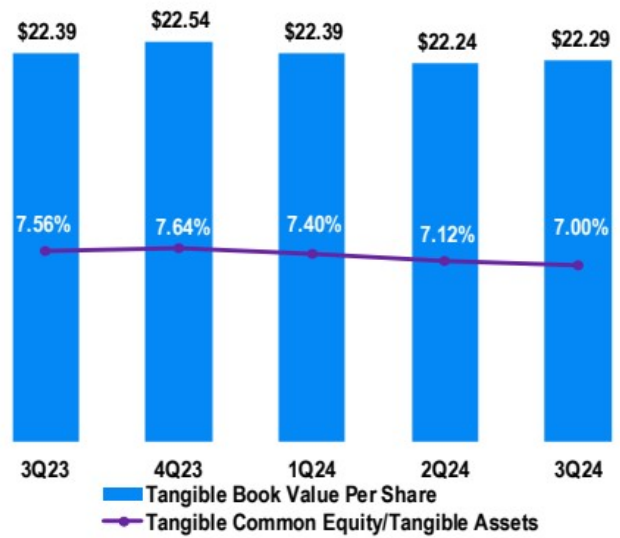


# Slight Increase in Book Value and Tangible Book Value Per Share QoQ

0.5% YoY Book Value Per Share Decline



0.4% YoY Decrease in Tangible Book Value Per Share



## Strong Asian Banking Market Focus

Asian Communities – Total Loans \$744 million and Deposits \$1.3 billion

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

About One Third of Branches are in Asian markets

**17%**  
of Total Deposits

**\$40B**  
Deposit Market Potential  
> (~3% Market Share<sup>1</sup>)

**5.8%**  
1 Year Growth in 2024 vs  
(1.5)%<sup>1</sup> for the  
Comparable Asian  
Markets

# Key Community Events – Supporting The Dragon Boat Festival



# Outlook

## ■ Balance Sheet

- Expect stable loans
- Focused on improving funding mix; expect normal historical funding patterns

## ■ Net Interest Income

- NIM outlook is largely dependent on deposit rate competition
  - If the market moves rates inline with rate cuts, our NIM should be relatively stable to slightly positive
  - If the market lags rate cuts, our NIM could have some near-term pressure before expanding over the longer term
- \$1.5 billion of retail CDs to mature over the next year at a weighted average rate of 4.65%; closer to market rates; \$647 million in 4Q24 at 4.96%
- \$226 million of loans scheduled to reprice upwards 185 bps in 4Q24 and \$777 million, up 159 bps in 2025 (based on September 30, 2024 index values)

## ■ Noninterest Income

- Approximately \$60 million of back-to-back swaps in the loan pipeline; banking services fee income to benefit in the quarter as these loans close

## ■ Noninterest Expense

- 2024 core noninterest expense expected to increase mid single digits from the 2023 base of \$151.4 million as we continue to make investments in the business to improve long term profitability

## ■ Effective Tax Rate

- Expecting mid 20s% for 2024

# Key Takeaways – Improving, but Still Challenging Environment

## ■ Areas of Focus

- Increase NIM and Reduce Volatility
  - Loan and CD repricing to help NIM over time
  - Focusing on noninterest bearing deposits
- Maintain Credit Discipline
  - Low risk profile
  - Conservative loan underwriting
  - History of low credit losses
  - Minimal exposure to Manhattan office buildings
- Preserve Strong Liquidity and Capital
  - Low uninsured and uncollateralized deposits with high available liquidity
  - Favorable capital ratios
- Bend the Expense Curve
  - Keep expense growth in line with historical norms as we continue to make investments to improve long term profitability

## ■ Improving, but Still Challenging Environment as Yield Curve is Still Inverted

- A flat yield curve (3 month to 5 year spread) should help the NIM; positive slope will be a greater benefit
- Deposit market pricing competition is unknown in the short term

# Appendix



# Digital Banking Usage Continues to Increase

**17%**

Increase in Monthly Mobile Deposit Active Users  
September 2024  
YoY Growth



**~32,000**

Users with Active Online Banking Status  
September 2024



**16%**

Digital Banking Enrollment  
September 2024  
YoY Growth



**Internet Banks**

iGObanking and BankPurely national deposit gathering platforms  
~2% of Average Deposits in September 2024



**Numerated**

Small Business Lending Platform  
\$8.5MM of Commitments year to date in 2024



**~13,000**

Zelle® Transactions  
~\$4.4MM

Zelle Dollar Transactions in September 2024



Technology Enhancements Remain a Priority to Grow Customer Base and Increase Engagement

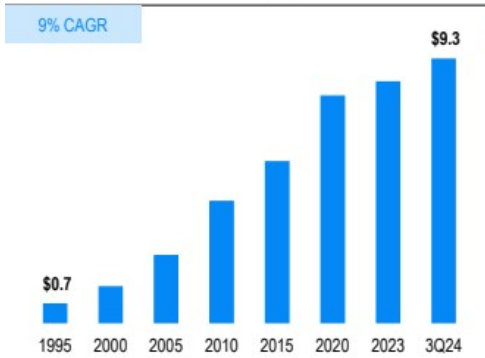
# Annual Financial Highlights

	2023	2022	2021	2020	2019	2018
<b>Reported Results</b>						
EPS	\$0.96	\$2.50	\$2.59	\$1.18	\$1.44	\$1.92
ROAA	0.34 %	0.93 %	1.00 %	0.48 %	0.59 %	0.85 %
ROAE	4.25	11.44	12.60	5.98	7.35	10.30
NIM FTE	2.24	3.11	3.24	2.85	2.47	2.70
<b>Core<sup>1</sup> Results</b>						
EPS	\$0.83	\$2.49	\$2.81	\$1.70	\$1.65	\$1.94
ROAA	0.29 %	0.92 %	1.09 %	0.68 %	0.68 %	0.85 %
ROAE	3.69	11.42	13.68	8.58	8.42	10.39
NIM FTE	2.21	3.07	3.17	2.87	2.49	2.72
<b>Credit Quality</b>						
NPAs/Loans & REO	0.67 %	0.77 %	0.23 %	0.31 %	0.24 %	0.29 %
LLRs/Loans	0.58	0.58	0.56	0.67	0.38	0.38
LLR/NPLs	159.55	124.89	248.66	214.27	164.05	128.87
NCOs/Average Loans	0.16	0.02	0.05	0.06	0.04	-
Criticized & Classifieds/Loans	1.11	0.98	0.87	1.07	0.66	0.96
<b>Capital Ratios</b>						
CET 1	10.25 %	10.52 %	10.86 %	9.88 %	10.95 %	10.98 %
Tier 1	10.93	11.25	11.75	10.54	11.77	11.79
Total Risk-based Capital	14.33	14.69	14.32	12.63	13.62	13.72
Leverage Ratio	8.47	8.61	8.98	8.38	8.73	8.74
TCE/TA	7.64	7.82	8.22	7.52	8.05	7.83
<b>Balance Sheet</b>						
Book Value/Share	\$23.21	\$22.97	\$22.26	\$20.11	\$20.59	\$19.64
Tangible Book Value/Share	22.54	22.31	21.61	19.45	20.02	19.07
Dividends/Share	0.88	0.88	0.84	0.84	0.84	0.80
Average Assets (\$B)	8.5	8.3	8.1	7.3	6.9	6.5
Average Loans (\$B)	6.8	6.7	6.6	6.0	5.6	5.3
Average Deposits (\$B)	6.9	6.5	6.4	5.2	5.0	4.7

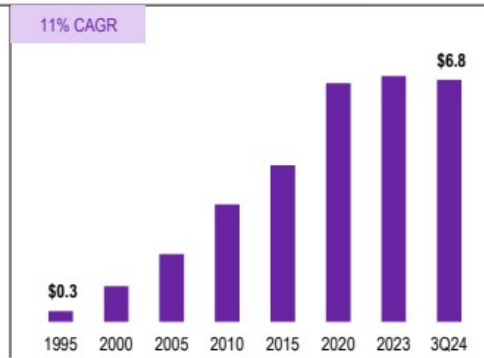


# Over a 28 Year Track Record of Steady Growth

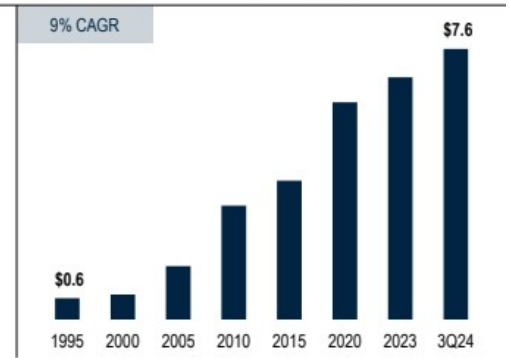
Assets (\$B)



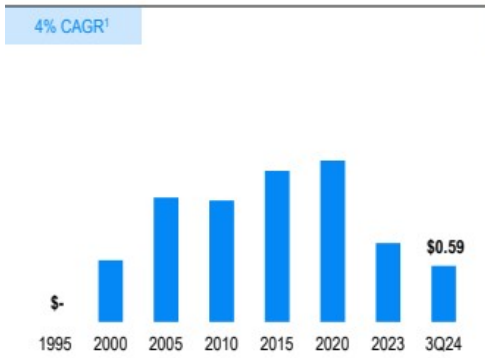
Total Gross Loans (\$B)



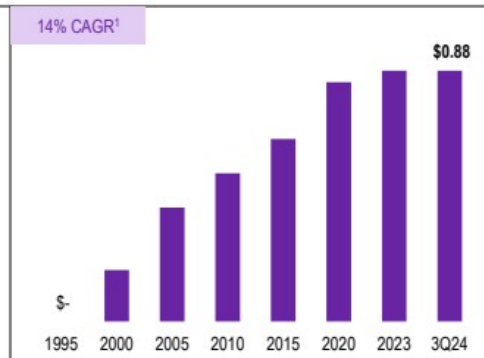
Total Deposits (\$B)



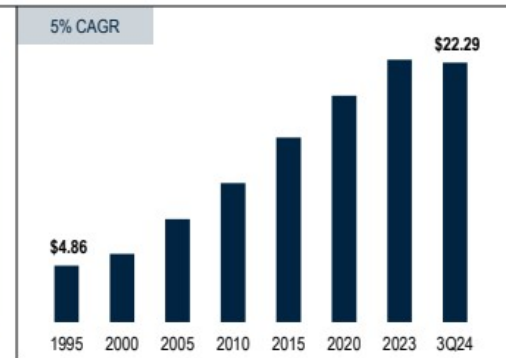
Core EPS (\$)



Dividends per Share (\$) <sup>2</sup>



Tangible Book Value per Share (\$)

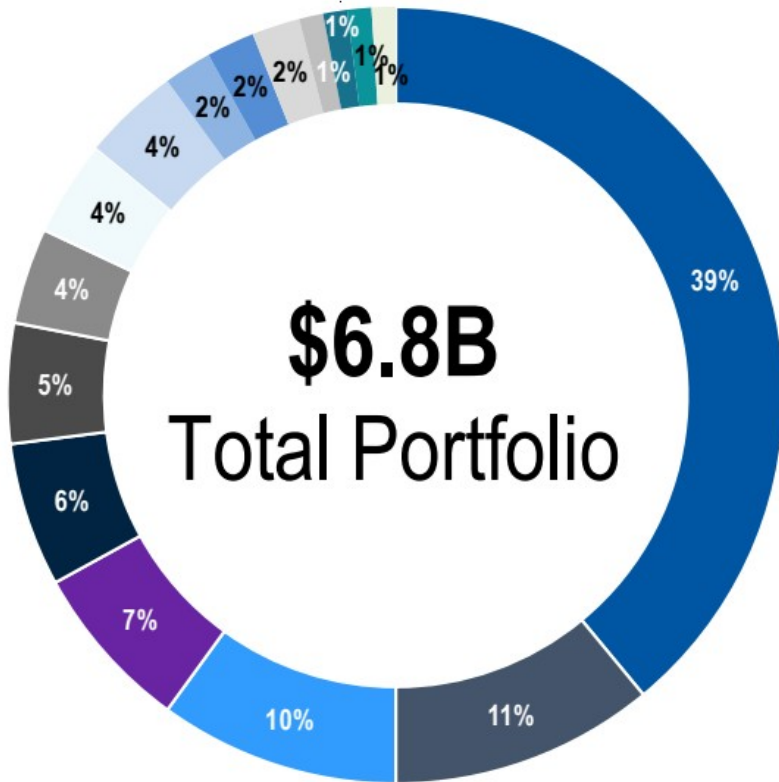


## Approach to Real Estate Lending: Low Leverage & Shared Philosophy

- **Since 1929, we have a long history of lending in metro New York City**
  - Historically, credit quality has outperformed the industry and peers
    - From 2001-2023, median NCOs to average loans has been 4 bps compared to 52 bps for the industry
    - Median noncurrent loans to total loans has been 37 bps compared to 130 bps for the industry over the same period
- **The key to our success is shared client philosophy**
  - Our clients tend to have low leverage (average LTV is <36%) and strong cash flows (DCR is 1.9x for multifamily and CRE<sup>1</sup>)
  - Multigenerational– our clients tend to build portfolio of properties; generally, buy and hold
  - Borrowers are not transaction oriented – average real estate loan seasoning is over 8 years, which is generally passed the 5-year reset for multifamily and investor CRE loans
  - We do not attract clients who are short term borrowers, who want funds on future cash flows, or who are aggressively trying to convert rent regulated units into market rents

Our Conservative Lending Profile Has Served Us Well Over Many Cycles

# Loans Secured by Real Estate Have an Average LTV of ~36%



## 90% Real Estate Based

- Multifamily: 39.0%
- Owner Occupied CRE: 11.0%
- Non Real Estate: 10.0%
- One-to-four family - Mixed Use: 7.0%
- General Commercial: 6.0%
- CRE - Shopping Center: 5.0%
- CRE - Strip Mall: 4.0%
- One-to-four family - Residential: 4.0%
- Commercial Mixed Use: 4.0%
- CRE - Single Tenant: 2.0%
- Industrial: 2.0%
- Office - Multi & Single Tenant: 2.0%
- Health Care/Medical Use: 1.0%
- Commercial Special Use: 1.0%
- Construction: 1.0%
- Office Condo & Co-Op: 1.0%

Manhattan Office Buildings are Approximately 0.5% of Gross Loans and All Are Performing

# Multifamily: Conservative Underwriting Standards

## Portfolio Data Points

Portfolio Size:	\$2.6 billion
Average Loan Size:	\$1.2 million
Current Weighted Average Coupon:	5.03%
Weighted Average LTV:	44%
% of Loans with LTV >75%	0.1%
Weighted Average DCR:	1.9x
NPLs/Loans	0.33%
30-89 Days Past Due/Loans	0.56%
Criticized and Classified Loans/Loans	55 bps

## Underwriting Standards at Origination

- All loans underwritten with a 250-300 bps increase in rates at origination; especially when rates were low
- Debt coverage ratios (DCR) based on current rents; not projected cash flows
- Underwritten Net Operating Income (NOI) at origination includes forecasted increases in expenses and potential increase in interest rates, which limits overall leverage
- Cap rates were underwritten to 5%+ when rates were low
- Annual loan reviews performed; cash flows updated annually and a trend analysis on the portfolio is performed
- 30-year amortization
- Loans generally reset every 5 years (FHLB Advance rate + 225 bps)

# Multifamily: Manageable Repricing Risk

## Actual Repricing

(\$000s)	At Origination		At Reprice Date	
	2019	Stressed	CAGR	2023
Purchase Price:	\$7,500			\$7,500
Loan Amount:	\$4,250	\$3,824		\$3,824
LTV:	56.7%			51.0%
Rate:	3.75%	5.75%		6.45%
Annual Payment:	\$159	\$301		\$324
Income:	725	848	4%	848
Expense:	362	423	4%	423
NOI:	\$363	\$425		\$425
DCR:	2.28	1.41		1.31

### NOI Sensitivity

	NOI Sensitivity			
	CAGR	2023	CAGR	2023
Loan Balance:		\$3,824		\$3,824
Repricing Rate:		6.45%		6.45%
Annual Payment:		\$324		\$324
Income:	4%	848	4%	848
Expense:	6%	458	8%	492
NOI:		\$390		\$356
DCR:		1.20		1.10

## Key Data Points

- During 2023, \$296 million of loans repriced ~196 bps higher to 6.61%; all loans repriced to contractual rate
- For 4Q24, \$95.7 million of loans are forecasted to reprice 197 bps higher to a weighted average rate of 6.14%<sup>1</sup>
- For 2025, \$358.3 million of loans are forecasted to reprice 208 bps higher to a weighted average rate of 6.14%<sup>1</sup>
- Example of a typical 2023 loan repricing:
  - Income and expense increased at an approximate 4% CAGR
  - Rate resets to FHLB 5-yr advance + 225 bps
  - NOI sensitivity provided for illustrative purposes only; actual expense CAGR has been 4%

# Multifamily: DCR Risks Are Well Contained

## Debt Coverage Ratio Details<sup>1</sup>

Multifamily weighted average DCR	1.9x <sup>2</sup>
Amount of loans with a DCR of 1.0-1.2x	\$132.9 million <sup>3</sup>
LTV of loans with a DCR of 1.0-1.2x	48%
Amount of loans with a DCR <1.0x	\$25.6 million <sup>3</sup>
LTV of loans with a DCR <1.0x	31%
Of the loans with a DCR <1.2x:	<ul style="list-style-type: none"> <li>• None have an LTV &gt;70%</li> <li>• \$16.1 million have an LTV &gt;60%</li> <li>• \$1.4 million are 90+ days past due; \$2.4 million criticized or classified (with WA LTV of 49.7%)</li> </ul>

## Key Data Points<sup>1</sup>

- Underwriting assumes higher rates at origination leading to strong DCRs
- Low amount of loans with DCRs less than 1.2x and minimal amount below 1.0x
- Borrowers have significant equity positions in these loans, especially for those with DCRs less than 1.0x
- Credit performance is favorable for DCRs of 1.2x or less:
  - \$1.4 million 90+ days past due
  - Only \$2.4 million of criticized or classified loans with a weighted average LTV of 49.7%

## Multifamily: Minimal Interest Only; High Quality Performance

### Interest Only Loan Details<sup>1</sup>

Total interest only loans	\$214.4 million (down 18% year to date)
Weighted average LTV	46%
Weighted average DCR	2.3x <sup>2</sup>
Amount of loans with a DCR <1.2x	\$0 <sup>2</sup>
30-89 Days Past Due/Loans	\$0
Criticized and Classified Loans/Loans	\$5 million
Amount of loans to become fully amortizing in 2024	<ul style="list-style-type: none"> <li>• \$86.2 million</li> <li>• 2.9x current DCR and ~1.9x when fully amortized</li> </ul>

### Key Data Points

- Interest only loans are typically only offered to relationship customers who have a prior history with the Bank
- A client requests an interest only loan when cash flows early in the project are low and will increase after improvements occur or if the cash flow is strong enough to cover the required debt service amortizing yet a preferred return for a limited time frame is desired
- Significant equity or multiple properties are offsetting factors
- Loans are generally interest only for 1-3 years and then become fully amortizing
- Underwritten on a fully amortizing basis
- Credit performance is stellar with only one loan for \$5 million that is criticized and classified

# Multifamily: Rent Regulated Portfolio – Granular and Low Risk

## Portfolio Data Points<sup>1</sup>

Portfolio Size:	\$1.6 billion
Average Loan Size:	\$1.4 million
Current Weighted Average Coupon:	4.82%
Weighted Average LTV:	48%
% of Loans with LTV >75%	0.2%
Weighted Average DCR:	1.8x <sup>2</sup>
Average Seasoning:	7.6 years
30-89 Days Past Due	\$5.5 million
Criticized and Classified Loans	\$7.5 million
Buildings that are 100% rent regulated	\$778 million
Buildings that are 50-99% rent regulated	\$525 million
Buildings that are <50% rent regulated	\$290 million

## Key Data Points

- New York City area has a shortage of affordable housing creating the need for rent regulated units; annual the Rent Guidelines Board establishes rental increases for these units
- Loans that contain rent regulated properties are about two thirds of the multifamily portfolio
- This portfolio is very granular with about half the portfolio in buildings that are 100% rent regulated and half with a mix of market rents
- Borrowers have over 50% equity in these properties
- With average seasoning over 7 years, these borrowers have experienced rate resets
- Credit performance is solid with low levels of delinquencies, criticized, and classified loans



# Investor CRE: Conservative Underwriting Standards

## Portfolio Data Points

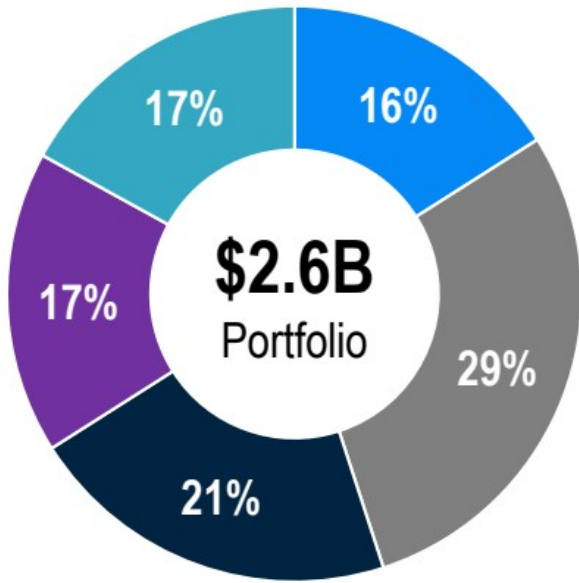
Portfolio Size:	\$1.9 billion
Average Loan Size:	\$2.5 million
Current Weighted Average Coupon:	5.16%
Weighted Average LTV:	49%
% of Loans with LTV >75%	44 bps
Weighted Average DCR:	1.9x
NPLs/Loans	35 bps
30-89 Days Past Due/Loans	0.01%
Criticized and Classified Loans/Loans	35 bps

## Underwriting Standards at Origination

- All loans underwritten with a 250-300 bps increase in rates at origination; especially when rates were low
- Debt coverage ratios (DCR) based on current rents; not projected cash flows
- Underwritten Net Operating Income (NOI) at origination includes forecasted increases in expenses and potential increase interest rates, which limits overall leverage
- Cap rates were underwritten to 5%+ when rates were low
- Annual loan reviews performed; cash flows updated annually and a trend analysis on the portfolio is performed
- 30-year amortization
- Loans generally reset every 5 years (FHLB Advance rate + 225 bps)

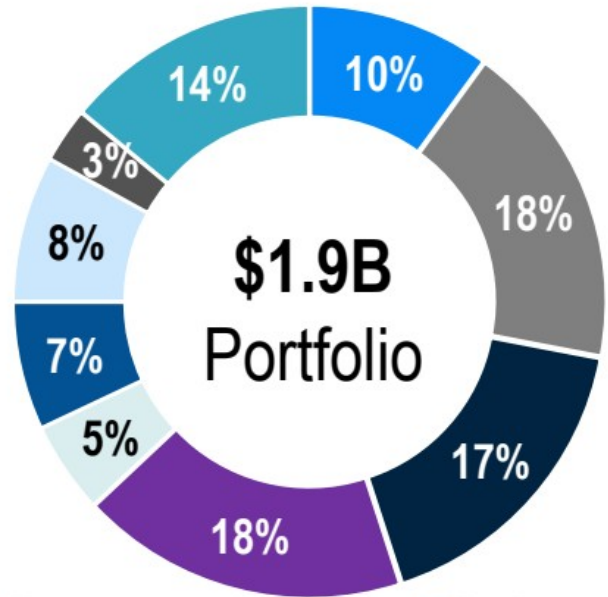
# Geographically Diverse Multifamily and CRE Portfolios

## Multifamily Geography



- Bronx
- Queens
- Kings
- Other
- Manhattan

## Non-Owner Occupied CRE Geography

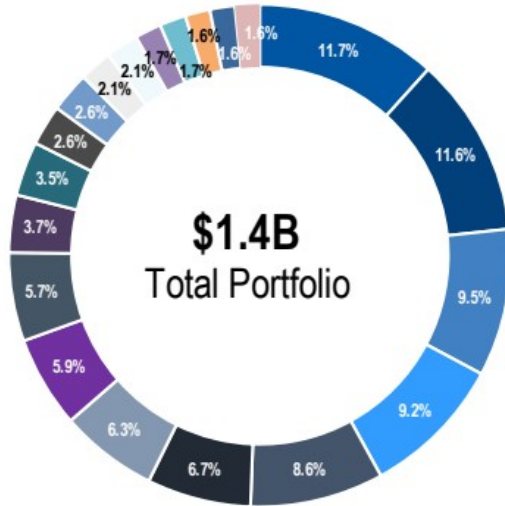


- Bronx
- Queens
- Kings
- Other NY
- Manhattan
- Suffolk
- NJ
- CT/Other
- Nassau

Underwrite Real Estate Loans with a Cap Rates over 6.6% in 1H24 (5%+ Historically) and Stress Test Each Loan

# Well-Diversified Commercial Business Portfolio

Real Estate  
Collateral  
**\$728MM**



- Wholesalers: 11.7%
- Other: 9.5%
- Construction / Contractors: 8.6%
- Hotels: 6.3%
- Manufacturer: 5.7%
- Apparel: 3.5%
- Electrical Equipment: 2.6%
- Civic and Social Organizations: 2.1%
- Retailer: 1.7%
- Airlines: 1.6%
- Trucking/ Vehicle Transport: 11.6%
- Financing Company: 9.2%
- Professional Services (Excluding Medical): 6.7%
- Medical Professionals: 5.9%
- Automobile Related: 3.7%
- Restaurants: 2.6%
- Theaters: 2.1%
- Food Service: 1.7%
- Schools / Daycare Centers: 1.6%
- Real Estate: 1.6%

## Commercial Business

- Primarily in market lending
- Annual sales up to \$250 million
- 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 \$10 million
- 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 \$1.4 million

## Swap Maturities: >50% of Interest Rate Hedges Mature through 2026

Swap Type	Notional (\$ Million)	2025 Maturities (\$ Million)	2026 Maturities (\$ Million)	2027 Maturities (\$ Million)	Annualized Net Interest Income <sup>1</sup> (\$ Million)
Investments	\$200.0	\$0	\$50	\$75	\$3.8
Loans <sup>2</sup>	\$697.4	\$140.9	\$315.8	\$115.0	\$13.5
Funding	\$875.8	\$225.0	\$180.0	\$50.0	\$25.5

- The \$1.8 billion of total interest rate hedges has annualized net interest income of \$42.8 million as of September 30, 2024
  - The net benefit will expand if the Fed raises rates or compress if the Fed cuts rates
- Approximately 21% of the interest rate hedges will mature in 2025 and 31% in 2026

# 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 this measure facilitates comparison of the quality and composition of the Company's capital over time and in comparison, to its competitors. This measure 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 to CORE Earnings - Quarters

(Dollars in thousands, except per share data)	For the three months ended					For the nine months ended	
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	September 30, 2024	September 30, 2023
GAAP income before income taxes	\$ 11,457	\$ 7,136	\$ 4,997	\$ 11,754	\$ 10,752	\$ 23,590	\$ 28,079
Net (gain) loss from fair value adjustments (Noninterest income (loss))	(974)	(57)	834	(906)	1,246	(197)	(1,667)
Life insurance proceeds (Noninterest income (loss))	(1)	—	—	(697)	(23)	(1)	(584)
Net (gain) loss from fair value adjustments on qualifying hedges (Net interest income)	(554)	(177)	187	872	(1,348)	(544)	(1,243)
Net amortization of purchase accounting adjustments and intangibles (Various)	(62)	(85)	(169)	(355)	(237)	(316)	(652)
Miscellaneous expense (Professional services)	10	494	—	526	—	504	—
Core income before taxes	9,876	7,311	5,849	11,194	10,390	23,036	23,933
Provision for core income taxes	2,153	1,855	1,537	3,648	2,819	5,545	6,561
Core net income	\$ 7,723	\$ 5,456	\$ 4,312	\$ 7,546	\$ 7,571	\$ 17,491	\$ 17,372
GAAP diluted earnings per common share	\$ 0.30	\$ 0.18	\$ 0.12	\$ 0.27	\$ 0.26	\$ 0.60	\$ 0.69
Net (gain) loss from fair value adjustments, net of tax	(0.03)	(0.01)	0.02	(0.02)	0.03	(0.01)	(0.04)
Life insurance proceeds	—	—	—	(0.02)	—	—	(0.02)
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.01)	—	—	0.02	(0.03)	(0.01)	(0.03)
Net amortization of purchase accounting adjustments, net of tax	—	—	—	(0.01)	(0.01)	(0.01)	(0.02)
Miscellaneous expense, net of tax	—	0.01	—	0.01	—	0.01	—
Core diluted earnings per common share <sup>(1)</sup>	\$ 0.26	\$ 0.18	\$ 0.14	\$ 0.25	\$ 0.25	\$ 0.59	\$ 0.58
Core net income, as calculated above	\$ 7,723	\$ 5,456	\$ 4,312	\$ 7,546	\$ 7,571	\$ 17,491	\$ 17,372
Average assets	9,203,884	8,830,665	8,707,505	8,569,002	8,505,346	8,915,076	8,478,837
Average equity	672,762	667,557	669,185	669,819	675,041	669,845	676,949
Core return on average assets <sup>(2)</sup>	0.34 %	0.25 %	0.20 %	0.35 %	0.36 %	0.26 %	0.27 %
Core return on average equity <sup>(2)</sup>	4.59 %	3.27 %	2.58 %	4.51 %	4.49 %	3.48 %	3.42 %

**FFIC FLUSHING** Financial Corporation <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

# Reconciliation of GAAP Revenue and Pre-provision Pre-tax Net Revenue - Quarters

(Dollars in thousands)	For the three months ended					For the nine months ended	
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	September 30, 2024	September 30, 2023
GAAP Net interest income	\$ 45,603	\$ 42,776	\$ 42,397	\$ 46,085	\$ 44,427	\$ 130,776	\$ 133,067
Net (gain) loss from fair value adjustments on qualifying hedges	(554)	(177)	187	872	(1,348)	(544)	(1,243)
Net amortization of purchase accounting adjustments	(155)	(182)	(271)	(461)	(347)	(608)	(993)
Core Net interest income	<u>\$ 44,894</u>	<u>\$ 42,417</u>	<u>\$ 42,313</u>	<u>\$ 46,496</u>	<u>\$ 42,732</u>	<u>\$ 129,624</u>	<u>\$ 130,831</u>
GAAP Noninterest income	\$ 6,277	\$ 4,216	\$ 3,084	\$ 7,402	\$ 3,309	\$ 13,577	\$ 15,186
Net (gain) loss from fair value adjustments	(974)	(57)	834	(906)	1,246	(197)	(1,667)
Life insurance proceeds	(1)	—	—	(697)	(23)	(1)	(584)
Core Noninterest income	<u>\$ 5,302</u>	<u>\$ 4,159</u>	<u>\$ 3,918</u>	<u>\$ 5,799</u>	<u>\$ 4,532</u>	<u>\$ 13,379</u>	<u>\$ 12,935</u>
GAAP Noninterest expense	\$ 38,696	\$ 39,047	\$ 39,892	\$ 40,735	\$ 36,388	\$ 117,635	\$ 110,654
Net amortization of purchase accounting adjustments	(93)	(97)	(102)	(106)	(110)	(292)	(341)
Miscellaneous expense	(10)	(494)	—	(526)	—	(504)	—
Core Noninterest expense	<u>\$ 38,593</u>	<u>\$ 38,456</u>	<u>\$ 39,790</u>	<u>\$ 40,103</u>	<u>\$ 36,278</u>	<u>\$ 116,839</u>	<u>\$ 110,313</u>
Net interest income	\$ 45,603	\$ 42,776	\$ 42,397	\$ 46,085	\$ 44,427	\$ 130,776	\$ 133,067
Noninterest income	6,277	4,216	3,084	7,402	3,309	13,577	15,186
Noninterest expense	(38,696)	(39,047)	(39,892)	(40,735)	(36,388)	(117,635)	(110,654)
Pre-provision pre-tax net revenue	<u>\$ 13,184</u>	<u>\$ 7,945</u>	<u>\$ 5,589</u>	<u>\$ 12,752</u>	<u>\$ 11,348</u>	<u>\$ 26,718</u>	<u>\$ 37,599</u>
Core:							
Net interest income	\$ 44,894	\$ 42,417	\$ 42,313	\$ 46,496	\$ 42,732	\$ 129,624	\$ 130,831
Noninterest income	5,302	4,159	3,918	5,799	4,532	13,379	12,935
Noninterest expense	(38,593)	(38,456)	(39,790)	(40,103)	(36,278)	(116,839)	(110,313)
Pre-provision pre-tax net revenue	<u>\$ 11,603</u>	<u>\$ 8,120</u>	<u>\$ 6,441</u>	<u>\$ 12,192</u>	<u>\$ 10,986</u>	<u>\$ 26,164</u>	<u>\$ 33,453</u>
Efficiency Ratio	77.2 %	82.6 %	86.1 %	76.7 %	76.8 %	81.8 %	76.7 %



Efficiency ratio, a non-GAAP measure, was calculated by dividing core noninterest expense (excluding OREO expense and the net gain/loss from the sale of OREO) by the total of core net interest income and core noninterest income.

# Reconciliation of GAAP to Core Net Interest Income and NIM - Quarters

(Dollars in thousands)	For the three months ended					For the nine months ended	
	September 30,	June 30,	March 31,	December 31,	September 30,	September 30,	
	2024	2024	2024	2023	2023	2024	2023
GAAP net interest income	\$ 45,603	\$ 42,776	\$ 42,397	\$ 46,085	\$ 44,427	\$ 130,776	\$ 133,067
Net (gain) loss from fair value adjustments on qualifying hedges	(554)	(177)	187	872	(1,348)	(544)	(1,243)
Net amortization of purchase accounting adjustments	(155)	(182)	(271)	(461)	(347)	(608)	(993)
Tax equivalent adjustment	100	98	100	101	102	298	303
Core net interest income FTE	<u>\$ 44,994</u>	<u>\$ 42,515</u>	<u>\$ 42,413</u>	<u>\$ 46,597</u>	<u>\$ 42,834</u>	<u>\$ 129,922</u>	<u>\$ 131,134</u>
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from nonaccrual loans	(1,647)	(369)	(928)	(3,416)	(857)	(2,944)	(1,852)
Net interest income FTE excluding episodic items	<u>\$ 43,347</u>	<u>\$ 42,146</u>	<u>\$ 41,485</u>	<u>\$ 43,181</u>	<u>\$ 41,977</u>	<u>\$ 126,978</u>	<u>\$ 129,282</u>
Total average interest-earning assets <sup>(1)</sup>	\$ 8,712,443	\$ 8,358,006	\$ 8,238,395	\$ 8,080,550	\$ 8,027,201	\$ 8,437,288	\$ 8,010,154
Core net interest margin FTE	2.07 %	2.03 %	2.06 %	2.31 %	2.13 %	2.05 %	2.18 %
Net interest margin FTE excluding episodic items	1.99 %	2.02 %	2.01 %	2.14 %	2.09 %	2.01 %	2.15 %
GAAP interest income on total loans, net	\$ 95,780	\$ 92,728	\$ 92,959	\$ 95,616	\$ 91,466	\$ 281,467	\$ 259,732
Net (gain) loss from fair value adjustments on qualifying hedges - loans	(364)	(137)	123	978	(1,379)	(378)	(1,323)
Net amortization of purchase accounting adjustments	(168)	(198)	(295)	(484)	(358)	(661)	(1,019)
Core interest income on total loans, net	<u>\$ 95,248</u>	<u>\$ 92,393</u>	<u>\$ 92,787</u>	<u>\$ 96,110</u>	<u>\$ 89,729</u>	<u>\$ 280,428</u>	<u>\$ 257,390</u>
Average total loans, net <sup>(1)</sup>	\$ 6,740,579	\$ 6,751,715	\$ 6,807,944	\$ 6,872,115	\$ 6,817,642	\$ 6,766,650	\$ 6,842,712
Core yield on total loans	5.65 %	5.47 %	5.45 %	5.59 %	5.26 %	5.53 %	5.02 %



## Calculation of Tangible Stockholders' Common Equity to Tangible Assets - Quarters

<i>(Dollars in thousands)</i>	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Total Equity	\$ 666,891	\$ 665,322	\$ 669,827	\$ 669,837	\$ 666,521
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(17,636)
Core deposit intangibles	(1,220)	(1,322)	(1,428)	(1,537)	(1,651)
Tangible Stockholders' Common Equity	<u>\$ 648,035</u>	<u>\$ 646,364</u>	<u>\$ 650,763</u>	<u>\$ 650,664</u>	<u>\$ 647,234</u>
Total Assets	\$ 9,280,886	\$ 9,097,240	\$ 8,807,325	\$ 8,537,236	\$ 8,579,375
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(17,636)
Core deposit intangibles	(1,220)	(1,322)	(1,428)	(1,537)	(1,651)
Tangible Assets	<u>\$ 9,262,030</u>	<u>\$ 9,078,282</u>	<u>\$ 8,788,261</u>	<u>\$ 8,518,063</u>	<u>\$ 8,560,088</u>
Tangible Stockholders' Common Equity to Tangible Assets	<u>7.00 %</u>	<u>7.12 %</u>	<u>7.40 %</u>	<u>7.64 %</u>	<u>7.56 %</u>

# Reconciliation of GAAP Earnings and Core Earnings - Years

	Years Ended					
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<i>(Dollars In thousands, except per share data)</i>						
GAAP income (loss) before income taxes	\$ 39,833	\$ 104,852	\$ 109,278	\$ 45,182	\$ 53,331	\$ 65,485
Day 1, Provision for Credit Losses - Empire transaction	—	—	—	1,818	—	—
Net (gain) loss from fair value adjustments	(2,573)	(5,728)	12,995	2,142	5,353	4,122
Net (gain) loss on sale of securities	—	10,948	(113)	701	15	1,920
Life insurance proceeds	(1,281)	(1,822)	—	(659)	(462)	(2,998)
Net gain on sale or disposition of assets	—	(104)	(621)	—	(770)	(1,141)
Net (gain) loss from fair value adjustments on qualifying hedges	(371)	(775)	(2,079)	1,185	1,678	—
Accelerated employee benefits upon Officer's death	—	—	—	—	455	149
Prepayment penalty on borrowings	—	—	—	7,834	—	—
Net amortization of purchase accounting adjustments	(1,007)	(2,030)	(2,489)	80	—	—
Miscellaneous/Merger expense	526	—	2,562	6,894	1,590	—
Core income before taxes	35,127	105,341	119,533	65,177	61,190	67,537
Provision for core income taxes	10,209	28,502	30,769	15,428	13,957	11,960
Core net income	\$ 24,918	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577
GAAP diluted earnings (loss) per common share	\$ 0.96	\$ 2.50	\$ 2.59	\$ 1.18	\$ 1.44	\$ 1.92
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)	0.31	0.06	0.14	0.10
Net (gain) loss on sale of securities, net of tax	—	0.26	—	0.02	—	0.05
Life insurance proceeds	(0.04)	(0.06)	—	(0.02)	(0.02)	(0.10)
Net gain on sale or disposition of assets, net of tax	—	—	(0.01)	—	(0.02)	(0.03)
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.01)	(0.02)	(0.05)	0.03	0.05	—
Accelerated employee benefits upon Officer's death, net of tax	—	—	—	—	0.01	—
Prepayment penalty on borrowings, net of tax	—	—	—	0.20	—	—
Net amortization of purchase accounting adjustments, net of tax	(0.02)	(0.05)	(0.06)	—	—	—
Miscellaneous/Merger expense, net of tax	0.01	—	0.06	0.18	0.04	—
NYS tax change	—	—	(0.02)	—	—	—
Core diluted earnings per common share <sup>(1)</sup>	\$ 0.83	\$ 2.49	\$ 2.81	\$ 1.70	\$ 1.65	\$ 1.94
Core net income, as calculated above	\$ 24,918	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577
Average assets	8,501,564	8,307,137	8,143,372	7,276,022	6,947,881	6,504,598
Average equity	675,151	672,742	648,946	580,067	561,289	534,735
Core return on average assets <sup>(2)</sup>	0.29 %	0.92 %	1.09 %	0.68 %	0.68 %	0.85 %
Core return on average equity <sup>(2)</sup>	3.69 %	11.42 %	13.68 %	8.58 %	8.42 %	10.39 %



<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

# Reconciliation of GAAP Revenue and Pre-Provision Pre-Tax Net Revenue - Years

	Years Ended					
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<i>(Dollars In thousands)</i>						
GAAP Net interest income	\$ 179,152	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406
Net (gain) loss from fair value adjustments on qualifying hedges	(371)	(775)	(2,079)	1,185	1,678	—
Net amortization of purchase accounting adjustments	(1,454)	(2,542)	(3,049)	(11)	—	—
Core Net interest income	<u>\$ 177,327</u>	<u>\$ 240,299</u>	<u>\$ 242,841</u>	<u>\$ 196,373</u>	<u>\$ 163,618</u>	<u>\$ 167,406</u>
GAAP Noninterest income	\$ 22,588	\$ 10,009	\$ 3,687	\$ 11,043	\$ 9,471	\$ 10,337
adjustments	(2,573)	(5,728)	12,995	2,142	5,353	4,122
Net (gain) loss on sale of securities	—	10,948	(113)	701	15	1,920
Life insurance proceeds	(1,281)	(1,822)	—	(659)	(462)	(2,998)
Net gain on disposition of assets	—	(104)	(621)	—	(770)	(1,141)
Core Noninterest income	<u>\$ 18,734</u>	<u>\$ 13,303</u>	<u>\$ 15,948</u>	<u>\$ 13,227</u>	<u>\$ 13,607</u>	<u>\$ 12,240</u>
GAAP Noninterest expense	\$ 151,389	\$ 143,692	\$ 147,322	\$ 137,931	\$ 115,269	\$ 111,683
Prepayment penalty on borrowings	—	—	—	(7,834)	—	—
Accelerated employee benefits upon Officer's death	—	—	—	—	(455)	(149)
Net amortization of purchase accounting adjustments	(447)	(512)	(560)	(91)	—	—
Miscellaneous/Merger expense	(526)	—	(2,562)	(6,894)	(1,590)	—
Core Noninterest expense	<u>\$ 150,416</u>	<u>\$ 143,180</u>	<u>\$ 144,200</u>	<u>\$ 123,112</u>	<u>\$ 113,224</u>	<u>\$ 111,534</u>
GAAP:						
Net interest income	\$ 179,152	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406
Noninterest income	22,588	10,009	3,687	11,043	9,471	10,337
Noninterest expense	(151,389)	(143,692)	(147,322)	(137,931)	(115,269)	(111,683)
Pre-provision pre-tax net revenue	<u>\$ 50,351</u>	<u>\$ 109,933</u>	<u>\$ 104,334</u>	<u>\$ 68,311</u>	<u>\$ 56,142</u>	<u>\$ 66,060</u>
Core:						
Net interest income	\$ 177,327	\$ 240,299	\$ 242,841	\$ 196,373	\$ 163,618	\$ 167,406
Noninterest income	18,734	13,303	15,948	13,227	13,607	12,240
Noninterest expense	(150,416)	(143,180)	(144,200)	(123,112)	(113,224)	(111,534)
Pre-provision pre-tax net revenue	<u>\$ 45,645</u>	<u>\$ 110,422</u>	<u>\$ 114,589</u>	<u>\$ 86,488</u>	<u>\$ 64,001</u>	<u>\$ 68,112</u>
Efficiency Ratio	76.7 %	56.5 %	55.7 %	58.7 %	63.9 %	62.1 %



Efficiency ratio, a non-GAAP measure, was calculated by dividing core noninterest expense (excluding OREO expense and the net gain/loss from the sale of OREO) by the total of core net interest income and core noninterest income.

# Reconciliation of GAAP and Core Net Interest Income and NIM - Years

	Years Ended					
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<i>(Dollars In thousands)</i>						
GAAP net interest income	\$ 179,152	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406
Net (gain) loss from fair value adjustments on qualifying hedges	(371)	(775)	(2,079)	1,185	1,678	—
Net amortization of purchase accounting adjustments	(1,454)	(2,542)	(3,049)	(11)	—	—
Tax equivalent adjustment	404	461	450	508	542	895
Core net interest income FTE	<u>\$ 177,731</u>	<u>\$ 240,760</u>	<u>\$ 243,291</u>	<u>\$ 196,881</u>	<u>\$ 164,160</u>	<u>\$ 168,301</u>
Prepayment penalties received on loans and securities, net of reversals and recoveries of interest from nonaccrual loans items	<u>(6,497)</u>	<u>(6,627)</u>	<u>(4,576)</u>	<u>(6,501)</u>	<u>(7,058)</u>	<u>(7,050)</u>
	<u>\$ 171,234</u>	<u>\$ 234,133</u>	<u>\$ 238,715</u>	<u>\$ 190,380</u>	<u>\$ 157,102</u>	<u>\$ 161,251</u>
Total average interest-earning assets <sup>(1)</sup>	\$ 8,027,898	\$ 7,841,407	\$ 7,681,441	\$ 6,863,219	\$ 6,582,473	\$ 6,194,248
Core net interest margin FTE items	2.21 %	3.07 %	3.17 %	2.87 %	2.49 %	2.72 %
	2.13 %	2.99 %	3.11 %	2.77 %	2.39 %	2.60 %
GAAP interest income on total loans, net	\$ 355,348	\$ 293,287	\$ 274,331	\$ 248,153	\$ 251,744	\$ 232,719
Net (gain) loss from fair value adjustments on qualifying hedges	(345)	(775)	(2,079)	1,185	1,678	—
Net amortization of purchase accounting adjustments	(1,503)	(2,628)	(3,013)	(356)	—	—
Core interest income on total loans, net	<u>\$ 353,500</u>	<u>\$ 289,884</u>	<u>\$ 269,239</u>	<u>\$ 248,982</u>	<u>\$ 253,422</u>	<u>\$ 232,719</u>
Average total loans, net <sup>(1)</sup>	\$ 6,850,124	\$ 6,748,165	\$ 6,653,980	\$ 6,006,931	\$ 5,621,033	\$ 5,316,968
Core yield on total loans	5.16 %	4.30 %	4.05 %	4.14 %	4.51 %	4.38 %

# Calculation of Tangible Stockholders' Common Equity to Tangible Assets - Years

<i>(Dollars in thousands)</i>	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total Equity	\$ 669,837	\$ 677,157	\$ 679,628	\$ 618,997	\$ 579,672	\$ 549,464
Less:						
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)
Core deposit intangibles	(1,537)	(2,017)	(2,562)	(3,172)	—	—
Intangible deferred tax liabilities	—	—	328	287	292	290
Tangible Stockholders' Common Equity	<u>\$ 650,664</u>	<u>\$ 657,504</u>	<u>\$ 659,758</u>	<u>\$ 598,476</u>	<u>\$ 563,837</u>	<u>\$ 533,627</u>
Total Assets	\$ 8,537,236	\$ 8,422,946	\$ 8,045,911	\$ 7,976,394	\$ 7,017,776	\$ 6,834,176
Less:						
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)
Core deposit intangibles	(1,537)	(2,017)	(2,562)	(3,172)	—	—
Intangible deferred tax liabilities	—	—	328	287	292	290
Tangible Assets	<u>\$ 8,518,063</u>	<u>\$ 8,403,293</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>7.64 %</u>	<u>7.82 %</u>	<u>8.22 %</u>	<u>7.52 %</u>	<u>8.05 %</u>	<u>7.83 %</u>

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