FFIC FLUSHING
Financial Corporation

Small enough
to know you.

Large enough
to help you.

4Q19 Earnings Conference Call

January 31, 2020

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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, 2018, and in other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time, including those additional risk factors discussed under the heading "Risk Factors" in our Registration Statement on Form S-4/A as filed with the SEC on January 9, 2020, relating to the pending acquisition of Empire Bancorp, Inc. The Company has no obligation to update these forward-looking statements.**

Quarter Ended December 31, 2019 Highlights

- **Earnings per share of $0.45 increased 22% QoQ**
- **Net interest income increased 6%, driven by the cost of funds**
- **NIM improved 11 basis points for the quarter**
  - Improvement in NIM primarily due to cost of funds decreasing 11 basis points
  - Over $1B of retail CD’s maturing in 2020 at an average rate of 2.20%
  - Core NIM flat in 4Q19
- **Credit quality continues to improve**
  - Classified assets at lowest level since 2008
  - Non-accrual loans decreased by $1.4MM, or 10.1% QoQ and $3.4MM, or 21.2% YoY
  - Non-performing loans decreased $1.4MM, or 9.8% QoQ and $3.0MM, or 18.4% YoY
- **Loan closings totaled $270MM in 4Q19**
  - C&I, Multifamily and commercial real estate origination totaled over 89% of 4Q19 production
  - December 31, 2019 pipeline remains strong at $325MM at an average rate of 4.18%
- **Improved Branch Network**
  - Opened a new branch in Hicksville, NY in Nassau County
  - Relocated the Bell Boulevard branch to a new location converted to the Universal Banker model
- **Acquisition of Empire Bancorp Inc. progressing as planned (announced October 25, 2019)**
  - Applications filed with regulatory agencies
  - Prospectus sent out to Empire shareholders
  - Empire shareholder meeting set for February 27, 2020

Summary of Strategic Objectives

Increase Core Deposits, with an Emphasis on Non-Interest Bearing DDA, and Continue to Improve Funding Mix	Manage Net Loan Growth and Focus on Yield with an Emphasis on Assets with the Best Risk-Adjusted Returns	Enhance Core Earnings Power by Improving Scalability and Efficiency Through Executional Excellence
Profitable Growth and Expansion through New Distribution Channels and Business Lines	Manage Credit Risk	Remain Well Capitalized

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Strategic Fit to Flushing Priorities

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EmpireBancorp, Inc.

Increase core deposits, with an emphasis on non-interest bearing accounts, and continue to improve funding mix

- Lowers cost of deposits and loan-to-deposit ratio
- Increases non-interest-bearing deposits by 44%
- Creates LI's 6th largest bank by deposit share among regional and community financial institutions

Manage net loan growth and focus on yield with an emphasis on assets with the best risk-adjusted returns

- Increased C&I opportunity
- Complementary CRE capabilities

Enhance core earnings power by improving scalability and efficiency through executional excellence

- Opportunities for significant cost saves – 50% of Empire's cost base

Profitable growth and expansion through new distribution channels and business lines

- Attractive branch expansion in Suffolk County

Manage credit risk

- Grow loan portfolio while maintaining disciplined credit risk management standards

Effective allocation of shareholder capital

- Transaction maximizes returns and optimizes shareholder value

FFIC / EMPK – 2021 Deal Accretion – Simplified Breakdown

FFIC 2020E "pre-deal" consensus net income / EPS estimates	\$48.4MM net income divided by ~28.8MM shares as of Q2 '19 = \$1.68 '20E EPS
Growth rate implied FFIC 2021E "pre-deal" net income / EPS estimates	\$50.8MM (5% growth) divided by ~28.8MM shares as of Q2'19 = \$1.77 '21E EPS
19% accretion requires \$65.7MM in net income or \$15MM incremental	1.19 * \$1.77 EPS = \$2.10 or \$65.7MM in net income based on a post-deal share count of 31.3MM (28.8MM + ~2.5MM issued as deal consideration)

Income build-up to \$65.7MM[1]

Standalone 2021E FFIC income = \$50.8MM
LTM EMPK income = \$3.5MM
Cost saves after-tax = \$9.2MM (\$11.6M pre-tax)
Sub-total of FFIC + EMPK income + cost saves = \$63.5M

GAP to \$65.7MM = \$2.2MM

MRQ EMPK Loan to deposit ratio = ~75%
MRQ EMPK deposits = ~\$900MM

Excess liquidity (assumed currently invested in securities) to 100% LDR = (25% * \$900MM) = \$225MM

\$2.2MM income / \$225MM = 1.0% spread after-tax or 1.25% pre-tax from moving from securities to loans

[1] Excludes purchase accounting and other merger adjustments for illustrative purposes. Source: Consensus Wall Streets estimates. SNL Financial.

Pending Acquisition to Significantly Improve Pro Forma Metrics[1]

Flushing Financial Standalone

P / LQA E[2]	ROAA	ROATCE	Efficiency
12.4x	0.67%	8.5%	65.0%

Empire Bancorp Standalone

P / LQA E[2]	ROAA	ROATCE	Efficiency
22.5x	0.48%	5.8%	79.8%

Pro Forma Flushing[3]

P / LQA E	ROAA	ROATCE	Efficiency
11.5x	0.75%	9.5%	62.8%

Source: Company reports, S&P Global Market Intelligence. [1] Financial information for the quarter ended December 31, 2019. Based on Empire's closing price of $13.70 and Flushing's closing price of $20.96 on January 17, 2020. [2] P / LQA E defined as market capitalization as of January 17, 2020 divided by Q4 2019 net income annualized; FFIC values represent core operating earnings. [3] Cost savings reflects a ~50% reduction of Empire Bancorp's non-interest expense for the quarter ended December 31, 2019

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
- Strong presence in our ethnic communities, particularly the Asian community in Queens
- Staff branches and lending units with seasoned, multi-lingual professionals

Enhancing Earnings Power

- Manage yield through loan portfolio mix
- Manage cost of funds
- Improve scalability and efficiency of operating expense base

Strengthening Our Commercial Bank Balance Sheet

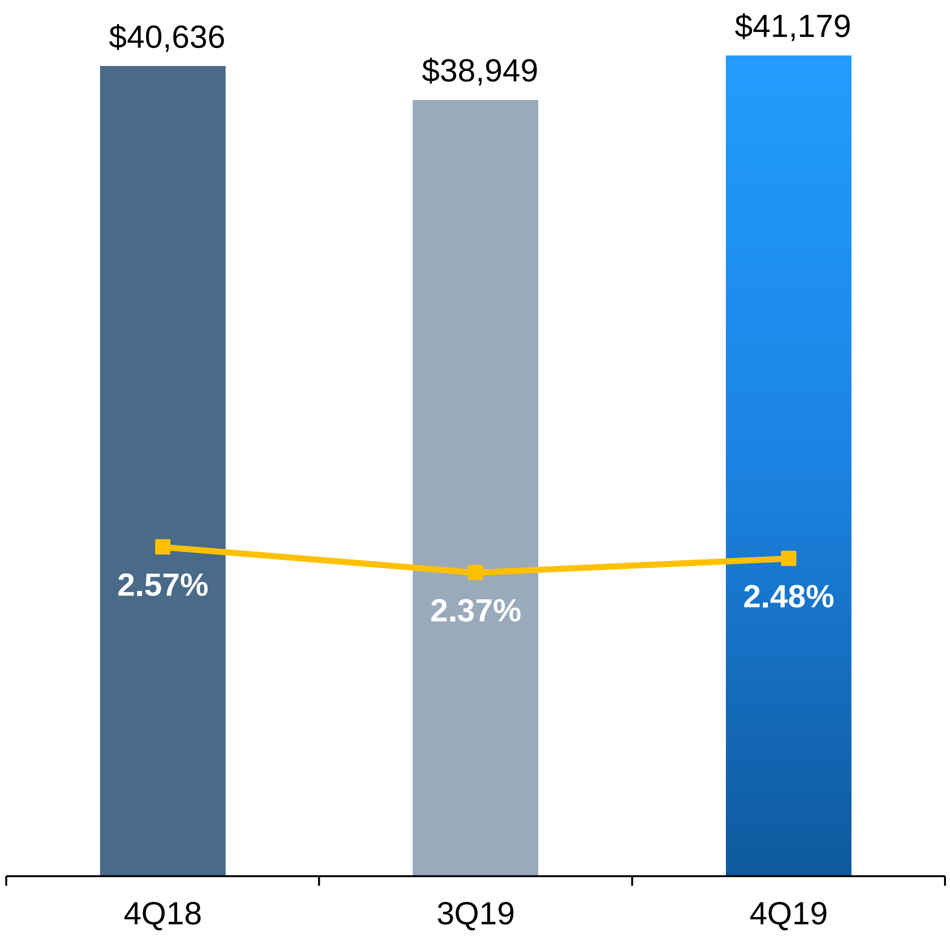
- Focus on the origination of C&I loans while remaining nimble and responsive to industry shifts
- Shift funding sources to core deposits from CDs and borrowings
- Continue to add key talent with commercial expertise

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

Net Interest Income

Net Interest Income ($000s)



4Q19 Highlights

- NIM increased 11bps QoQ and decreased 9bps YoY
- NIM increase driven by a decrease in the cost of funds and a benefit of market value changes in fair value hedges
- Cost of funds decreased 11 bps in 4Q19
- Core NIM[1] was 2.33% in 4Q19 and 3Q19 and 2.49% in 4Q18
- Yield on interest-earning assets decreased 1bp QoQ and 4bps YoY

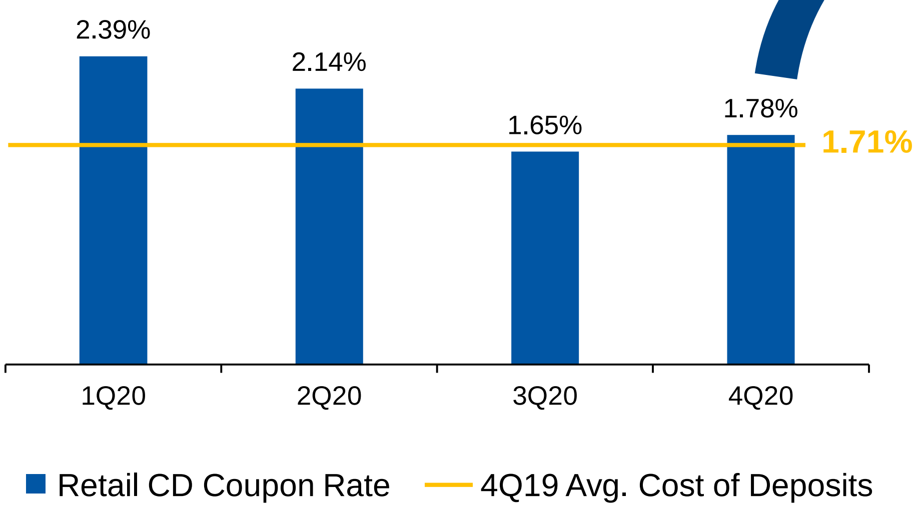
[1] Core NIM excluding prepayment penalties from loans and securities, recovered interest from delinquent loans and losses from fair value adjustments on qualifying hedges.

Opportunity to Reduce Funding Costs with Maturing CDs

- $1.0B of Retail CDs are scheduled to mature in 2020, representing 20% of total deposits as of 4Q19, at a weighted average cost of 2.20%
- Opportunity to re-price non-maturing deposits down

CDs Maturing

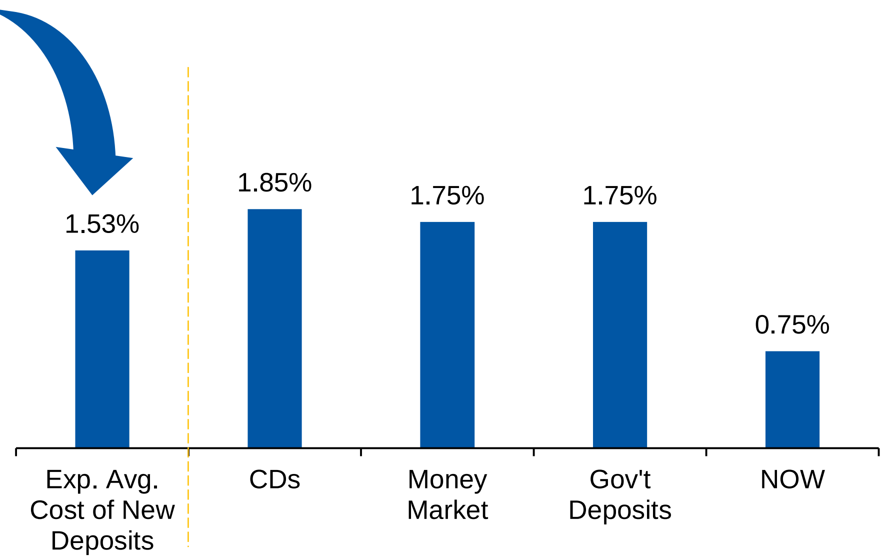
- Yields rolling off exceed current market deposit costs



Amount Maturing ($MM)			
$512.9	**$336.9**	**$50.2**	**$111.5**

Replacement Funding

- Current deposit costs of replacement products significantly lower than maturing CD rates

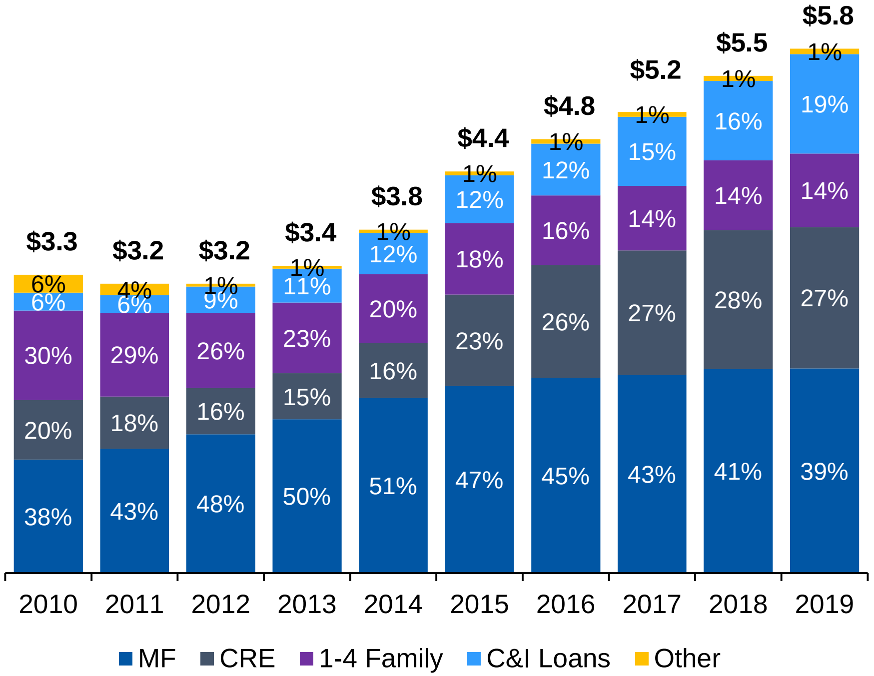


Strong Real Estate Lender with Significant C&I Portfolio

- C&I closings totaled $82MM
- Mortgage loan closings total $187MM
- At December 31, 2019 the pipeline totaled $325MM at an average rate of 4.18%

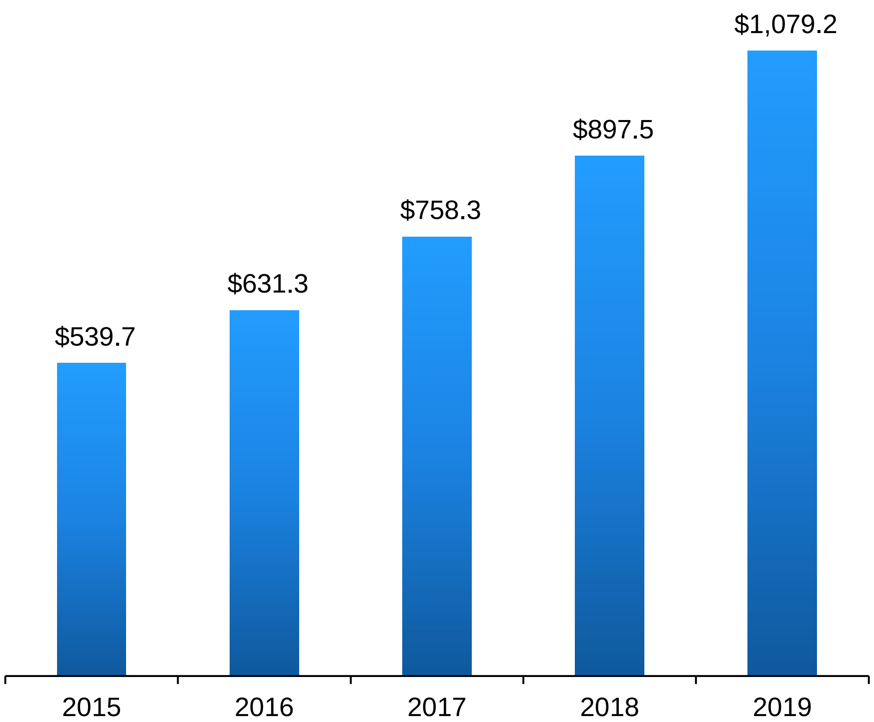
Loan Composition ($B)

4Q19 Yield on Total Loans: 4.49%



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total ($B)	$3.3	$3.2	$3.2	$3.4	$3.8	$4.4	$4.8	$5.2	$5.5	$5.8
Other	6%	4%	1%	1%	1%	1%	1%	1%	1%	1%
C&I Loans	6%	6%	9%	11%	12%	12%	12%	15%	16%	19%
1-4 Family	30%	29%	26%	23%	20%	18%	16%	14%	14%	14%
CRE	20%	18%	16%	15%	16%	23%	26%	27%	28%	27%
MF	38%	43%	48%	50%	51%	47%	45%	43%	41%	39%

C&I Loan Growth ($MM)

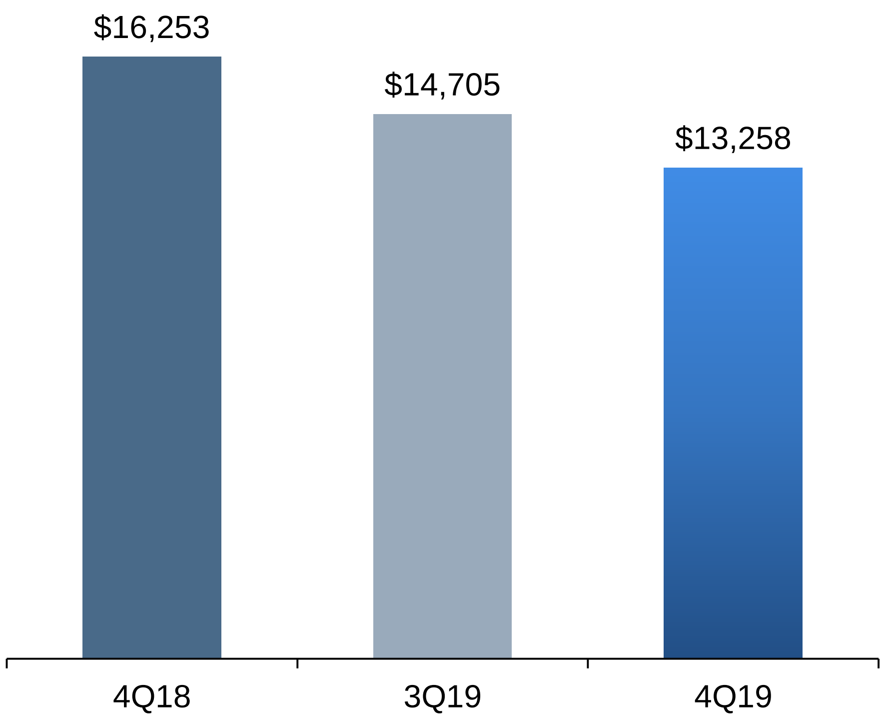


Credit Quality

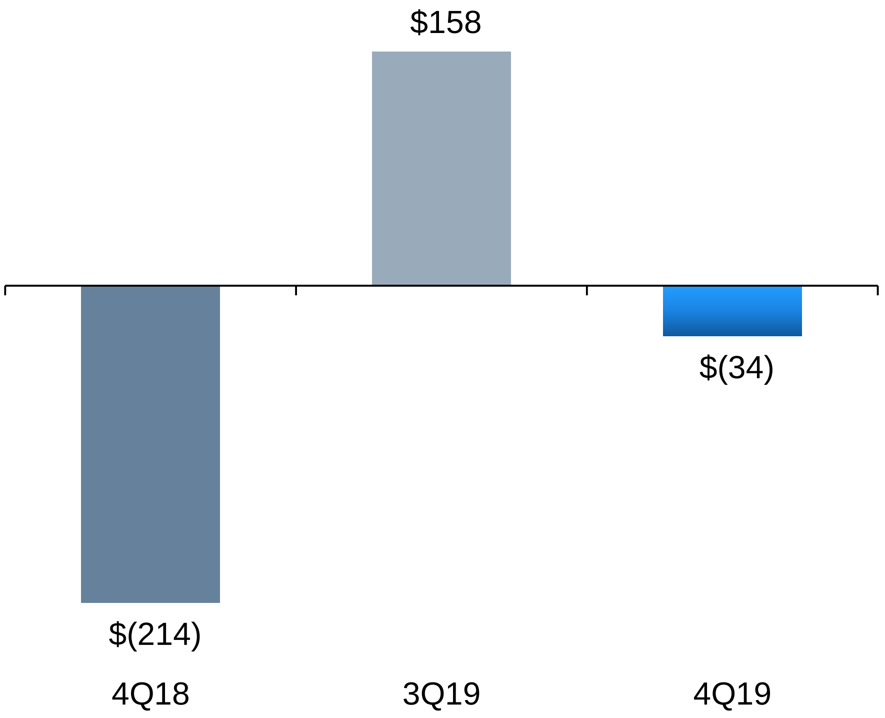
4Q19 Highlights

- Non-performing loans totaled $13.3MM, a decrease of 9.8% QoQ and 18.4% YoY
- Loan-to-value ratio on real estate dependent loans as of December 31, 2019 totaled 38.2%
- Average loan-to-value for non-performing loans collateralized by real estate at December 31, 2019 was 26.2%

Non-performing Loans ($000s)

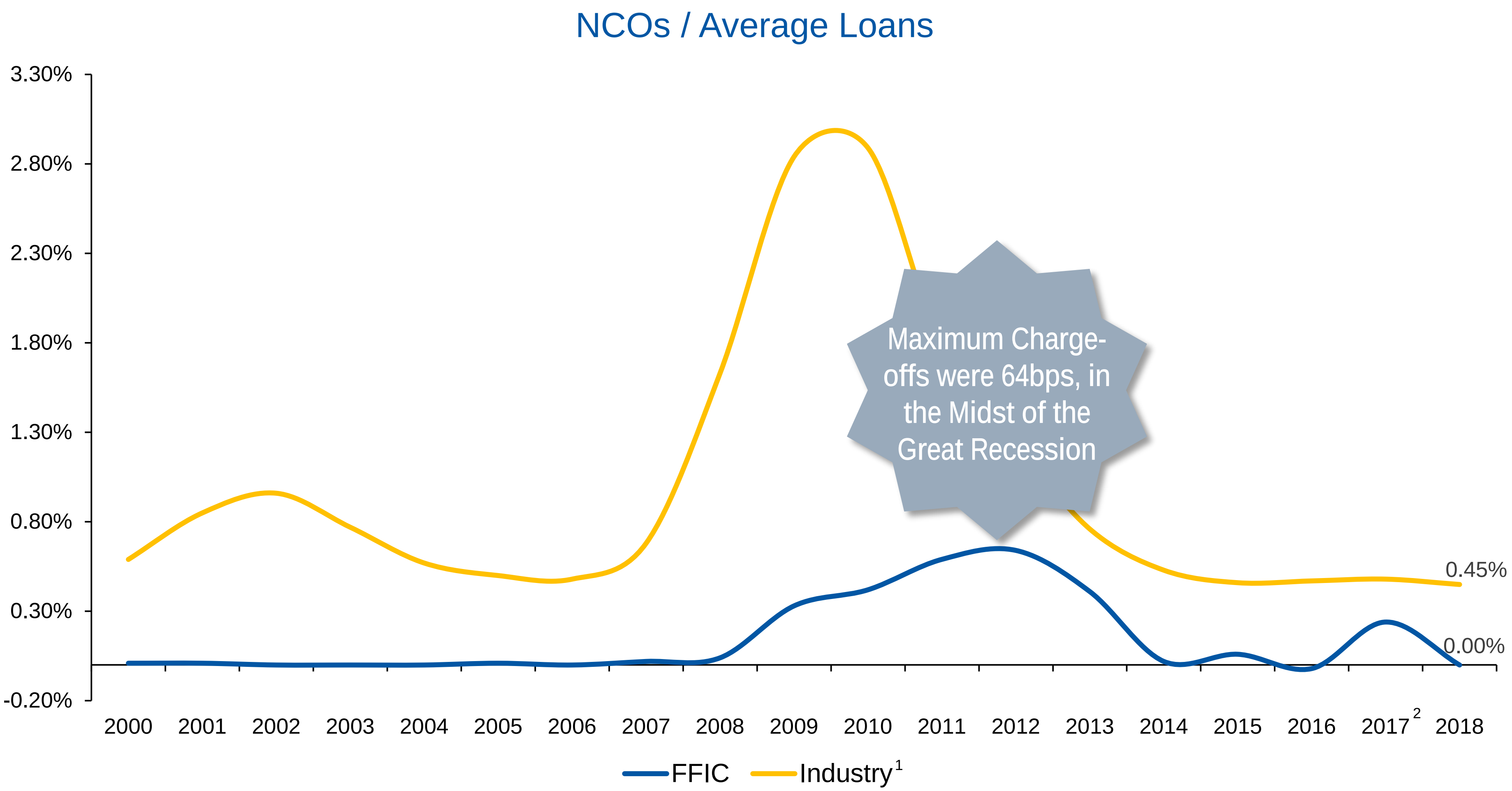


Net Charge-offs (Recoveries) ($000s)



Credit Discipline Paramount

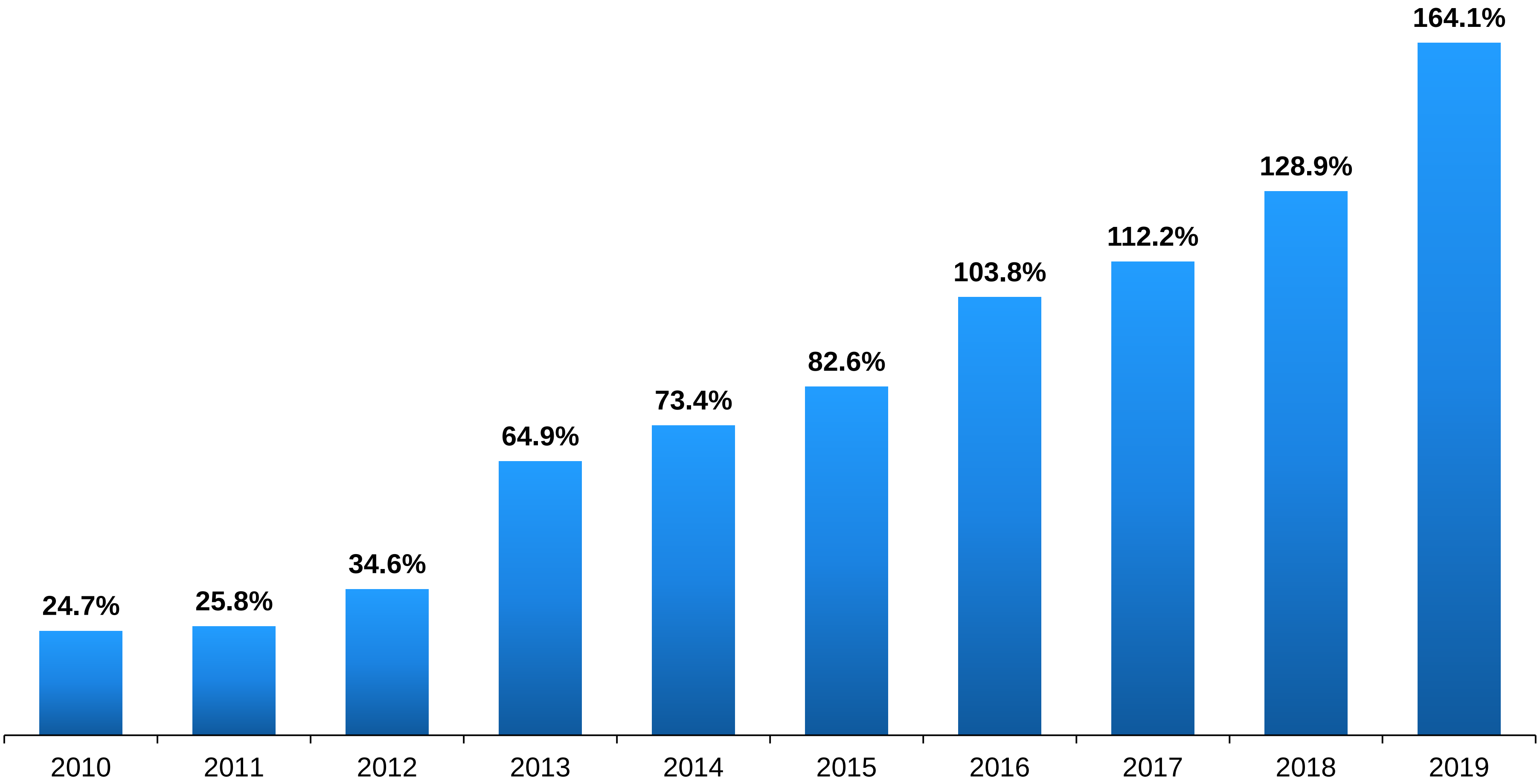
- Over two decades and multiple credit cycles, Flushing has demonstrated superior credit metrics



Source: SNL Financial. Financial data as of 4Q18. [1] "Industry" includes the ~400 banks that compose the SNL Bank and Thrift Index. [2] Includes $11.2MM in taxi medallion write-offs.

Increasing Coverage Ratio

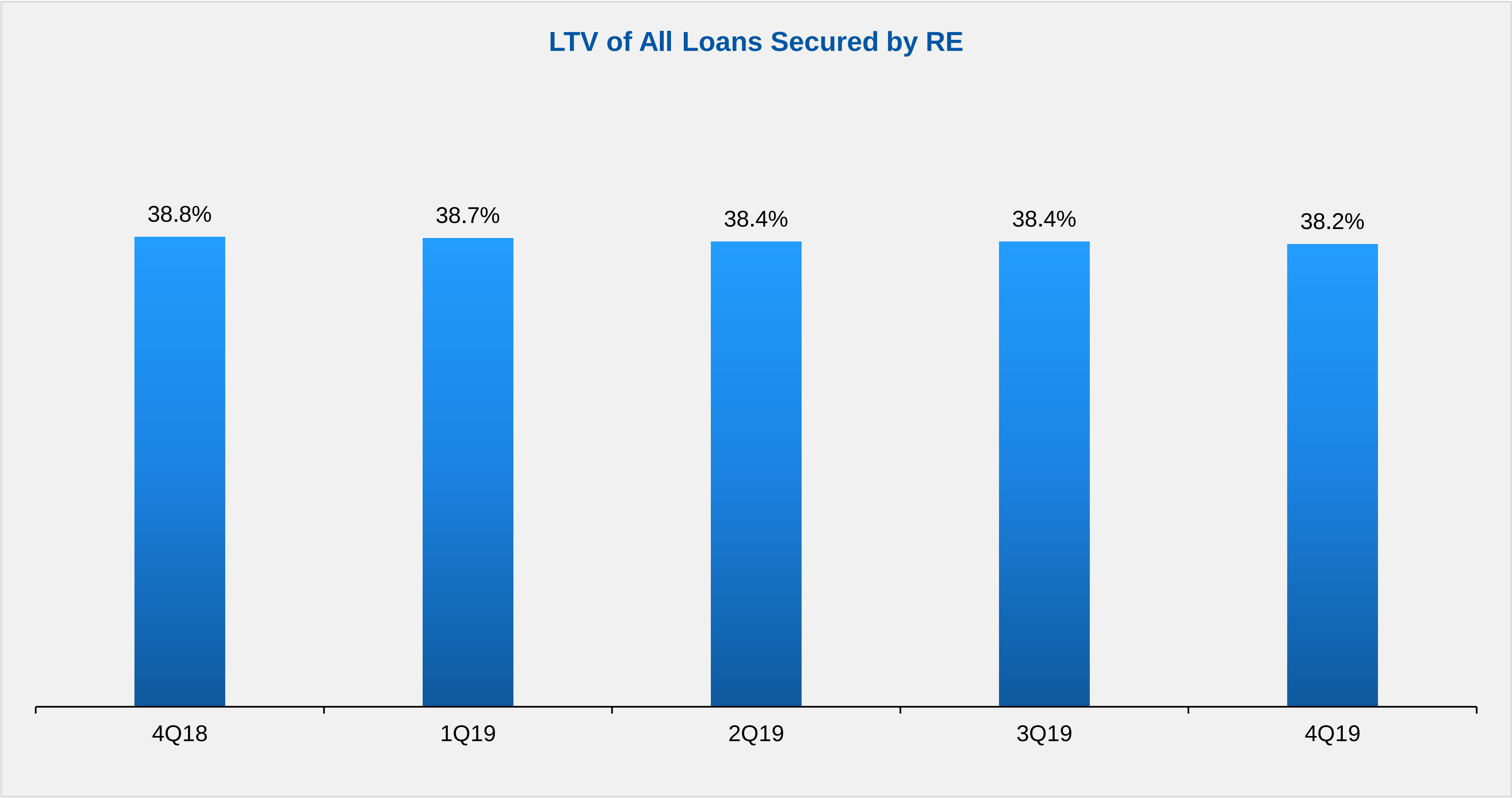
Loan Loss Reserve/NPL



Superior Asset Quality

- Conservative and thorough credit risk management through the life of a loan

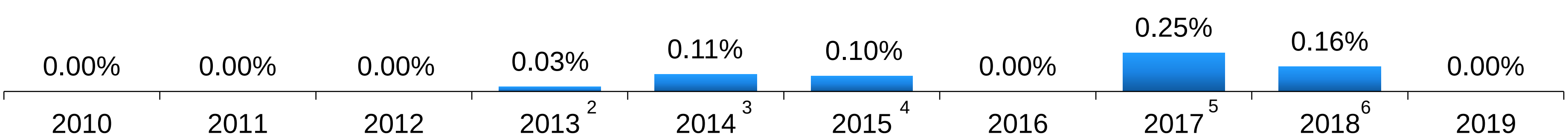
- **Current portfolio LTV ratio is less than 40% of origination value**



Minimal Delinquencies on the Total Portfolio

90-Day Delinquencies as % of Loans Originated by Year[1]

Eleven delinquent loans for vintage years covering 10 years of originations



[1] Calculated by dividing current 90-day delinquencies by total loans originated by vintage period. [2] Represents one small business loan. [3] Represents four taxi medallion loans. [4] Represents one 1-4 family and one small business loan. [5] Represents one SBA loan and two small business loans. [6] Represents one multi-family real estate loan.

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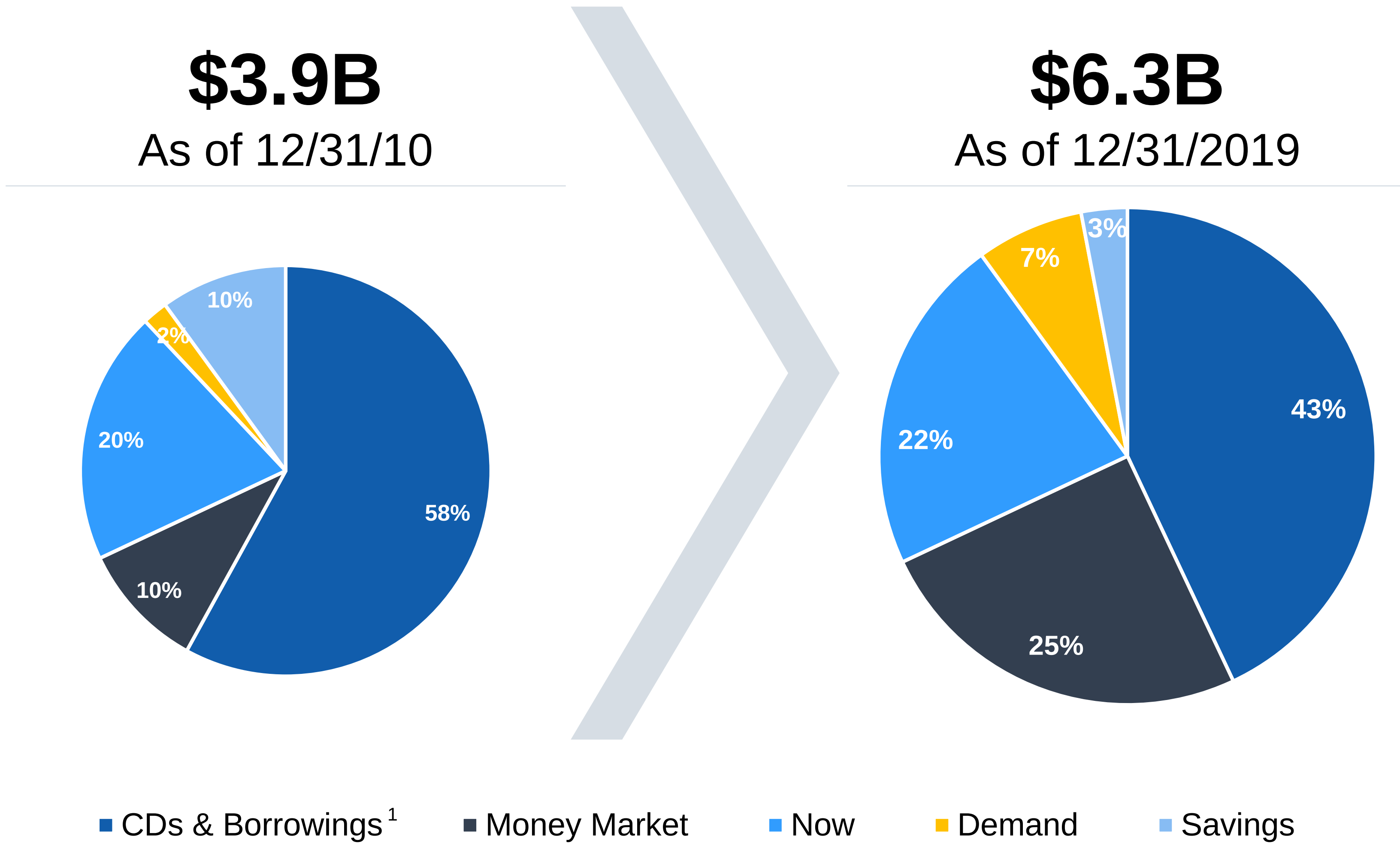
Continuing to Improve Funding Mix



Progress Made…More to Come

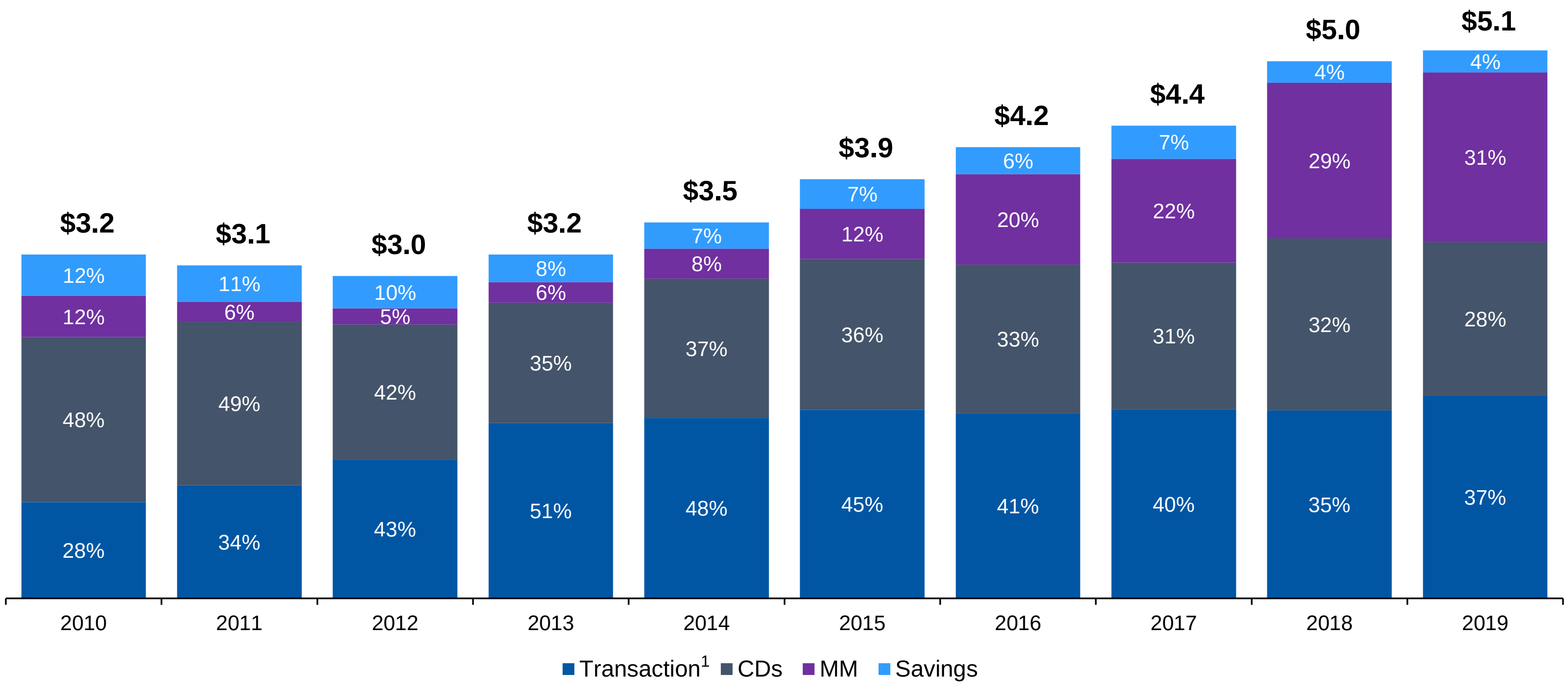
[1] Includes Mortgagors' escrow.

Consistent Core Deposit Growth

- Core deposits increased 7% YoY and 5% QoQ

Deposit Composition ($B)

4Q19 Cost of Total Deposits: 1.71%



[1] Includes NOW, demand and mortgagors' escrow deposits.

Strong Asian Banking Market within Marketplaces

- Asian Bank within Flushing Bank

- New branch opened in Hicksville, NY in 4Q19 to expand our focus on the Asian population to the Long Island market
- Relocated branch to Bayside Queens in 4Q19
- Loans in the Asian communities total over $650MM with deposits exceeding $800MM[1]
- Flushing deposits in Asian branch footprint increased 18% from June 30, 2018 to June 30, 2019 while the market size decreased[2]
- Multilingual branch staff serves our diverse customer base in the New York City market area
- Growth aided by the Asian Advisory Board

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[1] 4Q19 includes Bayside and Hicksville branches
[2] FDIC data

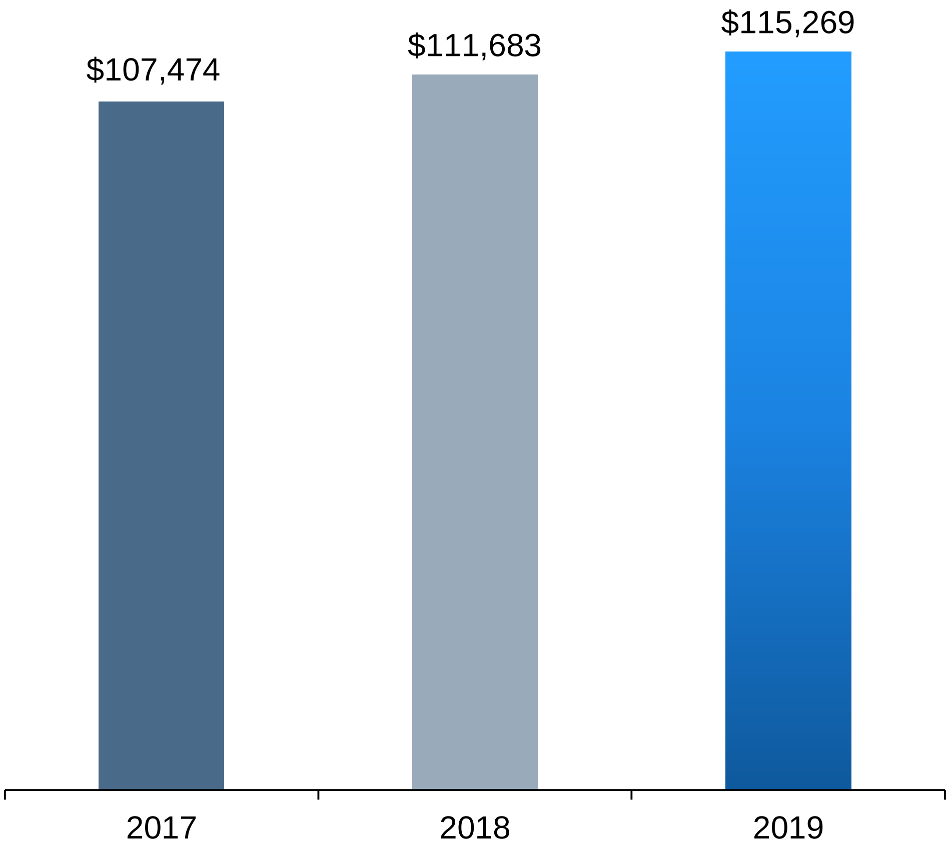
Digital Transformation

- Enhancing our digital offerings to provide state of the art technological solutions

- Modernize the customer experience without adding to infrastructure
- Anticipate completion in 2Q2020
- Improves customer experience for both consumer and business customers
- Ability to secure customers outside our footprint and deepen relationships with our current customers
- Enhanced capabilities to small business and professional customers

Controlling Non-Interest Expense

Non-Interest Expense ($000s)



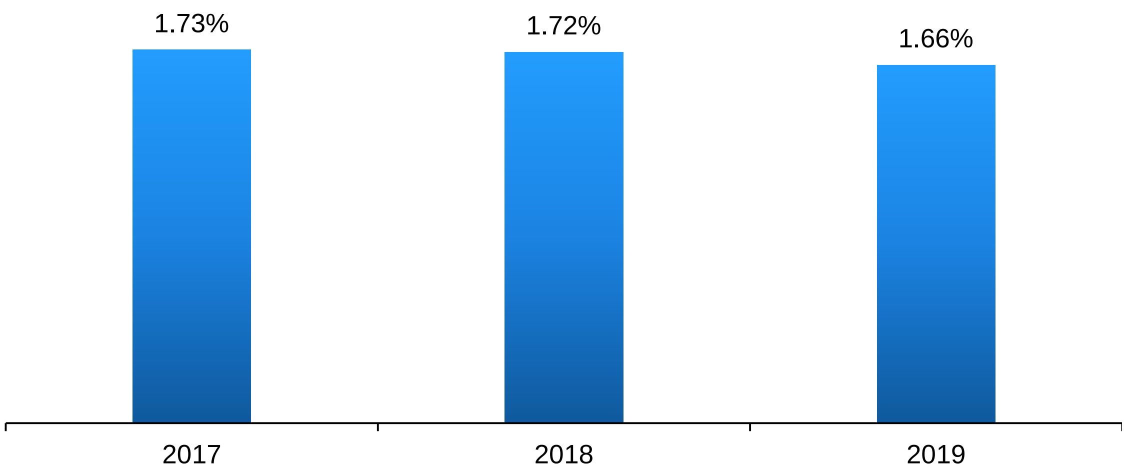
2019 Highlights

- Non-interest expense increased $3.6MM, or 3.2% YoY
- Efficiency ratio was 63.9% for 2019 compared to 62.1% for 2018
- Core non-interest expense was $113.2MM in 2019, an increase of $1.7MM or 1.5% from 2018

Improved Expense Control

- Non-interest expenses as a percent of average assets has improved
- Remain disciplined in controlling expenses

Non-Interest Expense / Average Assets



Why Flushing Financial

1 Management Culture & Track Record

- Long-standing, skilled management team
- Experienced lending in greater New York City markets
- 902% total return since IPO in 1995[1]
- Positive earnings through the cycle and every quarter since IPO
- Consistent EPS and dividend growth

2 Attractive Markets & Customers

- Premium location in high growth, high income NYC area markets
- Leading community bank market-share in footprint; competitive strength as a CRE lender
- Growth in commercial business customers
- Strong Asian customer base

3 Strong Financial Performance

- Attractive return profile with low historical return volatility
- Well capitalized balance sheet
- Sufficient liquidity and contingency funding
- Exceptionally well reserved given superior credit and underwriting standards

4 Executing Strategic Objectives

- NIM optimization through loan rate improvement and cost of funds management
- Yield management through strategic loan portfolio mix
- Leverage technology to reduce expense base, while enhancing the customer experience

FLUSHING
Commercial ▪ Business ▪ Consumer

[1] As of December 31, 2019.

Appendix

4Q19 Operating Results

	4Q19	3Q19	4Q18
Earnings ($MM, except EPS data)			
GAAP Net Interest Income	$41.2	$38.9	$40.6
Net Income	$12.9	$10.7	$12.4
Core Net Income[1]	$11.9	$13.8	$15.4
EPS	$0.45	$0.37	$0.44
Core EPS	$0.41	$0.48	$0.54
Profitability Ratios			
ROAA	0.73%	0.62%	0.74%
ROAE	9.11%	7.60%	9.18%
Net Interest Margin	2.48%	2.37%	2.57%
Efficiency Ratio[2]	65.00%	58.87%	58.53%
Capitalization Ratios			
Tangible Common Equity	8.05%	7.79%	7.83%
Dividend Payout	46.67%	56.76%	45.45%

[1] Excludes effects of net gains/losses from fair value adjustments, net gains/losses on sale of securities, net gains/losses from sale of asset, life insurance proceeds, accelerated employee benefit upon officer's death, merger expense and net gain/ losses from fair value adjustments of qualifying hedges. Core earnings presented in 4Q19 press release. [2] Efficiency ratio, a non-GAAP measure, was calculated by dividing non-interest expense (excluding accelerated employee benefits upon officers death, merger expense, OREO expense and the net gain/loss from the sale of OREO) by the total of net interest income (excluding net losses from fair value adjustments on qualifying hedges) and non-interest income (excluding net gains and losses from the sale of securities, assets and fair value adjustments and life insurance proceeds).

Non-GAAP Measures

Core Diluted EPS, Core ROAE, Core ROAA, Core Net Interest Income, Core Yield on Total Loans, Core Net Interest Margin 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 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 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 Earnings and Core Earnings

	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2019
GAAP income before income taxes	$ 16,888	$ 13,260	$ 13,468	$ 53,331	$ 65,485
Net (gain) loss from fair value adjustments	(807)	2,124	3,585	5,353	4,122
Net loss on sale of securities	—	—	1,920	15	1,920
Life insurance proceeds	(419)	—	—	(462)	(2,998)
Net gain on sale of assets	—	—	(1,141)	(770)	(1,141)
Net (gain) loss from fair value adjustments on qualifying hedges	(1,039)	1,262	—	1,678	—
Accelerated employee benefits upon Officer's death	—	—	—	455	149
Merger expense	1,080	510	—	1,590	—
Core income before taxes	15,703	17,156	17,832	61,190	67,537
Provision for income taxes for core income	3,841	3,312	2,395	13,957	11,960
Core net income	$ 11,862	$ 13,844	$ 15,437	$ 47,233	$ 55,577
GAAP diluted earnings per common share	$ 0.45	$ 0.37	$ 0.44	$ 1.44	$ 1.92
Net (gain) loss from fair value adjustments, net of tax	(0.02)	0.06	0.09	0.14	0.10
Net loss on sale of securities, net of tax	—	—	0.05	—	0.05
Life insurance proceeds	(0.01)	—	—	(0.02)	(0.10)
Net gain on sale of assets, net of tax	—	—	(0.03)	(0.02)	(0.03)
Net (gain) loss from fair value adjustments on qualifying hedges, net of tax	(0.03)	0.04	—	0.05	—
Accelerated employee benefits upon Officer's death, net of tax	—	—	—	0.01	—
Merger expense, net of tax	0.03	0.01	—	0.04	—
Core diluted earnings per common share1	$ 0.41	$ 0.48	$ 0.54	$ 1.65	$ 1.94
Core net income, as calculated above	$ 11,862	$ 13,844	$ 15,437	$ 47,233	$ 55,577
Average assets	7,057,094	6,972,403	6,681,161	6,947,881	6,504,598
Average equity	567,461	564,255	541,067	561,289	534,735
Core return on average assets2	0.67 %	0.79 %	0.92 %	0.68 %	0.85 %
Core return on average equity2	8.36 %	9.81 %	11.41 %	8.42 %	10.39 %

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

Non-cash Fair Value Adjustments to GAAP Earnings

During the current year, core earnings were higher than GAAP earnings primarily due to the impact of non-cash net losses from fair value adjustments. These fair value adjustments relate primarily to swaps designated to protect against rising rates. As the swaps get closer to maturity the volatility in fair value adjustments will dissipate. Overall, the interest movement of the swaps is benefitting the core net interest margin while the fair value adjustments are offsetting the benefit. In a declining interest rate environment, the movement in the curve exaggerates our mark-to-market loss position. In a rising interest rate environment or a steepening of the yield curve the loss position would experience an improvement.

Reconciliation of GAAP NII & NIM to CORE NII & NIM

	Three Months Ended			Twelve Months Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
GAAP net interest income	$ 41,179	$ 38,949	$ 40,636	$ 161,940	$ 167,406
Net (gain) loss from fair value adjustments on qualifying hedges	(1,039)	1,262	—	1,678	—
Core net interest income	$ 40,140	$ 40,211	$ 40,636	$ 163,618	$ 167,406
GAAP interest income on total loans, net	$ 64,316	$ 62,825	$ 60,722	$ 251,744	$ 232,719
Net (gain) loss from fair value adjustments on qualifying hedges	(1,039)	1,262	—	1,678	—
Prepayment penalties received on loans	(926)	(1,697)	(892)	(4,548)	(5,200)
Net recoveries of interest from non-accrual loans	(428)	(292)	(276)	(1,953)	(1,756)
Core interest income on total loans, net	$ 61,923	$ 62,098	$ 59,554	$ 246,921	$ 225,763
Average total loans, net	$ 5,726,635	$ 5,645,503	$ 5,438,418	$ 5,621,033	$ 5,316,968
Core yield on total loans	4.33 %	4.40 %	4.38 %	4.39 %	4.25 %
Net interest income tax equivalent	$ 41,323	$ 39,097	$ 40,850	$ 162,482	$ 168,301
Net (gain) loss from fair value adjustments on qualifying hedges	(1,039)	1,262	—	1,678	—
Prepayment penalties received on loans and securities	(926)	(1,697)	(892)	(4,548)	(5,302)
Net recoveries of interest from non-accrual loans	(428)	(292)	(276)	(1,953)	(1,756)
Net interest income used in calculation of Core net interest margin	$ 38,930	$ 38,370	$ 39,682	$ 157,659	$ 161,243
Total average interest-earning assets	$ 6,677,325	$ 6,589,498	$ 6,364,456	$ 6,582,473	$ 6,194,248
Core net interest margin	2.33 %	2.33 %	2.49 %	2.40 %	2.60 %

New York City Multi-Family Housing Market

RENT REGULATION REFORM

BACKGROUND

- June 2019 NYS approved sweeping reforms to existing rent regulations
- New rules tighten owner's ability to obtain future rent increases above the annual increases recommended by the Rent Guidelines Board (RGB)
- Affected loan balances total $1.6B

POTENTIAL RISKS

- Declining valuations
- Higher cap rates
- Slower rental growth
- Lower capital re-investments

MITIGANTS

- ✓ Flushing Bank Multifamily loan portfolio is diversified and granular
- ✓ Includes both rent regulated housing (apartment buildings with 5+ units) and free market housing (includes mixed-use residential)
- ✓ Multifamily portfolio remains conservative
  - Avg. LTV less than 50% with strong avg. debt coverage ratio in excess of 1.75
- ✓ Existing properties well maintained with significant capital improvements already completed
- ✓ Loans approved based on current cash flow at underwriting
- ✓ Typical borrower is established multifamily owner/manager with more than one property
- ✓ Little exposure to institutional ownership
- ✓ All debt coverage ratios stress tested up 250 bps

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NASDAQ: FFIC

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