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

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2024**

Commission file number **001-33013**

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

**Delaware**  
*(State or other jurisdiction of incorporation or organization)*

**11-3209278**  
*(I.R.S. Employer Identification No.)*

**220 RXR Plaza, Uniondale, New York 11556**  
*(Address of principal executive offices)*

**(718) 961-5400**  
*(Registrant's telephone number, including area code)*

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

The number of shares of the registrant's Common Stock outstanding as of April 30, 2024 was 29,068,880.

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**TABLE OF CONTENTS**

|   | <b><u>PAGE</u></b> |
|---|--------------------|
| <b>PART I — FINANCIAL INFORMATION</b>   |                    |
| <b><u>ITEM 1. Financial Statements - (Unaudited)</u></b>  |                    |
| <u>Consolidated Statements of Financial Condition</u>   | 1                  |
| <u>Consolidated Statements of Income</u>  | 2                  |
| <u>Consolidated Statements of Comprehensive Income</u>  | 3                  |
| <u>Consolidated Statements of Changes in Stockholders' Equity</u>   | 4                  |
| <u>Consolidated Statements of Cash Flow</u>   | 5                  |
| <u>Notes to Consolidated Financial Statements</u>   | 7                  |
| <b><u>ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b> | 41                 |
| <b><u>ITEM 3. Quantitative and Qualitative Disclosures About Market Risk</u></b>                            | 58                 |
| <b><u>ITEM 4. Controls and Procedures</u></b>   | 58                 |
| <b>PART II — OTHER INFORMATION</b>  |                    |
| <b><u>ITEM 1. Legal Proceedings</u></b>   | 59                 |
| <b><u>ITEM 1A. Risk Factors</u></b>   | 59                 |
| <b><u>ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>                           | 59                 |
| <b><u>ITEM 3. Defaults Upon Senior Securities</u></b>   | 59                 |
| <b><u>ITEM 4. Mine Safety Disclosures</u></b>   | 59                 |
| <b><u>ITEM 5. Other Information</u></b>   | 59                 |
| <b><u>ITEM 6. Exhibits</u></b>  | 60                 |
| <b><u>SIGNATURES</u></b>  | 62                 |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Financial Condition**  
(Unaudited)

**Item 1. Financial Statements**

|   | March 31,<br>2024   | December 31,<br>2023 |
|---|---------------------|----------------------|
| <i>(Dollars in thousands, except per share data)</i>  |                     |                      |
| <b>Assets</b>   |                     |                      |
| Cash and due from banks (restricted cash of \$59,575, and \$47,945, respectively)   | \$ 210,723          | \$ 172,157           |
| Securities held-to-maturity, net of allowance of \$1,084 and \$1,087, respectively (assets pledged of \$4,521 and \$4,595, respectively; fair value of \$63,800 and \$65,755, respectively) | 72,462              | 72,923               |
| Securities available for sale, at fair value (assets pledged of \$250,306 and \$195,444, respectively; \$13,331 and \$13,359 at fair value pursuant to the fair value option, respectively) | 1,176,683           | 874,753              |
| Loans, net of fees and costs  | 6,821,943           | 6,906,950            |
| Less: Allowance for credit losses   | (40,752)            | (40,161)             |
| Net loans   | 6,781,191           | 6,866,789            |
| Interest and dividends receivable   | 61,449              | 59,018               |
| Bank premises and equipment, net  | 20,102              | 21,273               |
| Federal Home Loan Bank of New York stock, at cost   | 24,845              | 31,066               |
| Bank owned life insurance   | 214,718             | 213,518              |
| Goodwill  | 17,636              | 17,636               |
| Core deposit intangibles  | 1,428               | 1,537                |
| Right of use asset  | 37,631              | 39,557               |
| Other assets  | 188,457             | 167,009              |
| Total assets  | <u>\$ 8,807,325</u> | <u>\$ 8,537,236</u>  |
| <b>Liabilities</b>  |                     |                      |
| Due to depositors:  |                     |                      |
| Non-interest bearing  | \$ 815,937          | \$ 847,416           |
| Interest-bearing  | 6,355,189           | 5,917,463            |
| Total Due to depositors   | 7,171,126           | 6,764,879            |
| Mortgagors' escrow deposits   | 82,081              | 50,382               |
| Borrowed funds:   |                     |                      |
| Federal Home Loan Bank advances and other borrowings  | 435,050             | 605,801              |
| Subordinated debentures   | 187,802             | 187,630              |
| Junior subordinated debentures, at fair value   | 48,622              | 47,850               |
| Total borrowed funds  | 671,474             | 841,281              |
| Operating lease liability   | 38,674              | 40,822               |
| Other liabilities   | 174,143             | 170,035              |
| Total liabilities   | <u>8,137,498</u>    | <u>7,867,399</u>     |
| <b>Stockholders' Equity</b>   |                     |                      |
| Preferred stock (\$0.01 par value; 5,000,000 shares authorized; none issued)  | —                   | —                    |
| Common stock (\$0.01 par value; 100,000,000 shares authorized; 34,087,623 shares issued; 29,068,556 shares and 28,865,810 shares outstanding, respectively)                                 | 341                 | 341                  |
| Additional paid-in capital  | 260,413             | 264,534              |
| Treasury stock, at average cost (5,019,067 shares and 5,221,813 shares, respectively)   | (101,641)           | (106,070)            |
| Retained earnings   | 546,530             | 549,683              |
| Accumulated other comprehensive loss, net of taxes  | (35,816)            | (38,651)             |
| Total stockholders' equity  | <u>669,827</u>      | <u>669,837</u>       |
| Total liabilities and stockholders' equity  | <u>\$ 8,807,325</u> | <u>\$ 8,537,236</u>  |

The accompanying notes are an integral part of these consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Income**  
(Unaudited)

|  | For the three months ended                   |                 |
|--|--|-----------------|
|  | March 31,                                    |                 |
|  | 2024   | 2023            |
|  | <i>(In thousands, except per share data)</i> |                 |
| <b>Interest and dividend income</b>                                    |  |                 |
| Interest and fees on loans   | \$ 92,959                                    | \$ 82,889       |
| Interest and dividends on securities:                                  |  |                 |
| Interest   | 12,541                                       | 7,240           |
| Dividends  | 33   | 29              |
| Other interest income  | 3,966  | 1,959           |
| Total interest and dividend income                                     | <u>109,499</u>                               | <u>92,117</u>   |
| <b>Interest expense</b>  |  |                 |
| Deposits   | 57,865                                       | 39,056          |
| Other interest expense   | 9,237  | 7,799           |
| Total interest expense   | <u>67,102</u>                                | <u>46,855</u>   |
| <b>Net interest income</b>   | 42,397                                       | 45,262          |
| Provision (benefit) for credit losses                                  | 592  | 7,508           |
| <b>Net interest income after provision (benefit) for credit losses</b> | <u>41,805</u>                                | <u>37,754</u>   |
| <b>Non-interest income</b>   |  |                 |
| Banking services fee income  | 1,394  | 1,411           |
| Net gain (loss) on sale of loans                                       | 110  | 54              |
| Net gain (loss) from fair value adjustments                            | (834)  | 2,619           |
| Federal Home Loan Bank of New York stock dividends                     | 743  | 697             |
| Bank owned life insurance  | 1,200  | 1,109           |
| Other income   | 471  | 967             |
| Total non-interest income (loss)                                       | <u>3,084</u>                                 | <u>6,857</u>    |
| <b>Non-interest expense</b>  |  |                 |
| Salaries and employee benefits   | 22,113                                       | 22,562          |
| Occupancy and equipment  | 3,779  | 3,793           |
| Professional services  | 2,792  | 2,261           |
| FDIC deposit insurance   | 1,652  | 977             |
| Data processing  | 1,727  | 1,435           |
| Depreciation and amortization of bank premises and equipment           | 1,457  | 1,510           |
| Other real estate owned / foreclosure expense                          | 145  | 165             |
| Other operating expenses   | 6,227  | 6,453           |
| Total non-interest expense   | <u>39,892</u>                                | <u>39,156</u>   |
| <b>Income before income taxes</b>                                      | <u>4,997</u>                                 | <u>5,455</u>    |
| <b>Provision for income taxes</b>                                      |  |                 |
| Federal  | 901  | 1,071           |
| State and local  | 412  | 340             |
| Total provision for income taxes                                       | <u>1,313</u>                                 | <u>1,411</u>    |
| <b>Net income</b>  | <u>\$ 3,684</u>                              | <u>\$ 4,044</u> |
| Basic earnings per common share  | \$ 0.12                                      | \$ 0.13         |
| Diluted earnings per common share                                      | \$ 0.12                                      | \$ 0.13         |

The accompanying notes are an integral part of these consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
(Unaudited)

|  | For the three months ended |                 |
|--|----------------------------|-----------------|
|  | March 31,                  |                 |
|  | 2024                       | 2023            |
|  | (In thousands)             |                 |
| Net income   | \$ 3,684                   | \$ 4,044        |
| <b>Other comprehensive income (loss), net of tax:</b>  |                            |                 |
| Amortization of actuarial (gains) losses, net of taxes of \$29 and \$31, respectively.                                       | (63)                       | (69)            |
| Change in net unrealized gains (losses) on securities available for sale, net of taxes of \$77 and (\$1,883), respectively.  | (172)                      | 3,987           |
| Net unrealized gains (losses) on cashflow hedges, net of taxes of (\$1,397) and \$2,345, respectively.                       | 3,101                      | (5,140)         |
| Change in fair value of liabilities related to instrument-specific credit risk, net of taxes of \$14 and \$33, respectively. | (31)                       | (74)            |
| <b>Other comprehensive income (loss), net of tax:</b>  | <u>2,835</u>               | <u>(1,296)</u>  |
| <b>Comprehensive net income</b>  | <u>\$ 6,519</u>            | <u>\$ 2,748</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statement of Changes in Stockholders' Equity**  
(Unaudited)

| <i>(Dollars in thousands, except per share data)</i> | Shares<br>Outstanding | Common<br>Stock | Additional<br>Paid-in<br>Capital | Treasury<br>Stock | Retained<br>Earnings | Accumulated Other<br>Comprehensive<br>Income (Loss) | Total      |
|--|-----------------------|-----------------|----------------------------------|-------------------|----------------------|---|------------|
| Balance at December 31, 2023                         | 28,865,810            | \$ 341          | \$ 264,534                       | \$ (106,070)      | \$ 549,683           | \$ (38,651)   | \$ 669,837 |
| Net income   | —                     | —               | —                                | —                 | 3,684                | —   | 3,684      |
| Vesting of restricted stock unit awards              | 301,319               | —               | (5,811)                          | 6,111             | (300)                | —   | —          |
| Stock-based compensation expense                     | —                     | —               | 1,690                            | —                 | —                    | —   | 1,690      |
| Repurchase of shares to satisfy tax obligation       | (98,573)              | —               | —                                | (1,682)           | —                    | —   | (1,682)    |
| Dividends on common stock (\$0.22 per share)         | —                     | —               | —                                | —                 | (6,537)              | —   | (6,537)    |
| Other comprehensive income (loss)                    | —                     | —               | —                                | —                 | —                    | 2,835   | 2,835      |
| Balance at March 31, 2024                            | 29,068,556            | \$ 341          | \$ 260,413                       | \$ (101,641)      | \$ 546,530           | \$ (35,816)   | \$ 669,827 |

| <i>(Dollars in thousands, except per share data)</i> | Shares<br>Outstanding | Common<br>Stock | Additional<br>Paid-in<br>Capital | Treasury<br>Stock | Retained<br>Earnings | Accumulated Other<br>Comprehensive<br>Income (Loss) | Total      |
|--|-----------------------|-----------------|----------------------------------|-------------------|----------------------|---|------------|
| Balance at December 31, 2022                         | 29,476,391            | \$ 341          | \$ 264,332                       | \$ (98,535)       | \$ 547,507           | \$ (36,488)   | \$ 677,157 |
| Net income   | —                     | —               | —                                | —                 | 4,044                | —   | 4,044      |
| Vesting of restricted stock unit awards              | 256,798               | —               | (5,264)                          | 5,484             | (220)                | —   | —          |
| Purchase of treasury shares                          | (159,516)             | —               | —                                | (3,053)           | —                    | —   | (3,053)    |
| Stock-based compensation expense                     | —                     | —               | 3,808                            | —                 | —                    | —   | 3,808      |
| Repurchase of shares to satisfy tax obligation       | (85,217)              | —               | —                                | (1,656)           | —                    | —   | (1,656)    |
| Dividends on common stock (\$0.22 per share)         | —                     | —               | —                                | —                 | (6,659)              | —   | (6,659)    |
| Other comprehensive income (loss)                    | —                     | —               | —                                | —                 | —                    | (1,296)   | (1,296)    |
| Balance at March 31, 2023                            | 29,488,456            | \$ 341          | \$ 262,876                       | \$ (97,760)       | \$ 544,672           | \$ (37,784)   | \$ 672,345 |

The accompanying notes are an integral part of these consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

|   | For the three months ended March 31, |                 |
|---|--------------------------------------|-----------------|
|   | 2024                                 | 2023            |
|   | <i>(In thousands)</i>                |                 |
| <b>Operating Activities</b>   |                                      |                 |
| Net income  | \$ 3,684                             | \$ 4,044        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                      |                 |
| Provision (benefit) for credit losses   | 592                                  | 7,508           |
| Depreciation and amortization of premises and equipment                           | 1,457                                | 1,510           |
| Net (loss) gain on sales of loans   | (110)                                | (54)            |
| Net amortization (accretion) of premiums and discounts                            | 870                                  | 1,234           |
| Deferred income tax provision (benefit)   | 922                                  | 1,136           |
| Net (gain) loss from fair value adjustments                                       | 834                                  | (2,619)         |
| Net (gain) loss from fair value adjustments of hedges                             | 1,133                                | (100)           |
| Bank owned life insurance   | (1,200)                              | (1,109)         |
| Stock-based compensation expense  | 1,690                                | 3,808           |
| Deferred compensation   | (1,021)                              | (1,707)         |
| Amortization of core deposit intangibles  | 109                                  | 126             |
| (Increase) decrease in other assets   | (6,365)                              | (9,033)         |
| Increase (decrease) in other liabilities  | (8,824)                              | (15,162)        |
| Net cash provided by (used in) operating activities                               | <u>(6,229)</u>                       | <u>(10,418)</u> |
| <b>Investing Activities</b>   |                                      |                 |
| Purchases of premises and equipment   | (287)                                | (1,327)         |
| Purchases of Federal Home Loan Bank New York stock                                | (759)                                | (55,017)        |
| Redemptions of Federal Home Loan Bank New York stock                              | 6,980                                | 62,080          |
| Proceeds from prepayments of securities held-to-maturity                          | 463                                  | 200             |
| Purchases of securities available for sale  | (375,526)                            | (93,068)        |
| Proceeds from sales and calls of securities available for sale                    | 6,000                                | -               |
| Proceeds from maturities and prepayments of securities available for sale         | 61,964                               | 21,087          |
| Change in cash collateral   | 11,630                               | (6,180)         |
| Net repayments (originations) of loans  | 147,552                              | 75,496          |
| Purchases of loans  | (75,813)                             | (44,466)        |
| Proceeds from sale of loans originally classified as held to investment           | 3,810                                | 2,575           |
| Net cash provided by (used in) investing activities                               | <u>(213,986)</u>                     | <u>(38,620)</u> |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Contd.)**  
(Unaudited)

|   | For the three months ended March 31, |             |
|---|--------------------------------------|-------------|
|   | 2024                                 | 2023        |
|   | <i>(In thousands)</i>                |             |
| <b>Financing Activities</b>   |                                      |             |
| Net increase (decrease) in noninterest-bearing deposits                   | \$ (31,479)                          | \$ (48,984) |
| Net increase (decrease) in interest-bearing deposits                      | 437,530                              | 267,208     |
| Net increase (decrease) in mortgagors' escrow deposits                    | 31,699                               | 30,414      |
| Net (repayments) proceeds from short-term borrowed funds                  | (170,750)                            | (235,000)   |
| Proceeds from long-term borrowing   | 200,000                              | 71,761      |
| Repayment of long-term borrowings   | (200,000)                            | —           |
| Purchase of treasury shares   | —                                    | (3,053)     |
| Repurchase of shares to satisfy tax obligations                           | (1,682)                              | (1,656)     |
| Cash dividends paid   | (6,537)                              | (6,659)     |
| Net cash provided by (used in) financing activities                       | 258,781                              | 74,031      |
| Net increase (decrease) in cash and cash equivalents, and restricted cash | 38,566                               | 24,993      |
| Cash, cash equivalents, and restricted cash, beginning of period          | 172,157                              | 151,754     |
| Cash, cash equivalents, and restricted cash, end of period                | \$ 210,723                           | \$ 176,747  |
| <b>Supplemental Cash Flow Disclosure</b>                                  |                                      |             |
| Interest paid   | \$ 66,035                            | \$ 48,889   |
| Income taxes paid   | 3,166                                | 1,993       |
| Transfer of loans held for investment to other real estate owned          | 665                                  | —           |
| Transfer of loans held for investment to held for sale                    | 3,540                                | 2,375       |
| Securities purchased not yet settled                                      | 17,650                               | —           |

The accompanying notes are an integral part of these consolidated financial statements.



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**1. Basis of Presentation**

The primary business of Flushing Financial Corporation (the “Company”), a Delaware corporation, is the operation of its wholly owned subsidiary, Flushing Bank (the “Bank”).

The unaudited consolidated financial statements presented in this Quarterly Report on Form 10-Q (“Quarterly Report”) include the collective results of the Company and its direct and indirect wholly owned subsidiaries, including the Bank, Flushing Service Corporation and FSB Properties Inc., which are collectively herein referred to as “we,” “us,” “our” and the “Company.”

The Company also owns Flushing Financial Capital Trust II, Flushing Financial Capital Trust III, and Flushing Financial Capital Trust IV (the “Trusts”), which are special purpose business trusts. The Trusts are not included in the Company’s consolidated financial statements, as the Company would not absorb the losses of the Trusts if any losses were to occur.

The accompanying unaudited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and general practices within the banking industry. The information furnished in these interim statements reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for such presented periods of the Company. Such adjustments are of a normal recurring nature, unless otherwise disclosed in this Quarterly Report. All inter-company balances and transactions have been eliminated in consolidation. The results of operations in the interim statements are not necessarily indicative of the results that may be expected for the full year.

The accompanying unaudited consolidated financial statements have been prepared in conformity with the instructions to Quarterly Report on Form 10-Q and Article 10, Rule 10-01 of Regulation S-X for interim financial statements. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The unaudited consolidated interim financial information should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

When necessary, certain reclassifications were made to prior-year amounts to conform to the current-year presentation. Such reclassifications had no effect on the prior period net income or shareholders’ equity and were insignificant amounts.

**2. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates that are particularly susceptible to change in the near term are used in connection with the determination of the allowance for credit losses, the evaluation of goodwill for impairment, the review of the need for a valuation allowance of the Company’s deferred tax assets, and the fair value of financial instruments. Management performed a qualitative review of goodwill at March 31, 2024, concluding no impairment was indicated.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**3. Earnings Per Share**

Earnings per common share have been computed based on the following:

|   | For the three months ended<br>March 31, |          |
|---|---|----------|
|   | 2024                                    | 2023     |
| Net income, as reported   | \$ 3,684                                | \$ 4,044 |
| Divided by:   |   |          |
| Total weighted average common shares outstanding and common stock equivalents | 29,742                                  | 30,265   |
| Basic earnings per common share   | \$ 0.12                                 | \$ 0.13  |
| Diluted earnings per common share   | \$ 0.12                                 | \$ 0.13  |
| Dividend Payout ratio   | 183.3 %                                 | 169.2 %  |

**4. Securities**

The following table summarizes the Company's portfolio of securities held-to-maturity on March 31, 2024:

|  | Amortized<br>Cost     | Fair Value | Gross<br>Unrecognized<br>Gains | Gross<br>Unrecognized<br>Losses |
|--|-----------------------|------------|--------------------------------|---------------------------------|
|  | <i>(In thousands)</i> |            |                                |                                 |
| Municipals                               | \$ 65,696             | \$ 56,856  | \$ —                           | \$ (8,840)                      |
| Total municipals                         | 65,696                | 56,856     | —                              | (8,840)                         |
| FNMA                                     | 7,850                 | 6,944      | —                              | (906)                           |
| Total mortgage-backed securities         | 7,850                 | 6,944      | —                              | (906)                           |
| Total before allowance for credit losses | \$ 73,546             | \$ 63,800  | \$ —                           | \$ (9,746)                      |
| Allowance for credit losses              | (1,084)               |            |                                |                                 |
| Total                                    | \$ 72,462             |            |                                |                                 |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table summarizes the Company’s portfolio of securities held-to-maturity on December 31, 2023:

|  | Amortized<br>Cost     | Fair Value       | Gross<br>Unrecognized<br>Gains | Gross<br>Unrecognized<br>Losses |
|--|-----------------------|------------------|--------------------------------|---------------------------------|
|  | <i>(In thousands)</i> |                  |                                |                                 |
| Municipals                               | \$ 66,155             | \$ 58,697        | \$ —                           | \$ (7,458)                      |
| Total municipals                         | <u>66,155</u>         | <u>58,697</u>    | <u>—</u>                       | <u>(7,458)</u>                  |
| FNMA                                     | 7,855                 | 7,058            | —                              | (797)                           |
| Total mortgage-backed securities         | <u>7,855</u>          | <u>7,058</u>     | <u>—</u>                       | <u>(797)</u>                    |
| Total before allowance for credit losses | <u>\$ 74,010</u>      | <u>\$ 65,755</u> | <u>\$ —</u>                    | <u>\$ (8,255)</u>               |
| Allowance for credit losses              | (1,087)               |                  |                                |                                 |
| Total                                    | <u>\$ 72,923</u>      |                  |                                |                                 |

The following table summarizes the Company’s portfolio of securities available for sale on March 31, 2024:

|  | Amortized<br>Cost     | Fair Value          | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses |
|--|-----------------------|---------------------|------------------------------|-------------------------------|
|  | <i>(In thousands)</i> |                     |                              |                               |
| U.S. government agencies                                     | \$ 31,357             | \$ 30,835           | \$ 107                       | \$ (629)                      |
| Corporate  | 163,228               | 145,666             | 7                            | (17,569)                      |
| Mutual funds   | 11,618                | 11,618              | —                            | —                             |
| Collateralized loan obligations                              | 476,039               | 477,577             | 1,884                        | (346)                         |
| Other  | 1,460                 | 1,460               | —                            | —                             |
| Total other securities                                       | <u>683,702</u>        | <u>667,156</u>      | <u>1,998</u>                 | <u>(18,544)</u>               |
| REMIC and CMO  | 309,347               | 281,894             | 12                           | (27,465)                      |
| GNMA   | 27,197                | 25,297              | 7                            | (1,907)                       |
| FNMA   | 153,314               | 130,338             | 5                            | (22,981)                      |
| FHLMC  | 87,834                | 71,998              | —                            | (15,836)                      |
| Total mortgage-backed securities                             | <u>577,692</u>        | <u>509,527</u>      | <u>24</u>                    | <u>(68,189)</u>               |
| Total Securities excluding portfolio layer adjustments       | <u>1,261,394</u>      | <u>1,176,683</u>    | <u>2,022</u>                 | <u>(86,733)</u>               |
| Unallocated portfolio layer basis adjustments <sup>(1)</sup> | (5,051)               | n/a                 | —                            | 5,051                         |
| Total securities available for sale                          | <u>\$ 1,256,343</u>   | <u>\$ 1,176,683</u> | <u>\$ 2,022</u>              | <u>\$ (81,682)</u>            |

(1) Represents the amount of portfolio layer method basis adjustments related to available for sale (“AFS”) securities hedged in a closed portfolio. Under GAAP portfolio layer method basis adjustments are not allocated to individual securities, however, the amounts impact the unrealized gains or losses for the individual securities being hedged. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table summarizes the Company’s portfolio of securities available for sale on December 31, 2023:

|  | Amortized<br>Cost     | Fair Value        | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses |
|--|-----------------------|-------------------|------------------------------|-------------------------------|
|  | <i>(In thousands)</i> |                   |                              |                               |
| U.S. government agencies                                     | \$ 82,548             | \$ 81,734         | \$ 123                       | \$ (937)                      |
| Corporate  | 173,184               | 155,449           | —                            | (17,735)                      |
| Mutual funds   | 11,660                | 11,660            | —                            | —                             |
| Collateralized loan obligations                              | 269,600               | 270,129           | 1,215                        | (686)                         |
| Other  | 1,437                 | 1,437             | —                            | —                             |
| Total other securities                                       | 538,429               | 520,409           | 1,338                        | (19,358)                      |
| REMIC and CMO  | 160,165               | 133,574           | —                            | (26,591)                      |
| GNMA   | 12,402                | 10,665            | 3                            | (1,740)                       |
| FNMA   | 155,995               | 135,074           | 14                           | (20,935)                      |
| FHLMC  | 89,427                | 75,031            | —                            | (14,396)                      |
| Total mortgage-backed securities                             | 417,989               | 354,344           | 17                           | (63,662)                      |
| Total Securities excluding portfolio layer adjustments       | 956,418               | 874,753           | 1,355                        | (83,020)                      |
| Unallocated portfolio layer basis adjustments <sup>(1)</sup> | (2,254)               | n/a               | —                            | 2,254                         |
| Total securities available for sale                          | <u>\$ 954,164</u>     | <u>\$ 874,753</u> | <u>\$ 1,355</u>              | <u>\$ (80,766)</u>            |

(1) Represents the amount of portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Under GAAP portfolio layer method basis adjustments are not allocated to individual securities, however, the amounts impact the unrealized gains or losses for the individual securities being hedged. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

The corporate securities held by the Company at March 31, 2024 and December 31, 2023, are issued by U.S. banking institutions. The CMOs held by the Company at March 31, 2024 and December 31, 2023, are either fully guaranteed or issued by a government sponsored enterprise.

The following tables detail the amortized cost and fair value of the Company’s securities classified as held-to-maturity and available for sale at March 31, 2024, by contractual maturity. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

| Securities held-to-maturity:             | Amortized<br>Cost     | Fair Value |
|--|-----------------------|------------|
|  | <i>(In thousands)</i> |            |
| Due after ten years                      | \$ 65,696             | \$ 56,856  |
| Total other securities                   | 65,696                | 56,856     |
| Mortgage-backed securities               | 7,850                 | 6,944      |
| Total before allowance for credit losses | 73,546                | \$ 63,800  |
| Allowance for credit losses              | (1,084)               |            |
| Total                                    | <u>\$ 72,462</u>      |            |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

| Securities available for sale:                     | Amortized<br>Cost     | Fair Value   |
|--|-----------------------|--------------|
|  | <i>(In thousands)</i> |              |
| Due in one year or less                            | \$ 29,901             | \$ 29,101    |
| Due after one year through five years              | 75,185                | 70,275       |
| Due after five years through ten years             | 223,390               | 211,299      |
| Due after ten years                                | 343,608               | 344,863      |
| Total other securities                             | 672,084               | 655,538      |
| Mutual funds                                       | 11,618                | 11,618       |
| Mortgage-backed securities                         | 577,692               | 509,527      |
| Total securities available for sale <sup>(1)</sup> | \$ 1,261,394          | \$ 1,176,683 |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$5.1 million related to AFS securities hedged in a closed portfolio at March 31, 2024. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

The following tables show the Company’s securities with gross unrealized losses and their fair value, aggregated by category and length of time that individual securities have been in a continuous unrealized loss position, at the dates indicated:

|   | At March 31, 2024 |            |                      |                     |                      |                   |                      |
|---|-------------------|------------|----------------------|---------------------|----------------------|-------------------|----------------------|
|   | Count             | Total      |                      | Less than 12 months |                      | 12 months or more |                      |
|   |                   | Fair Value | Unrealized<br>Losses | Fair Value          | Unrealized<br>Losses | Fair Value        | Unrealized<br>Losses |
| <i>(Dollars in thousands)</i>                       |                   |            |                      |                     |                      |                   |                      |
| <b>Held-to-maturity securities</b>                  |                   |            |                      |                     |                      |                   |                      |
| Municipals  | 3                 | \$ 56,856  | \$ (8,840)           | \$ —                | \$ —                 | \$ 56,856         | \$ (8,840)           |
| Total other securities                              | 3                 | 56,856     | (8,840)              | —                   | —                    | 56,856            | (8,840)              |
| FNMA  | 1                 | 6,944      | (906)                | —                   | —                    | 6,944             | (906)                |
| Total mortgage-backed securities                    | 1                 | 6,944      | (906)                | —                   | —                    | 6,944             | (906)                |
| Total   | 4                 | \$ 63,800  | \$ (9,746)           | \$ —                | \$ —                 | \$ 63,800         | \$ (9,746)           |
| <b>Available for sale securities <sup>(1)</sup></b> |                   |            |                      |                     |                      |                   |                      |
| U.S. Government Agencies                            | 5                 | \$ 24,308  | \$ (629)             | \$ —                | \$ —                 | \$ 24,308         | \$ (629)             |
| Corporate   | 23                | 144,206    | (17,569)             | —                   | —                    | 144,206           | (17,569)             |
| Collateralized loan obligations                     | 18                | 154,564    | (346)                | 105,125             | (285)                | 49,439            | (61)                 |
| Total other securities                              | 46                | 323,078    | (18,544)             | 105,125             | (285)                | 217,953           | (18,259)             |
| REMIC and CMO                                       | 50                | 212,565    | (27,465)             | 83,511              | (120)                | 129,054           | (27,345)             |
| GNMA  | 7                 | 23,079     | (1,907)              | 16,772              | (35)                 | 6,307             | (1,872)              |
| FNMA  | 43                | 128,678    | (22,981)             | —                   | —                    | 128,678           | (22,981)             |
| FHLMC   | 18                | 71,998     | (15,836)             | —                   | —                    | 71,998            | (15,836)             |
| Total mortgage-backed securities                    | 118               | 436,320    | (68,189)             | 100,283             | (155)                | 336,037           | (68,034)             |
| Total   | 164               | \$ 759,398 | \$ (86,733)          | \$ 205,408          | \$ (440)             | \$ 553,990        | \$ (86,293)          |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$5.1 million related to AFS securities hedged in a closed portfolio at March 31, 2024. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

|   | At December 31, 2023 |                   |                    |                     |                   |                   |                    |
|---|----------------------|-------------------|--------------------|---------------------|-------------------|-------------------|--------------------|
|   | Count                | Total             |                    | Less than 12 months |                   | 12 months or more |                    |
|   |                      | Fair Value        | Unrealized Losses  | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses  |
| <i>(Dollars in thousands)</i>                       |                      |                   |                    |                     |                   |                   |                    |
| <b>Held-to-maturity securities</b>                  |                      |                   |                    |                     |                   |                   |                    |
| Municipals  | 3                    | \$ 58,697         | \$ (7,458)         | \$ —                | \$ —              | \$ 58,697         | \$ (7,458)         |
| Total other securities                              | 3                    | 58,697            | (7,458)            | —                   | —                 | 58,697            | (7,458)            |
| <b>FNMA</b>   |                      |                   |                    |                     |                   |                   |                    |
| Total mortgage-backed securities                    | 1                    | 7,058             | (797)              | —                   | —                 | 7,058             | (797)              |
| <b>Total</b>  | <b>4</b>             | <b>\$ 65,755</b>  | <b>\$ (8,255)</b>  | <b>\$ —</b>         | <b>\$ —</b>       | <b>\$ 65,755</b>  | <b>\$ (8,255)</b>  |
| <b>Available for sale securities <sup>(1)</sup></b> |                      |                   |                    |                     |                   |                   |                    |
| U.S. government agencies                            | 8                    | \$ 74,517         | \$ (937)           | \$ 2,517            | \$ (7)            | \$ 72,000         | \$ (930)           |
| Corporate   | 26                   | 155,449           | (17,735)           | 25,428              | (1,318)           | 130,021           | (16,417)           |
| Collateralized loan obligations                     | 17                   | 120,609           | (686)              | —                   | —                 | 120,609           | (686)              |
| Total other securities                              | 51                   | 350,575           | (19,358)           | 27,945              | (1,325)           | 322,630           | (18,033)           |
| <b>REMIC and CMO</b>                                |                      |                   |                    |                     |                   |                   |                    |
| GNMA  | 7                    | 10,466            | (1,740)            | 3,867               | (34)              | 6,599             | (1,706)            |
| FNMA  | 44                   | 133,394           | (20,935)           | 2,044               | (1)               | 131,350           | (20,934)           |
| FHLMC   | 18                   | 75,031            | (14,396)           | —                   | —                 | 75,031            | (14,396)           |
| Total mortgage-backed securities                    | 115                  | 352,203           | (63,662)           | 5,911               | (35)              | 346,292           | (63,627)           |
| <b>Total</b>  | <b>166</b>           | <b>\$ 702,778</b> | <b>\$ (83,020)</b> | <b>\$ 33,856</b>    | <b>\$ (1,360)</b> | <b>\$ 668,922</b> | <b>\$ (81,660)</b> |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$2.3 million related to AFS securities hedged in a closed portfolio at December 31, 2023. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

The Company reviewed each available for sale security that had an unrealized loss at March 31, 2024 and December 31, 2023. The Company does not have the intent to sell these securities, and it is more likely than not the Company will not be required to sell the securities before recovery of the securities’ amortized cost basis. This conclusion is based upon considering the Company’s cash and working capital requirements and contractual and regulatory obligations, none of which the Company believes would cause the sale of the securities. If the Company identifies any decline in the fair value due to credit loss factors and evaluation indicates that a credit loss exists, then the present value of cash flows that is expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. All but one of these securities are rated investment grade or better, and all these securities have a long history of no credit losses. The Bank holds approximately \$10 million of corporate debt from a New York based bank holding company that on February 6, 2024 was downgraded two levels to Ba2 (Moody’s non-investment grade). On March 1, 2024 the bond was downgraded four levels to B3 and then on March 15, 2024 the bond was upgraded one level to B2. At this time, we do not consider the decline in fair value to be credit related given the underlying bond has not missed any payments and financial performance has not deteriorated to a level where the institution is not well capitalized. The Bank has placed the security on the watch list and will continue to monitor this risk position closely to determine if any action steps and valuation adjustments are required in the future. It is not anticipated that this security or any other available for sale security held at March 31, 2024 would be settled at a price that is less than the amortized cost of the Company’s investment.

In determining the risk of loss for available for sale securities, the Company considered that mortgage-backed securities are either fully guaranteed or issued by a government sponsored enterprise, which has a credit rating and perceived credit risk comparable to the U.S. government, and that issuers of the collateralized loan obligations (“CLO”) and the issuer of corporate securities are global systematically important banks. Each of these securities is performing according to its terms

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

and, in the opinion of management, will continue to perform according to its terms. Based on this review, management believes that the unrealized losses have resulted from other factors not deemed credit-related and no allowance for credit loss was recorded.

The Company reviewed each held-to-maturity security at March 31, 2024 and December 31, 2023 as part of its quarterly Current Expected Credit Loss (“CECL”) process, resulting in an allowance for credit losses of \$1.1 million at both March 31, 2024 and December 31, 2023.

It is the Company’s policy to exclude accrued interest receivable from the calculation of the allowance for credit losses on held-to-maturity and the valuation of available for sale securities. Accrued interest receivable on held-to-maturity securities totaled \$0.1 million at both March 31, 2024 and December 31, 2023 and accrued interest receivable on available for sale debt securities totaled \$10.0 million and \$7.1 million at March 31, 2024 and December 31, 2023, respectively.

The following table presents the activity in the allowance for credit losses for debt securities held-to-maturity.

|                             | For the three months ended |                 |
|-----------------------------|----------------------------|-----------------|
|                             | March 31,                  |                 |
|                             | 2024                       | 2023            |
|                             | <i>(In thousands)</i>      |                 |
| Beginning balance           | \$ 1,087                   | \$ 1,100        |
| Provision (benefit)         | (3)                        | (13)            |
| Allowance for credit losses | <u>\$ 1,084</u>            | <u>\$ 1,087</u> |

Realized gains and losses on the sales of securities are determined using the specific identification method. The Company did not sell any securities during the three months ended March 31, 2024 and 2023.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

## 5. Loans

The following represents the composition of loans as of the dates indicated:

|  | March 31,<br>2024     | December 31,<br>2023 |
|--|-----------------------|----------------------|
|  | <i>(In thousands)</i> |                      |
| Multi-family residential   | \$ 2,622,737          | \$ 2,658,205         |
| Commercial real estate   | 1,925,312             | 1,958,252            |
| One-to-four family — mixed-use property  | 516,198               | 530,243              |
| One-to-four family — residential   | 267,156               | 220,213              |
| Construction   | 60,568                | 58,673               |
| Small Business Administration  | 16,244                | 20,205               |
| Commercial business and other  | 1,411,725             | 1,452,518            |
| Net unamortized premiums and unearned loan fees                                | 8,337                 | 9,590                |
| Total loans, net of fees and costs excluding portfolio layer basis adjustments | <u>6,828,277</u>      | <u>6,907,899</u>     |
| Unallocated portfolio layer basis adjustments <sup>(1)</sup>                   | <u>(6,334)</u>        | <u>(949)</u>         |
| Total loans, net of fees and costs   | <u>\$ 6,821,943</u>   | <u>\$ 6,906,950</u>  |

(1) This amount represents portfolio layer method basis adjustments related to loans hedged in a closed portfolio. Under GAAP portfolio layer method basis adjustments are not allocated to individual loans, however, the amounts impact the net loan balance. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was de-designated. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

Loans are reported at their outstanding principal balance net of any unearned income, charge-offs, deferred loan fees and costs on originated loans, certain market value adjustments related to hedging and unamortized premiums or discounts on purchased loans. Loan fees and certain loan origination costs are deferred. Net loan origination costs and premiums or discounts on loans purchased are amortized into interest income over the contractual life of the loans using the level-yield method. Prepayment penalties received on loans which pay in full prior to their scheduled maturity are included in interest income in the period they are collected.

Interest on loans is recognized on an accrual basis. Accrued interest receivable totaled \$44.7 million and \$45.0 million at March 31, 2024 and December 31, 2023, respectively, and was reported in “Interest and dividends receivable” on the Consolidated Statements of Financial Condition. The accrual of income on loans is generally discontinued when certain factors, such as contractual delinquency of 90 days or more, indicate reasonable doubt as to the timely collectability of such income. Uncollected interest previously recognized on non-accrual loans is reversed from interest income at the time the loan is placed on non-accrual status. A non-accrual loan can be returned to accrual status when contractual delinquency returns to less than 90 days delinquent. Payments received on non-accrual loans that do not bring the loan to less than 90 days delinquent are recorded on a cash basis. Payments can also be applied first as a reduction of principal until all principal is recovered and then subsequently to interest, if in management’s opinion, it is evident that recovery of all principal due is likely to occur.

### Allowance for credit losses

The allowance for credit losses (“ACL”) is an estimate that is deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial assets. Loans are charged off against that ACL when management believes that a loan balance is uncollectable based on quarterly analysis of credit risk.

The amount of the ACL is based upon a loss rate model that considers multiple factors which reflects management’s assessment of the credit quality of the loan portfolio. Management estimates the allowance balance using relevant information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The factors are both quantitative and qualitative in nature including, but not limited to, historical losses,



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

economic conditions, trends in delinquencies, value and adequacy of underlying collateral, volume and portfolio mix, and internal loan processes. The Company has made a policy election to exclude accrued interest from the amortized cost basis of loans.

The Company recorded a provision for credit losses on loans totaling \$0.6 million and \$7.5 million for the three months ended March 31, 2024 and 2023, respectively. The provision recorded during the three months ended March 31, 2024, was primarily driven by an increased reserve on one non-accrual business loan. The ACL - loans totaled \$40.8 million on March 31, 2024 compared to \$40.2 million on December 31, 2023. On March 31, 2024, the ACL - loans represented 0.60% of gross loans and 164.1% of non-performing loans. On December 31, 2023, the ACL - loans represented 0.58% of gross loans and 159.6% of non-performing loans.

The Company may modify loans to enable a borrower experiencing financial difficulties to continue making payments when it is deemed to be in the Company’s best long-term interest. When modifying a loan, an assessment of whether a borrower is experiencing financial difficulty is made on the date of modification. This modification may include reducing the loan interest rate, extending the loan term, any other-than-insignificant payment delay, principal forgiveness or any combination of these types of modifications. When such modifications are performed, a change to the allowance for credit losses is generally not required as the methodologies used to estimate the allowance already capture the effect of borrowers experiencing financial difficulty. On March 31, 2024, there were no commitments to lend additional funds to borrowers who have received a loan modification as a result of financial difficulty.

The following tables show loan modifications made to borrowers experiencing financial difficulty during the periods indicated:

| <i>(Dollars in thousands)</i>  | For the three months ended March 31, 2024 |                      |  |  |
|--|---|----------------------|--|--|
|  | Term Extension and Reduced Interest Rate  |                      |  |  |
| Loan Modifications Made to Borrowers Experiencing Financial Difficulty | Number                                    | Amortized Cost Basis | % of Total Class of Financing Receivable | Financial Effect   |
| Commercial business and other  | 1   | \$ 378               | — %                                      | Extended maturity to August 2026 (3 months) and reduced interest rate to zero percent. |
| Total  | <u>1</u>                                  | <u>\$ 378</u>        |  |  |

There were no loans modified during the three months ended March 31, 2023.

The following table shows the payment status at March 31, 2024 of borrowers experiencing financial difficulty and for which a modification has occurred:

| <i>(In thousands)</i>         | Payment Status of Borrowers Experiencing Financial Difficulty (Amortized Cost Basis) |                     |                   |                 |
|-------------------------------|--|---------------------|-------------------|-----------------|
|                               | Current  | 30-89 Days Past Due | 90+ Days Past Due | Total Modified  |
| Small Business Administration | \$ —   | \$ —                | \$ 1,555          | \$ 1,555        |
| Commercial business and other | 1,690  | —                   | 378               | 2,068           |
| Total                         | <u>\$ 1,690</u>  | <u>\$ —</u>         | <u>\$ 1,933</u>   | <u>\$ 3,623</u> |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables show our non-accrual loans at amortized cost with no related allowance and interest income recognized for loans ninety days or more past due and still accruing for the periods shown below:

| <i>(In thousands)</i>                   | At or for the three months March 31, 2024                                      |   |  |  |   |
|---|--|---|--|--|---|
|   | Non-accrual<br>amortized<br>cost<br>beginning of<br>the<br>reporting<br>period | Non-accrual<br>amortized<br>cost end of<br>the<br>reporting<br>period | Non-<br>accrual<br>with no<br>related<br>allowance | Interest<br>income<br>(loss)<br>recognized | Loans<br>ninety days<br>or more past<br>due and still<br>accruing |
| Multi-family residential                | \$ 3,640   | \$ 5,103  | \$ 5,103   | \$ —                                       | \$ —  |
| One-to-four family - mixed-use property | 1,005  | 933   | 933  | 1  | —   |
| One-to-four family - residential        | 4,670  | 3,341   | 3,341  | 1  | —   |
| Small Business Administration           | 2,576  | 2,641   | 2,641  | —  | —   |
| Commercial business and other           | 11,768   | 12,965  | 4,291  | 1  | —   |
| Total                                   | \$ 23,659  | \$ 24,983   | \$ 16,309  | \$ 3                                       | \$ —  |

| <i>(In thousands)</i>                   | At or for the year ended December 31, 2023                                     |   |  |  |   |
|---|--|---|--|--|---|
|   | Non-accrual<br>amortized<br>cost<br>beginning of<br>the<br>reporting<br>period | Non-accrual<br>amortized<br>cost end of<br>the<br>reporting<br>period | Non-<br>accrual<br>with no<br>related<br>allowance | Interest<br>income<br>(loss)<br>recognized | Loans<br>ninety days<br>or more past<br>due and still<br>accruing |
| Multi-family residential                | \$ 3,547   | \$ 3,640  | \$ 3,640   | \$ 2                                       | \$ 1,463  |
| Commercial real estate                  | 254  | —   | —  | —  | —   |
| One-to-four family - mixed-use property | 1,045  | 1,005   | 1,005  | 3  | —   |
| One-to-four family - residential        | 3,953  | 4,670   | 4,670  | 3  | —   |
| Small Business Administration           | 950  | 2,576   | 2,576  | —  | —   |
| Commercial business and other           | 20,193   | 11,768  | 3,242  | 17   | —   |
| Total                                   | \$ 29,942  | \$ 23,659   | \$ 15,133  | \$ 25                                      | \$ 1,463  |

The following is a summary of interest foregone on non-accrual loans for the periods indicated.

| <i>(In thousands)</i>   | For the three months ended<br>March 31, |        |
|---|---|--------|
|   | 2024                                    | 2023   |
| Interest income that would have been recognized had the loans performed in accordance with their original terms | \$ 604                                  | \$ 506 |
| Less: Interest income included in the results of operations   | (3)                                     | (4)    |
| Total foregone interest   | \$ 601                                  | \$ 502 |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables show the aging analysis of the amortized cost basis of loans at the period indicated by class of loans:

| <i>(In thousands)</i>                   | At March 31, 2024 |                  |                  |                  |                     |                     |
|---|-------------------|------------------|------------------|------------------|---------------------|---------------------|
|   | 30 - 59           | 60 - 89          | Greater          | Total Past       | Current             | Total Loans         |
|   | Days Past<br>Due  | Days Past<br>Due | than 90<br>Days  | Due              |                     | (1)                 |
| Multi-family residential                | \$ 5,796          | \$ 5,037         | \$ 5,103         | \$ 15,936        | \$ 2,610,331        | \$ 2,626,267        |
| Commercial real estate                  | —                 | —                | —                | —                | 1,926,549           | 1,926,549           |
| One-to-four family - mixed-use property | 2,870             | 234              | 933              | 4,037            | 514,818             | 518,855             |
| One-to-four family - residential        | 1,521             | 631              | 3,341            | 5,493            | 261,582             | 267,075             |
| Construction                            | —                 | —                | —                | —                | 60,141              | 60,141              |
| Small Business Administration           | —                 | —                | 2,641            | 2,641            | 13,801              | 16,442              |
| Commercial business and other           | 164               | 496              | 8,617            | 9,277            | 1,403,671           | 1,412,948           |
| Total                                   | <u>\$ 10,351</u>  | <u>\$ 6,398</u>  | <u>\$ 20,635</u> | <u>\$ 37,384</u> | <u>\$ 6,790,893</u> | <u>\$ 6,828,277</u> |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$6.3 million related to loans hedged in a closed pool at March 31, 2024. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

| <i>(In thousands)</i>                   | At December 31, 2023 |                  |                  |                  |                     |                     |
|---|----------------------|------------------|------------------|------------------|---------------------|---------------------|
|   | 30 - 59              | 60 - 89          | Greater          | Total Past       | Current             | Total Loans         |
|   | Days Past<br>Due     | Days Past<br>Due | than 90<br>Days  | Due              |                     | (1)                 |
| Multi-family residential                | \$ 2,722             | \$ 539           | \$ 5,103         | \$ 8,364         | \$ 2,653,862        | \$ 2,662,226        |
| Commercial real estate                  | 8,090                | 1,099            | —                | 9,189            | 1,950,435           | 1,959,624           |
| One-to-four family - mixed-use property | 1,708                | 124              | 1,005            | 2,837            | 530,247             | 533,084             |
| One-to-four family - residential        | 1,715                | —                | 4,670            | 6,385            | 215,134             | 221,519             |
| Construction                            | —                    | —                | —                | —                | 58,261              | 58,261              |
| Small Business Administration           | —                    | —                | 2,576            | 2,576            | 17,769              | 20,345              |
| Commercial business and other           | 420                  | 1,061            | 7,585            | 9,066            | 1,443,774           | 1,452,840           |
| Total                                   | <u>\$ 14,655</u>     | <u>\$ 2,823</u>  | <u>\$ 20,939</u> | <u>\$ 38,417</u> | <u>\$ 6,869,482</u> | <u>\$ 6,907,899</u> |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$0.9 million related to loans hedged in a closed pool at December 31, 2023. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables show the activity in the ACL on loans for the following three-month periods:

|                       | March 31, 2024           |                        |   |                                  |                    |                               |                               |                  |
|-----------------------|--------------------------|------------------------|---|----------------------------------|--------------------|-------------------------------|-------------------------------|------------------|
| <i>(In thousands)</i> | Multi-family residential | Commercial real estate | One-to-four family - mixed-use property | One-to-four family - residential | Construction loans | Small Business Administration | Commercial business and other | Total            |
| Beginning balance     | \$ 10,373                | \$ 8,665               | \$ 1,610                                | \$ 668                           | \$ 158             | \$ 1,626                      | \$ 17,061                     | \$ 40,161        |
| Charge-offs           | —                        | —                      | —                                       | (14)                             | —                  | —                             | (44)                          | (58)             |
| Recoveries            | —                        | —                      | —                                       | 1                                | —                  | 5                             | 48                            | 54               |
| Provision (benefit)   | 217                      | 137                    | (27)                                    | 194                              | (2)                | (225)                         | 301                           | 595              |
| Ending balance        | <u>\$ 10,590</u>         | <u>\$ 8,802</u>        | <u>\$ 1,583</u>                         | <u>\$ 849</u>                    | <u>\$ 156</u>      | <u>\$ 1,406</u>               | <u>\$ 17,366</u>              | <u>\$ 40,752</u> |

  

|                       | March 31, 2023           |                        |   |                                  |                    |                               |                               |                  |
|-----------------------|--------------------------|------------------------|---|----------------------------------|--------------------|-------------------------------|-------------------------------|------------------|
| <i>(In thousands)</i> | Multi-family residential | Commercial real estate | One-to-four family - mixed-use property | One-to-four family - residential | Construction loans | Small Business Administration | Commercial business and other | Total            |
| Beginning balance     | \$ 9,552                 | \$ 8,184               | \$ 1,875                                | \$ 901                           | \$ 261             | \$ 2,198                      | \$ 17,471                     | \$ 40,442        |
| Charge-offs           | —                        | —                      | —                                       | (6)                              | —                  | (6)                           | (9,286)                       | (9,298)          |
| Recoveries            | 1                        | —                      | —                                       | 42                               | —                  | 12                            | 9                             | 64               |
| Provision (benefit)   | (512)                    | (513)                  | (165)                                   | (210)                            | (109)              | (35)                          | 9,065                         | 7,521            |
| Ending balance        | <u>\$ 9,041</u>          | <u>\$ 7,671</u>        | <u>\$ 1,710</u>                         | <u>\$ 727</u>                    | <u>\$ 152</u>      | <u>\$ 2,169</u>               | <u>\$ 17,259</u>              | <u>\$ 38,729</u> |

In accordance with our policy and the current regulatory guidelines, we designate loans as “Special Mention,” which are considered “Criticized Loans,” and “Substandard,” “Doubtful,” or “Loss,” which are considered “Classified Loans.” If a loan does not fall within one of the previously mentioned categories and management believes weakness is evident then we designate the loan as “Watch;” all other loans would be considered “Pass.” Loans that are non-accrual are designated as Substandard, Doubtful or Loss. These loan designations are updated quarterly. We designate a loan as Substandard when a well-defined weakness is identified that may jeopardize the orderly liquidation of the debt. We designate a loan as Doubtful when it displays the inherent weakness of a Substandard loan with the added provision that collection of the debt in full, on the basis of existing facts, is highly improbable. We designate a loan as Loss if it is deemed the debtor is incapable of repayment. The Company does not hold any loans designated as Loss, as loans that are designated as Loss are charged to the Allowance for Credit Losses. We designate a loan as Special Mention if the asset does not warrant classification within one of the other classifications but does contain a potential weakness that deserves closer attention.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables summarize the various risk categories of mortgage and non-mortgage loans by loan portfolio segments and by class of loans by year of origination at the periods indicated below:

| <i>(In thousands)</i>                            | March 31, 2024   |                   |                     |                   |                   |                     | Revolving Loans<br>Amortized Cost<br>Basis | Revolving Loans<br>converted to<br>term loans | Total               |
|--|------------------|-------------------|---------------------|-------------------|-------------------|---------------------|--|---|---------------------|
|  | 2024             | 2023              | 2022                | 2021              | 2020              | Prior               |  |   |                     |
| <b>Multi-family Residential</b>                  |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ 11,694        | \$ 253,688        | \$ 458,919          | \$ 274,074        | \$ 206,697        | \$ 1,364,119        | \$ 4,711                                   | \$ —  | \$ 2,573,902        |
| Watch  | —                | —                 | —                   | 716               | 1,914             | 35,077              | 445  | —   | 38,152              |
| Special Mention                                  | —                | —                 | 5,005               | —                 | 2,714             | 644                 | —  | —   | 8,363               |
| Substandard                                      | —                | —                 | —                   | —                 | —                 | 5,850               | —  | —   | 5,850               |
| <b>Total Multi-family Residential</b>            | <b>\$ 11,694</b> | <b>\$ 253,688</b> | <b>\$ 463,924</b>   | <b>\$ 274,790</b> | <b>\$ 211,325</b> | <b>\$ 1,405,690</b> | <b>\$ 5,156</b>                            | <b>\$ —</b>                                   | <b>\$ 2,626,267</b> |
| <b>Commercial Real Estate</b>                    |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ 10,059        | \$ 198,620        | \$ 320,578          | \$ 174,072        | \$ 130,344        | \$ 1,006,197        | \$ —                                       | \$ —  | \$ 1,839,870        |
| Watch  | —                | —                 | 437                 | 1,359             | 6,880             | 77,855              | —  | —   | 86,531              |
| Special Mention                                  | —                | —                 | —                   | —                 | —                 | 148                 | —  | —   | 148                 |
| <b>Total Commercial Real Estate</b>              | <b>\$ 10,059</b> | <b>\$ 198,620</b> | <b>\$ 321,015</b>   | <b>\$ 175,431</b> | <b>\$ 137,224</b> | <b>\$ 1,084,200</b> | <b>\$ —</b>                                | <b>\$ —</b>                                   | <b>\$ 1,926,549</b> |
| <b>1-4 Family Mixed-Use Property</b>             |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ 763           | \$ 22,750         | \$ 42,836           | \$ 41,201         | \$ 29,456         | \$ 374,421          | \$ —                                       | \$ —  | \$ 511,427          |
| Watch  | —                | —                 | —                   | —                 | —                 | 5,033               | —  | —   | 5,033               |
| Special Mention                                  | —                | —                 | —                   | —                 | —                 | 1,248               | —  | —   | 1,248               |
| Substandard                                      | —                | —                 | —                   | —                 | —                 | 1,147               | —  | —   | 1,147               |
| <b>Total 1-4 Family Mixed-Use Property</b>       | <b>\$ 763</b>    | <b>\$ 22,750</b>  | <b>\$ 42,836</b>    | <b>\$ 41,201</b>  | <b>\$ 29,456</b>  | <b>\$ 381,849</b>   | <b>\$ —</b>                                | <b>\$ —</b>                                   | <b>\$ 518,855</b>   |
| <b>1-4 Family Residential</b>                    |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ —             | \$ 56,782         | \$ 23,380           | \$ 8,396          | \$ 16,367         | \$ 135,207          | \$ 7,550                                   | \$ 9,441                                      | \$ 257,123          |
| Watch  | —                | —                 | —                   | 266               | —                 | 2,321               | —  | 1,027   | 3,614               |
| Special Mention                                  | —                | —                 | 511                 | —                 | —                 | —                   | —  | 209   | 720                 |
| Substandard                                      | —                | —                 | —                   | —                 | —                 | 5,175               | —  | 443   | 5,618               |
| <b>Total 1-4 Family Residential</b>              | <b>\$ —</b>      | <b>\$ 56,782</b>  | <b>\$ 23,891</b>    | <b>\$ 8,662</b>   | <b>\$ 16,367</b>  | <b>\$ 142,703</b>   | <b>\$ 7,550</b>                            | <b>\$ 11,120</b>                              | <b>\$ 267,075</b>   |
| Gross charge-offs                                | \$ —             | \$ —              | \$ —                | \$ —              | \$ —              | \$ 14               | \$ —                                       | \$ —  | \$ 14               |
| <b>Construction</b>                              |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ —             | \$ 6,083          | \$ 3                | \$ —              | \$ —              | \$ —                | \$ 48,262                                  | \$ —  | \$ 54,348           |
| Watchlist  | —                | —                 | —                   | 5,793             | —                 | —                   | —  | —   | 5,793               |
| <b>Total Construction</b>                        | <b>\$ —</b>      | <b>\$ 6,083</b>   | <b>\$ 3</b>         | <b>\$ 5,793</b>   | <b>\$ —</b>       | <b>\$ —</b>         | <b>\$ 48,262</b>                           | <b>\$ —</b>                                   | <b>\$ 60,141</b>    |
| <b>Small Business Administration</b>             |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ —             | \$ 1,966          | \$ 3,265            | \$ 1,333          | \$ 2,031          | \$ 1,792            | \$ —                                       | \$ —  | \$ 10,387           |
| Watch  | —                | —                 | —                   | —                 | —                 | 2,864               | —  | —   | 2,864               |
| Special Mention                                  | —                | —                 | —                   | —                 | —                 | 343                 | —  | —   | 343                 |
| Substandard                                      | —                | —                 | —                   | 1,693             | —                 | 1,155               | —  | —   | 2,848               |
| <b>Total Small Business Administration</b>       | <b>\$ —</b>      | <b>\$ 1,966</b>   | <b>\$ 3,265</b>     | <b>\$ 3,026</b>   | <b>\$ 2,031</b>   | <b>\$ 6,154</b>     | <b>\$ —</b>                                | <b>\$ —</b>                                   | <b>\$ 16,442</b>    |
| <b>Commercial Business</b>                       |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ 15,773        | \$ 123,793        | \$ 93,740           | \$ 52,370         | \$ 29,623         | \$ 90,356           | \$ 233,208                                 | \$ —  | \$ 638,863          |
| Watch  | —                | 270               | 7,884               | 1,474             | 2,425             | 32,656              | 4,953                                      | —   | 49,662              |
| Special Mention                                  | —                | —                 | —                   | —                 | —                 | 23                  | —  | —   | 23                  |
| Substandard                                      | —                | 378               | 2,427               | 4,323             | —                 | 3,418               | 3,380                                      | —   | 13,926              |
| Doubtful   | —                | 462               | —                   | —                 | —                 | —                   | 3,658                                      | —   | 4,120               |
| <b>Total Commercial Business</b>                 | <b>\$ 15,773</b> | <b>\$ 124,903</b> | <b>\$ 104,051</b>   | <b>\$ 58,167</b>  | <b>\$ 32,048</b>  | <b>\$ 126,453</b>   | <b>\$ 245,199</b>                          | <b>\$ —</b>                                   | <b>\$ 706,594</b>   |
| Gross charge-offs                                | \$ —             | \$ —              | \$ —                | \$ —              | \$ —              | \$ 33               | \$ —                                       | \$ —  | \$ 33               |
| <b>Commercial Business - Secured by RE</b>       |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ 5,656         | \$ 36,864         | \$ 175,592          | \$ 129,512        | \$ 101,758        | \$ 185,781          | \$ —                                       | \$ —  | \$ 635,163          |
| Watch  | —                | 9,695             | 303                 | —                 | 3,811             | 40,999              | —  | —   | 54,808              |
| Special Mention                                  | —                | —                 | —                   | —                 | —                 | 15,165              | —  | —   | 15,165              |
| Substandard                                      | —                | —                 | —                   | —                 | —                 | 1,002               | —  | —   | 1,002               |
| <b>Total Commercial Business - Secured by RE</b> | <b>\$ 5,656</b>  | <b>\$ 46,559</b>  | <b>\$ 175,895</b>   | <b>\$ 129,512</b> | <b>\$ 105,569</b> | <b>\$ 242,947</b>   | <b>\$ —</b>                                | <b>\$ —</b>                                   | <b>\$ 706,138</b>   |
| <b>Other</b>                                     |                  |                   |                     |                   |                   |                     |  |   |                     |
| Pass   | \$ —             | \$ —              | \$ —                | \$ —              | \$ —              | \$ 101              | \$ 115                                     | \$ —  | \$ 216              |
| Total Other                                      | \$ —             | \$ —              | \$ —                | \$ —              | \$ —              | \$ 101              | \$ 115                                     | \$ —  | \$ 216              |
| Gross charge-offs                                | \$ —             | \$ —              | \$ —                | \$ —              | \$ —              | \$ 11               | \$ —                                       | \$ —  | \$ 11               |
| <b>Total by Loan Type</b>                        |                  |                   |                     |                   |                   |                     |  |   |                     |
| Total Pass                                       | \$ 43,945        | \$ 700,546        | \$ 1,118,313        | \$ 680,958        | \$ 516,276        | \$ 3,157,974        | \$ 293,846                                 | \$ 9,441                                      | \$ 6,521,299        |
| Total Watch                                      | —                | 9,965             | 8,624               | 9,608             | 15,030            | 196,805             | 5,398                                      | 1,027   | 246,457             |
| Total Special Mention                            | —                | —                 | 5,516               | —                 | 2,714             | 17,571              | —  | 209   | 26,010              |
| Total Substandard                                | —                | 378               | 2,427               | 6,016             | —                 | 17,747              | 3,380                                      | 443   | 30,391              |
| Total Doubtful                                   | —                | 462               | —                   | —                 | —                 | —                   | 3,658                                      | —   | 4,120               |
| <b>Total Loans <sup>(1)</sup></b>                | <b>\$ 43,945</b> | <b>\$ 711,351</b> | <b>\$ 1,134,880</b> | <b>\$ 696,582</b> | <b>\$ 534,020</b> | <b>\$ 3,390,097</b> | <b>\$ 306,282</b>                          | <b>\$ 11,120</b>                              | <b>\$ 6,828,277</b> |
| <b>Total Gross charge-offs</b>                   | <b>\$ —</b>      | <b>\$ —</b>       | <b>\$ —</b>         | <b>\$ —</b>       | <b>\$ —</b>       | <b>\$ 58</b>        | <b>\$ —</b>                                | <b>\$ —</b>                                   | <b>\$ 58</b>        |

(1) The table above excludes the unallocated portfolio layer basis adjustments totaling \$6.3 million related to loans hedged in a closed pool at March 31, 2024. See Note 11 ("Derivative Financial Instruments") of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

|  | December 31, 2023 |              |            |            |            |              | Revolving Loans<br>Amortized Cost<br>Basis | Revolving Loans<br>converted to<br>term loans | Total        |
|--|-------------------|--------------|------------|------------|------------|--------------|--|---|--------------|
| <i>(In thousands)</i>                      | 2023              | 2022         | 2021       | 2020       | 2019       | Prior        |  |   |              |
| <b>Multi-family Residential</b>            |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 254,340        | \$ 465,069   | \$ 276,483 | \$ 215,561 | \$ 300,822 | \$ 1,099,271 | \$ 5,209                                   | \$ —  | \$ 2,616,755 |
| Watch                                      | —                 | 870          | 720        | 1,935      | —          | 34,899       | —  | —   | 38,424       |
| Special Mention                            | —                 | —            | —          | —          | —          | 1,193        | —  | —   | 1,193        |
| Substandard                                | —                 | —            | —          | —          | —          | 5,854        | —  | —   | 5,854        |
| Total Multi-family Residential             | \$ 254,340        | \$ 465,939   | \$ 277,203 | \$ 217,496 | \$ 300,822 | \$ 1,141,217 | \$ 5,209                                   | \$ —  | \$ 2,662,226 |
| <b>Commercial Real Estate</b>              |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 199,420        | \$ 322,446   | \$ 175,045 | \$ 147,871 | \$ 216,964 | \$ 862,641   | \$ —                                       | \$ —  | \$ 1,924,387 |
| Watch                                      | —                 | —            | 1,415      | —          | 9,239      | 23,484       | —  | —   | 34,138       |
| Special Mention                            | —                 | —            | —          | —          | —          | 1,099        | —  | —   | 1,099        |
| Total Commercial Real Estate               | \$ 199,420        | \$ 322,446   | \$ 176,460 | \$ 147,871 | \$ 226,203 | \$ 887,224   | \$ —                                       | \$ —  | \$ 1,959,624 |
| Gross charge-offs                          | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 8         | \$ —                                       | \$ —  | \$ 8         |
| <b>1-4 Family Mixed-Use Property</b>       |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 22,852         | \$ 43,579    | \$ 41,604  | \$ 30,984  | \$ 60,308  | \$ 326,246   | \$ —                                       | \$ —  | \$ 525,573   |
| Watch                                      | —                 | —            | —          | —          | 233        | 4,777        | —  | —   | 5,010        |
| Special Mention                            | —                 | —            | —          | —          | 720        | 564          | —  | —   | 1,284        |
| Substandard                                | —                 | —            | —          | —          | —          | 1,217        | —  | —   | 1,217        |
| Total 1-4 Family Mixed-Use Property        | \$ 22,852         | \$ 43,579    | \$ 41,604  | \$ 30,984  | \$ 61,261  | \$ 332,804   | \$ —                                       | \$ —  | \$ 533,084   |
| <b>1-4 Family Residential</b>              |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 6,289          | \$ 23,197    | \$ 8,451   | \$ 16,482  | \$ 36,779  | \$ 102,293   | \$ 7,424                                   | \$ 10,067                                     | \$ 210,982   |
| Watch                                      | —                 | 507          | 270        | —          | 1,561      | 695          | —  | 1,130   | 4,163        |
| Special Mention                            | —                 | —            | —          | —          | —          | —            | —  | —   | 169          |
| Substandard                                | —                 | —            | —          | —          | —          | 5,737        | —  | —   | 6,205        |
| Total 1-4 Family Residential               | \$ 6,289          | \$ 23,704    | \$ 8,721   | \$ 16,482  | \$ 38,340  | \$ 108,725   | \$ 7,424                                   | \$ 11,834                                     | \$ 221,519   |
| Gross charge-offs                          | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 23        | \$ —                                       | \$ —  | \$ 23        |
| <b>Construction</b>                        |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 5,809          | \$ 3         | \$ 5,793   | \$ —       | \$ —       | \$ —         | \$ 46,656                                  | \$ —  | \$ 58,261    |
| Total Construction                         | \$ 5,809          | \$ 3         | \$ 5,793   | \$ —       | \$ —       | \$ —         | \$ 46,656                                  | \$ —  | \$ 58,261    |
| <b>Small Business Administration</b>       |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 1,984          | \$ 3,283     | \$ 2,883   | \$ 3,443   | \$ 606     | \$ 2,121     | \$ —                                       | \$ —  | \$ 14,320    |
| Watch                                      | —                 | —            | —          | —          | 47         | 2,847        | —  | —   | 2,894        |
| Special Mention                            | —                 | —            | —          | —          | —          | 348          | —  | —   | 348          |
| Substandard                                | —                 | —            | 1,627      | —          | —          | 1,156        | —  | —   | 2,783        |
| Total Small Business Administration        | \$ 1,984          | \$ 3,283     | \$ 4,510   | \$ 3,443   | \$ 653     | \$ 6,472     | \$ —                                       | \$ —  | \$ 20,345    |
| Gross charge-offs                          | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 7         | \$ —                                       | \$ —  | \$ 7         |
| <b>Commercial Business</b>                 |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 115,740        | \$ 116,452   | \$ 53,315  | \$ 31,637  | \$ 30,913  | \$ 53,289    | \$ 244,143                                 | \$ —  | \$ 645,489   |
| Watch                                      | 342               | 9,792        | 3,822      | 2,426      | 14,483     | 18,495       | 8,582                                      | —   | 57,942       |
| Special Mention                            | —                 | —            | —          | —          | 25         | 495          | —  | —   | 520          |
| Substandard                                | 14,642            | 2,399        | 4,158      | —          | 93         | 12,906       | 2,982                                      | —   | 37,180       |
| Doubtful                                   | 462               | —            | —          | —          | —          | —            | 3,903                                      | —   | 4,365        |
| Total Commercial Business                  | \$ 131,186        | \$ 128,643   | \$ 61,295  | \$ 34,063  | \$ 45,514  | \$ 84,690    | \$ 260,105                                 | \$ —  | \$ 745,496   |
| Gross charge-offs                          | \$ 40             | \$ —         | \$ 1,675   | \$ —       | \$ 28      | \$ 10        | \$ 9,267                                   | \$ —  | \$ 11,020    |
| <b>Commercial Business - Secured by RE</b> |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ 36,993         | \$ 176,825   | \$ 130,608 | \$ 106,545 | \$ 38,846  | \$ 139,025   | \$ —                                       | \$ —  | \$ 628,842   |
| Watch                                      | 9,730             | 311          | —          | —          | 586        | 51,759       | —  | —   | 62,386       |
| Special Mention                            | —                 | —            | —          | —          | 14,892     | 1,002        | —  | —   | 15,894       |
| Total Commercial Business - Secured by RE  | \$ 46,723         | \$ 177,136   | \$ 130,608 | \$ 106,545 | \$ 54,324  | \$ 191,786   | \$ —                                       | \$ —  | \$ 707,122   |
| <b>Other</b>                               |                   |              |            |            |            |              |  |   |              |
| Pass                                       | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 133       | \$ 89                                      | \$ —  | \$ 222       |
| Total Other                                | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 133       | \$ 89                                      | \$ —  | \$ 222       |
| Gross charge-offs                          | \$ —              | \$ —         | \$ —       | \$ —       | \$ —       | \$ 99        | \$ —                                       | \$ —  | \$ 99        |
| <b>Total by Loan Type</b>                  |                   |              |            |            |            |              |  |   |              |
| Total Pass                                 | \$ 643,427        | \$ 1,150,854 | \$ 694,182 | \$ 552,523 | \$ 685,238 | \$ 2,585,019 | \$ 303,521                                 | \$ 10,067                                     | \$ 6,624,831 |
| Total Watch                                | 10,072            | 11,480       | 6,227      | 4,361      | 26,149     | 136,956      | 8,582                                      | 1,130   | 204,957      |
| Total Special Mention                      | —                 | —            | —          | —          | 15,637     | 4,206        | 495  | 169   | 20,507       |
| Total Substandard                          | 14,642            | 2,399        | 5,785      | —          | 93         | 26,870       | 2,982                                      | 468   | 53,239       |
| Total Doubtful                             | 462               | —            | —          | —          | —          | —            | 3,903                                      | —   | 4,365        |
| Total Loans <sup>(1)</sup>                 | \$ 668,603        | \$ 1,164,733 | \$ 706,194 | \$ 556,884 | \$ 727,117 | \$ 2,753,051 | \$ 319,483                                 | \$ 11,834                                     | \$ 6,907,899 |
| Total Gross charge-offs                    | \$ 40             | \$ —         | \$ 1,675   | \$ —       | \$ 28      | \$ 147       | \$ 9,267                                   | \$ —  | \$ 11,157    |

<sup>(1)</sup> The table above excludes the unallocated portfolio layer basis adjustments totaling \$0.9 million related to loans hedged in a closed pool at December 31, 2023. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

Included within net loans were \$4.6 million and \$4.8 million at March 31, 2024 and December 31, 2023, respectively, of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings were in process according to local requirements of the applicable jurisdiction.

A loan is considered collateral dependent when the borrower is experiencing financial difficulties and repayment is expected to be substantially provided by the operation or sale of the collateral. The following table presents types of collateral-dependent loans by class of loans as of the periods indicated:

| <i>(In thousands)</i>                   | Collateral Type  |                  |                   |                  |
|---|------------------|------------------|-------------------|------------------|
|   | March 31, 2024   |                  | December 31, 2023 |                  |
|   | Real Estate      | Business Assets  | Real Estate       | Business Assets  |
| Multi-family residential                | \$ 5,103         | \$ —             | \$ 3,640          | \$ —             |
| One-to-four family - mixed-use property | 933              | —                | 1,005             | —                |
| One-to-four family - residential        | 3,341            | —                | 4,670             | —                |
| Small Business Administration           | —                | 2,641            | —                 | 2,576            |
| Commercial business and other           | 1,002            | 11,963           | —                 | 11,768           |
| Total                                   | <u>\$ 10,379</u> | <u>\$ 14,604</u> | <u>\$ 9,315</u>   | <u>\$ 14,344</u> |

**Off-Balance Sheet Credit Losses**

Also included within scope of the CECL standard are off-balance sheet loan commitments, which includes the unfunded portion of committed lines of credit and commitments “in-process”. Commitments “in-process” reflect loans not in the Company’s books but rather negotiated loan / line of credit terms and rates that the Company has offered to customers and is committed to honoring. In reference to “in-process” credits, the Company defines an unfunded commitment as a credit that has been offered to and accepted by a borrower, which has not closed and by which the obligation is not unconditionally cancellable.

Commitments to extend credit (principally real estate mortgage loans) and lines of credit (principally home equity lines of credit and business lines of credit) totaled \$47.0 million and \$413.9 million, respectively, on March 31, 2024.

The following table presents the activity in the allowance for off-balance sheet credit losses for the three months ended March 31, 2024, and 2023.

|  | For the three months ended |               |
|--|----------------------------|---------------|
|  | March 31,                  |               |
|  | 2024                       | 2023          |
|  | <i>(In thousands)</i>      |               |
| Balance at beginning of period                                 | \$ 1,102                   | \$ 970        |
| Provision (benefit) <sup>(1)</sup>                             | (106)                      | (85)          |
| Allowance for Off-Balance Sheet - Credit losses <sup>(2)</sup> | <u>\$ 996</u>              | <u>\$ 885</u> |

(1) Included in “Other operating expenses” on the Consolidated Statements of Income.

(2) Included in “Other liabilities” on the Consolidated Statements of Financial Condition.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**6. Loans held for sale**

Loans held for sale are carried at the lower of cost or estimated fair value. At March 31, 2024 and December 31, 2023, the Bank did not have any loans held for sale.

The following table shows loans sold during the periods indicated:

| <i>(Dollars in thousands)</i>              | For the three months ended March 31, 2024 |          |                 |          |
|--|---|----------|-----------------|----------|
|  | Loans sold                                | Proceeds | Net charge-offs | Net gain |
| <u>Delinquent and non-performing loans</u> |   |          |                 |          |
| Multi-family residential                   | 3   | \$ 1,551 | \$ —            | \$ 55    |
| Commercial                                 | 2   | 971      | —               | —        |
| One-to-four family - mixed-use property    | 4   | 1,288    | —               | 55       |
| Total                                      | 9   | \$ 3,810 | \$ —            | \$ 110   |

| <i>(Dollars in thousands)</i>              | For the three months ended March 31, 2023 |          |                 |          |
|--|---|----------|-----------------|----------|
|  | Loans sold                                | Proceeds | Net charge-offs | Net gain |
| <u>Delinquent and non-performing loans</u> |   |          |                 |          |
| Multi-family residential                   | 5   | \$ 1,548 | \$ —            | \$ 54    |
| Commercial                                 | 2   | 840      | —               | —        |
| One-to-four family - mixed-use property    | 1   | 187      | —               | —        |
| Total                                      | 8   | \$ 2,575 | \$ —            | \$ 54    |



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**7. Leases**

The Company has 30 operating leases for branches (including headquarters) and office spaces, seven operating leases for vehicles, and one operating lease for equipment. Our leases have remaining lease terms ranging from four months to approximately 12 years, none of which has a renewal option reasonably certain of exercise, which has been reflected in the Company's calculation of the lease term.

The Company has elected the short-term lease recognition exemption such that the Company will not recognize Right of Use ("ROU") assets or lease liabilities for leases with a term of less than 12 months from the commencement date. The Company has four agreements in 2024 and five agreements in 2023 that qualified as short-term leases.

Certain leases have escalation clauses for operating expenses and real estate taxes. The Company's non-cancelable operating lease agreements expire through 2036.

Supplemental balance sheet information related to leases are as follows:

| <i>(Dollars in thousands)</i>                          | March 31, 2024 | December 31, 2023 |
|--|----------------|-------------------|
| Operating lease ROU asset                              | \$ 37,631      | \$ 39,557         |
| Operating lease liability                              | \$ 38,674      | \$ 40,822         |
| Weighted-average remaining lease term-operating leases | 6.0 years      | 6.1 years         |
| Weighted average discount rate-operating leases        | 3.2 %          | 3.2 %             |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The components of lease expense and cash flow information related to leases were as follows:

| <i>(In thousands)</i>   | Line Item Presented                                | For the three months ended |                 |
|-------------------------|--|----------------------------|-----------------|
|                         |  | March 31, 2024             | March 31, 2023  |
| <b>Lease Cost</b>       |  |                            |                 |
| Operating lease cost    | Occupancy and equipment                            | \$ 2,236                   | \$ 2,299        |
| Operating lease cost    | Other operating expenses                           | 19                         | 23              |
| Short-term lease cost   | Professional services and other operating expenses | 42                         | 56              |
| Variable lease cost     | Occupancy and equipment                            | 270                        | 281             |
| <b>Total lease cost</b> |  | <b>\$ 2,567</b>            | <b>\$ 2,659</b> |

**Other information**

Cash paid for amounts included in the measurement of lease liabilities:

|  |          |          |
|--|----------|----------|
| Operating cash flows from operating leases                                   | \$ 2,452 | \$ 2,394 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | \$ —     | \$ 846   |

The Company's minimum annual rental payments for Bank facilities due under non-cancelable leases are as follows as of March 31, 2024:

|                                 | Minimum Rental        |         |
|---------------------------------|-----------------------|---------|
|                                 | <i>(In thousands)</i> |         |
| <b>Years ended December 31:</b> |                       |         |
| 2024                            | \$                    | 6,587   |
| 2025                            |                       | 9,244   |
| 2026                            |                       | 8,363   |
| 2027                            |                       | 4,286   |
| 2028                            |                       | 4,035   |
| Thereafter                      |                       | 10,109  |
| Total minimum payments required |                       | 42,624  |
| Less: implied interest          |                       | (3,950) |
| Total lease obligations         | \$                    | 38,674  |

**8. Stock-Based Compensation**

The Company has a long-term incentive compensation program for certain Company executive officers that includes grants of performance-based restricted stock units ("PRSU") in addition to time-based restricted stock units ("RSU"). Under the terms of the PRSU Agreement, the number of PRSUs that may be earned depends on the extent to which performance goals for the award are achieved over a three-year performance period, as determined by the Compensation Committee of the Board. The number of PRSUs that may be earned ranges from 0% to 150% of the target award, with no PRSUs earned for below threshold-level performance, 50% of PRSUs earned for threshold-level performance, 100% of PRSUs earned for target-level performance, and 150% of PRSUs earned for maximum-level performance. As of March 31, 2024, PRSUs granted in 2024 and 2023 are being accrued at target and PRSUs granted in 2022 are being accrued below target. The different levels of accrual are commensurate with the projected performance of the respective grant. As of March 31, 2024, 533,298 shares were available for future issuance under the 2014 Omnibus Plan.

For the three months ended March 31, 2024 and 2023, the Company's net income, as reported, included \$1.0 million and \$3.1 million, respectively, of stock-based compensation costs, including the benefit of phantom stock awards, and \$0.3 million and \$0.8 million of income tax benefit, respectively, related to the stock-based compensation plans.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

During the three months ended March 31, 2024 and 2023 the Company granted 217,650 and 235,850 RSU awards and 67,350 and 79,050 PRSU awards, respectively.

The Company uses the fair value of the common stock on the date of award to measure compensation cost for restricted stock unit awards and performance restricted stock units. Compensation cost is recognized over the vesting period of the award using the straight-line method. Forfeitures are recorded in the period they occur.

The following table summarizes the Company’s RSU and PRSU awards under the 2014 Omnibus Plan for the three months ended March 31, 2024:

|  | RSU Awards |  | PRSU Awards |  |
|--|------------|--|-------------|--|
|  | Shares     | Weighted-Average Grant-Date Fair Value | Shares      | Weighted-Average Grant-Date Fair Value |
| Non-vested awards at December 31, 2023 | 280,161    | \$ 21.14                               | 77,570      | \$ 20.08                               |
| Granted                                | 217,650    | 16.92                                  | 67,350      | 16.81                                  |
| Vested                                 | (145,435)  | 19.86                                  | (30,540)    | 18.46                                  |
| Non-vested awards at March 31, 2024    | 352,376    | \$ 19.06                               | 114,380     | \$ 18.59                               |
| Vested but unissued at March 31, 2024  | 190,814    | \$ 20.18                               | 63,645      | \$ 21.70                               |

As of March 31, 2024, there was \$7.1 million of total unrecognized compensation cost related to RSU and PRSU awards granted. That cost is expected to be recognized over a weighted-average period of 2.7 years. The total fair value of awards vested for the three months ended March 31, 2024 and 2023, was \$2.5 million and \$5.0 million respectively.

*Phantom Stock Plan:* The Company maintains a non-qualified phantom stock plan as a supplement to its profit-sharing plan for officers who have achieved the designated level and completed one year of service. The Company adjusts its liability under this plan to the fair value of the shares at the end of each period.

The following table summarizes the Phantom Stock Plan at or for the three months ended March 31, 2024:

| Phantom Stock Plan                       | Shares  | Fair Value | Weighted-Average Fair Value |
|--|---------|------------|-----------------------------|
| Outstanding at December 31, 2023         | 180,847 | \$ 16.48   |                             |
| Granted                                  | 7,272   |            | \$ 14.52                    |
| Distributions                            | (1,299) |            | \$ 16.24                    |
| Outstanding and vested at March 31, 2024 | 186,820 | \$ 12.61   |                             |

The Company recorded stock-based compensation expense (benefit) for the Phantom Stock Plan of (\$0.7) million for both of the three months ended March 31, 2024 and 2023. The total fair value of the distributions from the Phantom Stock Plan was \$21,000 and \$15,000 for the three months ended March 31, 2024 and 2023, respectively.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

### 9. Pension and Other Postretirement Benefit Plans

The following table sets forth information regarding the components of net expense for the pension and other postretirement benefit plans.

| <i>(In thousands)</i>   | Three months ended |                |
|---|--------------------|----------------|
|   | March 31,          |                |
|   | 2024               | 2023           |
| <b>Employee Pension Plan:</b>                                 |                    |                |
| Interest cost   | \$ 194             | \$ 203         |
| Expected return on plan assets                                | (284)              | (277)          |
| Net employee pension benefit <sup>(1)</sup>                   | <u>\$ (90)</u>     | <u>\$ (74)</u> |
| <b>Outside Director Pension Plan:</b>                         |                    |                |
| Service cost  | \$ 2               | \$ 2           |
| Interest cost   | 11                 | 15             |
| Amortization of unrecognized gain                             | (38)               | (40)           |
| Net outside director pension (benefit) expense <sup>(2)</sup> | <u>\$ (25)</u>     | <u>\$ (23)</u> |
| <b>Other Postretirement Benefit Plans:</b>                    |                    |                |
| Service cost  | \$ 42              | \$ 40          |
| Interest cost   | 96                 | 95             |
| Amortization of unrecognized gain                             | (54)               | (60)           |
| Net other postretirement expense <sup>(1)</sup>               | <u>\$ 84</u>       | <u>\$ 75</u>   |

(1) Reported in the Consolidated Statements of Income as part of salaries and employee benefits.

(2) Reported in the Consolidated Statements of Income as part of other operating expenses.

The Company previously disclosed in its Consolidated Financial Statements for the year ended December 31, 2023 that it expects to contribute \$0.1 million to the outside director pension plan (the “Outside Director Pension Plan”) and \$0.3 million to the other postretirement benefit plans (the “Other Postretirement Benefit Plans”), during the year ending December 31, 2024. The Company does not expect to contribute to the employee pension plan during the year ending December 31, 2024. As of March 31, 2024, the Company had contributed \$12,000 to the Outside Director Pension Plan and \$39,000 to the Other Postretirement Benefit Plans. As of March 31, 2024, the Company has not revised its expected contributions for the year ending December 31, 2024.

### 10. Fair Value of Financial Instruments

The Company carries certain financial assets and financial liabilities at fair value in accordance with GAAP which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP permits entities to choose to measure many financial instruments and certain other items at fair value. The Company did not purchase or sell any financial assets or liabilities carried under the fair value option during the three months ended March 31, 2024 and 2023.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table presents the financial assets and financial liabilities reported at fair value under the fair value option, and the changes in fair value included in the Consolidated Statement of Income – Net (loss) gain from fair value adjustments, at or for the periods ended as indicated:

| Description                                 | Fair Value<br>Measurements at<br>March 31, 2024 | Fair Value<br>Measurements at<br>December 31, 2023 | Changes in Fair Values For Items Measured at Fair Value<br>Pursuant to Election of the Fair Value Option |          |
|---|---|--|--|----------|
|   |   |  | For the three months ended March 31,   |          |
|   |   |  | 2024   | 2023     |
| <i>(In thousands)</i>                       |   |  |  |          |
| Mortgage-backed securities                  | \$ 254  | \$ 262   | \$ —   | \$ 1     |
| Other securities                            | 13,077  | 13,097   | (100)  | 109      |
| Borrowed funds                              | 48,622  | 47,850   | (734)  | 2,509    |
| Net gain (loss) from fair value adjustments |   |  | \$ (834)   | \$ 2,619 |

Included in the fair value of the financial assets and financial liabilities selected for the fair value option is the accrued interest receivable or payable for the related instrument. The Company reports as interest income or interest expense in the Consolidated Statement of Income, the interest receivable or payable on the financial instruments selected for the fair value option at their respective contractual rates.

The borrowed funds had a contractual principal amount of \$61.9 million at both March 31, 2024 and December 31, 2023. The fair value of borrowed funds includes accrued interest payable of \$0.4 million at both March 31, 2024 and December 31, 2023.

The Company generally holds its earning assets to maturity and settles its liabilities at maturity. However, fair value estimates are made at a specific point in time and are based on relevant market information. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company’s entire holdings of a particular instrument. Accordingly, as assumptions change, such as interest rates and prepayments, fair value estimates change, and these amounts may not necessarily be realized in an immediate sale.

Disclosure of fair value does not require fair value information for items that do not meet the definition of a financial instrument or certain other financial instruments specifically excluded from its requirements. These items include core deposit intangibles and other customer relationships, premises and equipment, leases, income taxes and equity.

Further, fair value disclosure does not attempt to value future income or business. These items may be material and accordingly, the fair value information presented does not purport to represent, nor should it be construed to represent, the underlying “market” or franchise value of the Company.

A description of the methods and significant assumptions utilized in estimating the fair value of the Company’s financial assets and liabilities that are carried at fair value on a recurring basis are as follows:

Level 1 – when quoted market prices are available in an active market. At March 31, 2024 and December 31, 2023, Level 1 included one mutual fund.

Level 2 – when quoted market prices are not available, fair value is estimated using quoted market prices for similar financial instruments and adjusted for differences between the quoted instrument and the instrument being valued. Fair value can also be estimated by using pricing models, or discounted cash flows. Pricing models primarily use market-based or independently sourced market parameters as inputs, including, but not limited to, yield curves, interest rates, equity or debt prices and credit spreads. In addition to observable market information, models also incorporate maturity and cash flow assumptions. At March 31, 2024 and December 31, 2023, Level 2 included mortgage-backed securities, CLOs, corporate debt, municipals, and interest rate swaps.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

Level 3 – when there is limited activity or less transparency around inputs to the valuation, financial instruments are classified as Level 3. At March 31, 2024 and December 31, 2023, Level 3 included trust preferred securities owned, and junior subordinated debentures issued by the Company.

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. While the Company believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies, assumptions, and models to determine fair value of certain financial instruments could produce different estimates of fair value at the reporting date.

The following table sets forth the Company’s assets and liabilities that are carried at fair value on a recurring basis, including those reported at fair value under the fair value option, and the level that was used to determine their fair value, at March 31, 2024 and December 31, 2023:

|                                       | Quoted Prices<br>in Active Markets<br>for Identical Assets<br>(Level 1) |                  | Significant Other<br>Observable Inputs<br>(Level 2) |                   | Significant Other<br>Unobservable Inputs<br>(Level 3) |                  | Total carried at fair value<br>on a recurring basis |                   |
|---------------------------------------|---|------------------|---|-------------------|---|------------------|---|-------------------|
|                                       | 2024  | 2023             | 2024  | 2023              | 2024  | 2023             | 2024  | 2023              |
| <i>(In thousands)</i>                 |   |                  |   |                   |   |                  |   |                   |
| <b>Assets:</b>                        |   |                  |   |                   |   |                  |   |                   |
| <b>Securities available for sale:</b> |   |                  |   |                   |   |                  |   |                   |
| Mortgage-backed securities            | \$ —  | \$ —             | \$ 509,527  | \$ 354,344        | \$ —  | \$ —             | \$ 509,527  | \$ 354,344        |
| Other securities                      | 11,618  | 11,660           | 654,078   | 507,312           | 1,460   | 1,437            | 667,156   | 520,409           |
| Interest rate swaps                   | —   | —                | 75,166  | 69,013            | —   | —                | 75,166  | 69,013            |
| <b>Total assets</b>                   | <b>\$ 11,618</b>  | <b>\$ 11,660</b> | <b>\$ 1,238,771</b>                                 | <b>\$ 930,669</b> | <b>\$ 1,460</b>                                       | <b>\$ 1,437</b>  | <b>\$ 1,251,849</b>                                 | <b>\$ 943,766</b> |
| <b>Liabilities:</b>                   |   |                  |   |                   |   |                  |   |                   |
| Borrowings                            | \$ —  | \$ —             | \$ —  | \$ —              | \$ 48,622   | \$ 47,850        | \$ 48,622   | \$ 47,850         |
| Interest rate swaps                   | —   | —                | 20,235  | 28,401            | —   | —                | 20,235  | 28,401            |
| <b>Total liabilities</b>              | <b>\$ —</b>   | <b>\$ —</b>      | <b>\$ 20,235</b>                                    | <b>\$ 28,401</b>  | <b>\$ 48,622</b>                                      | <b>\$ 47,850</b> | <b>\$ 68,857</b>                                    | <b>\$ 76,251</b>  |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables set forth the Company’s assets and liabilities that are carried at fair value on a recurring basis, classified within Level 3 of the valuation hierarchy for the periods indicated:

|  | For the three months ended |                                |                            |                                |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
|  | March 31, 2024             |                                | March 31, 2023             |                                |
|  | Trust preferred securities | Junior subordinated debentures | Trust preferred securities | Junior subordinated debentures |
|  | <i>(In thousands)</i>      |                                |                            |                                |
| Beginning balance  | \$ 1,437                   | \$ 47,850                      | \$ 1,516                   | \$ 50,507                      |
| Net gain (loss) from fair value adjustment of financial assets <sup>(1)</sup>      | 23                         | —                              | (71)                       | —                              |
| Net (gain) loss from fair value adjustment of financial liabilities <sup>(1)</sup> | —                          | 735                            | —                          | (2,509)                        |
| Increase (decrease) in accrued interest  | —                          | (8)                            | —                          | 12                             |
| Change in unrealized (gains) losses included in other comprehensive loss           | —                          | 45                             | —                          | 107                            |
| Ending balance   | <u>\$ 1,460</u>            | <u>\$ 48,622</u>               | <u>\$ 1,445</u>            | <u>\$ 48,117</u>               |
| Changes in unrealized gains (losses) held at period end                            | <u>\$ —</u>                | <u>\$ 2,379</u>                | <u>\$ —</u>                | <u>\$ 2,078</u>                |

(1) Presented in the Consolidated Statements of Income under net (loss) gain from fair value adjustments.

The following tables present the quantitative information about recurring Level 3 fair value of financial instruments and the fair value measurements at the periods indicated:

|                                | March 31, 2024                |                       |                          |       |                  |
|--------------------------------|-------------------------------|-----------------------|--------------------------|-------|------------------|
|                                | Fair Value                    | Valuation Technique   | Input Unobservable       | Range | Weighted Average |
|                                | <i>(Dollars in thousands)</i> |                       |                          |       |                  |
| <b>Assets:</b>                 |                               |                       |                          |       |                  |
| Trust preferred securities     | \$ 1,460                      | Discounted cash flows | Spread over 3-month SOFR | 4.3 % | n/a              |
| <b>Liabilities:</b>            |                               |                       |                          |       |                  |
| Junior subordinated debentures | \$ 48,622                     | Discounted cash flows | Spread over 3-month SOFR | 4.3 % | n/a              |

|                                | December 31, 2023             |                       |                          |       |                  |
|--------------------------------|-------------------------------|-----------------------|--------------------------|-------|------------------|
|                                | Fair Value                    | Valuation Technique   | Input Unobservable       | Range | Weighted Average |
|                                | <i>(Dollars in thousands)</i> |                       |                          |       |                  |
| <b>Assets:</b>                 |                               |                       |                          |       |                  |
| Trust preferred securities     | \$ 1,437                      | Discounted cash flows | Spread over 3-month SOFR | 4.4 % | n/a              |
| <b>Liabilities:</b>            |                               |                       |                          |       |                  |
| Junior subordinated debentures | \$ 47,850                     | Discounted cash flows | Spread over 3-month SOFR | 4.4 % | n/a              |

The significant unobservable inputs used in the fair value measurement of the Company’s trust preferred securities and junior subordinated debentures valued under Level 3 at March 31, 2024 and December 31, 2023, are the effective yields used in the cash flow models. Significant increases or decreases in the effective yield in isolation would result in a significantly lower or higher fair value measurement.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table sets forth the Company’s assets and liabilities that are carried at fair value on a non-recurring basis and the level that was used to determine their fair value at March 31, 2024 and December 31, 2023:

|                          | Quoted Prices<br>in Active Markets<br>for Identical Assets<br>(Level 1) |             | Significant Other<br>Observable Inputs<br>(Level 2) |             | Significant Other<br>Unobservable Inputs<br>(Level 3) |                 | Total carried at fair value<br>on a non-recurring basis |                 |
|--------------------------|---|-------------|---|-------------|---|-----------------|---|-----------------|
|                          | 2024  | 2023        | 2024  | 2023        | 2024  | 2023            | 2024  | 2023            |
| <i>(In thousands)</i>    |   |             |   |             |   |                 |   |                 |
| <b>Assets:</b>           |   |             |   |             |   |                 |   |                 |
| Certain delinquent loans | \$ —  | \$ —        | \$ —  | \$ —        | \$ 4,369  | \$ 5,279        | \$ 4,369  | \$ 5,279        |
| Other real estate owned  | —   | —           | —   | —           | 665   | —               | 665   | —               |
| <b>Total assets</b>      | <b>\$ —</b>   | <b>\$ —</b> | <b>\$ —</b>   | <b>\$ —</b> | <b>\$ 5,034</b>                                       | <b>\$ 5,279</b> | <b>\$ 5,034</b>   | <b>\$ 5,279</b> |

The following tables present the qualitative information about non-recurring Level 3 fair value of financial instruments and the fair value measurements at the periods indicated:

| At March 31, 2024             |                     |                     |  |                  |                  |
|-------------------------------|---------------------|---------------------|--|------------------|------------------|
| Fair Value                    | Valuation Technique | Unobservable Input  |  | Range            | Weighted Average |
| <i>(Dollars in thousands)</i> |                     |                     |  |                  |                  |
| <b>Assets:</b>                |                     |                     |  |                  |                  |
| Certain delinquent loans      | \$ 1,105            | Sales approach      | Adjustment to sales comparison value     | -16.9% to -6.0 % | -11.5%           |
|                               |                     |                     | Reduction for planned expedited disposal | n/a              | -15.0%           |
| Certain delinquent loans      | \$ 3,264            | Discounted Cashflow | Discount Rate                            | 10.0% to 13.4 %  | 12.4 %           |
|                               |                     |                     | Probability of Default                   | 46.9% to 50.0 %  | 49.2 %           |
| Other real estate owned       | \$ 665              | Sales approach      | Adjustment to sales comparison value     | (15.0)%          | n/a              |
| At December 31, 2023          |                     |                     |  |                  |                  |
| Fair Value                    | Valuation Technique | Unobservable Input  |  | Range            | Weighted Average |
| <i>(Dollars in thousands)</i> |                     |                     |  |                  |                  |
| <b>Assets:</b>                |                     |                     |  |                  |                  |
| Certain delinquent loans      | \$ 1,105            | Sales approach      | Adjustment to sales comparison value     | -16.9% to -6.0 % | -11.5%           |
|                               |                     |                     | Reduction for planned expedited disposal | n/a              | -15.0%           |
| Certain delinquent loans      | \$ 4,174            | Discounted Cashflow | Discount Rate                            | 4.3% to 13.5 %   | 12.7 %           |
|                               |                     |                     | Probability of Default                   | 30.0% to 46.0 %  | 33.5 %           |

The weighted average for unobservable inputs for collateral-dependent loans is based on the relative fair value of the loans.

The Company did not have any liabilities that were carried at fair value on a non-recurring basis at March 31, 2024 and December 31, 2023.



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The methods and assumptions used to estimate fair value at March 31, 2024 and December 31, 2023 are as follows:

**Securities:**

The fair values of securities are contained in Note 4 (“Securities”) of the Notes to Consolidated Financial Statements. Fair value is based upon quoted market prices, where available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities and adjusted for differences between the quoted instrument and the instrument being valued. When there is limited activity or less transparency around inputs to the valuation, securities are valued using discounted cash flows.

**Certain Delinquent Loans:**

For certain delinquent loans, fair value is generally estimated by discounting management’s estimate of future cash flows with a discount rate commensurate with the risk associated with such assets or, for collateral dependent loans, 85% of the appraised or internally estimated value of the property. See Note 5 (“Loans”) of the Notes to the Consolidated Financial Statements.

**Other Real Estate Owned and Other Repossessed Assets:**

At the time of foreclosure these properties are acquired at fair value, less estimated selling costs. The fair value is based on appraised value through a current appraisal, or sometimes through an internal review. This determination is made on an individual asset basis. If the fair value of a property is less than the carrying amount of the loan, the difference is recognized as a charge to the ACL. Further decreases to the estimated value will be recorded directly to the Consolidated Statements of Income through the establishment of a valuation allowance. The fair value for other repossessed assets are based upon the most recently reported arm’s length sales transaction. When there is no recent sale activity, the fair value is calculated using capitalization rates.

**Junior Subordinated Debentures:**

The fair value of the junior subordinated debentures was developed using a credit spread based on stated spreads for recently issued subordinated debt instruments for issuers of similar asset size and credit quality of the Company and with similar durations adjusting for differences in the junior subordinated debt’s credit rating, liquidity, and time to maturity. The unrealized net gain/loss attributable to changes in our own credit risk was determined by adjusting the fair value as determined in the proceeding sentence by the average rate of default on debt instruments with a similar debt rating as our junior subordinated debentures, with the difference from the original calculation and this calculation resulting in the instrument-specific unrealized gain/loss.

**Interest Rate Swaps:**

The fair value of interest rate swaps is based upon broker quotes.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables set forth the carrying amounts and estimated fair values of selected financial instruments based on the assumptions described above used by the Company in estimating fair value at the periods indicated:

|                               | March 31, 2024        |               |              |              |           |
|-------------------------------|-----------------------|---------------|--------------|--------------|-----------|
|                               | Carrying<br>Amount    | Fair<br>Value | Level 1      | Level 2      | Level 3   |
|                               | <i>(In thousands)</i> |               |              |              |           |
| <b>Assets:</b>                |                       |               |              |              |           |
| Cash and due from banks       | \$ 210,723            | \$ 210,723    | \$ 210,723   | \$ —         | \$ —      |
| Securities held-to-maturity   |                       |               |              |              |           |
| Mortgage-backed securities    | 7,850                 | 6,944         | —            | 6,944        | —         |
| Other securities              | 65,696                | 56,856        | —            | —            | 56,856    |
| Securities available for sale |                       |               |              |              |           |
| Mortgage-backed securities    | 509,527               | 509,527       | —            | 509,527      | —         |
| Other securities              | 667,156               | 667,156       | 11,618       | 654,078      | 1,460     |
| Loans                         | 6,821,943             | 6,419,599     | —            | —            | 6,419,599 |
| FHLB-NY stock                 | 24,845                | 24,845        | —            | 24,845       | —         |
| Accrued interest receivable   | 61,449                | 61,449        | —            | 61,449       | —         |
| Interest rate swaps           | 75,166                | 75,166        | —            | 75,166       | —         |
| <b>Liabilities:</b>           |                       |               |              |              |           |
| Deposits                      | \$ 7,253,207          | \$ 7,221,342  | \$ 4,724,112 | \$ 2,497,230 | \$ —      |
| Borrowed Funds                | 671,474               | 624,058       | —            | 575,436      | 48,622    |
| Accrued interest payable      | 12,430                | 12,430        | —            | 12,430       | —         |
| Interest rate swaps           | —                     | 20,235        | —            | 20,235       | —         |

  

|                               | December 31, 2023     |               |              |              |           |
|-------------------------------|-----------------------|---------------|--------------|--------------|-----------|
|                               | Carrying<br>Amount    | Fair<br>Value | Level 1      | Level 2      | Level 3   |
|                               | <i>(In thousands)</i> |               |              |              |           |
| <b>Assets:</b>                |                       |               |              |              |           |
| Cash and due from banks       | \$ 172,157            | \$ 172,157    | \$ 172,157   | \$ —         | \$ —      |
| Securities held-to-maturity   |                       |               |              |              |           |
| Mortgage-backed securities    | 7,855                 | 7,058         | —            | 7,058        | —         |
| Other securities              | 66,155                | 58,697        | —            | —            | 58,697    |
| Securities available for sale |                       |               |              |              |           |
| Mortgage-backed securities    | 354,344               | 354,344       | —            | 354,344      | —         |
| Other securities              | 520,409               | 520,409       | 11,660       | 507,312      | 1,437     |
| Loans                         | 6,906,950             | 6,512,841     | —            | —            | 6,512,841 |
| FHLB-NY stock                 | 31,066                | 31,066        | —            | 31,066       | —         |
| Accrued interest receivable   | 59,018                | 59,018        | —            | 59,018       | —         |
| Interest rate swaps           | 69,013                | 69,013        | —            | 69,013       | —         |
| <b>Liabilities:</b>           |                       |               |              |              |           |
| Deposits                      | \$ 6,815,261          | \$ 6,778,657  | \$ 4,503,971 | \$ 2,274,686 | \$ —      |
| Borrowed Funds                | 841,281               | 801,156       | —            | 753,306      | 47,850    |
| Accrued interest payable      | 12,111                | 12,111        | —            | 12,111       | —         |
| Interest rate swaps           | 28,401                | 28,401        | —            | 28,401       | —         |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**11. Derivative Financial Instruments**

At March 31, 2024 and December 31, 2023, the Company's derivative financial instruments consisted of interest rate swaps. The Company's interest rate swaps are used for three purposes: 1) to mitigate the Company's exposure to rising interest rates on certain fixed rate loans and securities with a notional amount of \$900.8 million and \$902.5 million of swaps outstanding at March 31, 2024 and December 31, 2023, respectively; 2) to facilitate risk management strategies for our loan customers with \$734.4 million of swaps outstanding, which include \$367.2 million each with customers and bank counterparties at March 31, 2024 and \$721.0 million of swaps outstanding, which include \$360.5 million each with customers and bank counterparties at December 31, 2023; and 3) to mitigate exposure to rising interest rates on certain short-term advances, brokered deposits and municipal deposits with \$826.8 million of swaps outstanding at both March 31, 2024 and December 31, 2023.

At both March 31, 2024 and December 31, 2023, the Company maintained portfolio layer hedges on a closed portfolio of AFS securities with a notional amount of \$200.0 million and a closed portfolio of loans with a notional amount of \$500.0 million.

For non-portfolio layer method fair value hedges, the hedge basis (the amount of the change in fair value) is added to (or subtracted from) the carrying amount of the hedged item. For portfolio layer method hedges, the hedge basis does not adjust the carrying value of the hedged item and is instead maintained on a closed portfolio basis. These basis adjustments would be allocated to the amortized cost of specific loans or AFS securities within the pools if either of the hedges were de-designated.

At March 31, 2024 and December 31, 2023, we held derivatives designated as cash flow hedges, fair value hedges and certain derivatives not designated as hedges.

The Company's derivative instruments are carried at fair value in the Company's financial statements as part of Other Assets for derivatives with positive fair values and Other Liabilities for derivatives with negative fair values. The accounting for changes in the fair value of a derivative instrument is dependent upon whether or not it qualifies and has been designated as a hedge for accounting purposes, and further, by the type of hedging relationship.

At March 31, 2024 and December 31, 2023, derivatives with a combined notional amount of \$735.4 million and \$722.0 million, respectively, were not designated as hedges. At March 31, 2024 and December 31, 2023, derivatives with a combined notional amount of \$900.8 million and \$902.5 million, respectively, were designated as fair value hedges. At both March 31, 2024 and December 31, 2023, derivatives with a combined notional amount of \$825.8 million were designated as cash flow hedges.

For cash flow hedges, the changes in the fair value of the derivatives are reported in accumulated other comprehensive income (loss), net of tax. Amounts in accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged forecasted transaction affected earnings. During the three months ended March 31, 2024 and 2023, \$6.9 million and \$4.3 million in reduced expense, respectively, was reclassified from accumulated other comprehensive income (loss) to interest expense. A portion of the reduced expense is driven by the amortization of income from terminated cash flow hedges. This income is amortized over the remaining original terms of terminated cash flow hedges. During the three months ended March 31, 2024, the Company terminated seven cash flow hedges with a combined notional value of \$420.8 million, resulting in a net gain of \$1.7 million. There were no cashflow hedges terminated during the three months ended March 31, 2023. During the three months ended March 31, 2024 and 2023, income from the amortization of terminated cash flow hedges totaled \$0.8 million and \$1.4 million, respectively. The estimated amount to be reclassified in the next 12 months out of accumulated other comprehensive income (loss) into earnings is \$21.5 million.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table sets forth information regarding the Company’s derivative financial instruments at the periods indicated:

|   | Assets              |                           | Liabilities       |                           |
|---|---------------------|---------------------------|-------------------|---------------------------|
|   | Notional Amount     | Fair Value <sup>(1)</sup> | Notional Amount   | Fair Value <sup>(1)</sup> |
| <i>(In thousands)</i>                         |                     |                           |                   |                           |
| <b>March 31, 2024</b>                         |                     |                           |                   |                           |
| Cash flow hedges:                             |                     |                           |                   |                           |
| Interest rate swaps (borrowings and deposits) | \$ 825,750          | \$ 24,448                 | \$ —              | \$ —                      |
| Fair value hedges:                            |                     |                           |                   |                           |
| Interest rate swaps (loans and securities)    | 900,825             | 30,482                    | —                 | —                         |
| Non hedge:                                    |                     |                           |                   |                           |
| Interest rate swaps (loans and deposits)      | 368,195             | 20,236                    | 367,195           | 20,235                    |
| <b>Total</b>                                  | <u>\$ 2,094,770</u> | <u>\$ 75,166</u>          | <u>\$ 367,195</u> | <u>\$ 20,235</u>          |
| <b>December 31, 2023</b>                      |                     |                           |                   |                           |
| Cash flow hedges:                             |                     |                           |                   |                           |
| Interest rate swaps (borrowings and deposits) | \$ 555,000          | \$ 21,973                 | \$ 270,750        | \$ 1,076                  |
| Fair value hedges:                            |                     |                           |                   |                           |
| Interest rate swaps (loans and securities)    | 702,540             | 21,068                    | 200,000           | 1,354                     |
| Non hedge:                                    |                     |                           |                   |                           |
| Interest rate swaps (loans and deposits)      | 361,486             | 25,972                    | 360,486           | 25,971                    |
| <b>Total</b>                                  | <u>\$ 1,619,026</u> | <u>\$ 69,013</u>          | <u>\$ 831,236</u> | <u>\$ 28,401</u>          |

(1) Derivatives in a positive position are recorded as “Other assets” and derivatives in a negative position are recorded as “Other liabilities” in the Consolidated Statements of Financial Condition.

The following table presents information regarding the Company’s fair value hedged items for the periods indicated:

| Line Item in the Consolidated Statement<br>of Financial Condition in Which<br>the Hedged Item Is Included<br><i>(In thousands)</i> | Carrying Amount of the<br>Hedged<br>Assets/(Liabilities) |                     | Cumulative Amount<br>of the Fair Hedging Adjustment<br>Included in the Carrying Amount of<br>the Hedged<br>Assets/(Liabilities) |                    |
|--|--|---------------------|---|--------------------|
|  | March 31, 2024   | December 31, 2023   | March 31, 2024  | December 31, 2023  |
|  |  |                     |   |                    |
| <b>Loans</b>   |  |                     |   |                    |
| Multi-family residential   | \$ 78,986  | \$ 81,471           | \$ (10,911)   | \$ (9,078)         |
| Commercial real estate   | 63,748   | 70,198              | (5,300)   | (4,778)            |
| Commercial business  | 39,708   | 40,468              | (3,940)   | (3,523)            |
| <b>Total</b>   | <u>\$ 182,442</u>  | <u>\$ 192,137</u>   | <u>\$ (20,151)</u>  | <u>\$ (17,379)</u> |
| <b>Portfolio Layer</b>   |  |                     |   |                    |
| Loans held for Investment  | \$ 2,541,669   | \$ 2,590,087        | \$ (6,334)  | \$ (949)           |
| Securities available for sale  | 272,523  | 283,195             | (5,051)   | (2,254)            |
| <b>Total</b>   | <u>\$ 2,814,192</u>                                      | <u>\$ 2,873,282</u> | <u>\$ (11,385)</u>  | <u>\$ (3,203)</u>  |

[Table of Contents](#)

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following table sets forth the effect of derivative instruments on the Consolidated Statements of Income for the periods indicated:

| <i>(In thousands)</i>   | Affected Line Item in the Statements<br>Where Net Income is Presented | For the three months ended<br>March 31, |                 |
|---|---|---|-----------------|
|   |   | 2024                                    | 2023            |
| <b>Financial Derivatives:</b>   |   |   |                 |
| Interest rate swaps - fair value hedge (loans)                        | Interest and fees on loans  | 3,587                                   | 1,897           |
| Interest rate swaps - fair value hedge (securities)                   | Interest and dividends on securities                                  | 949                                     | 58              |
| Interest rate swaps - non hedge (municipal deposit)                   | Interest expense - Deposits   | 1                                       | —               |
| Interest rate swaps - cash flow hedge (short-term advances)           | Other interest expense  | 364                                     | 1,421           |
| Interest rate swaps - cash flow hedge (brokered deposits)             | Interest expense - Deposits   | 6,498                                   | 2,867           |
| Total net income (expense) from the effects of derivative instruments |   | <u>\$ 11,399</u>                        | <u>\$ 6,243</u> |

The Company's interest rate swaps are subject to master netting arrangements between the Company and its designated counterparties. The Company has not made a policy election to offset its derivative positions. The interest rate swaps with borrowers are cross collateralized with the underlying loan and, therefore, there is no posted collateral. Interest rate swap agreements with third-party counterparties contain provisions that require the Company to post collateral if the derivative exposure exceeds a threshold amount and receive collateral for agreements in a net asset position.

The following tables present the effect of the master netting arrangements on the presentation of the derivative assets and liabilities in the Consolidated Statements of Financial Condition as of the dates indicated:

| <i>(In thousands)</i>    | Gross Amounts<br>Recognized | Gross Amount<br>Offset in Statement of<br>Financial Condition | Net Amount<br>Presented in Statement of<br>Financial Condition | Financial<br>Instruments | Cash<br>Collateral | Net Amount |
|--------------------------|-----------------------------|---|--|--------------------------|--------------------|------------|
| <b>March 31, 2024</b>    |                             |   |  |                          |                    |            |
| <b>Assets:</b>           |                             |   |  |                          |                    |            |
| Interest rate swaps      | \$ 75,166                   | \$ —  | \$ 75,166  | \$ —                     | \$ (68,285)        | \$ 6,881   |
| <b>Liabilities:</b>      |                             |   |  |                          |                    |            |
| Interest rate swaps      | 20,235                      | —   | 20,235   | —                        | —                  | 20,235     |
| <b>December 31, 2023</b> |                             |   |  |                          |                    |            |
| <b>Assets:</b>           |                             |   |  |                          |                    |            |
| Interest rate swaps      | \$ 69,013                   | \$ —  | \$ 69,013  | \$ —                     | \$ (48,505)        | \$ 20,508  |
| <b>Liabilities:</b>      |                             |   |  |                          |                    |            |
| Interest rate swaps      | 28,401                      | —   | 28,401   | —                        | —                  | 28,401     |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

**12. Accumulated Other Comprehensive Income (Loss):**

The following tables set forth the changes in accumulated other comprehensive income (loss) by component for the periods indicated:

|   | For the three months ended March 31, 2024                        |                     |                                  |  |                    |
|---|--|---------------------|----------------------------------|--|--------------------|
|   | Unrealized Gains (Losses) on<br>Available for Sale<br>Securities | Cash flow<br>Hedges | Defined Benefit<br>Pension Items | Fair Value<br>Option Elected<br>on Liabilities | Total              |
|   | <i>(In thousands)</i>  |                     |                                  |  |                    |
| Beginning balance, net of tax   | \$ (54,744)  | \$ 14,796           | \$ (381)                         | \$ 1,678                                       | \$ (38,651)        |
| Other comprehensive income (loss) before reclassifications, net of tax              | (172)  | 7,831               | —                                | (31)   | 7,628              |
| Amounts reclassified from accumulated other comprehensive income (loss), net of tax | —  | (4,730)             | (63)                             | —  | (4,793)            |
| Net current period other comprehensive income (loss), net of tax                    | (172)  | 3,101               | (63)                             | (31)   | 2,835              |
| Ending balance, net of tax  | <u>\$ (54,916)</u>   | <u>\$ 17,897</u>    | <u>\$ (444)</u>                  | <u>\$ 1,647</u>                                | <u>\$ (35,816)</u> |

|   | For the three months ended March 31, 2023                        |                     |                                  |  |                    |
|---|--|---------------------|----------------------------------|--|--------------------|
|   | Unrealized Gains (Losses) on<br>Available for Sale<br>Securities | Cash flow<br>Hedges | Defined Benefit<br>Pension Items | Fair Value<br>Option Elected<br>on Liabilities | Total              |
|   | <i>(In thousands)</i>  |                     |                                  |  |                    |
| Beginning balance, net of tax   | \$ (63,106)  | \$ 25,380           | \$ (275)                         | \$ 1,513                                       | \$ (36,488)        |
| Other comprehensive income (loss) before reclassifications, net of tax              | 3,987  | (2,180)             | —                                | (74)   | 1,733              |
| Amounts reclassified from accumulated other comprehensive income (loss), net of tax | —  | (2,960)             | (69)                             | —  | (3,029)            |
| Net current period other comprehensive income (loss), net of tax                    | 3,987  | (5,140)             | (69)                             | (74)   | (1,296)            |
| Ending balance, net of tax  | <u>\$ (59,119)</u>   | <u>\$ 20,240</u>    | <u>\$ (344)</u>                  | <u>\$ 1,439</u>                                | <u>\$ (37,784)</u> |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The following tables set forth significant amounts reclassified from accumulated other comprehensive income (loss) by component for the periods indicated:

| For the three months ended March 31, 2024                              |   |   |
|--|---|---|
| Details about Accumulated Other Comprehensive Income (Loss) Components | Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) | Affected Line Item in the Statement Where Net Income is Presented |
| <i>(In thousands)</i>  |   |   |
| Cash flow hedges:  |   |   |
| Interest rate swaps benefit (expense)                                  | \$ 6,862  | Interest expense  |
|  | (2,132)   | Provision for income taxes  |
|  | \$ 4,730  |   |
| Amortization of defined benefit pension items:                         |   |   |
| Actuarial losses benefit (expense)                                     | \$ 92 <sup>(1)</sup>  | Other operating expenses  |
|  | (29)  | Provision for income taxes  |
|  | \$ 63   |   |

| For the three months ended March 31, 2023                              |   |   |
|--|---|---|
| Details about Accumulated Other Comprehensive Income (Loss) Components | Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) | Affected Line Item in the Statement Where Net Income is Presented |
| <i>(In thousands)</i>  |   |   |
| Cash flow hedges:  |   |   |
| Interest rate swaps benefit (expense)                                  | \$ 4,288  | Interest expense  |
|  | (1,328)   | Provision for income taxes  |
|  | \$ 2,960  |   |
| Amortization of defined benefit pension items:                         |   |   |
| Actuarial losses benefit (expense)                                     | \$ 100 <sup>(1)</sup>   | Other operating expenses  |
|  | (31)  | Provision for income taxes  |
|  | \$ 69   |   |

(1) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost. See Note 9 (“Pension and Other Postretirement Benefit Plans”) of the Notes to the Consolidated Financial Statements for additional information.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

### 13. Regulatory Capital

Under current capital regulations, the Bank is required to comply with four separate capital adequacy standards and a Capital Conservation Buffer (“CCB”). As of March 31, 2024, the Bank continues to be categorized as “well-capitalized” under the prompt corrective action regulations and continues to exceed all regulatory capital requirements. The CCB for the Bank was 5.08% and 4.81% at March 31, 2024 and December 31, 2023, respectively.

Set forth below is a summary of the Bank’s compliance with banking regulatory capital standards.

|   | March 31, 2024 |                   | December 31, 2023 |                   |
|---|----------------|-------------------|-------------------|-------------------|
|   | Amount         | Percent of Assets | Amount            | Percent of Assets |
| <i>(Dollars in thousands)</i>                   |                |                   |                   |                   |
| <b>Tier I (leverage) capital:</b>               |                |                   |                   |                   |
| Capital level                                   | \$ 829,971     | 9.40 %            | \$ 825,104        | 9.47 %            |
| Requirement to be well-capitalized              | 441,496        | 5.00              | 435,792           | 5.00              |
| Excess  | 388,475        | 4.40              | 389,312           | 4.47              |
| <b>Common Equity Tier I risk-based capital:</b> |                |                   |                   |                   |
| Capital level                                   | \$ 829,971     | 12.46 %           | \$ 825,104        | 12.22 %           |
| Requirement to be well-capitalized              | 433,032        | 6.50              | 438,878           | 6.50              |
| Excess  | 396,939        | 5.96              | 386,226           | 5.72              |
| <b>Tier I risk-based capital:</b>               |                |                   |                   |                   |
| Capital level                                   | \$ 829,971     | 12.46 %           | \$ 825,104        | 12.22 %           |
| Requirement to be well-capitalized              | 532,962        | 8.00              | 540,157           | 8.00              |
| Excess  | 297,009        | 4.46              | 284,947           | 4.22              |
| <b>Total risk-based capital:</b>                |                |                   |                   |                   |
| Capital level                                   | \$ 871,575     | 13.08 %           | \$ 864,999        | 12.81 %           |
| Requirement to be well-capitalized              | 666,203        | 10.00             | 675,196           | 10.00             |
| Excess  | 205,372        | 3.08              | 189,803           | 2.81              |



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

The Company is subject to the same regulatory capital requirements as the Bank. As of March 31, 2024, the Company continues to be categorized as “well-capitalized” under the prompt corrective action regulations and continues to exceed all regulatory capital requirements. The CCB for the Company at March 31, 2024 and December 31, 2023 was 5.02% and 4.93%, respectively.

Set forth below is a summary of the Company’s compliance with banking regulatory capital standards.

|   | March 31, 2024                |                   | December 31, 2023 |                   |
|---|-------------------------------|-------------------|-------------------|-------------------|
|   | Amount                        | Percent of Assets | Amount            | Percent of Assets |
|   | <i>(Dollars in thousands)</i> |                   |                   |                   |
| <b>Tier I (leverage) capital:</b>               |                               |                   |                   |                   |
| Capital level                                   | \$ 734,192                    | 8.32 %            | \$ 737,732        | 8.47 %            |
| Requirement to be well-capitalized              | 441,455                       | 5.00              | 435,748           | 5.00              |
| Excess  | 292,737                       | 3.32              | 301,984           | 3.47              |
| <b>Common Equity Tier I risk-based capital:</b> |                               |                   |                   |                   |
| Capital level                                   | \$ 687,458                    | 10.32 %           | \$ 691,754        | 10.25 %           |
| Requirement to be well-capitalized              | 433,192                       | 6.50              | 438,770           | 6.50              |
| Excess  | 254,266                       | 3.82              | 252,984           | 3.75              |
| <b>Tier I risk-based capital:</b>               |                               |                   |                   |                   |
| Capital level                                   | \$ 734,192                    | 11.02 %           | \$ 737,732        | 10.93 %           |
| Requirement to be well-capitalized              | 533,160                       | 8.00              | 540,024           | 8.00              |
| Excess  | 201,032                       | 3.02              | 197,708           | 2.93              |
| <b>Total risk-based capital:</b>                |                               |                   |                   |                   |
| Capital level                                   | \$ 965,796                    | 14.49 %           | \$ 967,627        | 14.33 %           |
| Requirement to be well-capitalized              | 666,450                       | 10.00             | 675,030           | 10.00             |
| Excess  | 299,346                       | 4.49              | 292,597           | 4.33              |

**14. New Authoritative Accounting Pronouncements**

*Accounting Standards: Pending Adoption*

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. This ASU requires that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. The ASU requires all entities disclose on an annual basis (1) the amount of income taxes paid, disaggregated by federal, state and foreign taxes and (2) the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal or greater than five percent of total income taxes paid. The ASU also requires that all entities disclose (1) income (loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic or foreign and (2) income tax expense (or benefit) from continuing operations disaggregated by federal (national), state and foreign. This ASU is effective for public business entities for annual periods beginning after December 15, 2024. We do not expect adoption of this ASU to have a material effect on our consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”. This ASU enhances disclosures about significant segment expenses. The key amendments include: (1) a requirement that a public entity disclose on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss, (2) a requirement that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition, (3) a requirement that a public entity provide all annual disclosures

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
(Unaudited)

about a reportable segment's profit or loss currently required by GAAP in interim periods as well, (4) a clarification that if CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, an entity may report one or more of those additional measures of segment profit, (5) a requirement that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure of segment profit or loss in assessing segment performance and deciding how to allocate resources and (6) a requirement that a public entity that has a single reportable segment provide all the disclosures required by the amendments in the ASU and all existing segment disclosures. This ASU is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. As we have one reportable segment, the requirements of this standard for such entities will apply beginning with the Company's annual report ending December 31, 2024. We do not expect adoption of this ASU to have a material effect on our consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*This Quarterly Report should be read in conjunction with the more detailed and comprehensive disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2023. In addition, please read this section in conjunction with our Consolidated Financial Statements and Notes to Consolidated Financial Statements contained herein.*

*As used in this Quarterly Report, the words “we,” “us,” “our” and the “Company” are used to refer to Flushing Financial Corporation and its direct and indirect wholly owned subsidiaries, Flushing Bank (the “Bank”), Flushing Service Corporation, and FSB Properties Inc.*

Statements contained in this Quarterly Report relating to plans, strategies, objectives, 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 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, factors discussed elsewhere in this Quarterly Report and in other documents filed by us with the Securities and Exchange Commission from time to time, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2023. 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. We have no obligation to update these forward-looking statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**Executive Summary**

We are a Delaware corporation organized in May 1994. The Bank was organized in 1929 as a New York State-chartered mutual savings bank. Today the Bank operates as a full-service New York State-chartered commercial bank. The Bank’s primary regulator is the New York State Department of Financial Services, and its primary federal regulator is the Federal Deposit Insurance Corporation (“FDIC”). Deposits are insured to the maximum allowable amount by the FDIC. Additionally, the Bank is a member of the Federal Home Loan Bank system. The primary business of Flushing Financial Corporation has been the operation of the Bank. At March 31, 2024, the Bank owns two subsidiaries: Flushing Service Corporation, and FSB Properties Inc. The Bank also operates an internet branch, which operates under the brands of iGObanking.com® and BankPurely® (the “Internet Branch”). The activities of Flushing Financial Corporation are primarily funded by dividends, if any, received from the Bank, issuances of subordinated debt, junior subordinated debt, and issuances of equity securities. Flushing Financial Corporation’s common stock is traded on the NASDAQ Global Select Market under the symbol “FFIC.”

Our principal business is attracting retail deposits from the general public and investing those deposits together with funds generated from ongoing operations and borrowings, primarily in (1) originations and purchases of multi-family residential loans, commercial business loans, commercial real estate mortgage loans and, to a lesser extent, one-to-four family loans (focusing on mixed-use properties, which are properties that contain both residential dwelling units and commercial units); (2) Small Business Administration (“SBA”) loans and other small business loans; (3) construction loans; (4) mortgage loan surrogates such as mortgage-backed securities; and (5) U.S. government securities, corporate fixed-income securities and other marketable securities. We also originate certain other consumer loans including overdraft lines of credit. Our results of operations depend primarily on net interest income, which is the difference between the income earned on our interest-earning assets and the cost of our interest-bearing liabilities. Net interest income is the result of our net interest rate margin, which is the difference between the average yield earned on interest-earning assets and the average cost of interest-bearing liabilities, adjusted for the difference in the average balance of interest-earning assets as compared to the average balance of interest-bearing liabilities. We also generate non-interest income primarily from loan fees, service charges on deposit accounts, and other fees, income earned on Bank Owned Life Insurance (“BOLI”), dividends on Federal Home Loan Bank of New York (“FHLB-NY”) stock and net gains and losses on sales of securities and loans. Our operating expenses consist principally of employee compensation and benefits, occupancy and equipment costs, other general and administrative expenses and income tax expense. Our results of operations can also be significantly affected by changes in the fair value of financial assets and financial liabilities for which changes in value are recorded through earnings and our periodic provision for credit losses.

Our investment policy, which is approved by the Board of Directors, is designed primarily to manage the interest rate sensitivity of our overall assets and liabilities, to generate a favorable return without incurring undue interest rate risk and credit risk, to complement our lending activities and to provide and maintain liquidity. In establishing our investment strategies, we consider our business and growth strategies, the economic environment, our interest rate risk exposure, our interest rate sensitivity “gap” position, the types of securities to be held and other factors. We classify our investment securities as available for sale or held-to-maturity.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

We carry a portion of our financial assets and financial liabilities under the fair value option and record changes in their fair value through earnings in non-interest income on our Consolidated Statements of Income and Comprehensive Income. A description of the financial assets and financial liabilities that are carried at fair value through earnings can be found in Note 10 (“Fair Value of Financial Instruments”) of the Notes to the Consolidated Financial Statements.

For the three months ended March 31, 2024 we reported net income of \$3.7 million, or \$0.12 per diluted common share, a decrease of \$0.3 million, or 8.9% from net income of \$4.0 million, or \$0.13 per diluted common share earned in the comparable prior year period. The decrease in net income was primarily driven by decreases in net interest income and non-interest income of \$2.9 million and \$3.8 million, respectively, and an increase in non-interest expense of \$0.7 million, partially offset by a decrease of \$6.9 million in the provision for credit losses.

During the three months ended March 31, 2024, the net interest margin decreased 21 basis points to 2.06% from 2.27% in the comparable prior year period. Excluding net gains (losses) from qualifying hedges and purchase accounting adjustments, the net interest margin decreased 19 basis points to 2.06% for the three months ended March 31, 2024 from 2.25% in the comparable prior year period.

Our loan portfolio is greater than 89% collateralized by real estate with an average loan to value of less than 36%. We have a long history and foundation built upon disciplined underwriting, strong credit quality, and a resilient seasoned loan portfolio with solid asset protection. At March 31, 2024 our allowance for credit losses (“ACL”) - loans stood at 60 basis points of gross loans and 164.1% of non-performing loans. Non-performing assets at the end of the quarter were 53 basis points of total assets.

Goodwill is presumed to have an indefinite life and is tested for impairment, rather than amortized, on at least an annual basis. Quoted market prices in active markets are the best evidence of fair value and are to be used as the basis for measurement, when available. If the fair value of the reporting unit exceeds its carrying amount, there is no impairment of goodwill. At March 31, 2024, the market capitalization of our reporting unit did not exceed its carrying value, however the fair value of our reporting unit is not driven solely by the market price of our stock. For goodwill impairment testing, management has concluded that the Company has one reporting unit. The Company performed the quantitative assessment in reviewing the carrying value of goodwill as of December 31, 2023, concluding that there was no goodwill impairment in this period. At March 31, 2024 we reviewed goodwill through a qualitative assessment concluding no impairment was indicated. We monitor goodwill for potential impairment triggers on a quarterly basis. Given the inherent uncertainties resulting from global macroeconomic conditions, actual results may differ from management’s current estimates and could have an adverse impact on one or more of the assumptions used in our quantitative model prepared for the reporting unit, which could result in impairment charges in subsequent periods.

The Bank and Company remain well-capitalized under current capital regulations of the FDIC and the Federal Reserve Board, respectively, and are subject to similar regulatory capital requirements. See Note 13 (“Regulatory Capital”) of the Notes to the Consolidated Financial Statements.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

The following table presents quarterly operating data highlights for the periods indicated:

|   | For the three months ended March 31, |           |
|---|--------------------------------------|-----------|
|   | 2024                                 | 2023      |
| <i>(In thousands except per share data)</i> |                                      |           |
| <b>Quarterly operating data:</b>            |                                      |           |
| Interest income                             | \$ 109,499                           | \$ 92,117 |
| Interest expense                            | 67,102                               | 46,855    |
| Net interest income                         | 42,397                               | 45,262    |
| Provision for credit losses                 | 592                                  | 7,508     |
| Noninterest income                          | 3,084                                | 6,857     |
| Noninterest expense                         | 39,892                               | 39,156    |
| Income before income tax expense            | 4,997                                | 5,455     |
| Income tax expense                          | 1,313                                | 1,411     |
| Net income                                  | \$ 3,684                             | \$ 4,044  |
| Basic earnings per common share             | \$ 0.12                              | \$ 0.13   |
| Dividends per common share                  | 0.12                                 | 0.13      |
| Average diluted shares                      | 29,742                               | 30,265    |

**COMPARISON OF OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

**General.** Net income for the three months ended March 31, 2024 was \$3.7 million, a decrease of \$0.3 million, or 8.9%, from \$4.0 million for the three months ended March 31, 2023. Diluted earnings per common share were \$0.12 for the three months ended March 31, 2024, a decrease of \$0.01, or 7.7%, from \$0.13 for the three months ended March 31, 2023.

Return on average equity was 2.20% for the three months ended March 31, 2024 compared to 2.37% for the three months ended March 31, 2023. Return on average assets was 0.17% for the three months ended March 31, 2024 compared to 0.19% for the three months ended March 31, 2023.

**Interest Income.** Interest and dividend income increased \$17.4 million, or 18.9%, to \$109.5 million for the three months ended March 31, 2024 from \$92.1 million for the three months ended March 31, 2023. The increase in interest income was primarily attributable to the 71 basis point increase in the yield on interest-earning assets to 5.32% for the three months ended March 31, 2024 compared to 4.61% for the three months ended March 31, 2023. In addition, the average balance of total interest-earning assets increased \$232.8 million from the comparable prior year period. Excluding prepayment penalty income from loans, net recoveries/reversals of interest from non-accrual loans, net gains (losses) from fair value adjustments on qualifying hedges, and purchase accounting adjustments, the yield on total interest-earning assets increased 72 basis points to 5.27% for the three months ended March 31, 2024 from 4.55% for the three months ended March 31, 2023.

**Interest Expense.** Interest expense increased \$20.2 million, or 43.2%, to \$67.1 million for the three months ended March 31, 2024 from \$46.9 million for the three months ended March 31, 2023. The growth in interest expense was primarily due to an increase of 103 basis points in the average cost of interest-bearing liabilities to 3.83% for the three months ended March 31, 2024 from 2.80% for the three months ended March 31, 2023 and the increase of \$311.4 million in the average balance of interest-bearing liabilities to \$7,014.9 million for the three months ended March 31, 2024 from \$6,703.6 million for the comparable prior year period. The increasing rate environment has on average caused our deposits to shift more towards higher rate CDs and reduced other deposit types.

**Net Interest Income.** Net interest income for the three months ended March 31, 2024 was \$42.4 million, a decrease of \$2.9 million, or 6.3%, from \$45.3 million for the three months ended March 31, 2023. The decrease in net interest income was driven by the net interest margin decreasing 21 basis points to 2.06% for the three months ended March 31, 2024 from 2.27% for the three months ended March 31, 2023. Included in net interest income for the three months ended March 31,

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

2024 and 2023, was prepayment penalty income totaling \$0.7 million and \$0.6 million, respectively, net recovered interest from non-accrual loans totaling \$0.2 million and \$0.1 million, respectively, net gains and (losses) from fair value adjustments on qualifying hedges totaling (\$0.2) million and \$0.1 million, respectively, and purchase accounting income of \$0.3 million for both periods. Excluding all of these items, the net interest margin for the three months ended March 31, 2024 was 2.01%, a decrease of 20 basis points, from 2.21% for the three months ended March 31, 2023.

**Provision for Credit Losses.** During the three months ended March 31, 2024, the provision for credit losses was \$0.6 million compared to \$7.5 million for the three months ended March 31, 2023. The provision recorded during the three months ended March 31, 2024, was driven by increasing reserves on one commercial business relationship, partially offset by a decrease in loan balances during the quarter. The current average loan-to-value ratio for our non-performing assets collateralized by real estate was 52.5% at March 31, 2024. The Bank continues to maintain conservative underwriting standards.

**Non-Interest Income.** Non-interest income for the three months ended March 31, 2024 was \$3.1 million, a decrease of \$3.8 million, or 55.0% from \$6.9 million in the prior year comparable period. The decrease was primarily due to net losses from fair value adjustments totaling \$0.8 million in the current period compared to a net gain of \$2.6 million recorded during the prior year period.

**Non-Interest Expense.** Non-interest expense for the three months ended March 31, 2024 was \$39.9 million, an increase of \$0.7 million, or 1.9%, from \$39.2 million for the three months ended March 31, 2023. The increase was primarily due to increases in FDIC insurance assessment rates and professional services expense, partially offset by a decrease in salary related expense accruals in the first quarter of 2024.

**Income before Income Taxes.** Income before income taxes for the three months ended March 31, 2024 was \$5.0 million, a decrease of \$0.5 million, or 8.4%, from \$5.5 million for the three months ended March 31, 2023 for the reasons discussed above.

**Provision for Income Taxes.** The provision for income taxes was \$1.3 million for the three months ended March 31, 2024, a decrease of \$0.1 million, or 6.9%, from \$1.4 million for the three months ended March 31, 2023. The decrease was primarily due to the decline in income before income taxes. The effective tax rate for the three months ended March 31, 2024 was 26.3% compared to 25.9% for the three months ended March 31, 2023.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**FINANCIAL CONDITION**

*Assets.* Total assets at March 31, 2024 were \$8,807.3 million, an increase of \$270.1 million, or 3.2%, from \$8,537.2 million at December 31, 2023. The increase in total assets was mainly due to available for sale securities increasing \$301.9 million, or 34.5%, to \$1,176.7 million as the Company purchased primarily adjustable-rate securities. Total net loans decreased \$85.6 million, or 1.2%, during the three months ended March 31, 2024, to \$6,781.2 million from \$6,866.8 million at December 31, 2023. Loan originations and purchases were \$130.0 million for the three months ended March 31, 2024, a decrease of \$43.5 million, or 25.1%, from \$173.5 million for the three months ended March 31, 2023. The decreased loan originations were a result of the absence of loans that met both our underwriting and pricing criteria. We continue to focus on the origination of multi-family residential, commercial real estate and commercial business loans with a full banking relationship. The loan pipeline was \$173.9 million at March 31, 2024, compared to \$163.1 million at December 31, 2023.



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

The following table shows loan originations and purchases for the periods indicated:

| <i>(In thousands)</i>                           | For the three months ended |                   |
|---|----------------------------|-------------------|
|   | March 31,                  |                   |
|   | 2024                       | 2023              |
| Multi-family residential                        | \$ 11,805                  | \$ 42,164         |
| Commercial real estate                          | 10,040                     | 15,570            |
| One-to-four family – mixed-use property         | 750                        | 4,938             |
| One-to-four family – residential <sup>(1)</sup> | 52,539                     | 4,296             |
| Construction <sup>(2)</sup>                     | 1,895                      | 10,592            |
| Small Business Administration                   | —                          | 318               |
| Commercial business and other <sup>(3)</sup>    | 52,955                     | 95,668            |
| <b>Total</b>                                    | <b>\$ 129,984</b>          | <b>\$ 173,546</b> |

(1) Includes purchases of \$52.3 million for the three months ended March 31, 2024.

(2) Includes purchases of \$0.1 million for the three months ended March 31, 2023.

(3) Includes purchases of \$23.5 million and \$44.3 million for the three months ended March 31, 2024 and 2023, respectively.

The Bank maintains its conservative underwriting standards that include, among other things, a loan-to-value ratio of 75% or less and a debt coverage ratio of at least 125%. Multi-family residential (excluding underlying co-operative mortgages), commercial real estate and one-to-four family mixed-use property mortgage loans originated and purchased during the three months ended March 31, 2024 had an average loan-to-value ratio of 41.6% and an average debt coverage ratio of 172.0%.

The Bank’s non-performing assets totaled \$46.3 million at March 31, 2024, an increase of \$0.1 million, or 0.2% from December 31, 2023. Total non-performing assets as a percentage of total assets were 0.53% at March 31, 2024 and 0.54% at December 31, 2023. The ratio of ACL – loans to total non-performing loans was 164.1% at March 31, 2024 and 159.5% at December 31, 2023.

During the three months ended March 31, 2024 mortgage-backed securities increased \$155.2 million, or 42.8%, to \$517.4 million from \$362.2 million at December 31, 2023. The increase during the three months ended March 31, 2024 was primarily due to purchases of \$168.5 million of primarily adjustable-rate securities with an average yield of 6.43% partially offset by principal repayments totaling \$8.6 million and a decrease in the fair value of market adjustments totaling \$4.5 million.

During the three months ended March 31, 2024, other securities increased \$146.3 million, or 25.0%, to \$731.8 million from \$585.5 million at December 31, 2023. The increase in other securities during the three months ended March 31, 2024, was primarily due to purchases of \$214.2 million of adjustable-rate CLOs at an average yield of 6.96%, partially offset by maturities, repayments and calls totaling \$69.9 million. At March 31, 2024, other securities primarily consisted of securities issued by mutual or bond funds that invest in government and government agency securities, municipal bonds, corporate bonds, and CLOs.

**Liabilities.** Total liabilities were \$8,137.5 million at March 31, 2024, an increase of \$270.1 million, or 3.4%, from \$7,867.4 million at December 31, 2023. During the three months ended March 31, 2024, due to depositors increased \$406.2 million, or 6.0%, to \$7,171.2 million due to an increase of NOW accounts totaling \$232.5 million and certificates of deposit of \$217.8 million. At March 31, 2024, the Company had uninsured deposits totaling \$2.5 billion, or 34.1% of deposits with \$1.3 billion of that fully collateralized by some other method leaving uninsured and uncollateralized deposits totaling \$1.2 billion or 16.8% of deposits. Uninsured deposits are greatly influenced by our government deposit portfolio. These deposits include natural seasonality that affects both the uninsured deposit levels and other sources of liquidity used. Borrowed funds decreased \$169.8 million, or 20.2%, during the three months ended March 31, 2024, primarily due to funding being provided by the growth of deposits.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

Total deposits at the periods shown and the weighted average rate on deposits at March 31, 2024 and December 31, 2023, are as follows:

|                                      | March 31,<br>2024             | December 31,<br>2023 | Weighted Average<br>Nominal Rate<br>2024 <sup>(1)</sup> | Weighted Average<br>Nominal Rate<br>2023 <sup>(1)</sup> |
|--------------------------------------|-------------------------------|----------------------|---|---|
| Interest-bearing deposits:           | <i>(Dollars in thousands)</i> |                      |   |   |
| Certificate of deposit accounts      | \$ 2,529,095                  | \$ 2,311,290         | 4.85 %  | 4.51 %  |
| Savings accounts                     | 105,147                       | 108,605              | 0.46  | 0.45  |
| Money market accounts                | 1,717,298                     | 1,726,404            | 4.05  | 3.91  |
| NOW accounts                         | 2,003,649                     | 1,771,164            | 3.96  | 3.58  |
| Total interest-bearing deposits      | 6,355,189                     | 5,917,463            |   |   |
| Non-interest bearing demand deposits | 815,937                       | 847,416              |   |   |
| Total due to depositors              | 7,171,126                     | 6,764,879            |   |   |
| Mortgagors' escrow deposits          | 82,081                        | 50,382               | 0.27  | 0.25  |
| Total deposits                       | <u>\$ 7,253,207</u>           | <u>\$ 6,815,261</u>  |   |   |

(1) The weighted average rate does not reflect the benefit of interest rate swaps.

Included in deposits were brokered deposits totaling \$1,112.3 million, an increase of \$10.3 million from \$1,102.0 million at December 31, 2023. We utilize brokered deposits as an additional funding source, to assist in the management of our interest rate risk and as an underlying funding source for a portion of our interest rate swaps. We obtain brokered certificates of deposit as a wholesale funding source when the interest rate on these deposits are below other wholesale options, or to extend the maturities of our deposits. Brokered deposits generally have a higher beta than our retail deposits as the interest rates are typically more sensitive to changes in the federal funds rates. A portion of our brokered certificates of deposit are hedged against rising interest rates using interest rate swaps. At March 31, 2024 and December 31, 2023, \$775.8 million and \$680.0 million, respectively, were hedged using interest rate swaps. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements. Brokered deposits obtained by the Bank are generally fully FDIC insured. At March 31, 2024 and March 31, 2023, the Bank did not hold any uninsured brokered deposits.

The following table shows the composition of brokered deposits at the periods indicated below:

| <i>(In thousands)</i>    | March 31,<br>2024   | December 31,<br>2023 |
|--------------------------|---------------------|----------------------|
| NOW accounts             | \$ 96,780           | \$ 187,119           |
| Money market accounts    | 51,328              | 96,596               |
| Certification of deposit | 964,201             | 818,287              |
| Total brokered deposits  | <u>\$ 1,112,309</u> | <u>\$ 1,102,002</u>  |

Interest expense on brokered deposits is summarized as follows for the periods indicated below:

| <i>(In thousands)</i>                       | For the three months ended |                 |
|---|----------------------------|-----------------|
|   | March 31,                  |                 |
|   | 2024                       | 2023            |
| NOW accounts                                | \$ 144                     | \$ 129          |
| Money market accounts                       | 526                        | 1,380           |
| Certification of deposit                    | 4,966                      | 2,551           |
| Total interest expense on brokered deposits | <u>\$ 5,636</u>            | <u>\$ 4,060</u> |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**Equity.** Total stockholders’ equity was \$669.8 million at both March 31, 2024, and December 31, 2023. Stockholders’ equity was impacted by the payment of dividends on the Company’s common stock of \$0.22 per common share totaling \$6.5 million, offset by net income of \$3.7 million and an increase of \$2.8 million in other comprehensive income (loss). Book value per common share was \$23.04 at March 31, 2024 compared to \$23.21 at December 31, 2023.

**Liquidity.** Liquidity is the ability to economically meet current and future financial obligations. The Company’s primary objectives in terms of managing liquidity are to maintain the ability to originate and purchase loans, repay borrowings as they mature, satisfy financial obligations that arise in the normal course of business and meet our customer’s deposit withdrawal needs. Our primary sources of funds are deposits, borrowings, principal and interest payments on loans, mortgage-backed and other securities, and proceeds from sales of securities and loans. Deposit flows and mortgage prepayments, however, are greatly influenced by general interest rates, economic conditions, and competition. The Company has other sources of liquidity, including unsecured overnight lines of credit, brokered deposits and other types of borrowings. At March 31, 2024, the Company had \$2.9 billion in combined available liquidity through cash lines with the FHLB, Federal Reserve and other commercial banks as well as unencumbered securities compared to \$3.4 billion at December 31, 2023. The decline from December 31, 2023 was primarily due to the FHLB reducing the available lines to all its member banks in 2024 from 45% of total assets to 30% of total assets. To offset the availability lost from the change in FHLB policy, the Company expanded its line with the Federal Reserve in April 2024. As of April 15, 2024, the Company had \$3.3 billion in combined available liquidity through cash lines with the FHLB, Federal Reserve and other commercial banks as well as unencumbered securities.

The following table presents the Company’s available liquidity by source at the period indicated below:

|                            | At March 31, 2024 |                      |                   |
|----------------------------|-------------------|----------------------|-------------------|
|                            | Total Available   | Amount Used          | Net Availability  |
| Internal Sources:          |                   | <i>(In millions)</i> |                   |
| Unencumbered Securities    | \$ 902.5          | \$ —                 | \$ 902.5          |
| Interest Earnings Deposits | 104.2             | —                    | 104.2             |
| External Sources:          |                   |                      |                   |
| Federal Home Loan Bank     | 2,560.8           | 1,724.1              | 836.7             |
| Federal Reserve Bank       | 65.7              | —                    | 65.7              |
| Other Banks                | 979.0             | —                    | 979.0             |
| <b>Total Liquidity</b>     | <b>\$ 4,612.2</b> | <b>\$ 1,724.1</b>    | <b>\$ 2,888.1</b> |

Liquidity management is both a short and long-term function of business management. During 2024, funds were provided by the Company’s financing activities, which were used to fund our operating and investing activities. Our most liquid assets are cash and cash equivalents, which include cash and due from banks, overnight interest-earning deposits and federal funds sold with original maturities of 90 days or less. The level of these assets is dependent on our operating, financing, lending, and investing activities during any given period. At March 31, 2024, cash and cash equivalents totaled \$210.7 million, an increase of \$38.6 million, or 22.4% from \$172.2 million, at December 31, 2023. A portion of our cash and cash equivalents is restricted cash held as collateral for interest rate swaps. At March 31, 2024 and December 31, 2023, restricted cash totaled \$59.6 million and \$47.9 million, respectively.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**INTEREST RATE RISK**<sup>(1)</sup>

Interest rate risk is the impact on earnings and capital from changes in interest rates. Interest rate risk exists because our interest-earning assets and interest-bearing liabilities may mature or reprice at different times or by different amounts. We assess interest rate risk by comparing the results of several income and capital simulations scenarios to the base case compared to scenarios with changes in interest rates, degree of change over time, speed of change, and changes in the shape of the yield curve. These scenarios have assumptions including loan originations, investment securities purchases and sales, prepayment rates on loans and investment securities, deposit flows, and mix and pricing decisions.

*Asset/Liability Management.* Asset/liability management involves assessing, monitoring and managing interest rate risk. The asset liability committee (“ALCO”) Investment Committee of the Board of Directors (“Board ALCO”) has primary oversight responsibility of interest rate risk. The actions and activities of the Board ALCO are dictated by the “ALCO and Investment Committee Charter of the Company Board of Directors (the “Charter”). The Board ALCO has established policy limits for changes of net interest income and the economic value of equity under various scenarios and liquidity risk limits to ensure the Company has sufficient liquid assets to meet its short-term obligations, even during periods of financial stress and is reviewed no less frequently than quarterly. The ALCO policy and oversight is interconnected to the Company’s capital plan.

The Board ALCO reviews simulations of various interest rate scenarios to assess the potential impact on the Company’s balance sheet and income statement. The model employed by the Company uses a statistic balance sheet as of the date the modeling is being generated. The limitation to this model is that unexpected events may not be captured in the output. The model is validated no less frequently than annually with the variables in the model subjected to annual stress tests. In addition, the interest rate risk model is back-tested no less frequently than quarterly to ensure the model remains consistent with actual results. The information from the interest rate risk modeling allows the Board ALCO to assess the potential impact of interest rate changes on the Company’s profitability and future earnings.

The interest rate risk scenarios affect the position the Company may take with the pricing of assets and liabilities.

Models are inherently imperfect and subject to assumptions and limitations. The model output is affected by the data quality and the assumptions used. The Company uses both internal and external inputs into the model. The market interest rates are obtained from the Federal Reserve WIRP curve and may be adjusted by the management level ALCO committee (“Management ALCO”); the change in deposit betas is based upon deposit studies completed by an independent third party; loan prepayment assumptions are based upon internal analysis; loan origination data is Company generated; and additions to assets and liabilities is derived from the budget or forecast or internally generated projected cash flows.

There was no material change in the source of the data used in our interest rate risk modeling in the current year. Current economic factors such as interest rate forecasts as changed from period over period may affect the modeling. Key assumptions include deposit betas and loan origination yields. Deposit betas vary by product and direction of interest rates. In an upward shock, weighted average deposit betas (based on period end balances) were 70% at March 31, 2024 compared to 68% at March 31, 2023. In a downward shock, weighted average deposit betas (based on period end balances) were 61% at March 31, 2024 compared to 59% at March 31, 2023. Loan origination yields vary by product and the weighted average yield (based on period end loan balances) was 7.16% at March 31, 2024 compared to 6.50% at March 31, 2023.

Management ALCO, which consists of representatives from treasury, finance, business units, and senior management, oversees the interest rate risk, liquidity risk and capital risk while providing regular reports to the Board ALCO. These reports quantify the potential changes in net interest income and economic value of equity through various rate scenarios. The Management ALCO also provides the results of the liquidity stress test prepared by the Chief Risk Officer, the sensitivity analyses of the interest rate risk model variables, and the capital position of the Company and the Bank.

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(1) There are significant differences between this discussion and the most recent comparable disclosure in the 10-K.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

*Economic Value of Equity Analysis.* The Consolidated Statements of Financial Condition have

been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”), which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in fair value of certain investments due to changes in interest rates. Generally, the fair value of financial investments such as loans and securities fluctuate inversely with changes in interest rates. As a result, increases in interest rates could result in decreases in the fair value of the Company’s interest-earning assets which could adversely affect the Company’s results of operations if such assets were sold, or, in the case of securities classified as available for sale, decreases in the Company’s stockholders’ equity, if such securities were retained.

The Company quantifies the net portfolio value should interest rates immediately go up or down 100 or 200 basis points, assuming the yield curves of the rate shocks will be parallel to each other. Net portfolio value is defined as the market value of assets net of the market value of liabilities. The market value of assets and liabilities is determined using a discounted cash flow calculation. The net portfolio value ratio is the ratio of the net portfolio value to the market value of assets. The changes in value are measured as percentage changes from the net portfolio value at the base interest rate scenario. The base interest rate scenario assumes interest rates at March 31, 2024. Various estimates regarding prepayment assumptions are made at each level of rate shock. At March 31, 2024, the Company was within the guidelines set forth by the Board of Directors for each interest rate level.

The following table presents the change in the Company’s net portfolio value and the net portfolio ratio as of March 31, 2024:

| <u>Change in Interest Rate</u> | <u>Projected Percentage Change In</u> |   | <u>Net Portfolio Value Ratio</u> |
|--------------------------------|---------------------------------------|---|----------------------------------|
|                                | <u>Net Portfolio Value (NPV)</u>      |   |                                  |
| -200 Basis points              | (3.4)                                 | % | 7.4 %                            |
| -100 Basis points              | (1.2)                                 |   | 7.7                              |
| Base interest rate             | -                                     |   | 8.0                              |
| +100 Basis points              | (3.1)                                 |   | 7.8                              |
| +200 Basis points              | (6.0)                                 |   | 7.7                              |

*Income Simulation Analysis.* The Company manages the mix of interest-earning assets and interest-bearing liabilities on a continuous basis to maximize return and adjust its exposure to interest rate risk. The starting point for the net interest income simulation is an estimate of the next twelve months’ net interest income assuming that both interest rates and the Company’s interest-sensitive assets and liabilities remain at period-end levels. The report quantifies the potential changes in net interest income should interest rates go up or down 100 or 200 basis points (shocked), assuming the yield curves of the rate shocks will be parallel to each other. All changes in income are measured as percentage changes from the projected net interest income at the base interest rate scenario. The base interest rate scenario assumes interest rates at March 31, 2024 and 2023. Prepayment penalty income is excluded from this analysis. Actual results could differ significantly from these estimates. At March 31, 2024, the Company was within the guidelines set forth by the Board of Directors for each interest rate level.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

The following table presents the Company’s interest rate shock as of March 31, 2024 and 2023:

| Change in Interest Rate | Projected Percentage<br>Change In<br><u>Net Interest Income</u> |        |
|-------------------------|---|--------|
|                         | 2024  | 2023   |
| -200 Basis points       | (2.0)%  | 4.9 %  |
| -100 Basis points       | (0.7)   | 3.0    |
| Base interest rate      | -   | -      |
| +100 Basis points       | (2.6)   | (5.9)  |
| +200 Basis points       | (5.5)   | (12.2) |

Another net interest income simulation assumes that changes in interest rates change gradually in equal increments over the twelve-month period. Prepayment penalty income is excluded from this analysis. Based on these assumptions, net interest income would be reduced by 2.1% from a 200 basis point increase in rates over the next twelve months and a 1.3% reduction from a 200 basis point decrease in rate over the same period. Actual results could differ significantly from these estimates.

At March 31, 2024, the Company had a derivative portfolio with a notional value totaling \$2.5 billion. This portfolio is designed to provide protection against rising interest rates. See Note 11 (“Derivative Financial Instruments”) of the Notes to the Consolidated Financial Statements.

A portion of this portfolio is comprised of forward swaps on certain short-term advances and brokered deposits totaling \$825.8 million. At March 31, 2024, \$775.8 million of the forward swaps were effective swaps at a weighted average rate of 2.33%, of which \$50.0 million at an average rate of 1.25% will mature in the second quarter of 2024 and will be replaced by forward starting swaps totaling \$50.0 million at an average rate of 0.80%.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**AVERAGE BALANCES**

Net interest income represents the difference between income on interest-earning assets and expense on interest-bearing liabilities. Net interest income depends upon the relative amount of interest-earning assets and interest-bearing liabilities and the interest rates earned or paid on them. The following tables sets forth certain information relating to the Company’s Consolidated Statements of Financial Condition and Consolidated Statements of Income for the three months ended March 31, 2024 and 2023, and reflects the average yield on assets and average cost of liabilities for the periods indicated. Such yields and costs are derived by dividing income or expense by the average balance of assets or liabilities, respectively, for the periods shown. Average balances are derived from average daily balances. The yields include amortization of fees which are considered adjustments to yields.

|   | For the three months ended March 31, |                  |                |                     |                  |                |
|---|--------------------------------------|------------------|----------------|---------------------|------------------|----------------|
|   | 2024                                 |                  |                | 2023                |                  |                |
|   | Average<br>Balance                   | Interest         | Yield/<br>Cost | Average<br>Balance  | Interest         | Yield/<br>Cost |
| <b>Assets</b>   | <i>(Dollars in thousands)</i>        |                  |                |                     |                  |                |
| Interest-earning assets:  |                                      |                  |                |                     |                  |                |
| Mortgage loans, net   | \$ 5,353,606                         | \$ 71,572        | 5.35 %         | \$ 5,333,274        | \$ 62,054        | 4.65 %         |
| Other loans, net  | 1,450,511                            | 21,387           | 5.90           | 1,537,918           | 20,835           | 5.42           |
| Total loans, net <sup>(1)(2)</sup>  | <u>6,804,117</u>                     | <u>92,959</u>    | <u>5.46</u>    | <u>6,871,192</u>    | <u>82,889</u>    | <u>4.83</u>    |
| Taxable securities:   |                                      |                  |                |                     |                  |                |
| Mortgage-backed securities  | 462,934                              | 3,696            | 3.19           | 457,911             | 2,281            | 1.99           |
| Other securities  | 590,204                              | 8,504            | 5.76           | 411,723             | 4,611            | 4.48           |
| Total taxable securities  | <u>1,053,138</u>                     | <u>12,200</u>    | <u>4.63</u>    | <u>869,634</u>      | <u>6,892</u>     | <u>3.17</u>    |
| Tax-exempt securities: <sup>(3)</sup>   |                                      |                  |                |                     |                  |                |
| Other securities  | 65,939                               | 474              | 2.88           | 66,828              | 477              | 2.86           |
| Total tax-exempt securities   | <u>65,939</u>                        | <u>474</u>       | <u>2.88</u>    | <u>66,828</u>       | <u>477</u>       | <u>2.86</u>    |
| Interest-earning deposits and federal funds sold                                  | 311,966                              | 3,966            | 5.09           | 194,722             | 1,959            | 4.02           |
| Total interest-earning assets <sup>(3)</sup>                                      | <u>8,235,160</u>                     | <u>109,599</u>   | <u>5.32</u>    | <u>8,002,376</u>    | <u>92,217</u>    | <u>4.61</u>    |
| Other assets  | 472,345                              |                  |                | 465,941             |                  |                |
| Total assets  | <u>\$ 8,707,505</u>                  |                  |                | <u>\$ 8,468,317</u> |                  |                |
| <b>Liabilities and Equity</b>   |                                      |                  |                |                     |                  |                |
| Interest-bearing liabilities  |                                      |                  |                |                     |                  |                |
| Deposits:   |                                      |                  |                |                     |                  |                |
| Savings accounts  | \$ 106,212                           | 122              | 0.46           | \$ 134,945          | 126              | 0.37           |
| NOW accounts  | 1,935,250                            | 18,491           | 3.82           | 1,970,555           | 13,785           | 2.80           |
| Money market accounts   | 1,725,714                            | 17,272           | 4.00           | 2,058,523           | 14,102           | 2.74           |
| Certificate of deposit accounts   | 2,406,283                            | 21,918           | 3.64           | 1,679,517           | 11,007           | 2.62           |
| Total due to depositors   | <u>6,173,459</u>                     | <u>57,803</u>    | <u>3.75</u>    | <u>5,843,540</u>    | <u>39,020</u>    | <u>2.67</u>    |
| Mortgagors' escrow accounts   | 73,822                               | 62               | 0.34           | 70,483              | 36               | 0.20           |
| Total deposits  | <u>6,247,281</u>                     | <u>57,865</u>    | <u>3.70</u>    | <u>5,914,023</u>    | <u>39,056</u>    | <u>2.64</u>    |
| Borrowed funds  | 767,646                              | 9,237            | 4.81           | 789,535             | 7,799            | 3.95           |
| Total interest-bearing liabilities  | <u>7,014,927</u>                     | <u>67,102</u>    | <u>3.83</u>    | <u>6,703,558</u>    | <u>46,855</u>    | <u>2.80</u>    |
| Non-interest-bearing deposits   | 834,217                              |                  |                | 896,462             |                  |                |
| Other liabilities   | 189,176                              |                  |                | 185,239             |                  |                |
| Total liabilities   | <u>8,038,320</u>                     |                  |                | <u>7,785,259</u>    |                  |                |
| Equity  | 669,185                              |                  |                | 683,058             |                  |                |
| Total liabilities and equity  | <u>\$ 8,707,505</u>                  |                  |                | <u>\$ 8,468,317</u> |                  |                |
| Net interest income / net interest rate spread (tax equivalent) <sup>(3)</sup>    |                                      | <u>\$ 42,497</u> | <u>1.49 %</u>  |                     | <u>\$ 45,362</u> | <u>1.81 %</u>  |
| Net interest-earning assets / net interest margin (tax equivalent) <sup>(3)</sup> | <u>\$ 1,220,233</u>                  |                  | <u>2.06 %</u>  | <u>\$ 1,298,818</u> |                  | <u>2.27 %</u>  |
| Ratio of interest-earning assets to interest-bearing liabilities                  |                                      |                  | <u>1.17 X</u>  |                     |                  | <u>1.19 X</u>  |

(1) Loan interest income includes loan fee income (expense) (which includes net amortization of deferred fees and costs, late charges, and prepayment penalties) of approximately \$1.0 million and \$0.9 million for the three months ended March 31, 2024 and 2023, respectively.

(2) Loan interest income includes net gains (losses) from fair value adjustments on qualifying hedges of (\$0.2) million and \$0.1 million for three months ended March 31, 2024 and 2023, respectively.

(3) Interest and yields are calculated on the tax equivalent basis using the statutory federal income tax rate of 21% for the periods presented totaling \$0.1 million each for the three months ended March 31, 2024 and 2023.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**LOANS**

The following table sets forth the Company’s loan originations (including the net effect of refinancing) and the changes in the Company’s portfolio of loans, including purchases, sales and principal reductions for the periods indicated.

| <i>(In thousands)</i>                                | For the three months ended March 31, |              |
|--|--------------------------------------|--------------|
|  | 2024                                 | 2023         |
| <b>Mortgage Loans</b>                                |                                      |              |
| At beginning of period                               | \$ 5,425,586                         | \$ 5,380,935 |
| Mortgage loans originated:                           |                                      |              |
| Multi-family residential                             | 11,805                               | 42,164       |
| Commercial real estate                               | 10,040                               | 15,570       |
| One-to-four family mixed-use property                | 750                                  | 4,938        |
| One-to-four family residential                       | 225                                  | 4,296        |
| Construction   | 1,895                                | 10,463       |
| Total mortgage loans originated                      | 24,715                               | 77,431       |
| Mortgage loans purchased:                            |                                      |              |
| One-to-four family residential                       | 52,314                               | —            |
| Construction   | —                                    | 129          |
| Total mortgage loans purchased                       | 52,314                               | 129          |
| Less:  |                                      |              |
| Principal reductions                                 | 107,090                              | 102,543      |
| Mortgage loan sales                                  | 3,540                                | 2,375        |
| Charge-Offs  | 14                                   | —            |
| At end of period                                     | \$ 5,391,971                         | \$ 5,353,577 |
| <b>Commercial business loans</b>                     |                                      |              |
| At beginning of period                               | \$ 1,472,723                         | \$ 1,544,823 |
| Loans originated:                                    |                                      |              |
| Small Business Administration                        | —                                    | 318          |
| Commercial business                                  | 28,442                               | 51,081       |
| Other  | 1,014                                | 250          |
| Total commercial business and other loans originated | 29,456                               | 51,649       |
| Commercial business loans purchased:                 |                                      |              |
| Commercial business                                  | 23,499                               | 44,337       |
| Total commercial business loans purchased            | 23,499                               | 44,337       |
| Less:  |                                      |              |
| Principal reductions                                 | 97,665                               | 89,901       |
| Charge-offs  | 44                                   | 9,292        |
| At end of period                                     | \$ 1,427,969                         | \$ 1,541,616 |



**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**NON-PERFORMING ASSETS**

The following table shows our non-performing assets at the periods indicated:

| <i>(Dollars in thousands)</i>                             | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| <b>Loans 90 days or more past due and still accruing:</b> |                   |                      |
| Multi-family residential                                  | \$ —              | \$ 1,463             |
| Total   | —                 | 1,463                |
| <b>Non-accrual mortgage loans:</b>                        |                   |                      |
| Multi-family residential                                  | 4,669             | 3,206                |
| One-to-four family mixed-use property                     | 911               | 981                  |
| One-to-four family residential                            | 3,768             | 5,181                |
| Total   | 9,348             | 9,368                |
| <b>Non-accrual commercial business loans:</b>             |                   |                      |
| Small Business Administration                             | 2,552             | 2,552                |
| Commercial Business and other                             | 12,929            | 11,789               |
| Total   | 15,481            | 14,341               |
| Total non-accrual loans                                   | 24,829            | 23,709               |
| <b>Total non-performing loans</b>                         | <b>24,829</b>     | <b>25,172</b>        |
| <b>Other non-performing assets:</b>                       |                   |                      |
| Real estate acquired through foreclosure                  | 665               | —                    |
| Held-to-maturity securities                               | 20,760            | 20,981               |
| Total   | 21,425            | 20,981               |
| <b>Total non-performing assets</b>                        | <b>\$ 46,254</b>  | <b>\$ 46,153</b>     |
| <b>Non-performing loans to gross loans</b>                | <b>0.36 %</b>     | <b>0.36 %</b>        |
| <b>Non-performing assets to total assets</b>              | <b>0.53 %</b>     | <b>0.54 %</b>        |

**CRITICIZED AND CLASSIFIED ASSETS**

Our policy is to review our assets, focusing primarily on the loan portfolio, other real estate owned, and the investment portfolio, to ensure that credit quality is maintained at the highest levels. See Note 5 (“Loans”) of the Notes to the Consolidated Financial Statements for a description of how loans are determined to be criticized or classified and a table displaying criticized and classified loans at March 31, 2024. The amortized cost of Criticized and Classified assets was \$81.9 million at March 31, 2024, a decrease of \$17.1 million from \$99.1 million at December 31, 2023. The Company had one investment security with an amortized cost of \$20.8 million and \$21.0 million classified as substandard at March 31, 2024 and December 31, 2023, respectively.

Included within net loans at March 31, 2024 and December 31, 2023, were \$4.6 million and \$4.8 million, respectively, of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings were in process according to local requirements of the applicable jurisdiction.

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

**ALLOWANCE FOR CREDIT LOSSES**

The following table shows allowance for credit losses at the period indicated:

| <i>(In thousands)</i>                           | For the three months ended March 31, |           |
|---|--------------------------------------|-----------|
|   | 2024                                 | 2023      |
| Balance at beginning of period                  | \$ 40,161                            | \$ 40,442 |
| Loans- charge-off                               | (58)                                 | (9,298)   |
| Loans- recovery                                 | 54                                   | 64        |
| Loans- provision (benefit)                      | 595                                  | 7,521     |
| Allowance for credit losses - loans             | \$ 40,752                            | \$ 38,729 |
| Balance at beginning of period                  | \$ 1,087                             | \$ 1,100  |
| HTM securities (benefit) provision              | (3)                                  | (13)      |
| Allowance for credit losses - HTM securities    | \$ 1,084                             | \$ 1,087  |
| Balance at beginning of period                  | \$ 1,102                             | \$ 970    |
| Off-balance sheet- (benefit) provision          | (106)                                | (85)      |
| Allowance for credit losses - off-balance sheet | \$ 996                               | \$ 885    |
| Allowance for credit losses                     | \$ 42,832                            | \$ 40,701 |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**  
**Management’s Discussions and Analysis of**  
**Financial Condition and Results of Operations**

The following table sets forth the activity in the Company’s ACL - loans for the periods indicated:

| <i>(Dollars in thousands)</i>   | For the three months ended March 31, |           |
|---|--------------------------------------|-----------|
|   | 2024                                 | 2023      |
| Balance at beginning of year  | \$ 40,161                            | \$ 40,442 |
| Provision (benefit) for credit losses                                   | 595                                  | 7,521     |
| Loans charged-off:  |                                      |           |
| One-to-four family - residential  | (14)                                 | (6)       |
| Small Business Administration   | —                                    | (6)       |
| Commercial business and other loans                                     | (44)                                 | (9,286)   |
| Total loans charged-off   | (58)                                 | (9,298)   |
| Recoveries:   |                                      |           |
| Multi-family residential  | —                                    | 1         |
| One-to-four family - residential  | 1                                    | 42        |
| Small Business Administration   | 5                                    | 12        |
| Commercial business and other   | 48                                   | 9         |
| Total recoveries  | 54                                   | 64        |
| Net charge-offs   | (4)                                  | (9,234)   |
| Balance at end of year  | \$ 40,752                            | \$ 38,729 |
| Ratio of net charge-offs to average loans outstanding during the period | 0.00 %                               | 0.54 %    |
| Ratio of ACL - loans to gross loans at end of period                    | 0.60 %                               | 0.56 %    |
| Ratio of ACL - loans to non-accrual loans at end of period              | 164.13 %                             | 182.89 %  |
| Ratio of ACL - loans to non-performing loans at end of period           | 164.13 %                             | 182.89 %  |

**PART I – FINANCIAL INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For a discussion of the qualitative and quantitative disclosures about market risk, see the information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations - Interest Rate Risk."

**ITEM 4. CONTROLS AND PROCEDURES**

The Company carried out, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Quarterly Report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, the design and operation of these disclosure controls and procedures were not effective. The Company previously disclosed in its annual report on Form 10-K for the year ended December 31, 2023, that the Company's disclosure controls and procedures, as well as its internal control over financial reporting, were not effective to prevent material misstatements resulting from material unusual transactions. During the period covered by this Quarterly Report, Management remediated the design and implementation of controls related to material unusual transactions by implementing policies to prepare a technical accounting memorandum and careful evaluation of areas of judgement. Management believes the material weakness will be fully remediated when the implemented control operates.

**PART II – OTHER INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**ITEM 1. LEGAL PROCEEDINGS**

The Company is a defendant in various lawsuits. Management of the Company, after consultation with outside legal counsel, believes that the resolution of these various matters will not result in any material adverse effect on the Company's consolidated financial condition, results of operations and cash flows.

**ITEM 1A. RISK FACTORS**

There have been no material changes from the risk factors disclosed in the Company's annual report on Form 10-K for the year ended December 31, 2023.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

The following table sets forth information regarding the shares of common stock repurchased by the Company during the three months ended March 31, 2024:

| Period                          | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs |
|---------------------------------|----------------------------------|------------------------------|--|--|
| January 1 to January 31, 2024   | —                                | —                            | —  | 807,964  |
| February 1 to February 29, 2024 | —                                | —                            | —  | 807,964  |
| March 1 to March 31, 2024       | —                                | —                            | —  | 807,964  |
| Total                           | —                                | \$ —                         | —  |  |

During the quarter ended March 31, 2024, the Company did not repurchase any shares of the Company's common stock. On March 31, 2024, 807,964 shares remained to be repurchased under the currently authorized stock repurchase programs. Stock will be purchased under the current stock repurchase programs from time to time, in the open market or through private transactions, subject to market conditions. There is no expiration or maximum dollar amount under these authorizations.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**PART II – OTHER INFORMATION**  
**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**ITEM 6. EXHIBITS**

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 3.1 P              | Certificate of Incorporation of Flushing Financial Corporation (Incorporated by reference to Exhibits filed with the Registration Statement on Form S-1 filed September 1, 1995, Registration No. 33-96488)   |
| 3.2                | <a href="#">Certificate of Amendment to Certificate of Incorporation of Flushing Financial Corporation (Incorporated by reference to Exhibit 4.2 filed with Form S-8 filed May 31, 2002)</a>  |
| 3.3                | <a href="#">Certificate of Amendment to Certificate of Incorporation of Flushing Financial Corporation (Incorporated by reference to Exhibit 3.3 filed with Form 10-K for the year ended December 31, 2011)</a>   |
| 3.4                | <a href="#">Amended and Restated By-Laws of Flushing Financial Corporation (Incorporated by reference to Exhibit 3.6 filed with Form 10-Q for the quarter ended June 30, 2014)</a>  |
| 4.1                | <a href="#">Indenture, dated November 22, 2021, between Flushing Financial Corporation and Wilmington Trust, National Association, as trustee. (Incorporated by reference to Exhibit 4.1 filed with Form 8-K filed November 22, 2021)</a>   |
| 4.2                | <a href="#">First Supplemental Indenture, dated November 22, 2021, between Flushing Financial Corporation and Wilmington Trust, National Association, as trustee (Incorporated by reference to Exhibit 4.2 filed with Form 8-K filed November 22, 2021)</a>   |
| 4.3                | <a href="#">Second Supplemental Indenture, dated August 24, 2022, between Flushing Financial Corporation and Wilmington Trust, National Association, as trustee (Incorporated by reference to Exhibit 4.2 filed with Form 8-K filed August 24, 2022)</a>  |
| 4.4                | Flushing Financial Corporation has outstanding certain long-term debt. None of such debt exceeds ten percent of Flushing Financial Corporation's total assets; therefore, copies of constituent instruments defining the rights of the holders of such debt are not included as exhibits. Copies of instruments with respect to such long-term debt will be furnished to the Securities and Exchange Commission upon request. |
| 31.1               | <a href="#">Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer (filed herewith)</a>   |
| 31.2               | <a href="#">Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer (filed herewith)</a>   |
| 32.1               | <a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 by the Chief Executive Officer (furnished herewith)</a>  |
| 32.2               | <a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 by the Chief Financial Officer (furnished herewith)</a>  |
| 101.INS            | Inline XBRL Instance Document -the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document  |
| 101.SCH            | Inline XBRL Taxonomy Extension Schema Document (filed herewith)   |
| 101.CAL            | Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)   |
| 101.DEF            | Inline XBRL Taxonomy Extension Definition Linkbase Document (filed herewith)  |
| 101.LAB            | Inline XBRL Taxonomy Extension Label Linkbase Document (filed herewith)   |
| 101.PRE            | Inline XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith)  |
| 104                | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)  |

P Indicates a filing submitted in paper.

**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES  
EXHIBIT INDEX**

| <b>Exhibit No.</b> | <b>Description</b>  |
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**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES  
SIGNATURES**

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 thereunto duly authorized.

Flushing Financial Corporation,

Dated: May 6, 2024

By: /s/John R. Buran

John R. Buran

President and Chief Executive Officer

Dated: May 6, 2024

By: /s/Susan K. Cullen

Susan K. Cullen

Senior Executive Vice President, Treasurer and

Chief Financial Officer



**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John R. Buran, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Flushing Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

By: /s/John R. Buran

John R. Buran  
President and Chief Executive Officer

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**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES****CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Susan K. Cullen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Flushing Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

By: /s/Susan K. Cullen

Susan K. Cullen  
Senior Executive Vice President, Treasurer and Chief  
Financial Officer

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**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Flushing Financial Corporation (the "Corporation") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John R. Buran, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/John R. Buran

\_\_\_\_\_  
John R. Buran  
Chief Executive Officer  
May 6, 2024

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**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Flushing Financial Corporation (the "Corporation") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Susan K. Cullen, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/Susan K. Cullen

\_\_\_\_\_  
Susan K. Cullen  
Chief Financial Officer  
May 6, 2024

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