FFIC FLUSHING Financial Corporation

2Q17 Earnings Conference Call

July 26, 2017

Safe Harbor Statement

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: **The 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 year ended December 31, 2016, and in other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company has no obligation to update these forward-looking statements.**

2Q17 Operating Results and Highlights

	2Q17	1Q17	2Q16
Earnings ($MM, except EPS data)			
Net Interest Income	$43.6	$43.4	$41.9
Net Income	$12.7	$12.3	$30.4
Core Net Income[1]	$13.5	$11.7	$11.3
EPS	$0.44	$0.42	$1.05
Core EPS[1]	$0.46	$0.40	$0.39
Profitability Ratios			
ROAA	0.82%	0.79%	2.06%
ROAE	9.61%	9.47%	25.04%
Net Interest Margin	2.95%	2.95%	2.99%
Efficiency Ratio[2]	55.80%	63.98%	57.09%
Capitalization Ratios			
Tangible Common Equity	8.27%	8.20%	8.26%
Dividend Payout	40.91%	42.86%	16.19%

2Q17 Operating Highlights

- Core ROAE = 10.22%
- Core ROAA = 0.87%
- Record Net Interest Income; up 4.1% YoY
- Successful execution against strategic objectives

Balance Sheet Highlights

- Total deposits up 8.2% YoY
- Total loans up 8.1% YoY
- Continued asset quality improvement
  - Nonaccrual loans of $14.1MM decreased 32.8%
  - Nonperforming assets of $15.5MM decreased 29.6%
  - Delinquent loans totaled $25.0MM compared to $35.8MM at 12/31/2016

[1] Excludes effects of net gains/losses for financial assets and liabilities carried at fair value, gains/losses on sale of securities, prepayment penalties on borrowings, gain on sale of buildings and certain non-recurring items. Core earnings presented in 2Q17 press release.

[2] Calculated by dividing non-interest expense (excl. OREO expense, prepayment penalties from debt extinguishment and the net gain/loss from the sale of OREO) by the total of net interest income and non-interest income (excl. net gains/losses from fair value adjustments, net gains/losses from the sale of securities, life insurance proceeds, and sale of buildings.)

Key Messages

Exceeding Customer Expectations	▪ Committed to being the preeminent community financial services company in our multicultural market area ▪ Competitive strength as a commercial real estate lender ▪ Broad array of products and services delivered through customers' preferred channels ▪ Market to our ethnic communities, particularly in the Asian community in Queens ▪ Staff branches and lending units with seasoned, multi-lingual professionals
Enhancing Earnings Power	▪ Manage to lower cost of funds ▪ Increase rate received on loans to drive net interest income ▪ Improve scalability and efficiency of operating expense base ▪ Manage yield through loan portfolio mix
Strengthening Our Commercial Bank Balance Sheet	▪ Focus on the origination of multi-family mortgage, commercial business and commercial real estate loans while remaining nimble and responsive to industry shifts ▪ Shift funding sources to core deposits from CDs and borrowings ▪ Continue to add key talent with commercial expertise
Maintaining Our Strong Risk Management Philosophy	▪ Remain well capitalized at all times ▪ Maintain sufficient sources of liquid assets and contingency funding ▪ Strong cyber and physical security measures to safeguard Company and customer assets and information ▪ Adequate loan loss reserve ▪ Conservative underwriting standards

Strategic Objectives

Increase Core Deposits and Continue to Improve Funding Mix to Manage Lower Cost of Funds

Increase Net Interest Income by Leveraging Loan Pricing Opportunities and Portfolio Mix

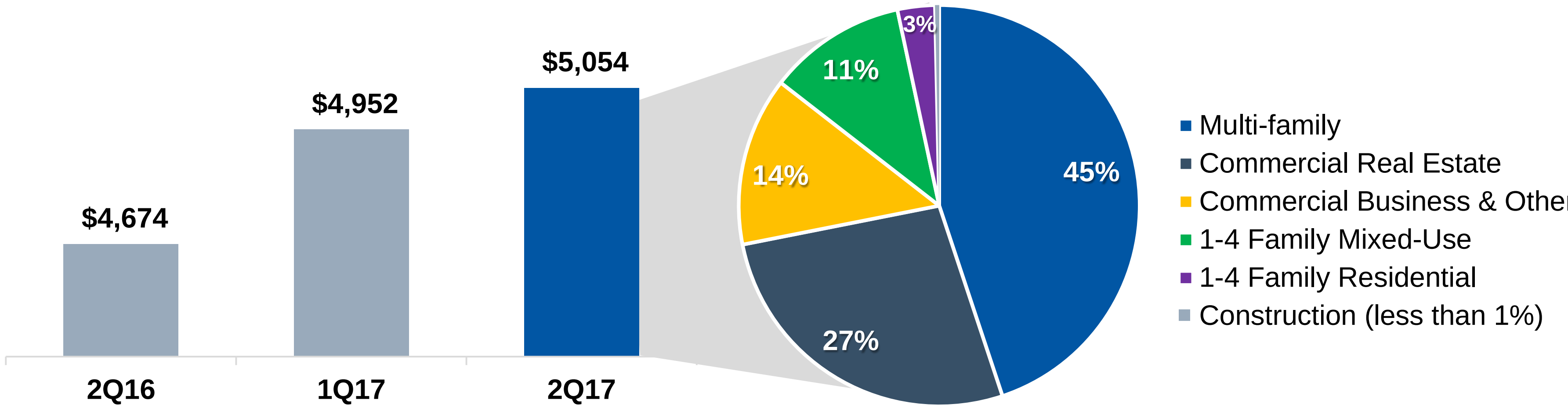
Enhance Core Earnings Power by Improving Scalability and Efficiency

Manage Credit Risk

Remain Well Capitalized

Loans

Total Loans ($MM) | **Net Loans as of 6/30/17**

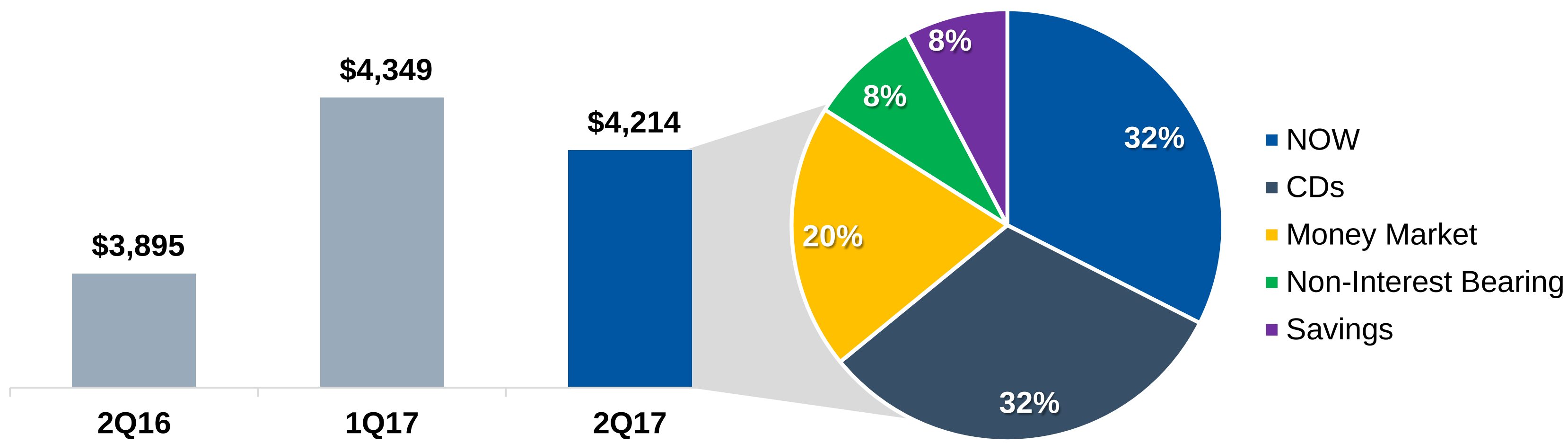


2Q17 Highlights

- Total loans, including loans held for sale, were $5,054MM reflecting an increase of 2.1% QoQ (not annualized) and 8.1% YoY
- Loan production totaled $261.2MM, at an average rate of 4.04%
- Loan originations and purchases of multi-family, commercial real estate and commercial business loans totaled $236.3MM for the quarter, or 90.5% of loan production
- Loan pipeline totaled $279.1MM at June 30, 2017, compared to $303.1MM at March 31, 2017 and $329.8MM at June 30, 2016
- Loan-to-value ratio on real estate dependent loans as of June 30, 2017 totaled 39.8%

Deposits

Deposits ($MM) | **Deposits as 6/30/17 | *Cost of Deposits: 0.85%***

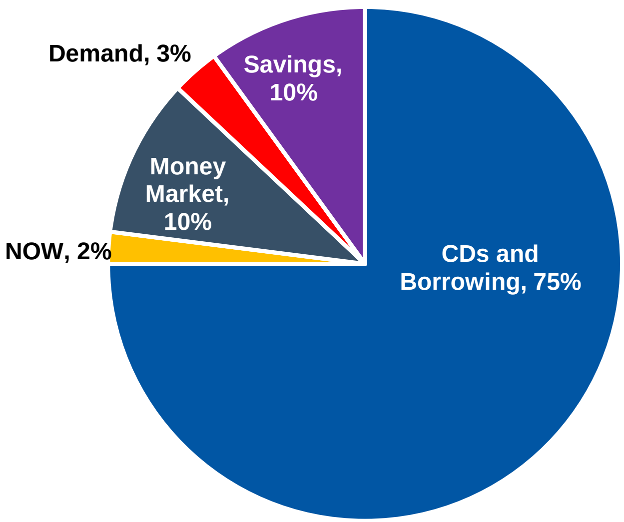


2Q17 Highlights

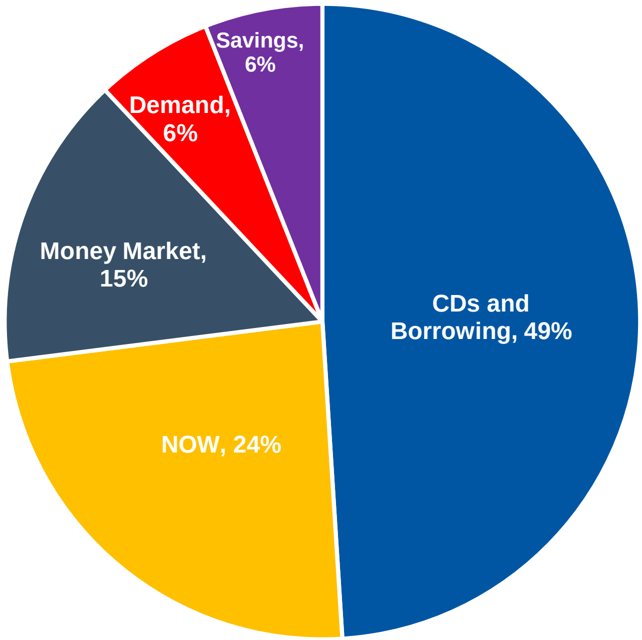
- Deposits increased 8.2% YoY but declined 3.1% QoQ, primarily driven by seasonal government banking deposit outflows, which we anticipate returning in the fourth quarter
- YoY Growth driven primarily by money market, savings and demand accounts partially offset by declines in CDs and NOW accounts
- Core deposits increased 7% from 2Q16 but decreased 3% for the quarter

Continuing to Shift to Lower-cost Funding Sources

As of 12/31/06
$2.6B

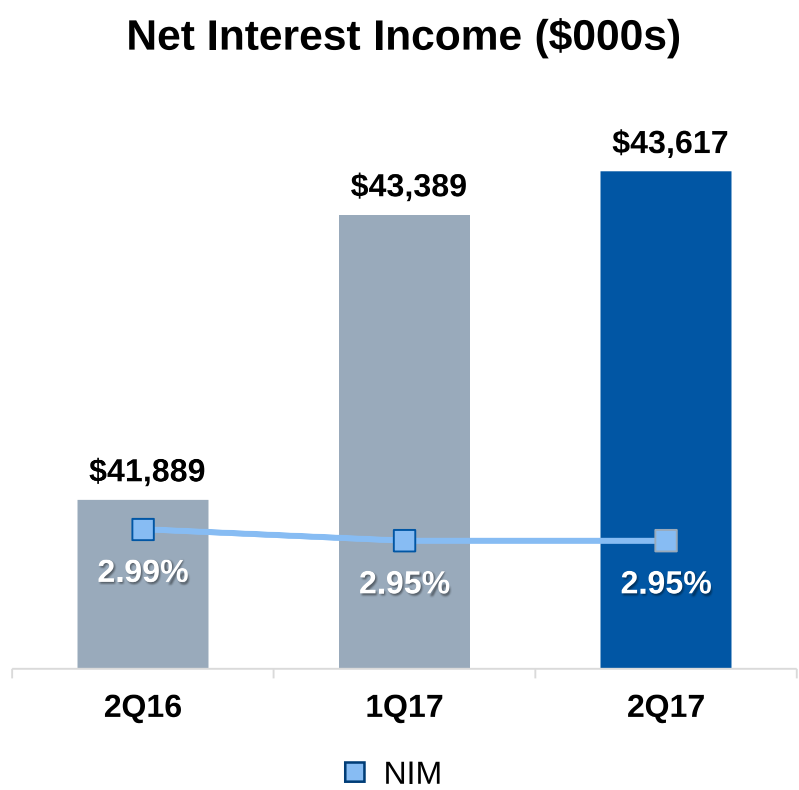


As of 6/30/17
$5.6B



Progress Made…More to Come

Record Net Interest Income

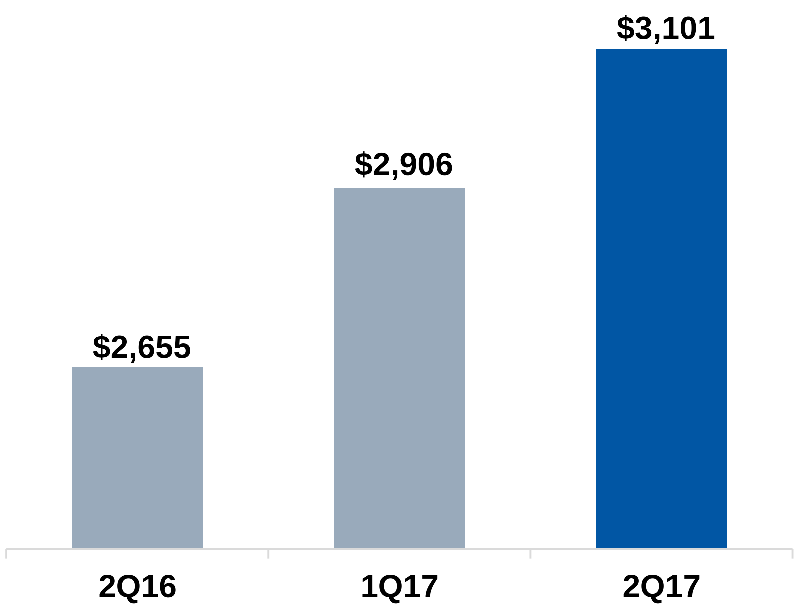


2Q17 Highlights

- Net interest income improved to $43.6MM, up 4.1% YoY and 0.5% QoQ
- NIM of 2.95%, decreased 4bps YoY but remains unchanged QoQ
- Excluding prepayment penalty income from loans and securities and recovered interest from nonaccrual loans, NIM would have been 2.83% in 2Q17, compared with 2.85% in 1Q17 and 2.87% in 2Q16
- Cost of funds of 1.05% increased 6bps YoY and 4bps QoQ

Improving Non-Interest Income

Core Non-Interest Income ($000s)[1]

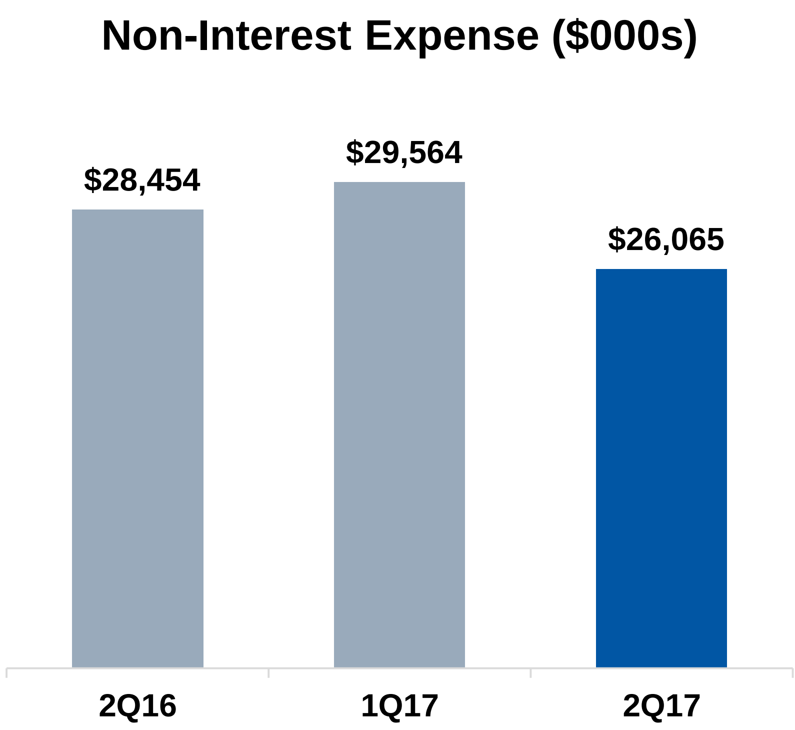


2Q17 Highlights

- Non-interest income was $1.9MM but core was $3.1MM excluding net gains/losses from fair value adjustments, gains/losses on sale of securities and certain non-recurring items
- The 2Q17 includes a minimal gain from life insurance proceeds compared to $1.2MM in 1Q17 and no proceeds in 2Q16
- Net losses from fair value adjustments in 2Q17 were $1.2MM, compared to $0.4MM from 1Q17 and $1.1MM from 2Q16

[1] Excludes effects of net gains/losses for financial assets and liabilities carried at fair value, gains/losses on sale of securities, gain on sale of buildings and certain non-recurring items.

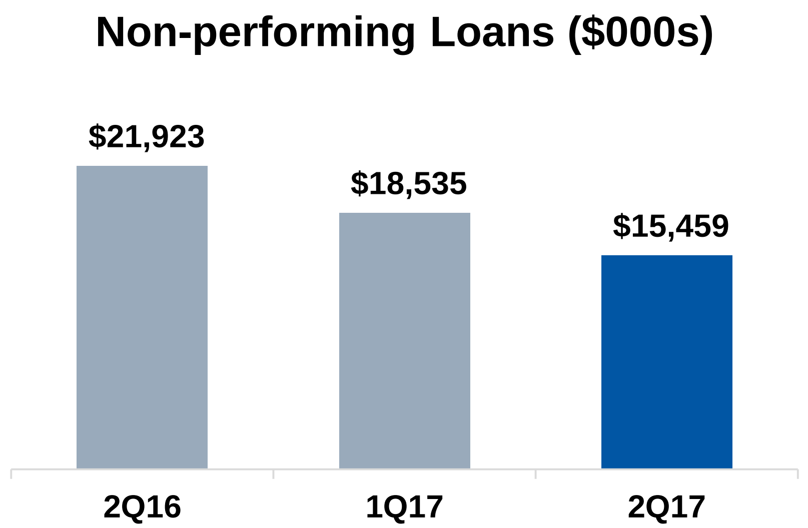
Controlling Non-Interest Expense

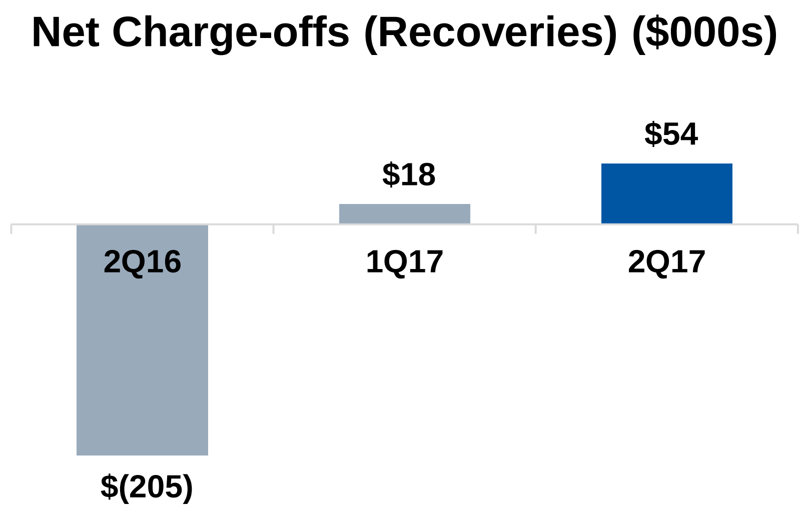


2Q17 Highlights

- Non-interest expense was $26.1MM, a decrease of 8.4% YoY and 11.8% QoQ
- Excluding $2.9MM from a non-recurring penalty on prepayment of repos and a write-down on an OREO property in 2Q16, non-interest expense was up $0.5MM, or 1.9% YoY, driven by increased salaries and benefits from salary increases and additions in staffing, partially offset by reductions in FDIC insurance expense and foreclosure expense
- Excluding $3.3MM of annual grants of employee and director RSUs in 1Q17, non-interest expense was down $0.2MM or 0.8%, primarily driven by decreased foreclosure expense
- The efficiency ratio improved to 55.8% from 57.1% in 2Q16 and 64.0% in 1Q17

Superior Credit Quality

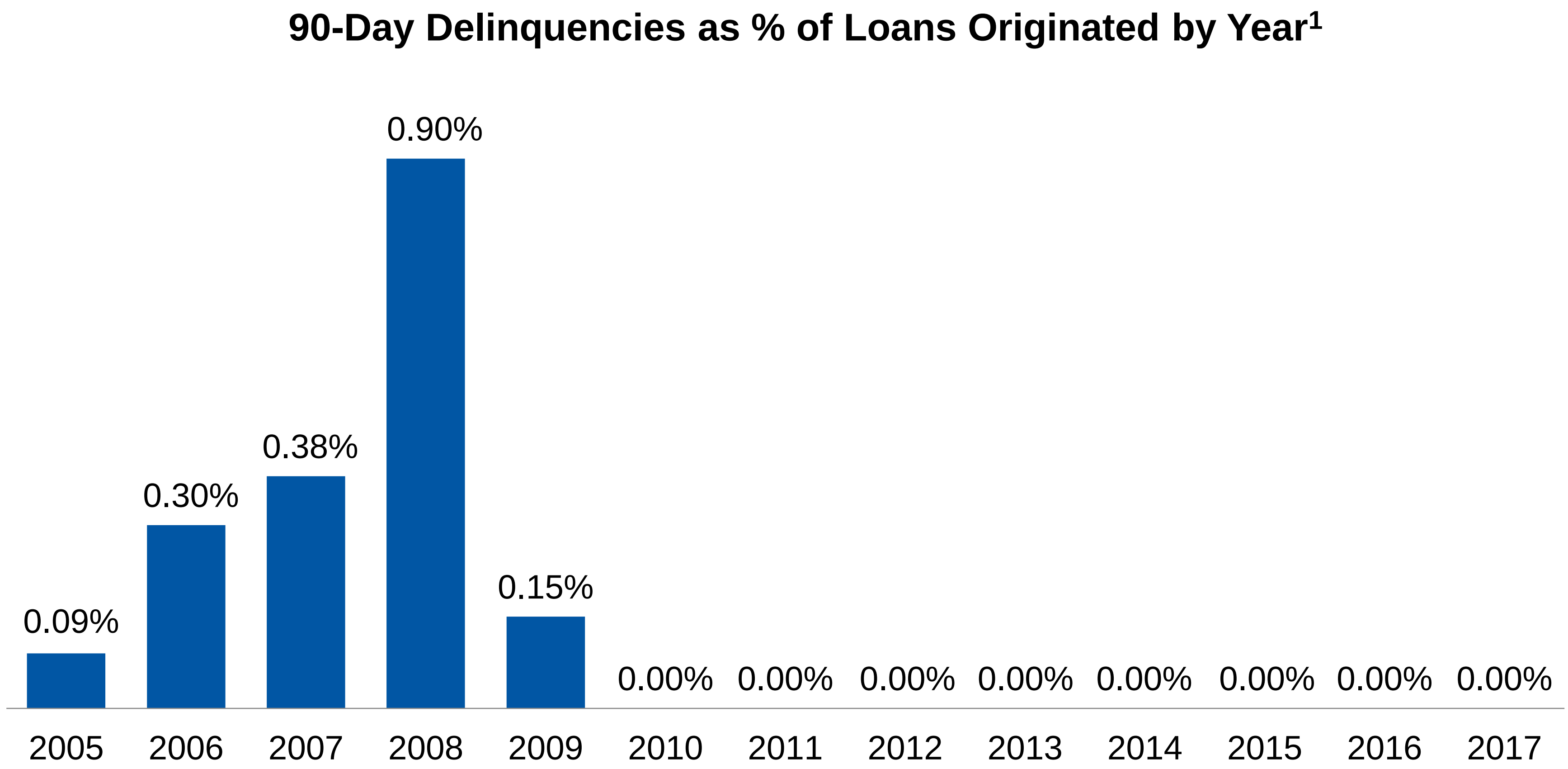




2Q17 Highlights

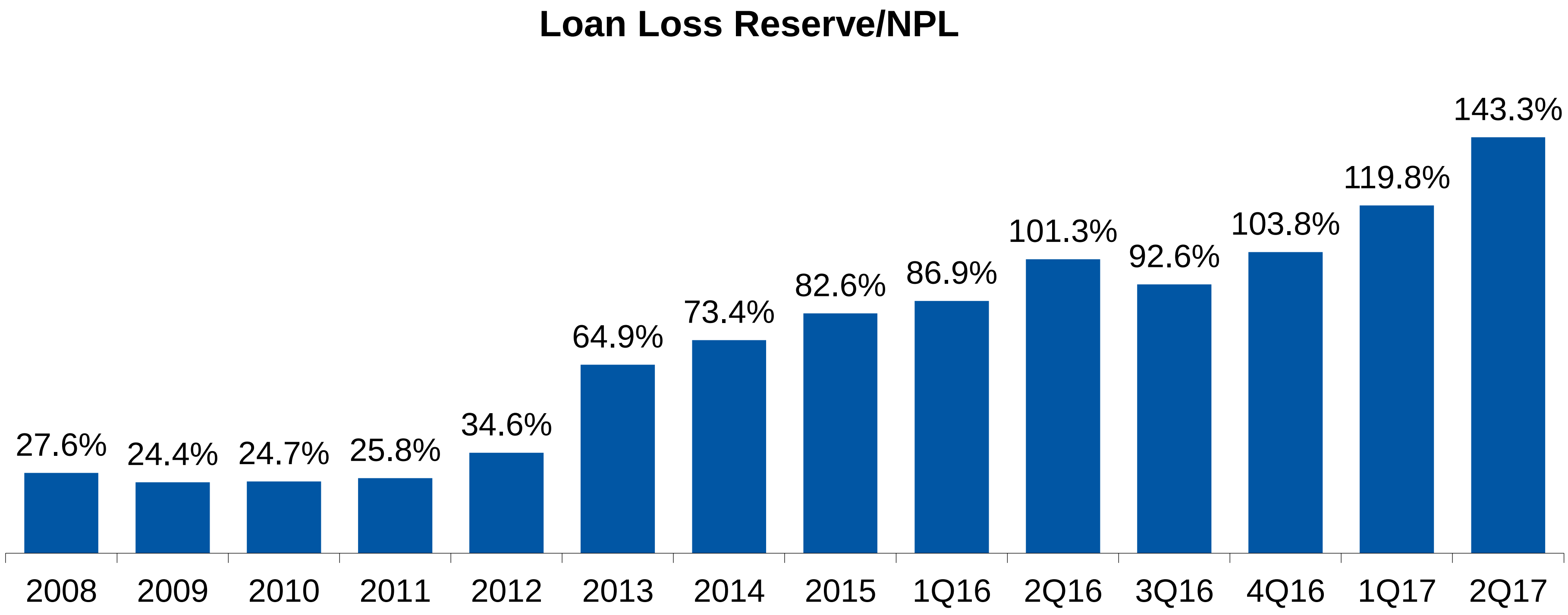
- Non-performing loans totaled $15.5MM, a decrease of 29.5% YoY and 16.6% QoQ
- Average loan-to-value for non-performing loans collateralized by real estate at June 30, 2017 was only 38.5%
- We anticipate continued low loss content in the portfolio due to our strong underwriting standards coupled with our practice of obtaining updated appraisals and recording charge-offs early in the delinquency process
- No provision for loan losses was recorded in the first half of 2017 or all of 2016 due to continued strong credit quality

Minimal Delinquencies on the Total Portfolio



[1] Calculated by dividing current 90-day delinquencies by total loans originated by vintage period.

Increasing Coverage Ratio



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Why Flushing Financial

Well Positioned for Strategic Growth

- Well capitalized for growth
- Growing multi-family and C&I loan portfolio
- Well-managed credit
  - Charge-offs below industry averages
- Managing our funding costs
- NYC market represents significant opportunity
- Nimble and responsive to industry shifts
  - Re-entry into non multi-family CRE
- Opportunities in the digital environment enable us to demonstrate our unique value

Maximizing Shareholder Value

- Solid 2017 YTD Performance
  - ROAE of 9.54%
  - ROAA of 0.81%
  - Core ROAE of 9.64%
  - Core ROAA of 0.81%
- Returning cash to shareholders: 2.55%[1] dividend yield and active share repurchases
- Shareholder base is over 80% institutional investors
- 5-year TSR of 140.6%

[1] As of 6/30/17.

Small enough to know you.

Large enough to help you.

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Appendix

Non-GAAP Measures

Core Diluted EPS, Core ROAE, Core ROAA, tangible book value per share and tangible common stockholders' equity are each non-GAAP measures used in this release. A reconciliation to the most directly comparable GAAP financial measures appears in tabular form at the end of this presentation. The Company believes that these measures are useful for both investors and management to understand the effects of certain non-interest 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 share and tangible common stockholders' equity are 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.

Non-GAAP to GAAP Reconciliation

	Three Months Ended			Six Months Ended	
	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2016
GAAP income before income taxes	$ 19,500	$ 17,514	$ 51,152	$ 37,014	$ 66,328
Net loss from fair value adjustments	1,159	378	1,115	1,537	2,102
Net gain on sale of securities	-	-	(2,363)	-	(2,363)
Gain from life insurance proceeds	(6)	(1,161)	-	(1,167)	(411)
Net gain on sale of buildings	-	-	(33,814)	-	(33,814)
Prepayment penalty on borrowings	-	-	2,082	-	2,082
Core income before taxes	20,653	16,731	18,172	37,384	33,924
Provision for income taxes for core income	7,129	5,020	6,851	12,149	12,892
Core net income	$ 13,524	$ 11,711	$ 11,321	$ 25,235	$ 21,032
GAAP diluted earnings per common share	$ 0.44	$ 0.42	$ 1.05	$ 0.86	$ 1.38
Net (gain) loss from fair value adjustments, net of tax	0.02	0.01	0.02	0.04	0.04
Net gain on sale of securities, net of tax	-	-	(0.05)	-	(0.05)
Gain from life insurance proceeds	-	(0.04)	-	(0.04)	(0.01)
Net gain on sale of buildings, net of tax	-	-	(0.67)	-	(0.67)
Prepayment penalty on borrowings	-	-	0.04	-	0.04
Core diluted earnings per common share*	$ 0.46	$ 0.40	$ 0.39	$ 0.87	$ 0.72
Core net income, as calculated above	$ 13,524	$ 11,711	$ 11,321	$ 25,235	$ 21,032
Average assets	6,218,072	6,168,848	5,897,858	6,193,596	5,836,304
Average equity	529,451	517,800	486,261	523,658	482,843
Core return on average assets**	0.87%	0.76%	0.77%	0.81%	0.72%
Core return on average equity**	10.22%	9.05%	9.31%	9.64%	8.71%

* Core diluted earnings per common share may not foot due to rounding.
** Ratios are calculated on an annualized basis.

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