

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 25, 2023

FLUSHING FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

001-33013

(Commission File Number)

Delaware

(State or Other Jurisdiction of Incorporation)

11-3209278

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

220 RXR Plaza, Uniondale, NY 11556

(Address of principal executive offices)

(718) 961-5400

(Registrant's telephone number, including area code)

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

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

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

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

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

Emerging growth company ☐

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

Item 7.01. Regulation FD Disclosure.

On April 25, 2023, Flushing Financial Corp. (the “Company”) made available to investors, and to post on this website, the earnings presentation for the 2023 first quarter earnings, the presentation attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1. Presentation dated April 25, 2023.](#)

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

SIGNATURE

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

FLUSHING FINANCIAL CORPORATION

Date: April 25, 2023

By: /s/ SUSAN K. CULLEN

Susan K. Cullen

Senior Executive Vice President and Chief Financial Officer

1Q23 Earnings Conference Call



April 25, 2023

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

FFIC FLUSHING
Financial Corporation

Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this Presentation relating to plans, strategies, economic performance and trends, projections of results of specific activities or investments and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, risk factors discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and in other documents filed by the Company with the Securities and Exchange Commission from time to time. Forward-looking statements may be identified by terms such as “may”, “will”, “should”, “could”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “predicts”, “forecasts”, “goals”, “potential” or “continue” or similar terms or the negative of these terms. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. The Company has no obligation to update these forward-looking statements.

Action Plan Implemented to Improve Performance in 1Q23

Steps	Actions/Results
1) Move more towards interest rate neutral	<ul style="list-style-type: none"> The Company has a goal of reaching neutral interest rate risk position in the shorter term Achieved 40% of our 2023 goal by adding \$200MM of hedges on investments, \$50MM net of fundings swaps, increasing floating rate securities, and extending funding
2) Enhance focus on risk adjusted returns and profitability	<ul style="list-style-type: none"> Relationships will face greater scrutiny to achieve risk adjusted returns Yields on 1Q23 closings were 7.01%, an increase of 357 bps YoY and 91 bps QoQ
3) Emphasizing our brand of customer service and deepening relationships to expand customer base and drive loyalty	<ul style="list-style-type: none"> Given the recent turmoil in the banking industry, activity surrounding new loans and deposits has increased Loan pipeline increased 5.5% during the quarter with the prospect of additional activity coming from the absence of a large competitor Checking account openings increased 30% YoY
4) Tighten expense controls	<ul style="list-style-type: none"> Greater scrutiny placed on discretionary expenses Other actions taken to reduce near term expense growth
5) Review new and existing lending relationships to prepare for the next credit cycle	<ul style="list-style-type: none"> Early disposal of weaker credits Focus on recession-proof industries
6) Preserve strong liquidity and capital	<ul style="list-style-type: none"> Liquidity is strong and looking to fully utilize the balance sheet to add even more capacity Working to maintain solid capital position Average deposits increased 2.0% QoQ and 6.2% YoY

Decisive Actions Expected to Enhance Business Model Resilience and Drive Future Profitability

Areas of Focus for Long-term Success

Credit Quality	<ul style="list-style-type: none"> • Midtown Manhattan office exposure is 0.1% of net loans • The Company is a conservatively managed institution with a history of low and below industry levels of credit losses • Over 88% of the loan portfolio is collateralized by real estate with an average loan to value less than 37% • Weighted average DSR for multifamily and CRE is 1.9x • Resulting in strong level of coverage to absorb the impact of higher operating costs and principal and interest payments
Interest Rate Risk	<ul style="list-style-type: none"> • Historically the Company operated with a liability sensitive balance sheet resulting in liabilities repricing faster than assets when interest rates change • During 1Q23, the Company took significant actions to improve its interest rate risk position • These actions, which include adding hedges, floating rate assets, and extending funding, resulted in achievement of 40% of our goal for 2023
Liquidity	<ul style="list-style-type: none"> • Deposits increased nearly \$250 million in the first quarter, and we see new opportunities for growth due to market disruption and new branches • The Company continues to have ample liquidity with \$3.7 billion of undrawn lines and resources or 3.4x uninsured and uncollateralized deposits • Uninsured and uncollateralized deposits were only 16.2% of total deposits at March 31, 2023 • Checking account openings were up 30% YoY in 1Q23
Customer Experience	<ul style="list-style-type: none"> • Additional opportunities emerging as a result of a major competitor leaving the market • Approximately 33% of our branches are in Asian markets; a key focus of our business • Bensonhurst, our 27th branch, is expected to open in 2023 enhancing our Asian branch presence • Digital banking usage continues to increase with double digit growth in monthly mobile deposit active uses and digital banking enrollment in March 2023 versus a year ago

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

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

1 Grow Funding Sources

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

2 Maintain Loan Portfolio

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

3 Focus on Asset Quality

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

4 Leverage Technology

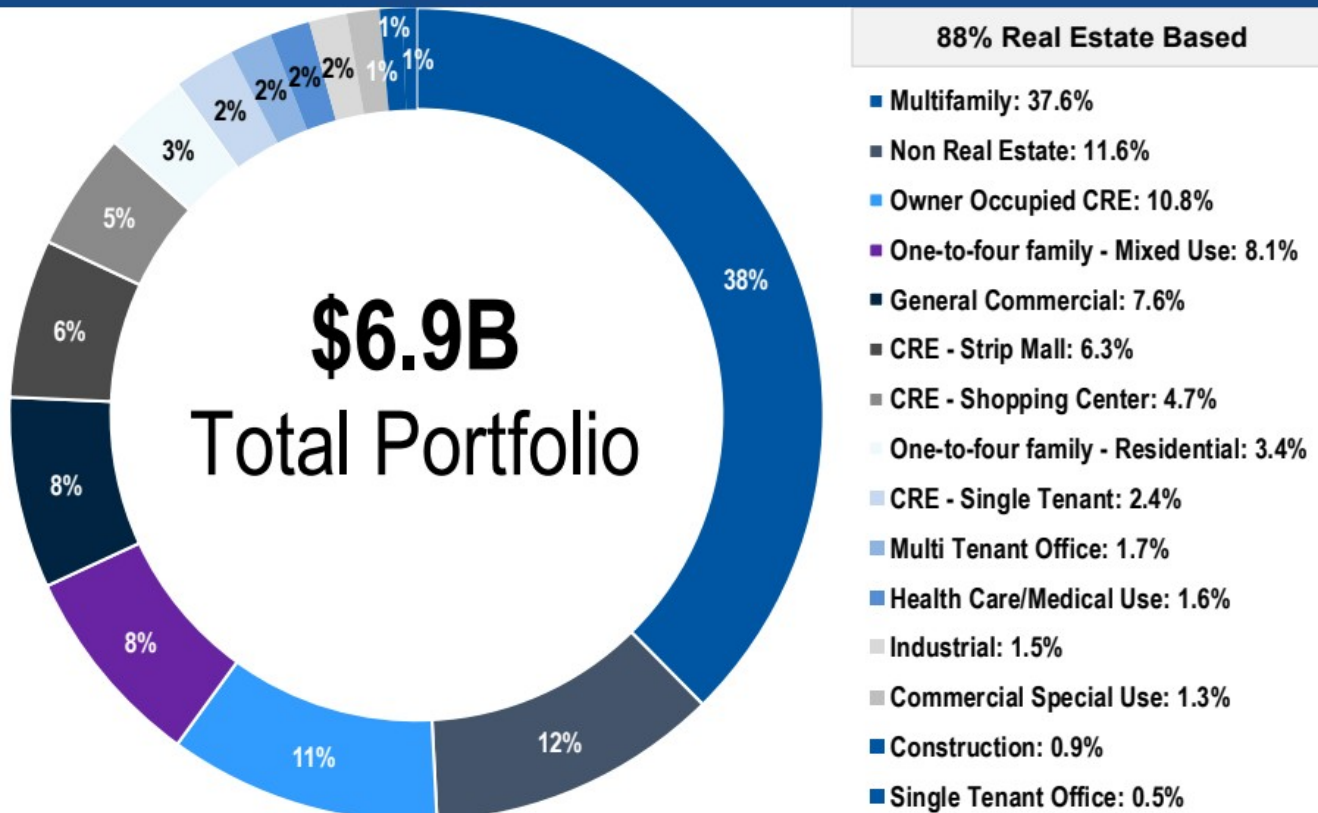
- Digital users and engagement continues to expand
- In 1Q23, originated approximately \$6.6MM of loan commitments on the digital platform
- Expanded fintech partnerships to offer customers assistance with filing and processing Employee Retention Tax Credit refunds

\$3.7 Billion of Available Liquidity

(\$ in millions)	Total Available	Amount Used	Net Availability
Internal Sources:			
Unpledged Securities and Other	\$470.8	\$-	\$470.8
Interest Earnings Deposits	\$99.4	\$-	\$99.4
External Sources:			
Federal Home Loan Bank	\$3,789.8	\$1,952.8	\$1,837.0
Federal Reserve Bank	\$110.9	\$-	\$110.9
Other Banks	\$1,208.0	\$-	\$1,208.0
Total Liquidity	\$5,678.9	\$1,952.8	\$3,726.1

Available Liquidity Is 3.4x Uninsured and Uncollateralized Deposits

Loans Secured by Real Estate Have an Average LTV of <37%



Midtown Manhattan Office Exposure is 0.1% of Net Loans

Strong Asian Banking Market Focus

Asian Communities – **Total Loans \$810MM**
and **Deposits \$1.2B**

Multilingual Branch Staff Serves Diverse Customer Base in NYC
Metro Area

Growth Aided by the **Asian Advisory Board**

Sponsorships of Cultural Activities Support New and Existing
Opportunities

Expanding into Bensonhurst (Brooklyn) in 2023

18%
of Total Deposits

\$36B
Deposit Market Potential
> (~3% Market Share¹)

7.6%
FFIC 5 Year Asian Market
CAGR vs 3.7%¹ for the
Comparable Asian
Markets

Digital Banking Usage Continues to Increase

23%

Increase in Monthly Mobile
Deposit Active Users
March 2023 YoY



~30,000

Users with Active Online
Banking Status

22%

March 2023 YoY Growth



12%

Digital Banking
Enrollment
March 2023 YoY Growth



Internet Banks

iGObanking and BankPurely
national deposit gathering
platforms

~3% of Average Deposits
in March 2023



Numerated

Small Business Lending
Platform

\$6.6MM of Commitments
in 2023



~8,000

Zelle® Transactions

~\$2.8MM

Zelle Dollar Transactions
in March 2023



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

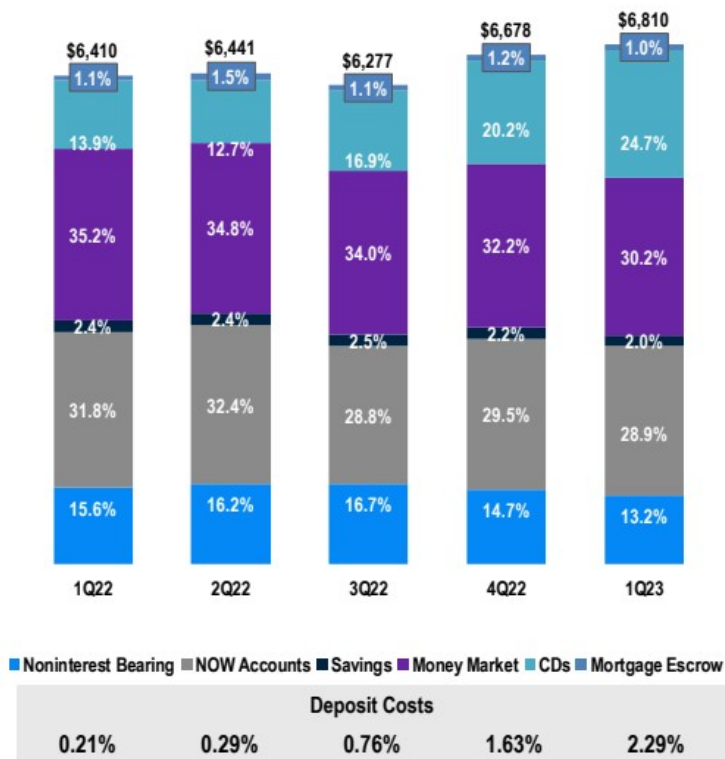
Key Community Events During 1Q23



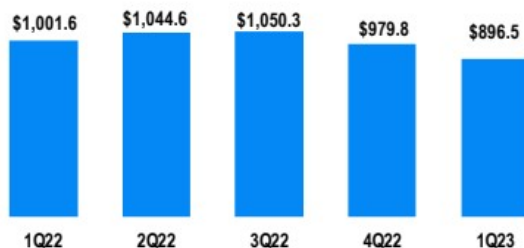
- Announces Community Scholarship for NYC Kids Rise at P.S. 22Q
- Attends Manhattan Neighborhood Network Ribbon Cutting
- Opened Hauppauge Branch; Bensonhurst to open in 2023

Average Total Deposits Increase; Higher CD Percentage

Total Average Deposits
(\$MM)



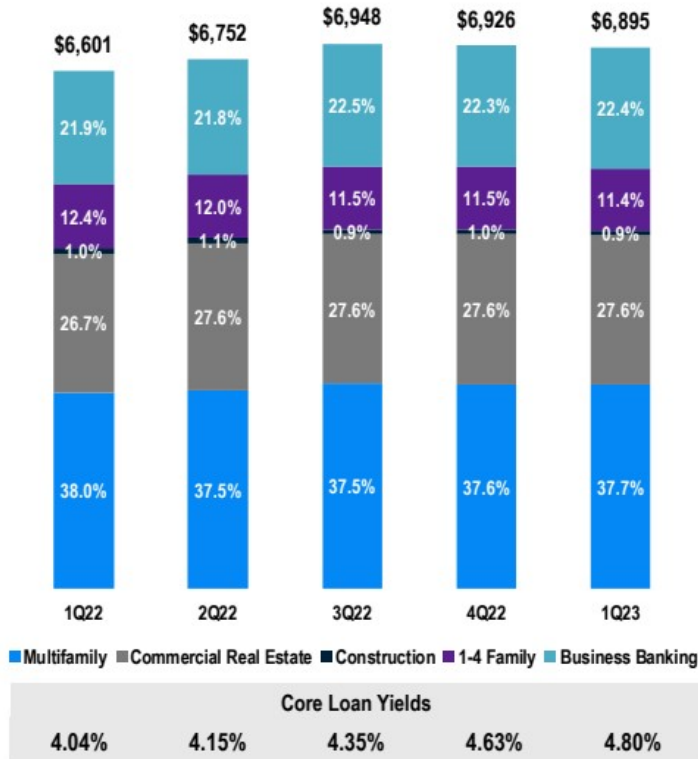
Average Noninterest Deposits
(\$MM)



- Average total deposits increased 2.0% QoQ and 6.2% YoY
- Noninterest bearing deposits are 13.2% of average total deposits, down from 15.6% a year ago
- 1Q23 checking account openings up 30% YoY
- Deposit growth driven by CDs, which have a ~12-18 month duration

Core Loan Yields Improve; Balances Flat Up YoY

Loan Composition
Period End Loans (\$MM)

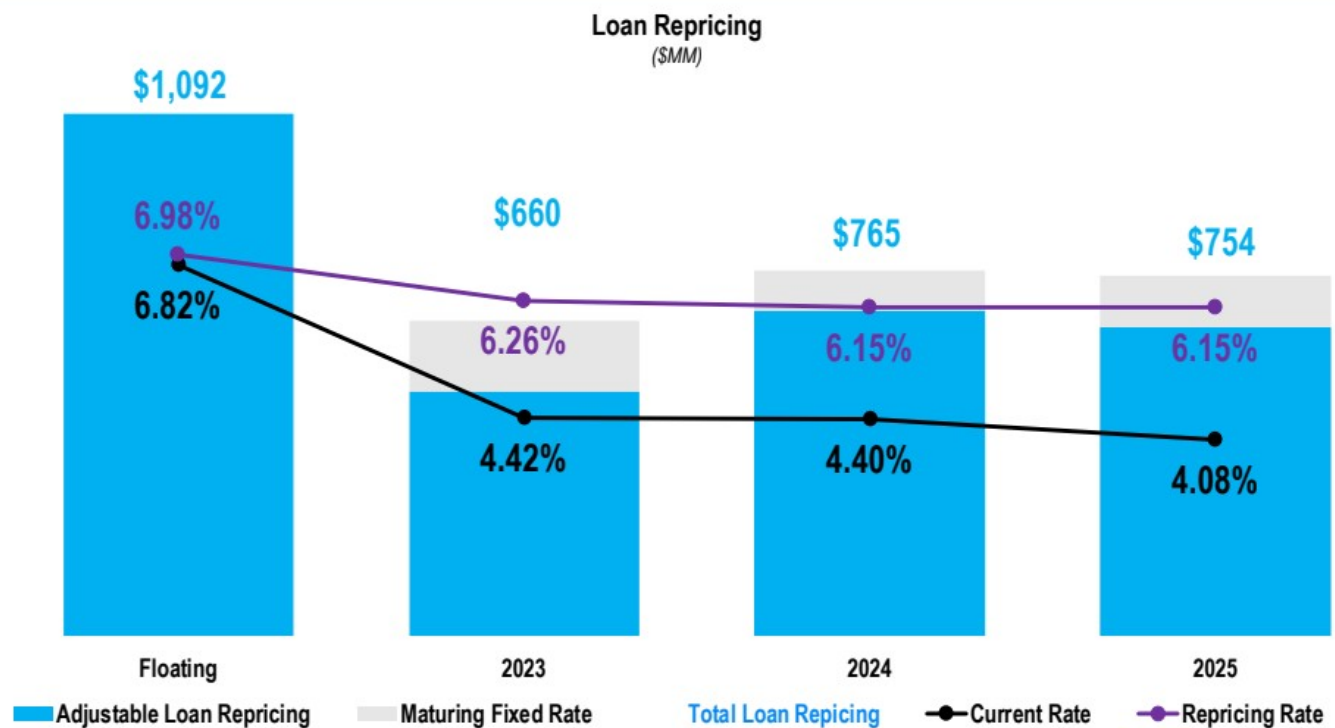


- Net loans increased 4.5% YoY
- Loan pipeline totaled \$266.1MM at March 31, 2023; Pipeline yield increases 91 bps QoQ
- Core loan yields improve 17 bps QoQ; prepayment penalty income totaled \$0.6MM in 1Q23 vs \$1.2MM in 4Q22 and \$1.6MM in 4Q21
- Spread between closing and satisfaction yields, excluding PPP, expanded in 1Q23

Closings vs Satisfaction Yields Excluding PPP

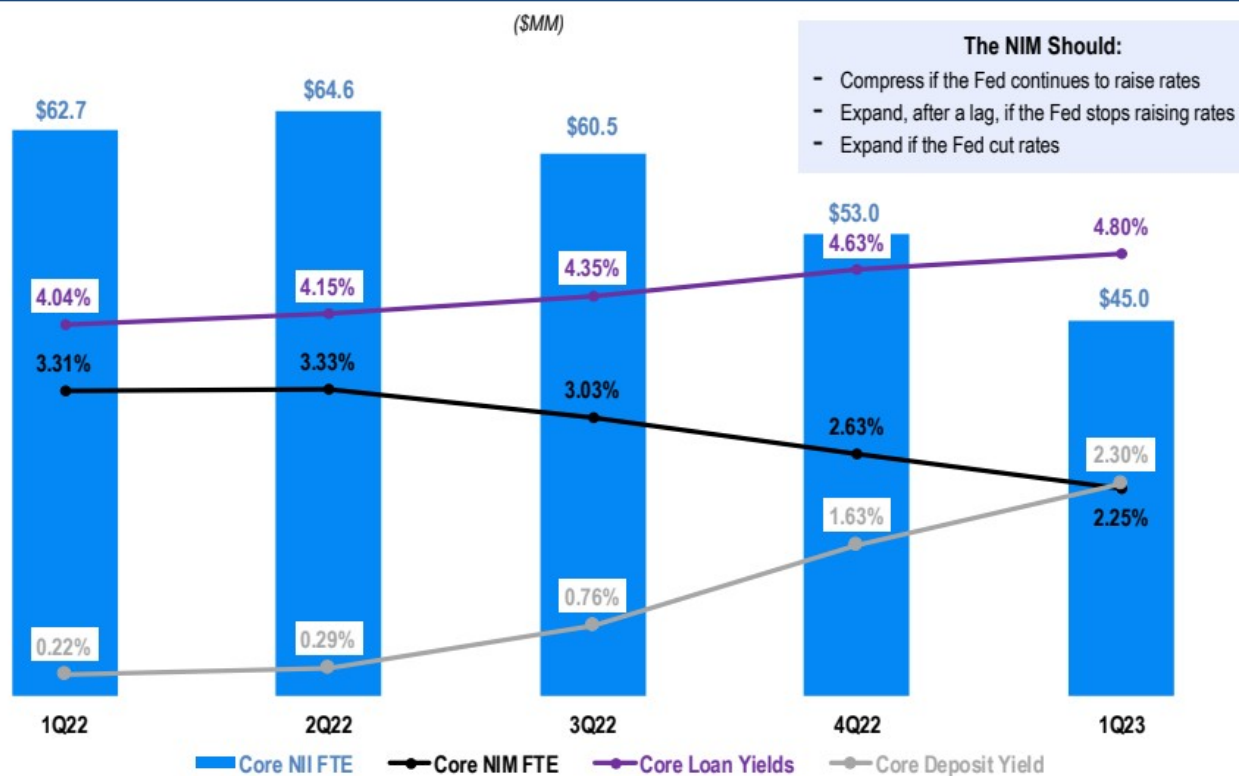


47% of the Loan Portfolio Reprices Through 2025



- Floating rate loans include any loans (including swaps) tied to an index that reprices within 90 days
- Through 2025, loans to reprice 175-207 bps higher assuming index values as of March 31, 2023
- ~16% of loans reprice with every Fed move and an additional 10-15% reprice annually

NIM Under Pressure Until Fed Stops



The NIM Should:

- Compress if the Fed continues to raise rates
- Expand, after a lag, if the Fed stops raising rates
- Expand if the Fed cut rates

GAAP NIM FTE

3.36%

3.35%

3.07%

2.70%

2.27%

Over \$1.5B of Swap Notional Helps Reduce Rate Sensitivity

Swap Type	Current Notional (\$MM)	Weighted Average Duration (Years)	Underlying Asset / Liability Rate	Net Effective Rate
Asset Hedges Used to Convert Fixed into Floating				
FV Hedge on Investments	\$200.0	4.0	1.90%	3.42%
FV Hedge on Loans	\$271.5	7.0	4.03%	6.80%
Back-to-Back Loan Swaps	\$109.7	10.8	3.37%	6.70%
Total	\$581.2		3.17%	5.62%
Liability Hedges Used to Convert Floating into Fixed				
Effective Funding Swaps	\$621.5	2.4	4.84%	2.55%
Forward Funding Swaps	\$300.0	2.7		Approximately 1.80%

Use Swaps to Narrow the Duration Gap Between Assets and Liabilities

Swaps Have Provided Capital Protection As Rates Rise

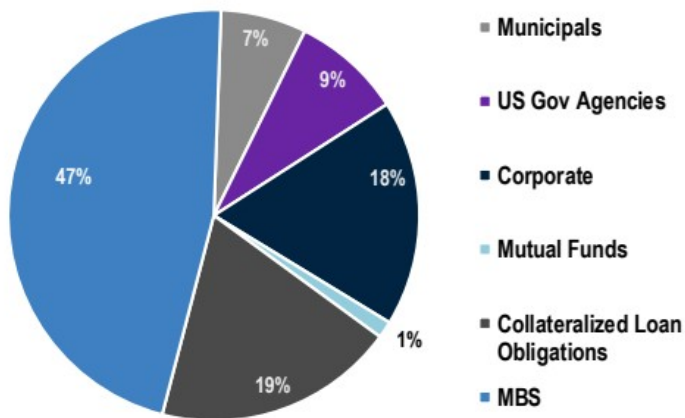
(\$ in 000s)	1Q23	4Q22	3Q22	2Q22	1Q22
Unrealized Gain/(Loss) On Investment Securities	(\$59,973)	(\$63,106)	(\$72,930)	(\$50,133)	(\$29,699)
Unrealized Gain/(Loss) On Hedges	21,094	25,380	26,450	18,260	13,345
Net Accumulated Gain/(Loss)	(\$38,879)	(\$37,726)	(\$46,480)	(\$31,873)	(\$16,354)
End of Period Effective Fed Funds Rate	4.83%	4.33%	3.08%	1.58%	0.33%
Tangible Common Equity to Tangible Assets	7.73%	7.82%	7.62%	7.82%	8.05%

Fair Value of Swaps Partially Offsets Fair Market Value Changes in AFS Securities

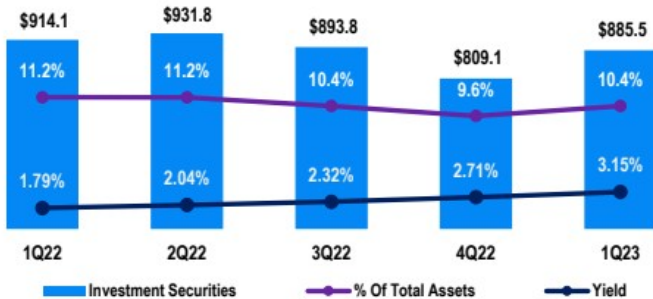
High Quality and Liquid Investment Securities Portfolio

Investment Securities

Amortized Cost (\$MM)



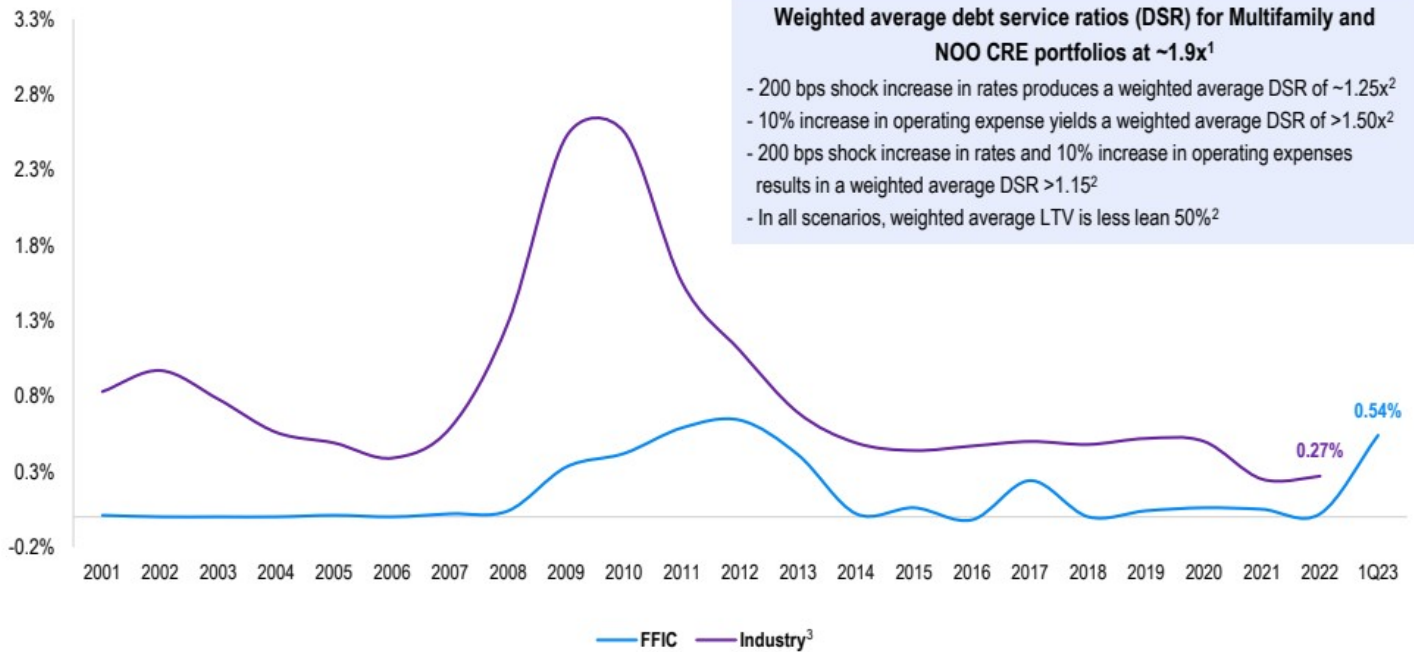
Fair Value (\$MM)



- Investment securities are used for liquidity and collateral for certain deposits
- Investment securities are 10.4% of total assets; duration approximates 3.5 years
- Approximately 92% of the portfolio is classified as AFS and 8% HTM
- The fair value of the overall portfolio is 88.0% of par compared to 88.6% at 4Q22
- Approximately 53% of the portfolio (amortized cost) is floating rate (including fair value hedges)
- Investment securities yield improved 44 bps QoQ and 136 bps YoY to 3.15% in 1Q23 from 2.71% in 4Q22 and 1.79% in 1Q22

Net Charge-offs Significantly Better Than the Industry; Strong DSR

NCOs / Average Loans

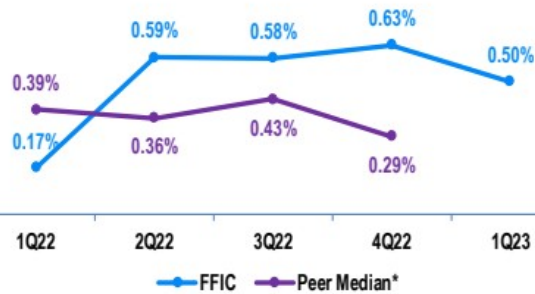


- Over two decades and multiple credit cycles, Flushing Financial has a history of better than industry credit quality
- Average LTVs on the Real Estate portfolio is <37%⁴
 - Only \$22.2MM of real estate loans (0.3% of gross loans) with an LTV of 75% or more⁴

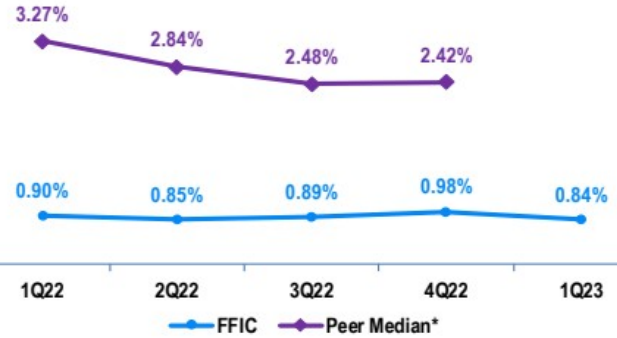
Continued Strong Credit Quality

NPAs / Assets

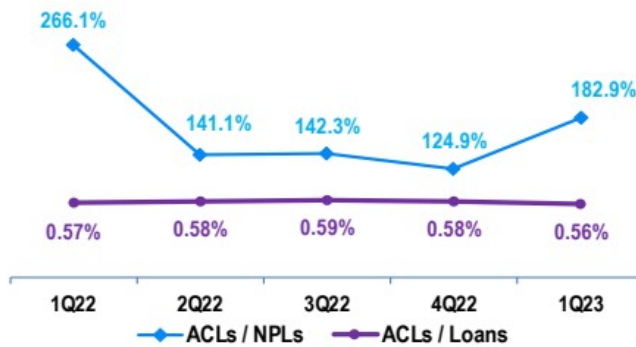
50.7% LTV on 1Q23 NPAs



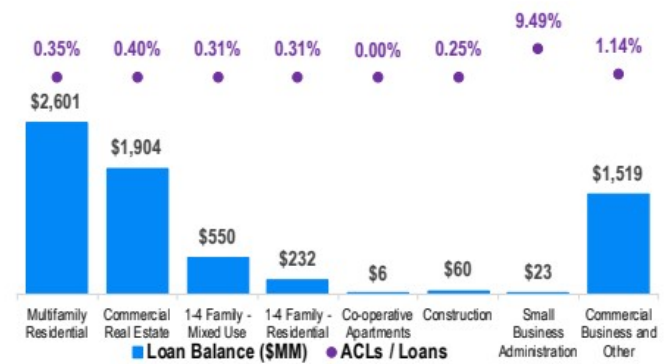
Criticized and Classified Loans / Gross Loans



ACL / Gross Loans & ACL / NPLs

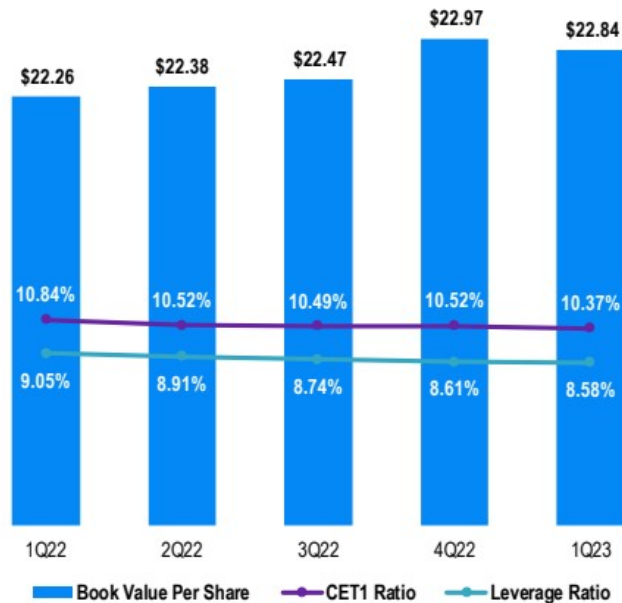


ACL by Loan Segment (1Q23)

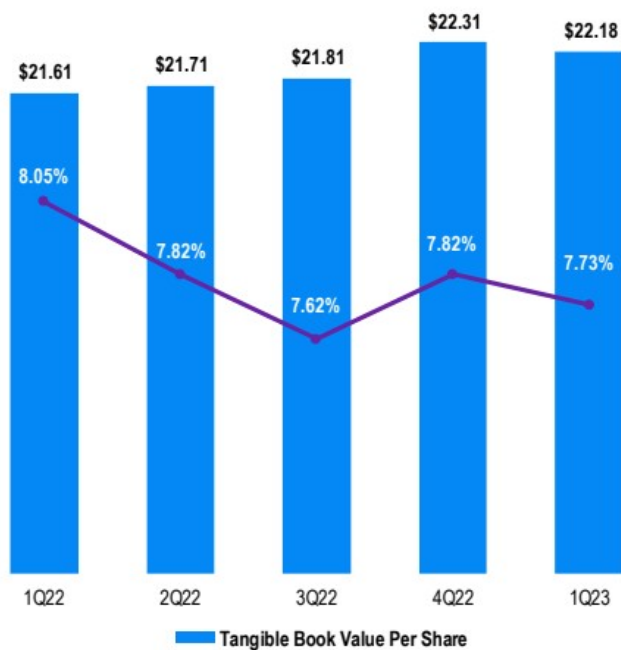


Book Value and Tangible Book Value Per Share Grow YoY

3% YoY Book Value Per Share Growth



3% YoY Increase in Tangible Book Value Per Share



159,516 Shares Repurchased in 1Q23 at an Average Price of \$19.14

Stable Business Model and Strong Liquidity; Position Flushing Financial for Success

- **The Company took significant actions to move to a more interest rate risk neutral position**
 - After a lag, NIM should begin to recover once the Fed is done raising rates
- **Solid deposit growth with additional market opportunities**
- **Uninsured and uncollateralized deposits are low and liquidity levels are high**
 - Available liquidity represents 3.4x uninsured and uncollateralized deposits
- **On going credit metrics are sound**
 - We view the \$9.2 million charge-off as an isolated event
 - Criticized and classified loans to gross loans improved 14 bps and delinquencies improved 16 bps QoQ
- **Balance Sheet is conservative and low risk**
 - Average real estate LTVs are less than 37%
 - Over 88% of the loan portfolio is real estate secured
 - Weighted average debt service coverage ratio of 1.9x for multifamily and nonowner occupied commercial real estate
 - Focus on maintaining conservative underwriting standards, full relationships, and appropriate risk-adjusted returns
 - Midtown Manhattan office buildings represent 0.1% of loans
 - Investment securities portfolio has an approximate 3.5 year duration and is shifting toward floating rate assets
 - Unrealized AFS securities losses are partially offset by derivatives to mitigate the impact on AOCI
 - Strong tangible capital

Appendix



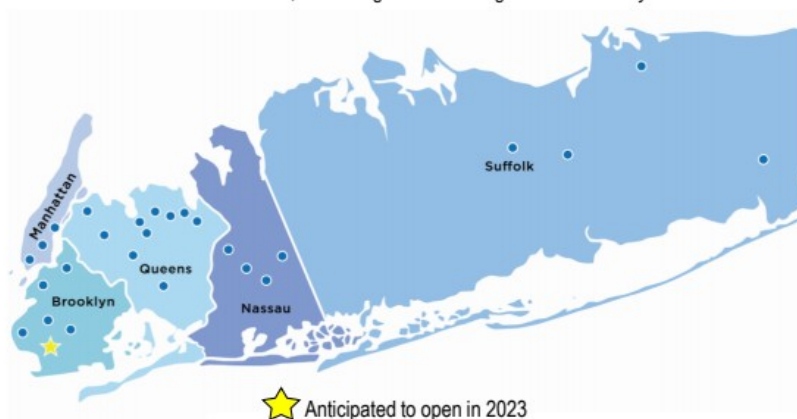
Flushing Financial Snapshot (NASDAQ: FFIC)

1Q23 Key Statistics

Balance Sheet		Performance	
Assets	\$8.5B	GAAP/Core ROAA	0.24%/0.14% ¹
Loans, net	\$6.9B	GAAP/Core ROAE	3.02%/1.76% ¹
Total Deposits	\$6.7B	GAAP/Core Exp/Avg Assets	1.78%/1.78% ¹
Equity	\$0.7B	Tangible Book Value	\$22.18
		Dividend Yield	6.6% ²

Footprint

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



FFIC FLUSHING
Financial Corporation

¹ See Reconciliation of GAAP Revenue & Pre-Provision Pre-Tax Net Revenue and Reconciliation of GAAP Revenue and Pre-Provision Pre-Tax Net Revenue for calculation

² Calculated using 4/18/23 closing price of \$13.39

Key Messages

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

Brand Promise



Nurturing Relationships and Rewarding Customers, Employees, and Shareholders

Experienced Executive Leadership Team



John Buran
President
and CEO

FFIC: 22 years
Industry: 46 years



Maria Grasso
SEVP, COO,
Corporate Secretary

17 years
37 years



Susan Cullen
SEVP, CFO,
Treasurer

8 years
33 years



Francis Korzekwinski
SEVP, Chief of
Real Estate

30 years
34 years



Michael Bingold
SEVP, Chief Retail and
Client Development Officer

10 years
40 years



Douglas McClintock
SEVP, General Counsel

1 year
47 years



Allen Brewer
SEVP, Chief Information Officer

14 years
49 years



Tom Buonaiuto
SEVP, Chief of Staff, Deposit
Channel Executive

15 years¹
31 years



Vincent Giovino
EVP, Commercial Real Estate
Lending

3 years
25 years



Alan Jin
EVP, Residential
and Mixed Use

25 years
30 years



Theresa Kelly
EVP, Business
Banking

17 years
39 years



Patricia Mezeul
EVP, Director of Government
Banking

15 years
43 years

Executive Compensation and Insider Stock Ownership (5.8%²) Aligned with Shareholder Interests



¹ Previously President and COO of Empire Bancorp and Empire National Bank from its inception in February 2008 until the sale to Flushing Financial in October 2020
² Directors and executive officers as of March 31, 2023

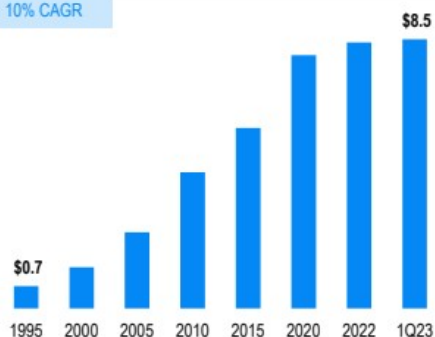
Over a 27 Year Track Record of Steady Growth

Assets (\$B)

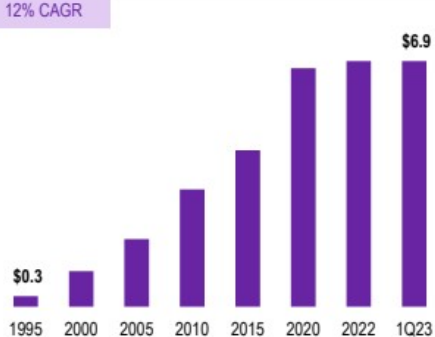
Total Gross Loans (\$B)

Total Deposits (\$B)

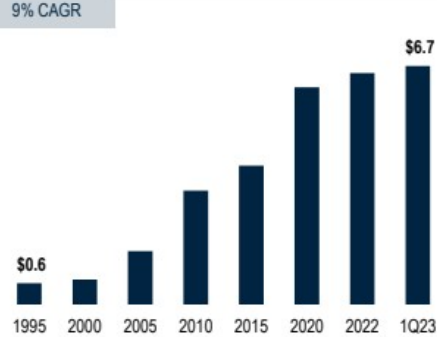
10% CAGR



12% CAGR



9% CAGR



Core EPS (\$)

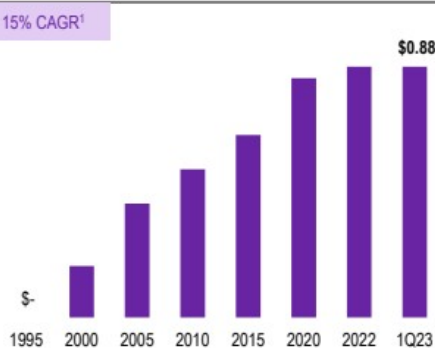
Dividends per Share (\$)²

Tangible Book Value per Share (\$)

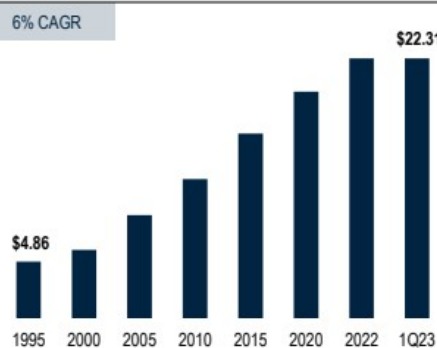
9% CAGR¹



15% CAGR¹



6% CAGR



Note: Acquisition of Empire Bancorp in 2020 (loans and deposits acquired of \$685MM and \$854MM, respectively; assets acquired of \$982MM)

¹ Calculated from 1996-2022

² Annualized

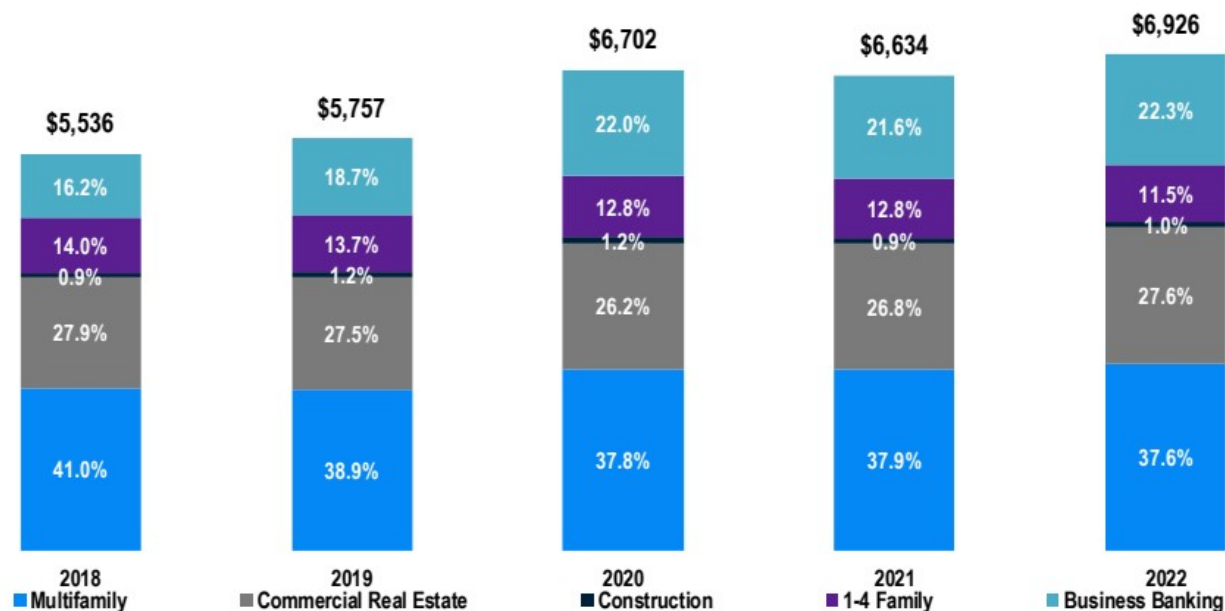
Annual Financial Highlights

	2022	2021	2020	2019	2018	2017
Reported Results						
EPS	\$2.50	\$2.59	\$1.18	\$1.44	\$1.92	\$1.41
ROAA	0.93 %	1.00 %	0.48 %	0.59 %	0.85 %	0.66 %
ROAE	11.44	12.60	5.98	7.35	10.30	7.74
NIM FTE	3.11	3.24	2.85	2.47	2.70	2.93
Core¹ Results						
EPS	\$2.49	\$2.81	\$1.70	\$1.65	\$1.94	\$1.57
ROAA	0.92 %	1.09 %	0.68 %	0.68 %	0.85 %	0.74 %
ROAE	11.42	13.68	8.58	8.42	10.39	8.63
NIM FTE	3.07	3.17	2.87	2.49	2.72	2.93
Credit Quality						
NPA's/Loans & REO	0.77 %	0.23 %	0.31 %	0.24 %	0.29 %	0.35 %
LLR/Loans	0.58	0.56	0.67	0.38	0.38	0.39
LLR/NPLs	124.89	248.66	214.27	164.05	128.87	112.23
NCOs/Avg Loans	0.02	0.05	0.06	0.04	-	0.24
Criticized&Classifieds/Loans	0.98	0.87	1.07	0.66	0.96	1.21
Capital Ratios						
CET1	10.52 %	10.86 %	9.88 %	10.95 %	10.98 %	11.59 %
Tier 1	11.25	11.75	10.54	11.77	11.79	12.38
Total Risk-based Capital	14.69	14.32	12.63	13.62	13.72	14.48
Leverage Ratio	8.61	8.98	8.38	8.73	8.74	9.02
TCE/TA	7.82	8.22	7.52	8.05	7.83	8.22
Balance Sheet						
Book Value/Share	\$22.97	\$22.26	\$20.11	\$20.59	\$19.64	\$18.63
Tangible Book Value/Share	22.31	21.61	19.45	20.02	19.07	18.08
Dividends/Share	0.88	0.84	0.84	0.84	0.80	0.72
Average Assets (\$B)	8.3	8.1	7.3	7.0	6.5	6.2
Average Loans (\$B)	6.7	6.6	6.0	5.6	5.3	5.0
Average Deposits (\$B)	6.5	6.4	5.2	5.0	4.7	4.5

5 year Loan Mix – Shifting Towards Commercial Business

Loan Composition

Period End Loans (\$MM)



Core Loan Yields

4.38%

4.51%

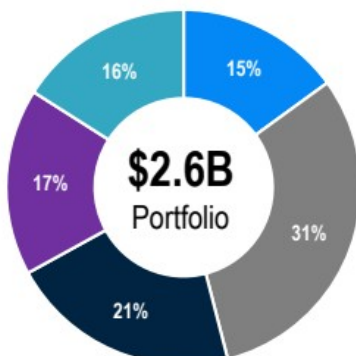
4.14%

4.05%

4.30%

Well-Secured Multifamily and CRE Portfolios

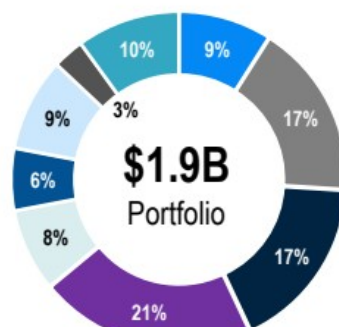
Multifamily Geography



■ Bronx ■ Kings ■ Manhattan ■ Queens ■ Other

- Average loan size: \$1.1MM
- Average monthly rent of **\$1,447 vs \$2,988¹** for the market
- Weighted average LTV² is 45% with no loans having an LTV above 75%
- Weighted average DCR is ~1.9x³
- Borrowers typically do not sell properties, but refinance to buy more properties
- ARMs adjust each 5-year period with terms up to 30 years and comprise 81% of the portfolio; prepayment penalties are reset for each 5-year period

Non-Owner Occupied CRE Geography

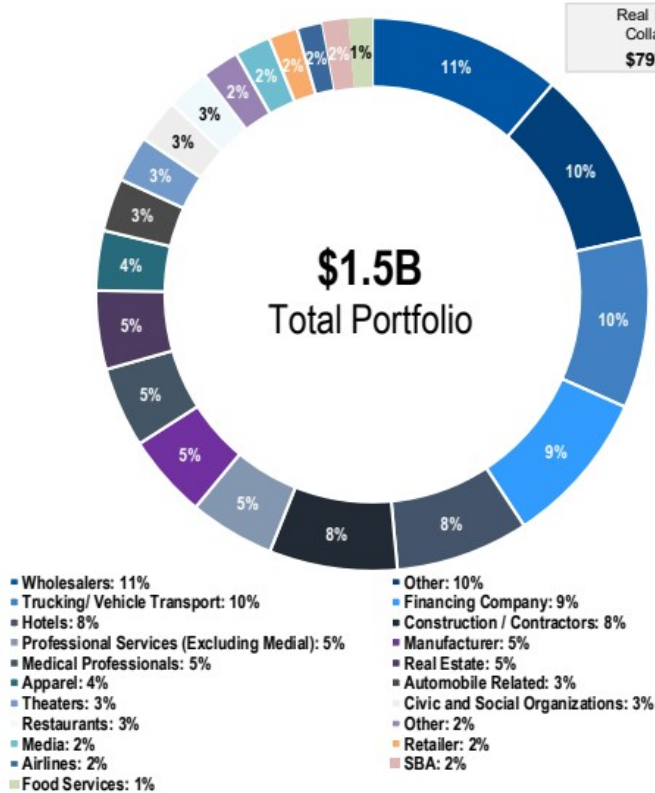


■ Bronx ■ Kings ■ Manhattan ■ Queens ■ Other NY
■ Nassau ■ Suffolk ■ NJ ■ CT/Other

- Average loan size: \$2.4MM
- Weighted average LTV² is 50% with \$0.9MM of loans having an LTV above 75%
- Weighted average DCR is ~1.9x³
- Require primary operating accounts
- ARMs adjust each 5-year period with terms up to 30 years and comprise 83% of the portfolio

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

Well-Diversified Commercial Business Portfolio



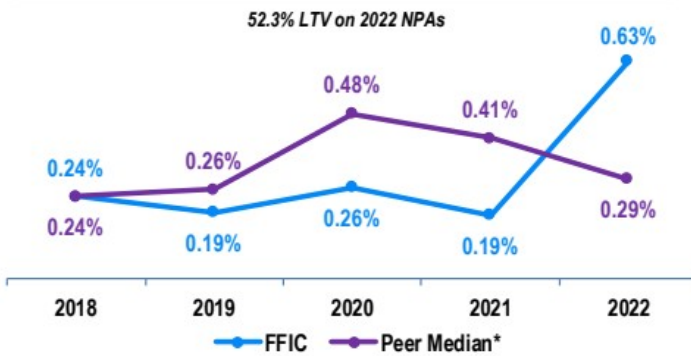
Commercial Business

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

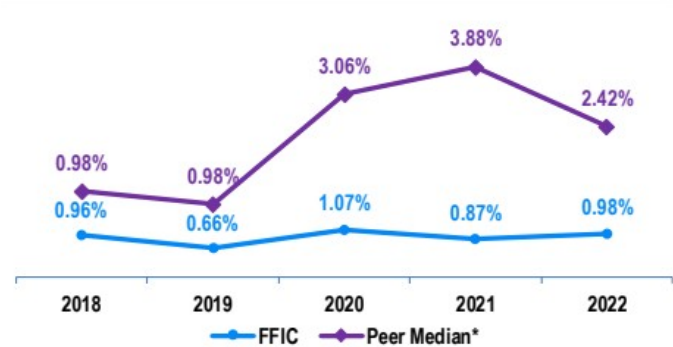
Average loan size of \$1.2MM

Continued Strong Credit Quality

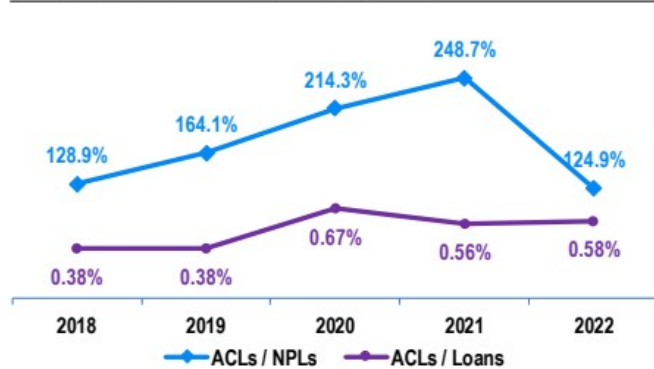
NPAs / Assets



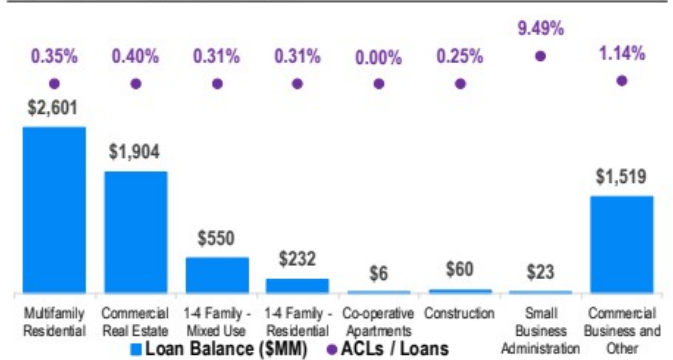
Criticized and Classified Loans / Gross Loans



Reserves / Gross Loans & Reserves / NPLs

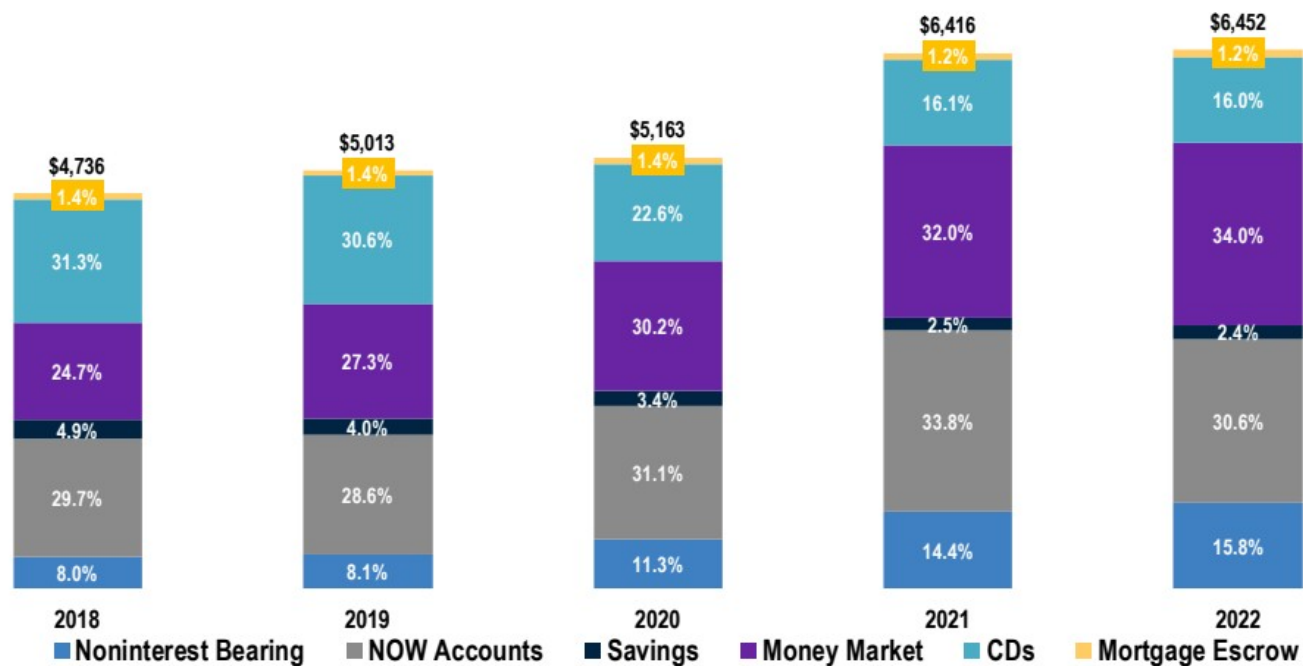


ACL by Loan Segment (1Q23)



Deposit Mix Shift

Average Deposits Composition
(\$MM)



Deposit Costs

1.36%

1.76%

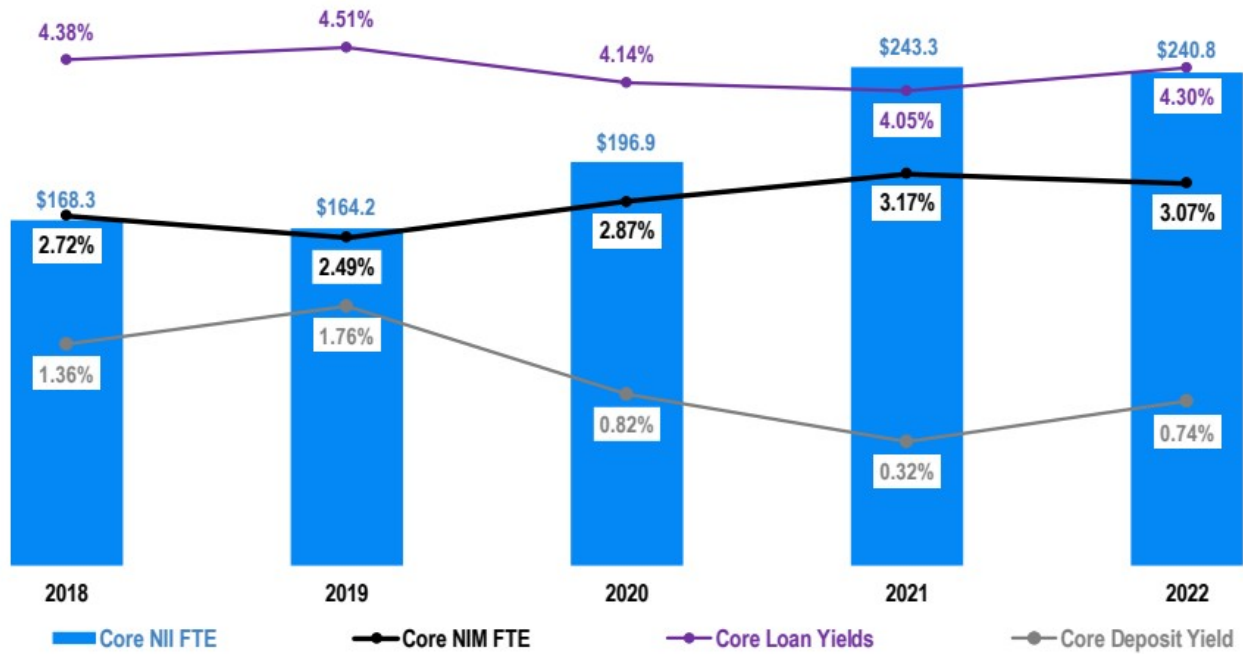
0.82%

0.32%

0.73%

Following NIM Expansion in 2020 and 2021, Compression in 2022

(\$MM)



GAAP NIM FTE

2.70%

2.47%

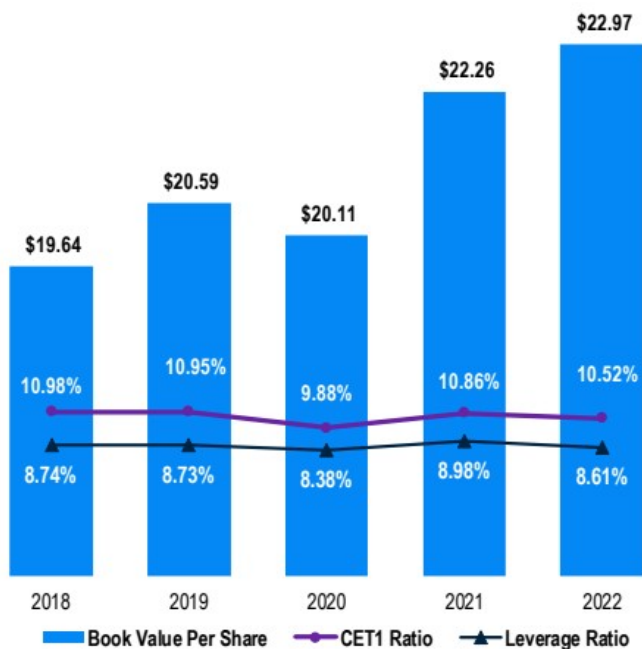
2.85%

3.24%

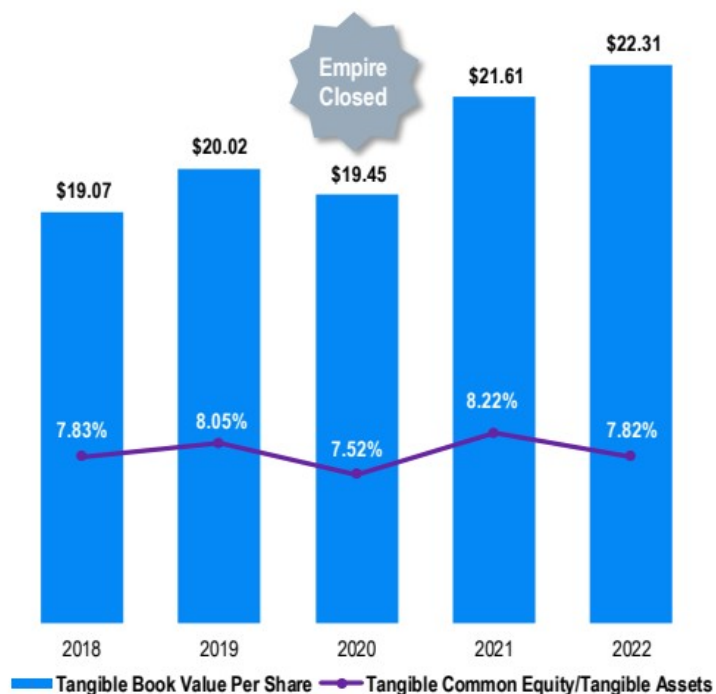
3.11%

Book Value and Tangible Book Value Per Share Grow in 2022

Book Value Per Share CAGR of 4% 2018-2022



Tangible Book Value Per Share 4% 2018-2022



71% of Earnings Returned in 2022; 45% in 2021

Environmental, Social, and Governance



Environmental – reduction of carbon footprint and assessing climate change through underwriting



Social - Building rewarding relationships with communities, customers, and employees



Governance - Corporate governance is a strength through oversight and risk management

Reconciliation of GAAP Earnings and Core Earnings

Non-cash Fair Value Adjustments to GAAP Earnings

The variance in GAAP and core earnings is partly driven by the impact of non-cash net gains and losses from fair value adjustments. These fair value adjustments relate primarily to borrowing carried at fair value under the fair value option.

Core Net Income, Core Diluted EPS, Core ROAE, Core ROAA, Pre-provision, Pre-tax Net Revenue, Core Net Interest Income FTE, Core Net Interest Margin FTE, Core Interest Income and Yield on Total Loans, Core Noninterest Income, Core Noninterest Expense and Tangible Book Value per common share are each non-GAAP measures used in this presentation. A reconciliation to the most directly comparable GAAP financial measures appears below in tabular form. The Company believes that these measures are useful for both investors and management to understand the effects of certain interest and noninterest items and provide an alternative view of the Company's performance over time and in comparison to the Company's competitors. These measures should not be viewed as a substitute for net income. The Company believes that tangible book value per common share is useful for both investors and management as these are measures commonly used by financial institutions, regulators and investors to measure the capital adequacy of financial institutions. The Company believes these measures facilitate comparison of the quality and composition of the Company's capital over time and in comparison to its competitors. These measures should not be viewed as a substitute for total shareholders' equity.

These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for analysis of results reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

Reconciliation of GAAP to CORE Earnings - Quarters

(Dollars in thousands, except per share data)	For the three months ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
GAAP income before income taxes	\$ 6,959	\$ 12,819	\$ 32,422	\$ 34,971	\$ 24,640
Net (gain) loss from fair value adjustments (Noninterest income (loss))	(2,619)	622	(5,626)	(2,533)	1,809
Net loss on sale of securities (Noninterest income (loss))	—	10,948	—	—	—
Life insurance proceeds (Noninterest income (loss))	—	(286)	—	(1,536)	—
Net gain on disposition of assets (Noninterest income (loss))	—	(104)	—	—	—
Net (gain) loss from fair value adjustments on qualifying hedges (Interest and fees on loans)	(100)	(936)	(28)	60	129
Net amortization of purchase accounting adjustments (Various)	(188)	(219)	(650)	(237)	(924)
Core income before taxes	4,052	22,844	26,118	30,725	25,654
Provision for core income taxes	1,049	5,445	7,165	9,207	6,685
Core net income	<u>\$ 3,003</u>	<u>\$ 17,399</u>	<u>\$ 18,953</u>	<u>\$ 21,518</u>	<u>\$ 18,969</u>
GAAP diluted earnings per common share	\$ 0.17	\$ 0.34	\$ 0.76	\$ 0.81	\$ 0.58
Net (gain) loss from fair value adjustments, net of tax	(0.06)	0.02	(0.13)	(0.06)	0.04
Net loss on sale of securities, net of tax	—	0.27	—	—	—
Life insurance proceeds	—	(0.01)	—	(0.05)	—
Net gain on disposition of assets, net of tax	—	—	—	—	—
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	—	(0.02)	—	—	—
Net amortization of purchase accounting adjustments, net of tax	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)
Core diluted earnings per common share ⁽¹⁾	<u>\$ 0.10</u>	<u>\$ 0.57</u>	<u>\$ 0.62</u>	<u>\$ 0.70</u>	<u>\$ 0.61</u>
Core net income, as calculated above	\$ 3,003	\$ 17,399	\$ 18,953	\$ 21,518	\$ 18,969
Average assets	8,468,311	8,518,019	8,442,657	8,211,763	8,049,470
Average equity	683,071	676,165	674,282	667,456	673,012
Core return on average assets ⁽²⁾	0.14 %	0.82 %	0.90 %	1.05 %	0.94 %
Core return on average equity ⁽²⁾	1.76 %	10.29 %	11.24 %	12.90 %	11.27 %

FFIC FLUSHING Financial Corporation ¹ Core diluted earnings per common share may not foot due to rounding
² Ratios are calculated on an annualized basis

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

(Dollars in thousands)	For the three months ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
GAAP Net interest income	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 63,479
Net (gain) loss from fair value adjustments on qualifying hedges	(100)	(936)	(28)	60	129
Net amortization of purchase accounting adjustments	(306)	(342)	(775)	(367)	(1,058)
Core Net interest income	<u>\$ 44,856</u>	<u>\$ 52,923</u>	<u>\$ 60,403</u>	<u>\$ 64,423</u>	<u>\$ 62,550</u>
GAAP Noninterest income (loss)	\$ 6,908	\$ (7,652)	\$ 8,995	\$ 7,353	\$ 1,313
Net (gain) loss from fair value adjustments	(2,619)	622	(5,626)	(2,533)	1,809
Net loss on sale of securities	—	10,948	—	—	—
Life insurance proceeds	—	(286)	—	(1,536)	—
Net gain on sale of assets	—	(104)	—	—	—
Core Noninterest income	<u>\$ 4,289</u>	<u>\$ 3,528</u>	<u>\$ 3,369</u>	<u>\$ 3,284</u>	<u>\$ 3,122</u>
GAAP Noninterest expense	\$ 37,703	\$ 33,742	\$ 35,634	\$ 35,522	\$ 38,794
Net amortization of purchase accounting adjustments	(118)	(123)	(125)	(130)	(134)
Core Noninterest expense	<u>\$ 37,585</u>	<u>\$ 33,619</u>	<u>\$ 35,509</u>	<u>\$ 35,392</u>	<u>\$ 38,660</u>
Net interest income	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 63,479
Noninterest income (loss)	6,908	(7,652)	8,995	7,353	1,313
Noninterest expense	(37,703)	(33,742)	(35,634)	(35,522)	(38,794)
Pre-provision pre-tax net revenue	<u>\$ 14,467</u>	<u>\$ 12,807</u>	<u>\$ 34,567</u>	<u>\$ 36,561</u>	<u>\$ 25,998</u>
Core:					
Net interest income	\$ 44,856	\$ 52,923	\$ 60,403	\$ 64,423	\$ 62,550
Noninterest income	4,289	3,528	3,369	3,284	3,122
Noninterest expense	(37,585)	(33,619)	(35,509)	(35,392)	(38,660)
Pre-provision pre-tax net revenue	<u>\$ 11,560</u>	<u>\$ 22,832</u>	<u>\$ 28,263</u>	<u>\$ 32,315</u>	<u>\$ 27,012</u>
Efficiency Ratio	76.5 %	59.6 %	55.7 %	52.3 %	58.9 %

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

(Dollars in thousands)	For the three months ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
GAAP net interest income	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 63,479
Net (gain) loss from fair value adjustments on qualifying hedges	(100)	(936)	(28)	60	129
Net amortization of purchase accounting adjustments	(306)	(342)	(775)	(367)	(1,058)
Tax equivalent adjustment	100	102	104	131	124
Core net interest income FTE	<u>\$ 44,956</u>	<u>\$ 53,025</u>	<u>\$ 60,507</u>	<u>\$ 64,554</u>	<u>\$ 62,674</u>
Total average interest-earning assets ⁽¹⁾	\$ 8,001,271	\$ 8,050,601	\$ 7,984,558	\$ 7,746,640	\$ 7,577,053
Core net interest margin FTE	2.25 %	2.63 %	3.03 %	3.33 %	3.31 %
GAAP interest income on total loans, net	\$ 82,889	\$ 81,033	\$ 75,546	\$ 69,192	\$ 67,516
Net (gain) loss from fair value adjustments on qualifying hedges - loans	(101)	(936)	(28)	60	129
Net amortization of purchase accounting adjustments	(316)	(372)	(783)	(357)	(1,117)
Core interest income on total loans, net	<u>\$ 82,472</u>	<u>\$ 79,725</u>	<u>\$ 74,735</u>	<u>\$ 68,895</u>	<u>\$ 66,528</u>
Average total loans, net ⁽¹⁾	\$ 6,876,495	\$ 6,886,900	\$ 6,867,758	\$ 6,647,131	\$ 6,586,253
Core yield on total loans	4.80 %	4.63 %	4.35 %	4.15 %	4.04 %

Calculation of Tangible Stockholders' Common Equity to Tangible Assets

<i>(Dollars in thousands)</i>	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total Equity	\$ 677,157	\$ 679,628	\$ 618,997	\$ 579,672	\$ 549,464	\$ 532,608
Less:						
Goodwill	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)	(16,127)
Core deposit Intangibles	(2,017)	(2,562)	(3,172)	—	—	—
Intangible deferred tax liabilities	—	328	287	292	290	291
Tangible Stockholders' Common Equity	<u>\$ 657,504</u>	<u>\$ 659,758</u>	<u>\$ 598,476</u>	<u>\$ 563,837</u>	<u>\$ 533,627</u>	<u>\$ 516,772</u>
Total Assets	\$ 8,422,946	\$ 8,045,911	\$ 7,976,394	\$ 7,017,776	\$ 6,834,176	\$ 6,299,274
Less:						
Goodwill	(17,636)	(17,636)	(17,636)	(16,127)	(16,127)	(16,127)
Core deposit Intangibles	(2,017)	(2,562)	(3,172)	—	—	—
Intangible deferred tax liabilities	—	328	287	292	290	291
Tangible Assets	<u>\$ 8,403,293</u>	<u>\$ 8,026,041</u>	<u>\$ 7,955,873</u>	<u>\$ 7,001,941</u>	<u>\$ 6,818,339</u>	<u>\$ 6,283,438</u>
Tangible Stockholders' Common Equity to Tangible Assets	<u>7.82 %</u>	<u>8.22 %</u>	<u>7.52 %</u>	<u>8.05 %</u>	<u>7.83 %</u>	<u>8.22 %</u>

Reconciliation of GAAP Earnings and Core Earnings - Years

	Years Ended					
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<i>(Dollars in thousands, except per share data)</i>						
GAAP income (loss) before income taxes	\$ 104,852	\$ 109,278	\$ 45,182	\$ 53,331	\$ 65,485	\$ 66,134
Day 1, Provision for Credit Losses - Empire transaction	—	—	1,818	—	—	—
Net (gain) loss from fair value adjustments	(5,728)	12,995	2,142	5,353	4,122	3,465
Net (gain) loss on sale of securities	10,948	(113)	701	15	1,920	186
Life insurance proceeds	(1,822)	—	(659)	(462)	(2,998)	(1,405)
Net gain on sale or disposition of assets	(104)	(621)	—	(770)	(1,141)	—
Net (gain) loss from fair value adjustments on qualifying hedges	(775)	(2,079)	1,185	1,678	—	—
Accelerated employee benefits upon Officer's death	—	—	—	455	149	—
Prepayment penalty on borrowings	—	—	7,834	—	—	—
Net amortization of purchase accounting adjustments	(2,030)	(2,489)	80	—	—	—
Merger expense	—	2,562	6,894	1,590	—	—
Core income before taxes	105,341	119,533	65,177	61,190	67,537	68,380
Provision for core income taxes	28,502	30,769	15,428	13,957	11,960	22,613
Core net income	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577	\$ 45,767
GAAP diluted earnings (loss) per common share	\$ 2.50	\$ 2.59	\$ 1.18	\$ 1.44	\$ 1.92	\$ 1.41
Day 1, Provision for Credit Losses - Empire transaction, net of tax	—	—	0.05	—	—	—
Net (gain) loss from fair value adjustments, net of tax	(0.14)	0.31	0.06	0.14	0.10	0.07
Net (gain) loss on sale of securities, net of tax	0.26	—	0.02	—	0.05	—
Life insurance proceeds	(0.06)	—	(0.02)	(0.02)	(0.10)	(0.05)
Net gain on sale or disposition of assets, net of tax	—	(0.01)	—	(0.02)	(0.03)	0.13
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.02)	(0.05)	0.03	0.05	—	—
Accelerated employee benefits upon Officer's death, net of tax	—	—	—	0.01	—	—
Prepayment penalty on borrowings, net of tax	—	—	0.20	—	—	—
Net amortization of purchase accounting adjustments, net of tax	(0.05)	(0.06)	—	—	—	—
Merger expense, net of tax	—	0.06	0.18	0.04	—	—
NYS tax change	—	(0.02)	—	—	—	—
Core diluted earnings per common share ⁽¹⁾	\$ 2.49	\$ 2.81	\$ 1.70	\$ 1.65	\$ 1.94	\$ 1.57
Core net income, as calculated above	\$ 76,839	\$ 88,764	\$ 49,749	\$ 47,233	\$ 55,577	\$ 45,767
Average assets	8,307,137	8,143,372	7,276,022	6,947,881	6,504,598	6,217,746
Average equity	672,742	648,946	580,067	561,289	534,735	530,300
Core return on average assets ⁽²⁾	0.92 %	1.09 %	0.68 %	0.68 %	0.85 %	0.74 %
Core return on average equity ⁽²⁾	11.42 %	13.68 %	8.58 %	8.42 %	10.39 %	8.63 %

Reconciliation of GAAP Revenue & Pre-Provision Pre-Tax Net Revenue

(Dollars In thousands)	Years Ended					
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
GAAP Net interest income	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 173,107
Net (gain) loss from fair value adjustments on qualifying hedges	(775)	(2,079)	1,185	1,678	—	—
Net amortization of purchase accounting adjustments	(2,542)	(3,049)	(11)	—	—	—
Core Net interest income	<u>\$ 240,299</u>	<u>\$ 242,841</u>	<u>\$ 196,373</u>	<u>\$ 163,618</u>	<u>\$ 167,406</u>	<u>\$ 173,107</u>
GAAP Noninterest income	\$ 10,009	\$ 3,687	\$ 11,043	\$ 9,471	\$ 10,337	\$ 10,362
adjustments	(5,728)	12,995	2,142	5,353	4,122	3,465
Net (gain) loss on sale of securities	10,948	(113)	701	15	1,920	186
Life insurance proceeds	(1,822)	—	(659)	(462)	(2,998)	(1,405)
Net gain on disposition of assets	(104)	(621)	—	(770)	(1,141)	—
Core Noninterest income	<u>\$ 13,303</u>	<u>\$ 15,948</u>	<u>\$ 13,227</u>	<u>\$ 13,607</u>	<u>\$ 12,240</u>	<u>\$ 12,608</u>
GAAP Noninterest expense	\$ 143,692	\$ 147,322	\$ 137,931	\$ 115,269	\$ 111,683	\$ 107,474
Prepayment penalty on borrowings	—	—	(7,834)	—	—	—
Accelerated employee benefits upon Officer's death	—	—	—	(455)	(149)	—
Net amortization of purchase accounting adjustments	(512)	(560)	(91)	—	—	—
Merger expense	—	(2,562)	(6,894)	(1,590)	—	—
Core Noninterest expense	<u>\$ 143,180</u>	<u>\$ 144,200</u>	<u>\$ 123,112</u>	<u>\$ 113,224</u>	<u>\$ 111,534</u>	<u>\$ 107,474</u>
GAAP:						
Net interest income	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 173,107
Noninterest income	10,009	3,687	11,043	9,471	10,337	10,362
Noninterest expense	(143,692)	(147,322)	(137,931)	(115,269)	(111,683)	(107,474)
Pre-provision pre-tax net revenue	<u>\$ 109,933</u>	<u>\$ 104,334</u>	<u>\$ 68,311</u>	<u>\$ 56,142</u>	<u>\$ 66,060</u>	<u>\$ 75,995</u>
Core:						
Net interest income	\$ 240,299	\$ 242,841	\$ 196,373	\$ 163,618	\$ 167,406	\$ 173,107
Noninterest income	13,303	15,948	13,227	13,607	12,240	12,608
Noninterest expense	(143,180)	(144,200)	(123,112)	(113,224)	(111,534)	(107,474)
Pre-provision pre-tax net revenue	<u>\$ 110,422</u>	<u>\$ 114,589</u>	<u>\$ 86,488</u>	<u>\$ 64,001</u>	<u>\$ 68,112</u>	<u>\$ 78,241</u>
Efficiency Ratio	56.5 %	55.7 %	58.7 %	63.9 %	62.1 %	57.9 %

Reconciliation of GAAP and Core Net Interest Income and NIM

Years Ended

(Dollars In thousands)

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
GAAP net interest income	\$ 243,616	\$ 247,969	\$ 195,199	\$ 161,940	\$ 167,406	\$ 173,107
Net (gain) loss from fair value adjustments on qualifying hedges	(775)	(2,079)	1,185	1,678	—	—
Net amortization of purchase accounting adjustments	(2,542)	(3,049)	(11)	—	—	—
Tax equivalent adjustment	461	450	508	542	895	—
Core net interest income FTE	<u>\$ 240,760</u>	<u>\$ 243,291</u>	<u>\$ 196,881</u>	<u>\$ 164,160</u>	<u>\$ 168,301</u>	<u>\$ 173,107</u>
Total average interest-earning assets ⁽¹⁾	\$ 7,841,407	\$ 7,681,441	\$ 6,863,219	\$ 6,582,473	\$ 6,194,248	\$ 5,916,073
Core net interest margin FTE	3.07 %	3.17 %	2.87 %	2.49 %	2.72 %	2.93 %
GAAP interest income on total loans, net	\$ 293,287	\$ 274,331	\$ 248,153	\$ 251,744	\$ 232,719	\$ 209,283
Net (gain) loss from fair value adjustments on qualifying hedges	(775)	(2,079)	1,185	1,678	—	—
Net amortization of purchase accounting adjustments	(2,628)	(3,013)	(356)	—	—	—
Core interest income on total loans, net	<u>\$ 289,884</u>	<u>\$ 269,239</u>	<u>\$ 248,982</u>	<u>\$ 253,422</u>	<u>\$ 232,719</u>	<u>\$ 209,283</u>
Average total loans, net ⁽¹⁾	\$ 6,748,165	\$ 6,653,980	\$ 6,006,931	\$ 5,621,033	\$ 5,316,968	\$ 4,988,613
Core yield on total loans	4.30 %	4.05 %	4.14 %	4.51 %	4.38 %	4.20 %

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