

**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): September 6, 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 September 6, 2023, Flushing Financial Corp. (the “Company”) made available to investors, and to post on its website, the presentation attached hereto as Exhibit 99.1.

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

[Exhibit 99.1. Presentation dated September 6, 2023.](#)

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

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**SIGNATURE**

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

**FLUSHING FINANCIAL CORPORATION**

Date: September 6, 2023

By: /s/ SUSAN K. CULLEN

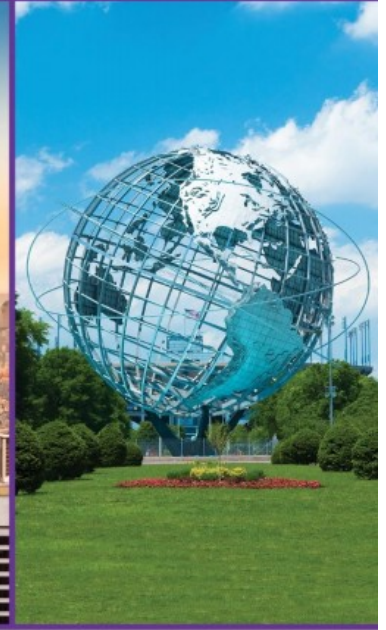
Susan K. Cullen

Senior Executive Vice President, Chief Financial Officer

And Treasurer.

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# Raymond James Conference Presentation



**Building Rewarding Relationships**

September 6, 2023

**FFIC FLUSHING**  
Financial Corporation

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## Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this Presentation relating to plans, strategies, economic performance and trends, projections of results of specific activities or investments and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, risk factors discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 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.

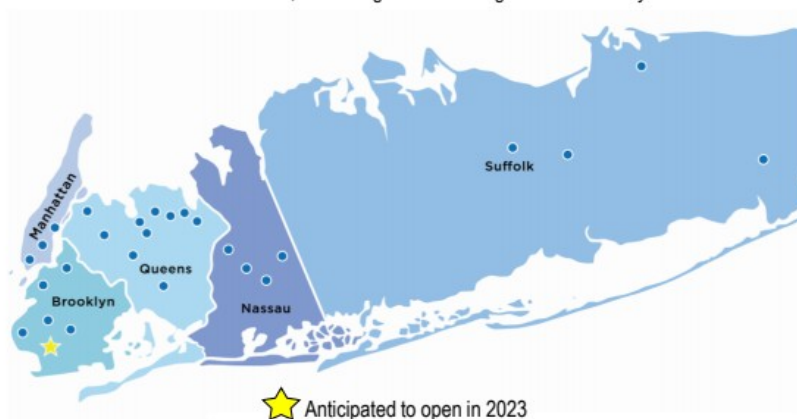
# Flushing Financial Snapshot (NASDAQ: FFIC)

## 2Q23 Key Statistics

Balance Sheet		Performance	
Assets	<b>\$8.5B</b>	GAAP/Core ROAA	0.41%/0.37% <sup>1</sup>
Loans, net	<b>\$6.8B</b>	GAAP/Core ROAE	5.12%/4.66% <sup>1</sup>
Total Deposits	<b>\$6.7B</b>	Tangible Book Value	<b>\$22.51</b>
Equity	<b>\$0.7B</b>	Dividend Yield	6.3% <sup>2</sup>

## 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

<sup>1</sup> 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

<sup>2</sup> Calculated using 8/29/23 closing price of \$14.06

## 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**

# Executing On Our Action Plan

Initiative	Actions/Results
1) Move towards a more interest rate neutral position	<ul style="list-style-type: none"> <li>Added over \$400 million of asset swaps during 2Q23</li> <li>An additional \$250 million of forward funding swaps became effective during 2Q23</li> <li>Approximately 50% of the loan pipeline are floating rate loans at June 30, 2023</li> <li>The Company has a goal of reaching a more neutral interest rate risk position</li> </ul>
2) Enhance focus on risk adjusted returns and profitability	<ul style="list-style-type: none"> <li>Relationships will face greater scrutiny to achieve risk adjusted returns</li> <li>Loan pipeline increased 56% QoQ with a 20 bps increase in yields</li> <li>Yields on 2Q23 closings were 7.14%, an increase of 322 bps YoY and 13 bps QoQ</li> </ul>
3) Emphasizing our brand of customer service and deepening relationships to expand customer base and drive loyalty	<ul style="list-style-type: none"> <li>Activity surrounding new loans and deposits has increased given market disruptions</li> <li>Added a team of commercial real estate lenders</li> <li>Checking account openings increased 9.6% YoY</li> <li>CDs increased \$352.4 million or 18.7% during 2Q23</li> </ul>
4) Review new and existing lending relationships to prepare for the next credit cycle	<ul style="list-style-type: none"> <li>Reviewed new and existing relationships resulting in improved credit metrics and normalized net charge-offs</li> <li>Debt service coverage ratio of 1.8x for multifamily and investor commercial real estate loans that reprice through 2025 and can absorb higher rates and an increase in operating expenses</li> </ul>
5) Preserve strong liquidity and capital	<ul style="list-style-type: none"> <li>Liquidity is strong</li> <li>Average total deposits increased 7.1% YoY and 1.3% QoQ</li> <li>Stable TCE ratio QoQ</li> </ul>
6) Tighten expense controls	<ul style="list-style-type: none"> <li>Greater scrutiny placed on discretionary expenses</li> <li>GAAP and Core noninterest expense down 1% YoY</li> </ul>

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

## Areas of Focus for Long-term Success

Areas of Focus	
<b>Interest Rate Risk</b>	<ul style="list-style-type: none"> <li>Continuing to take significant actions to position the Company's balance sheet more towards interest rate risk neutral</li> <li>During 2Q23, the Company added \$400 million of interest rate hedges and an additional \$250 million of forward hedges that became effective</li> <li>Rate sensitivity to a +100 bps shock has been reduced by 64% over the past year.</li> </ul>
<b>Credit Quality</b>	<ul style="list-style-type: none"> <li>Manhattan office buildings are approximately 0.6% of net loans</li> <li>Over 88% of the loan portfolio is collateralized by real estate with an average loan to value less than 36%</li> <li>Debt service coverage ratio of 1.8x for multifamily and investor commercial real estate loans that reprice through 2025</li> </ul>
<b>Liquidity</b>	<ul style="list-style-type: none"> <li>The Company continues to have ample liquidity with \$3.7 billion of undrawn lines and resources</li> <li>Total deposits increased 4.9% YoY and 2Q23 balances were higher than normal seasonal declines</li> <li>Checking account openings were up 9.6% YoY in 2Q23</li> </ul>
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>Additional opportunities emerging as competitors leave the market</li> <li>Approximately 33% of our branches are in Asian markets; a key focus of our business</li> <li>Bensonhurst, our 27th branch, is expected to open in 2H23 enhancing our Asian branch presence</li> <li>Digital banking usage continues to increase with double digit growth in both monthly mobile deposit active users and digital banking enrollment in June 2023 versus a year ago</li> </ul>

## Strong Asian Banking Market Focus

Asian Communities – **Total Loans \$764MM**  
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 Share<sup>1</sup>)

**7.6%**  
FFIC 5 Year Asian Market  
CAGR vs 3.7%<sup>1</sup> for the  
Comparable Asian  
Markets

## Digital Banking Usage Continues to Increase

**22%**

Increase in Monthly Mobile  
Deposit Active Users  
June 2023 YoY



**~31,000**

Users with Active Online  
Banking Status

**23%**

June 2023 YoY Growth



**12%**

Digital Banking  
Enrollment  
June 2023 YoY Growth



**Internet Banks**

iGObanking and BankPurely  
national deposit gathering  
platforms

~3% of Average Deposits  
in June 2023



**Numerated**

Small Business Lending  
Platform

\$10.1MM of Commitments  
in 2023



**~8,500**

Zelle® Transactions

**~\$2.9MM**

Zelle Dollar Transactions  
in June 2023



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

## Key Community Events During 2Q23

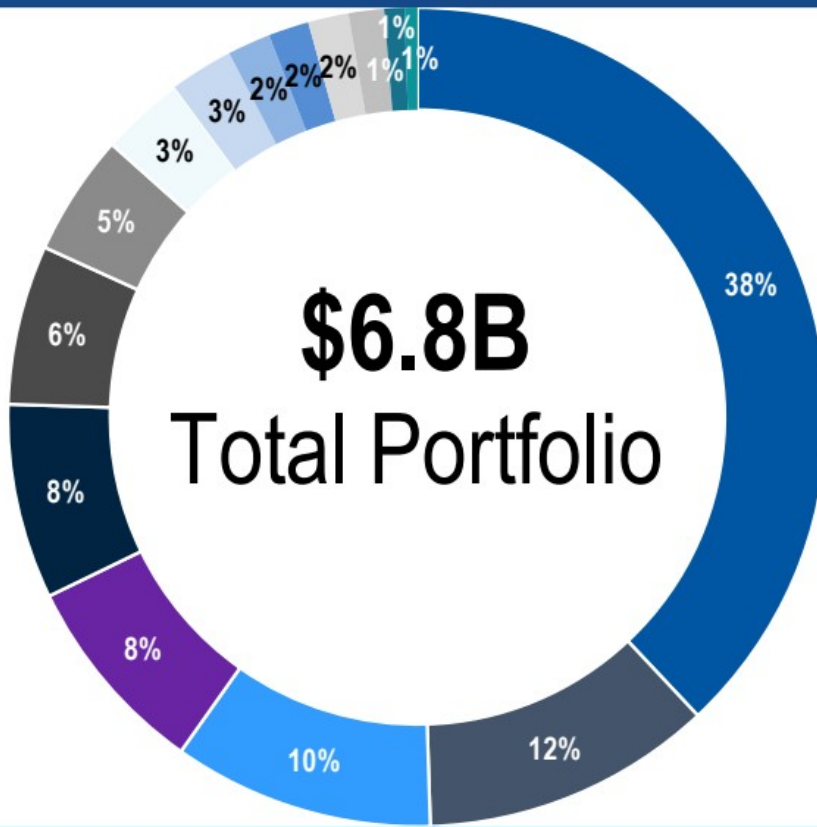


- Hosted ribbon-cutting ceremony at Hauppauge Branch
- Sponsored the HIA-LI 25<sup>th</sup> Trade Show & Conference , Korean American Real Estate Expo, and Vaisakhi Mela

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

### 88% Real Estate Based

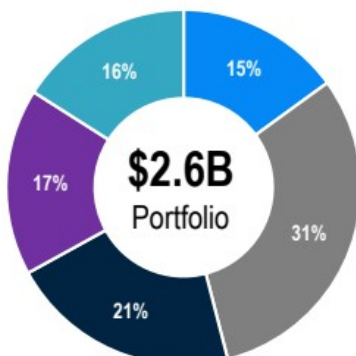
- Multifamily: 38%
- Non Real Estate: 12%
- Owner Occupied CRE: 10%
- One-to-four family - Mixed Use: 8%
- General Commercial: 8%
- CRE - Strip Mall: 6%
- CRE - Shopping Center: 5%
- One-to-four family - Residential: 3%
- CRE - Single Tenant: 3%
- Office - Multi Tenant: 2%
- Health Care/Medical Use: 2%
- Industrial: 2%
- Commercial Special Use: 1%
- Construction: 1%
- Office - Single Tenant: 1%



Manhattan Office Buildings are Approximately 0.6% of Net Loans

# Well-Secured Multifamily and CRE Portfolios

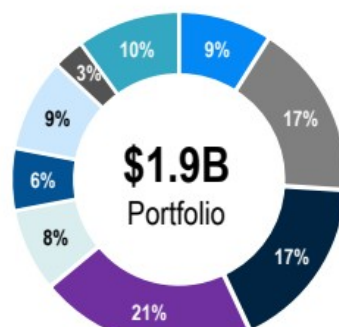
## Multifamily Geography



■ Bronx ■ Kings ■ Manhattan ■ Queens ■ Other

- Average loan size: \$1.1MM
- Average monthly rent of **\$1,447 vs \$3,050<sup>1</sup>** for the market
- Weighted average LTV<sup>2</sup> is 45% with no loans having an LTV above 75%
- Weighted average DCR is ~1.8x<sup>3</sup>
- 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 LTV<sup>2</sup> is 50% with \$0.9MM of loans having an LTV above 75%
- Weighted average DCR is ~1.8x<sup>3</sup>
- Require primary operating accounts
- ARMs adjust each 5-year period with terms up to 30 years and comprise 83% of the portfolio

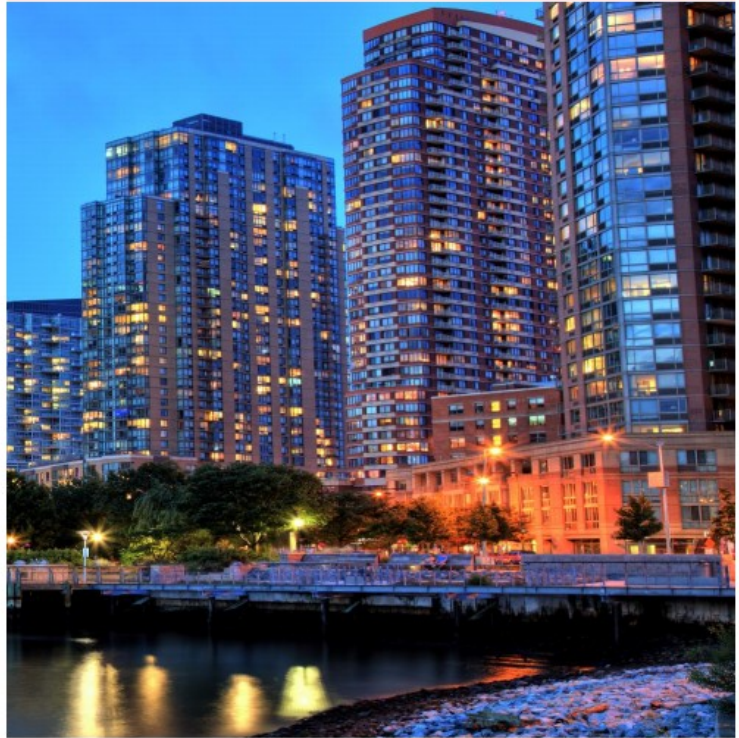
## Underwrite Real Estate Loans with a Cap Rate in Mid to High 5s and Stress Test Each Loan

## Multifamily Lending – Rent Stabilized, Niche Player

Our Lending Looks More Like This

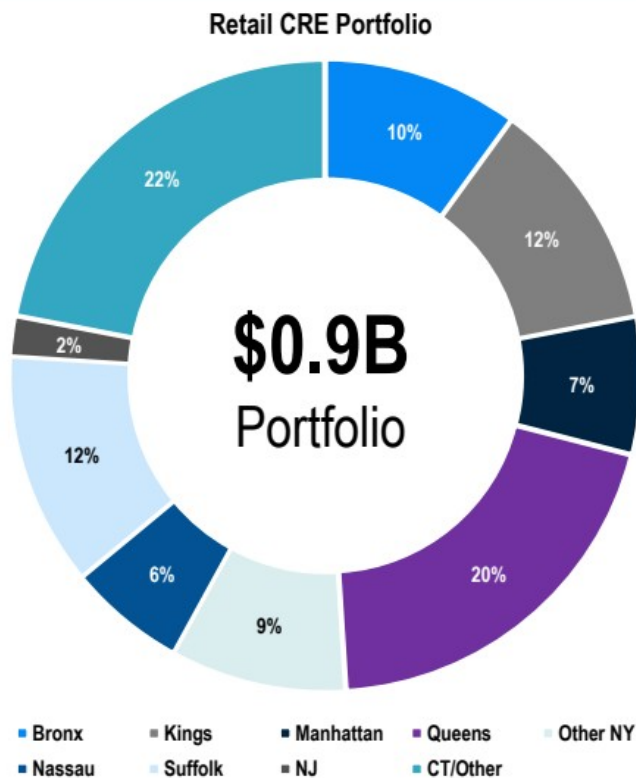


Generally, Not Like This



Our Conservative Lending Standards Lead to Minimal Losses

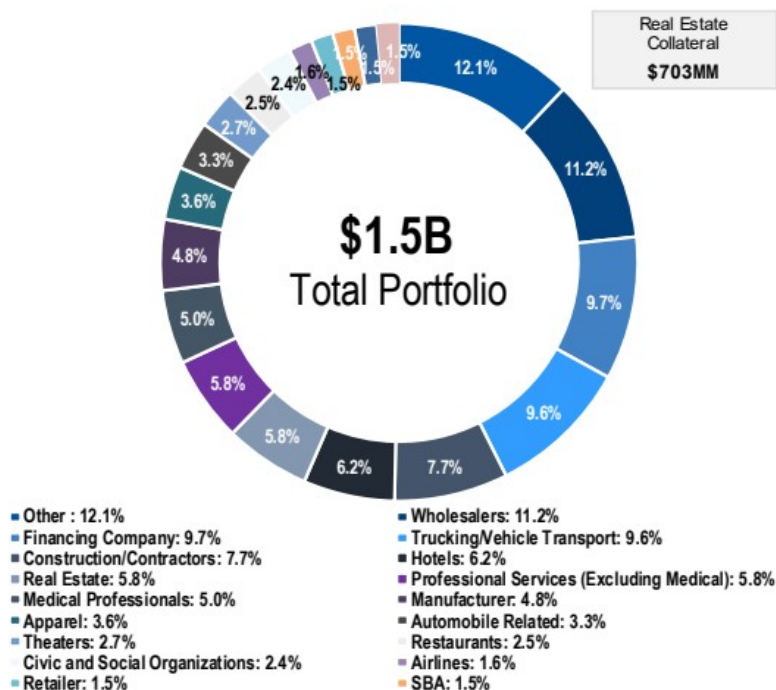
# Granular and Low Leveraged Retail Commercial Real Estate Portfolio



- Retail CRE includes Shopping Centers (onsite parking), Strip Mall (street parking), Single Tenant, Retail Condominium, Food Service/Restaurant, and Retail Co-op
- Average loan size: \$2.4MM with average seasoning of 6.3 years
- Weighted average LTV<sup>1</sup> is 53% with one loan (\$0.9MM) having an LTV above 75%
- Weighted average DCR is ~1.86x<sup>2</sup>
- No delinquent loans and only 1% of this portfolio on the watchlist
- Only 5.9% of this portfolio has rate adjustments in 2023 and 12.5% in 2024

Most of the Retail CRE Loan are Essential to Local Communities and Internet Resistant

# Well-Diversified Commercial Business Portfolio



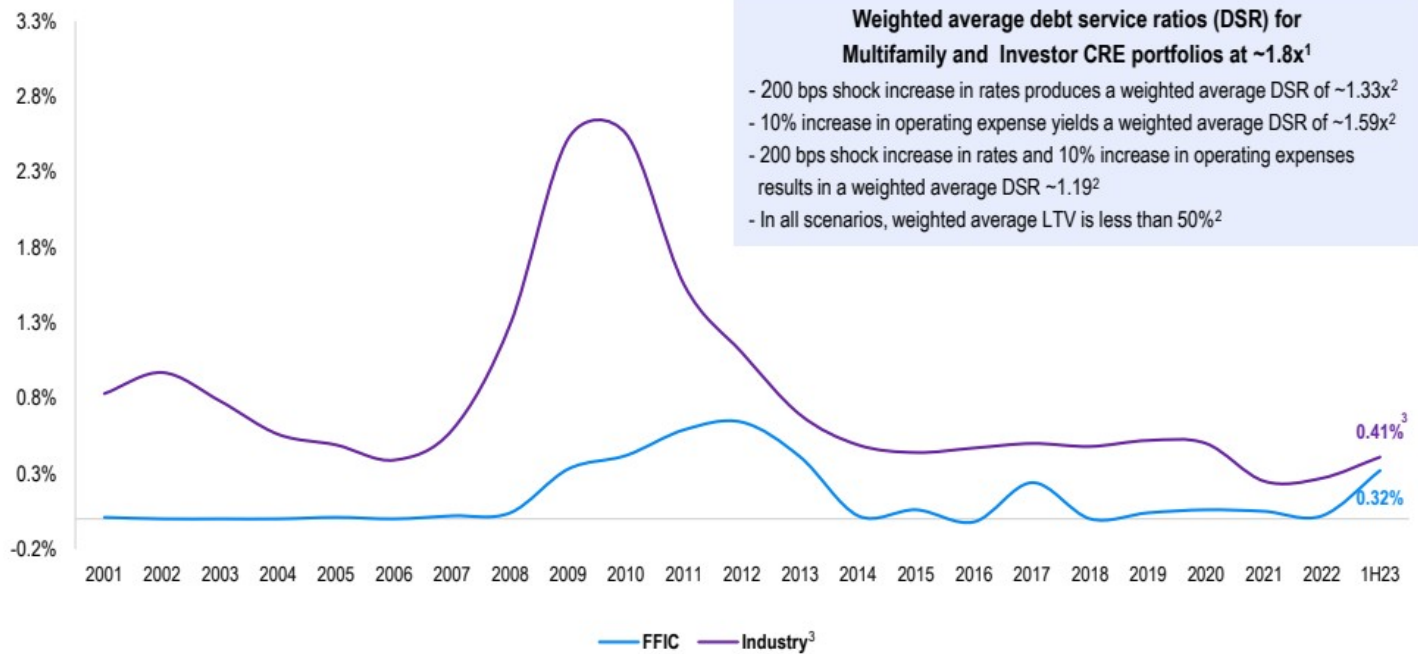
## Commercial Business

- 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

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

## NCOs / Average Loans

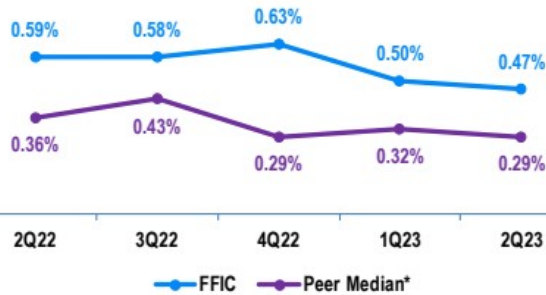


- Over two decades and multiple credit cycles, Flushing Financial has a history of better than industry credit quality
- Average LTVs on the Real Estate portfolio is <36%<sup>4</sup>
  - Only \$18.2MM of real estate loans (0.3% of gross loans) with an LTV of 75% or more<sup>4</sup>

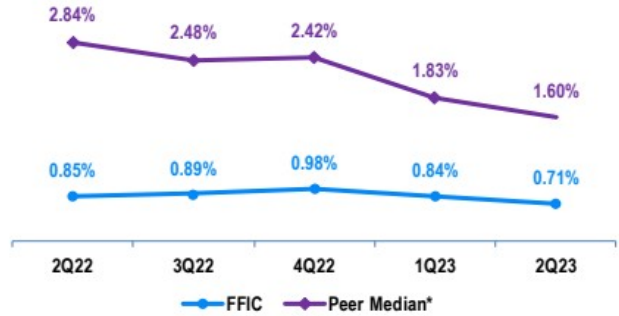
# Continued Strong Credit Quality

## NPAs / Assets

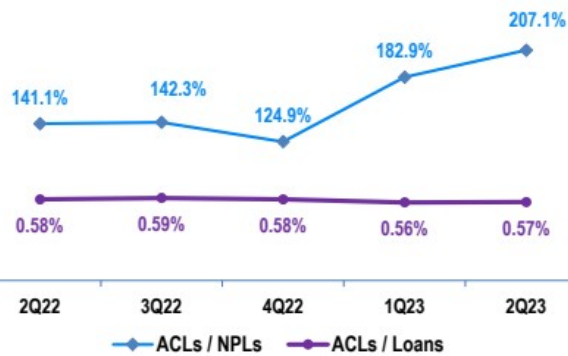
50.0% LTV on 2Q23 NPAs



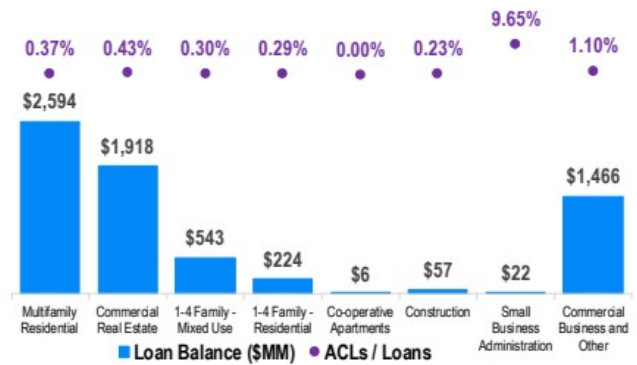
## Criticized and Classified Loans / Gross Loans



## ACL / Gross Loans & ACL / NPLs

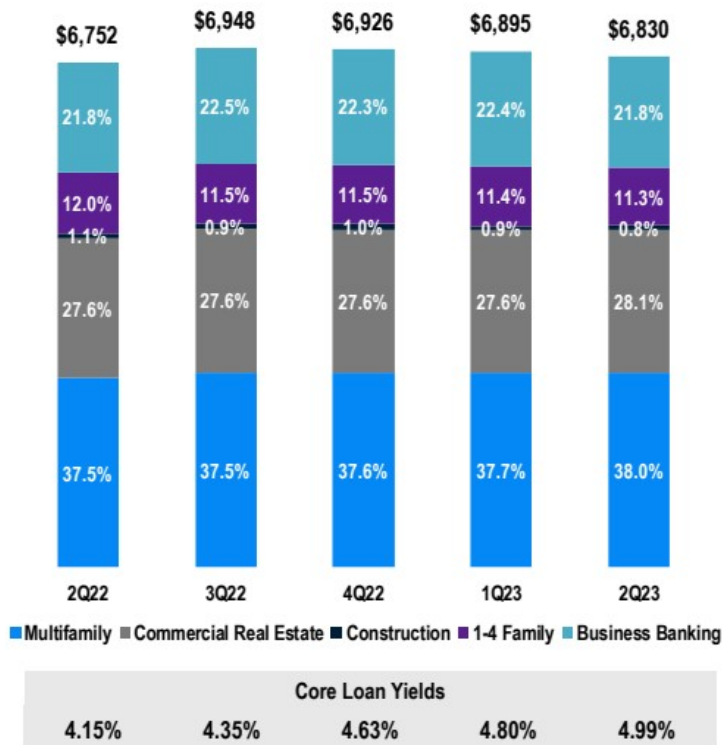


## ACL by Loan Segment (2Q23)



# Core Loan Yields Improve

**Loan Composition**  
Period End Loans (\$MM)

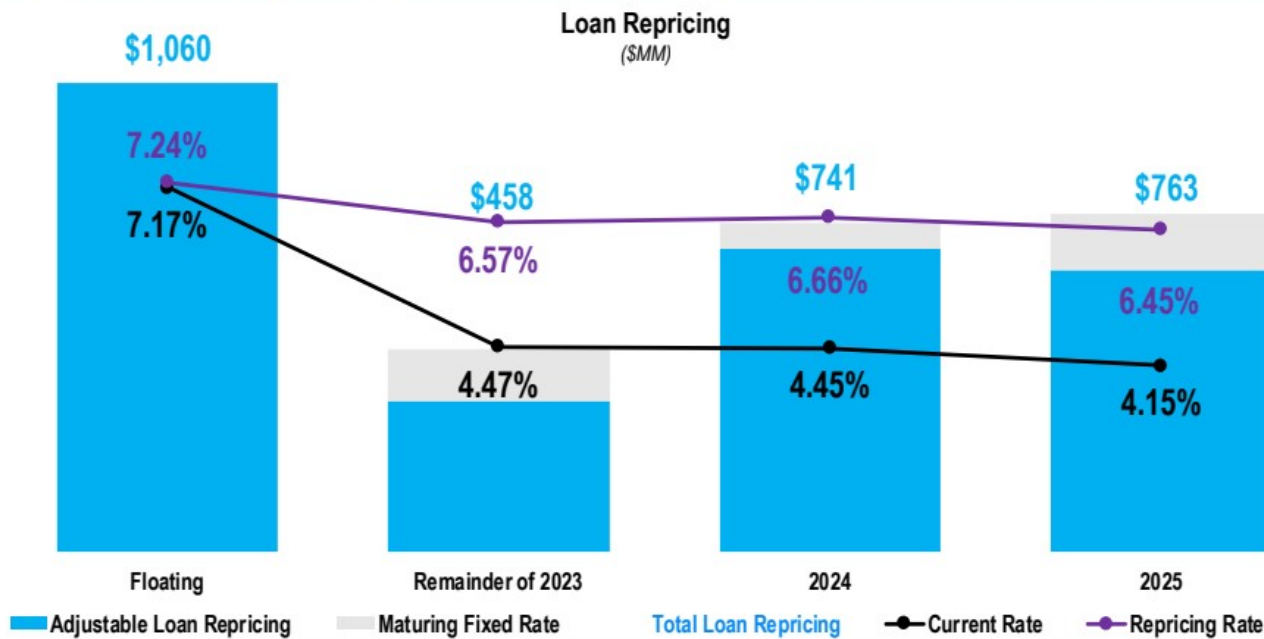


- Net loans increased 1.1% YoY
- Core loan yields improve 19 bps QoQ; prepayment penalty income totaled \$0.3MM in 2Q23 vs \$0.6MM in 1Q23 and \$2.3MM in 2Q22
- Loan pipeline totaled \$415.5MM at June 30, 2023; Pipeline yield increases 20 bps QoQ
- Spread between closing and satisfaction yields expanded in 2Q23

**Closings vs Satisfaction Yields<sup>1</sup>**

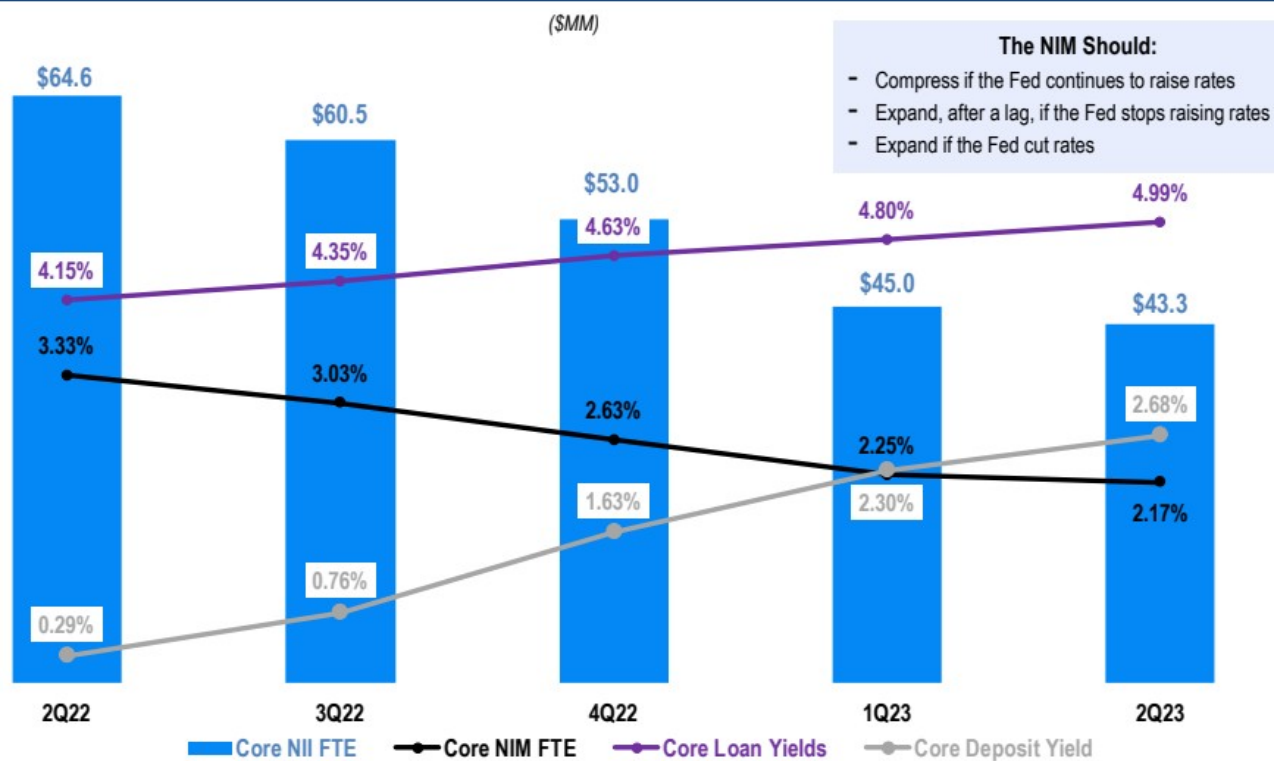


## Effective Floating Rate Loans Rise to >21% of the Loan Portfolio; Significant Repricing to Occur Through 2025



- Floating rate loans include any loans (including back-to-back swaps) tied to an index that reprices within 90 days; including the \$400MM of loan portfolio hedges, effective floating rate loans total \$1.46B or >21% of the loan portfolio
- Through 2025, loans to reprice ~220-230 bps higher assuming index values as of June 30, 2023
- ~16% of loans reprice (>21% including all loan portfolio hedges) with every Fed move and an additional 10-15% reprice annually

# NIM Stabilizes from March; Cautiously Optimistic



## 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

3.35%

3.07%

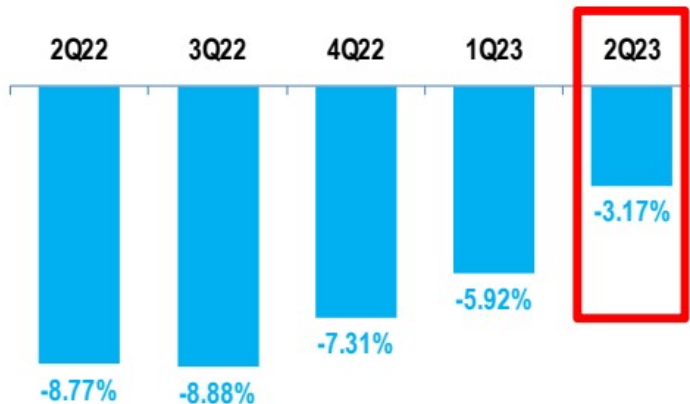
2.70%

2.27%

2.18%

## Our Actions Have Reduced Liability Sensitivity

Percentage Change to Net Interest Income from Base Case  
Based on a 100 bps Shock in Rates



- The Balance Sheet is structured where liabilities reprice faster than assets (initially) when rates increase
- Implementing a swap strategy along with adding floating rate assets
  - During 2Q23, over \$400MM of interest rate hedges were added and \$250MM of forward hedges became effective
- When the Fed stops increasing rates, and after a lag, funding costs should stabilize, and assets then reprice higher (assuming a stable rate environment)
- The duration of the assets is between 3-4 years compared to 1-2 year for the liabilities
- By adding interest rate hedges and implementing other structural changes, liability sensitivity has been reduced by 64% over the past year

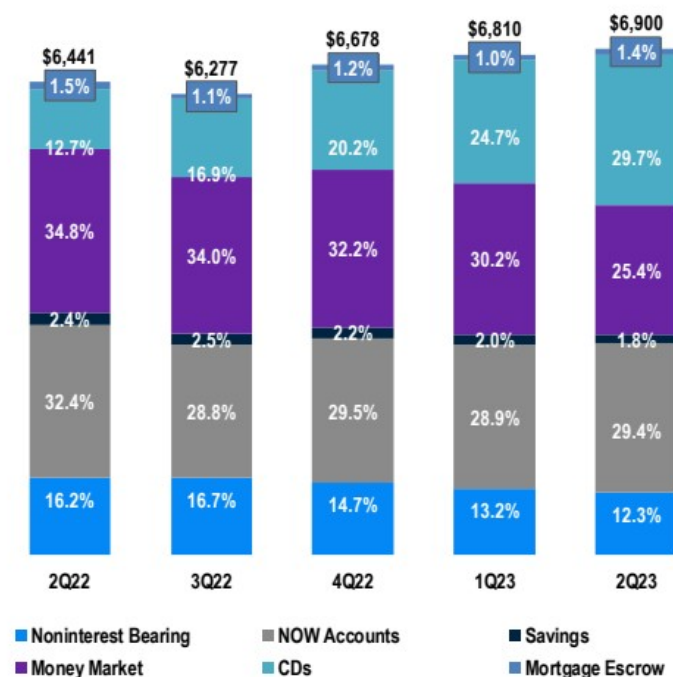
## Interest Rate Hedges Provide Income and Reduce Rate Sensitivity

Swap Type	Notional (\$MM)	First Half '23 Avg Bal (\$MM)	First Half '23 Yield with Swaps	First Half '23 Yield Without Swaps	Net Benefit
Investments	\$200.0	\$961.1	3.52%	3.33%	0.19%
Loans	\$664.2	\$6,855.5	4.90%	4.74%	0.16%
Funding	\$872.5	\$7,603.2	2.65%	2.93%	0.28%
Total Interest Rate Hedges <sup>1</sup>	\$1,736.7				2.45%

- The addition of swaps and more emphasis on floating rate assets has reduced the liability sensitive rate position by 64% over the past year
  - The swaps were added as the Fed increased rates to both enhance the yield on longer term assets and to reduce the cost of funding
- The \$1.7 billion of total interest rate hedges has annualized net interest income of \$42.6MM or an effective annualized yield of 2.45%
  - The effective yield will expand if the Fed raises rates or compress if the Fed cuts rates

# Average Total Deposits Increase Driven by CDs

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



**Average Noninterest Deposits**  
(\$MM)



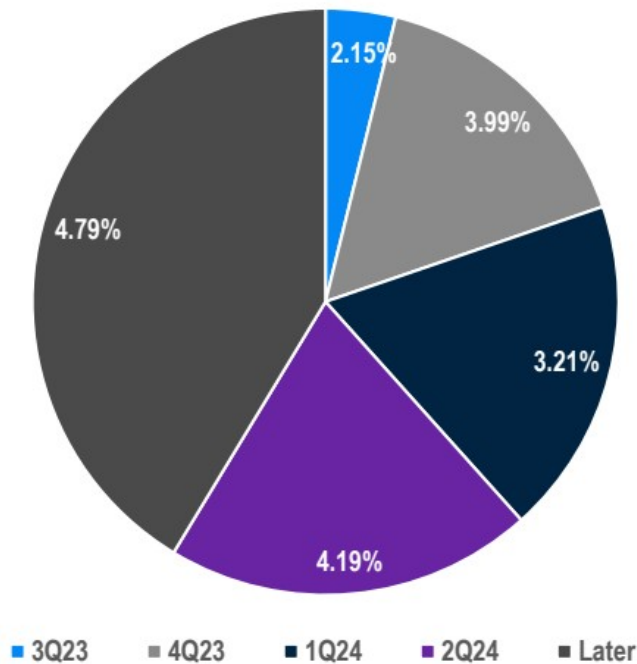
- Average total deposits increased 7.1% YoY and 1.3% QoQ
- Average noninterest bearing deposits are 12.3% of average total deposits, down from 16.2% a year ago
- 2Q23 checking account openings up 9.6% YoY
- Average deposit growth driven by CDs, which have a 6-12 month maturities

**Deposit Costs**

0.29%	0.76%	1.63%	2.29%	2.68%
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## CDs Continue to Reprice

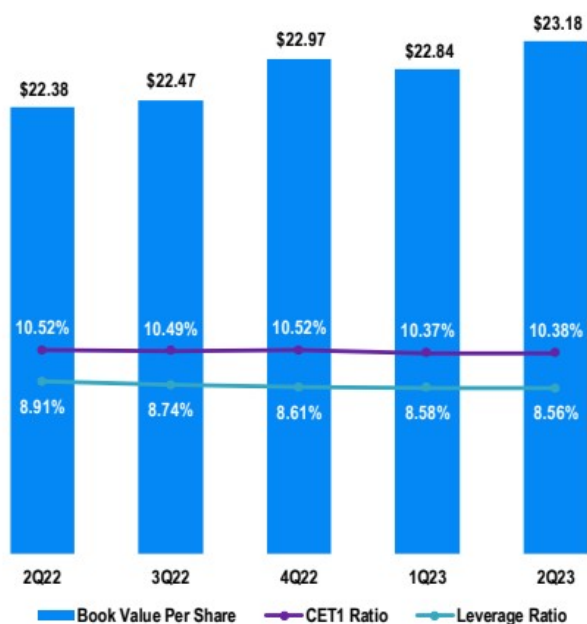
Total CDs of \$2.2 Billion;  
Repricing Dates with Weighted Average Rate



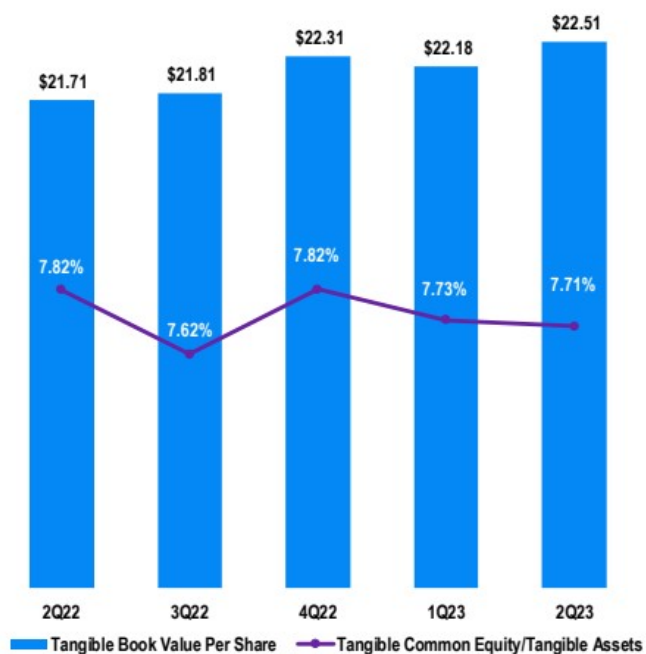
- CDs comprise 33.2% of total deposits with a weighted average rate of 3.75%<sup>1</sup> as of June 30, 2023
- Through June 30, 2024, approximately 59%<sup>1</sup> of the CD portfolio will mature
  - \$86.1 million in 3Q23 at 2.15%<sup>1</sup>
  - \$353.7 million in 4Q23 at 3.99%
  - \$414.4 million in 1Q24 at 3.21%
  - \$452.3 million in 2Q24 at 4.19%
- Historically, we retain a high percentage of maturing CDs
- Current CD rates are approximately 4.50%-5.25%

# Book Value and Tangible Book Value Per Share Grow YoY

3.6% YoY Book Value Per Share Growth



3.7% YoY Increase in Tangible Book Value Per Share



528,815 Shares Repurchased in 2Q23 at an Average Price of \$12.94 (42.5% Discount to TBV/Share)

## Key Takeaways – Cautiously Optimistic

### ▪ Executing on our Action Plan

- These actions will result in improved profitability in the future and set the stage for consistent and significantly higher returns

### ▪ Areas of Focus improved during the quarter

- Significantly reduced liability sensitivity
- Credit quality improved and underwriting remains solid
- Expanded liquidity capacity
- Continue to service our customers and deepen relationships

### ▪ Improving metrics but cautious on the environment

- 2Q23 NIM was in line with the month of March
- Asset quality improved during the quarter
- Deposit balances were better than past seasonal patterns
- Loans declined slightly
- Capital ratios were stable
- Expecting additional Fed rate increases

## Appendix



# Annual Financial Highlights

	2022	2021	2020	2019	2018	2017
<b>Reported Results</b>						
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
<b>Core<sup>1</sup> Results</b>						
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
<b>Credit Quality</b>						
NPAs/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
<b>Capital Ratios</b>						
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
<b>Balance Sheet</b>						
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

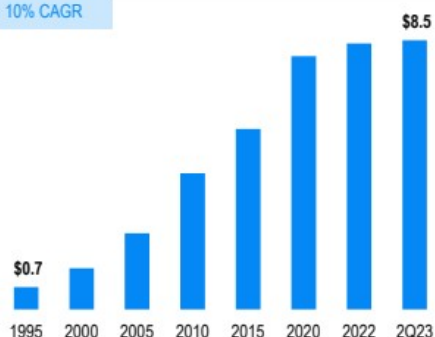
# Over a 27 Year Track Record of Steady Growth

Assets (\$B)

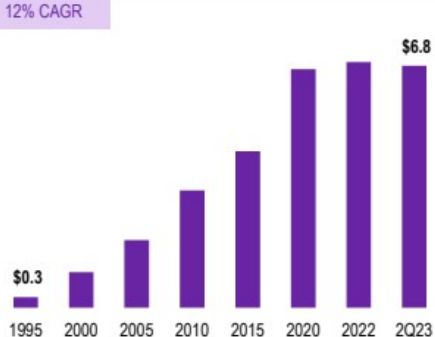
Total Gross Loans (\$B)

Total Deposits (\$B)

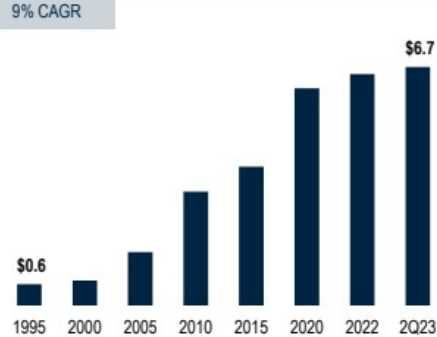
10% CAGR



12% CAGR



9% CAGR



Core EPS (\$)

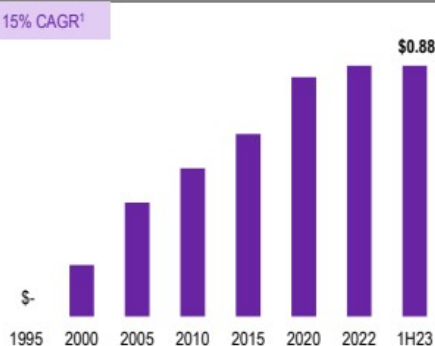
Dividends per Share (\$)²

Tangible Book Value per Share (\$)

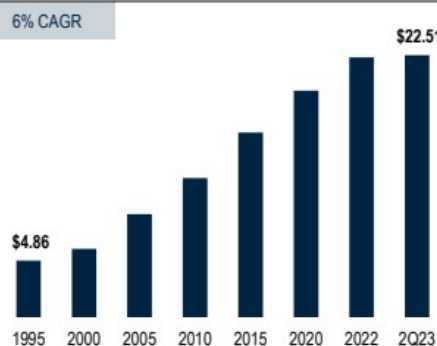
9% CAGR¹



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

# Reconciliation of GAAP Earnings and Core Earnings

## Non-cash Fair Value Adjustments to GAAP Earnings

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

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

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

# Reconciliation of GAAP to CORE Earnings - Quarters

(Dollars in thousands, except per share data)	For the three months ended					For the six months ended	
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	June 30, 2023	June 30, 2022
GAAP income before income taxes	\$ 11,805	\$ 6,959	\$ 12,819	\$ 32,422	\$ 34,971	\$ 18,764	\$ 59,611
Net (gain) loss from fair value adjustments (Noninterest income (loss))	(294)	(2,619)	622	(5,626)	(2,533)	(2,913)	(724)
Net loss on sale of securities (Noninterest income (loss))	—	—	10,948	—	—	—	—
Life insurance proceeds (Noninterest income (loss))	(561)	—	(286)	—	(1,536)	(561)	(1,536)
Net gain on disposition of assets (Noninterest income (loss))	—	—	(104)	—	—	—	—
Net (gain) loss from fair value adjustments on qualifying hedges (Net interest income)	205	(100)	(936)	(28)	60	105	189
Net amortization of purchase accounting adjustments and intangibles (Various)	(227)	(188)	(219)	(650)	(237)	(415)	(1,161)
Core income before taxes	10,928	4,052	22,844	26,118	30,725	14,980	56,379
Provision for core income taxes	3,074	1,049	5,445	7,165	9,207	4,123	15,892
Core net income	\$ 7,854	\$ 3,003	\$ 17,399	\$ 18,953	\$ 21,518	\$ 10,857	\$ 40,487
GAAP diluted earnings per common share	\$ 0.29	\$ 0.17	\$ 0.34	\$ 0.76	\$ 0.81	\$ 0.46	\$ 1.39
Net (gain) loss from fair value adjustments, net of tax	(0.01)	(0.06)	0.02	(0.13)	(0.06)	(0.07)	(0.02)
Net loss on sale of securities, net of tax	—	—	0.27	—	—	—	—
Life insurance proceeds	(0.02)	—	(0.01)	—	(0.05)	(0.02)	(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)	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)
Core diluted earnings per common share <sup>(1)</sup>	\$ 0.26	\$ 0.10	\$ 0.57	\$ 0.62	\$ 0.70	\$ 0.36	\$ 1.30
Core net income, as calculated above	\$ 7,854	\$ 3,003	\$ 17,399	\$ 18,953	\$ 21,518	\$ 10,857	\$ 40,487
Average assets	8,461,827	8,468,311	8,518,019	8,442,657	8,211,763	8,465,051	8,131,065
Average equity	673,943	683,071	676,165	674,282	667,456	678,481	670,219
Core return on average assets <sup>(2)</sup>	0.37 %	0.14 %	0.82 %	0.90 %	1.05 %	0.26 %	1.00 %
Core return on average equity <sup>(2)</sup>	4.66 %	1.76 %	10.29 %	11.24 %	12.90 %	3.20 %	12.08 %

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

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

(Dollars in thousands)	For the three months ended					For the six months ended	
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	June 30, 2023	June 30, 2022
GAAP Net interest income	\$ 43,378	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 88,640	\$ 128,209
Net (gain) loss from fair value adjustments on qualifying hedges	205	(100)	(936)	(28)	60	105	189
Net amortization of purchase accounting adjustments	(340)	(306)	(342)	(775)	(367)	(646)	(1,425)
Core Net interest income	<u>\$ 43,243</u>	<u>\$ 44,856</u>	<u>\$ 52,923</u>	<u>\$ 60,403</u>	<u>\$ 64,423</u>	<u>\$ 88,099</u>	<u>\$ 126,973</u>
GAAP Noninterest income (loss)	\$ 5,122	\$ 6,908	\$ (7,652)	\$ 8,995	\$ 7,353	\$ 12,030	\$ 8,666
Net (gain) loss from fair value adjustments	(294)	(2,619)	622	(5,626)	(2,533)	(2,913)	(724)
Net loss on sale of securities	—	—	10,948	—	—	—	—
Life insurance proceeds	(561)	—	(286)	—	(1,536)	(561)	(1,536)
Net gain on sale of assets	—	—	(104)	—	—	—	—
Core Noninterest income	<u>\$ 4,267</u>	<u>\$ 4,289</u>	<u>\$ 3,528</u>	<u>\$ 3,369</u>	<u>\$ 3,284</u>	<u>\$ 8,556</u>	<u>\$ 6,406</u>
GAAP Noninterest expense	\$ 35,279	\$ 37,703	\$ 33,742	\$ 35,634	\$ 35,522	\$ 72,982	\$ 74,316
Net amortization of purchase accounting adjustments	(113)	(118)	(123)	(125)	(130)	(231)	(264)
Core Noninterest expense	<u>\$ 35,166</u>	<u>\$ 37,585</u>	<u>\$ 33,619</u>	<u>\$ 35,509</u>	<u>\$ 35,392</u>	<u>\$ 72,751</u>	<u>\$ 74,052</u>
Net interest income	\$ 43,378	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 88,640	\$ 128,209
Noninterest income (loss)	5,122	6,908	(7,652)	8,995	7,353	12,030	8,666
Noninterest expense	(35,279)	(37,703)	(33,742)	(35,634)	(35,522)	(72,982)	(74,316)
Pre-provision pre-tax net revenue	<u>\$ 13,221</u>	<u>\$ 14,467</u>	<u>\$ 12,807</u>	<u>\$ 34,567</u>	<u>\$ 36,561</u>	<u>\$ 27,688</u>	<u>\$ 62,559</u>
Core:							
Net interest income	\$ 43,243	\$ 44,856	\$ 52,923	\$ 60,403	\$ 64,423	\$ 88,099	\$ 126,973
Noninterest income	4,267	4,289	3,528	3,369	3,284	8,556	6,406
Noninterest expense	(35,166)	(37,585)	(33,619)	(35,509)	(35,392)	(72,751)	(74,052)
Pre-provision pre-tax net revenue	<u>\$ 12,344</u>	<u>\$ 11,560</u>	<u>\$ 22,832</u>	<u>\$ 28,263</u>	<u>\$ 32,315</u>	<u>\$ 23,904</u>	<u>\$ 59,327</u>
Efficiency Ratio	74.0 %	76.5 %	59.6 %	55.7 %	52.3 %	75.3 %	55.5 %



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

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

(Dollars in thousands)	For the three months ended					For the six months ended	
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	June 30, 2023	June 30, 2022
GAAP net interest income	\$ 43,378	\$ 45,262	\$ 54,201	\$ 61,206	\$ 64,730	\$ 88,640	\$ 128,209
Net (gain) loss from fair value adjustments on qualifying hedges	205	(100)	(936)	(28)	60	105	189
Net amortization of purchase accounting adjustments	(340)	(306)	(342)	(775)	(367)	(646)	(1,425)
Tax equivalent adjustment	101	100	102	104	131	201	255
Core net interest income FTE	<u>\$ 43,344</u>	<u>\$ 44,956</u>	<u>\$ 53,025</u>	<u>\$ 60,507</u>	<u>\$ 64,554</u>	<u>\$ 88,300</u>	<u>\$ 127,228</u>
Total average interest-earning assets <sup>(1)</sup>	\$ 7,990,331	\$ 8,001,271	\$ 8,050,601	\$ 7,984,558	\$ 7,746,640	\$ 7,995,772	\$ 7,662,315
Core net interest margin FTE	2.17 %	2.25 %	2.63 %	3.03 %	3.33 %	2.21 %	3.32 %
GAAP interest income on total loans, net	\$ 85,377	\$ 82,889	\$ 81,033	\$ 75,546	\$ 69,192	\$ 168,266	\$ 136,708
Net (gain) loss from fair value adjustments on qualifying hedges - loans	157	(101)	(936)	(28)	60	56	189
Net amortization of purchase accounting adjustments	(345)	(316)	(372)	(783)	(357)	(661)	(1,474)
Core interest income on total loans, net	<u>\$ 85,189</u>	<u>\$ 82,472</u>	<u>\$ 79,725</u>	<u>\$ 74,735</u>	<u>\$ 68,895</u>	<u>\$ 167,661</u>	<u>\$ 135,423</u>
Average total loans, net <sup>(1)</sup>	\$ 6,834,644	\$ 6,876,495	\$ 6,886,900	\$ 6,867,758	\$ 6,647,131	\$ 6,855,454	\$ 6,616,860
Core yield on total loans	4.99 %	4.80 %	4.63 %	4.35 %	4.15 %	4.89 %	4.09 %

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

<i>(Dollars in thousands)</i>	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total Equity	\$ 671,303	\$ 673,459	\$ 677,157	\$ 670,719	\$ 670,812
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(17,636)
Core deposit intangibles	(1,769)	(1,891)	(2,017)	(2,147)	(2,282)
Tangible Stockholders' Common Equity	<u>\$ 651,898</u>	<u>\$ 653,932</u>	<u>\$ 657,504</u>	<u>\$ 650,936</u>	<u>\$ 650,894</u>
Total Assets	\$ 8,473,883	\$ 8,479,121	\$ 8,422,946	\$ 8,557,419	\$ 8,339,587
Less:					
Goodwill	(17,636)	(17,636)	(17,636)	(17,636)	(17,636)
Core deposit intangibles	(1,769)	(1,891)	(2,017)	(2,147)	(2,282)
Tangible Assets	<u>\$ 8,454,478</u>	<u>\$ 8,459,594</u>	<u>\$ 8,403,293</u>	<u>\$ 8,537,636</u>	<u>\$ 8,319,669</u>
Tangible Stockholders' Common Equity to Tangible Assets	<u>7.71 %</u>	<u>7.73 %</u>	<u>7.82 %</u>	<u>7.62 %</u>	<u>7.82 %</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 <sup>(1)</sup>	\$ 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 <sup>(2)</sup>	0.92 %	1.09 %	0.68 %	0.68 %	0.85 %	0.74 %
Core return on average equity <sup>(2)</sup>	11.42 %	13.68 %	8.58 %	8.42 %	10.39 %	8.63 %

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

(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
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 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

	Years Ended					
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<i>(Dollars in thousands)</i>						
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 <sup>(1)</sup>	\$ 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 <sup>(1)</sup>	\$ 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 %

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

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

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