

Flushing Financial Corporation Reports 4Q24 and 2024 GAAP Loss Per Share of \$(1.61) and \$(1.05), and Core EPS of \$0.14 and \$0.73, Respectively; Actions Taken to Improve Profitability and to Strengthen the Balance Sheet

Jan 28, 2025 5:15 PM

"Our Company successfully executed meaningful actions in 2024 to position it for enhanced earnings in 2025. First, we raised \$70 million of capital to reposition the balance sheet, completed the restructuring of the investment portfolio, transferred loans to held for sale, and repositioned borrowings while reducing the cost. The overall result of this balance sheet restructuring is expected to be a significant improvement performance with 10-15 bps of NIM expansion expected in 1Q25. This restructuring will further propel our baseline NIM expansion, which was 29 and 18 bps, respectively, for GAAP and Core, in 4Q24. Second, our actions to move the balance sheet to a more neutral position have helped position the Company for the current environment. The recent steepening of the yield curve should further aid NIM improvement over time. Lastly, after making progress on our four areas of focus in 2024, we are shifting the priorities in 2025 to 1) Preserving Strong Liquidity and Capital, 2) Maintaining Credit Discipline, and 3) Improving Profitability. While progress occurred in 2024, by shifting our priorities in 2025, we expect further improvement.

- John R. Buran, President and CEO

UNIONDALE, NY / [ACCESS Newswire](#) / January 28, 2025 / **Restructuring Largely Complete.** The Company reported fourth quarter and full year 2024 GAAP loss per share of \$(1.61) and \$(1.05), respectively. Core EPS for the fourth quarter and full year 2024 totaled \$0.14 and \$0.73, respectively. During the fourth quarter, the Company took several actions to improve profitability and strengthen the balance sheet, including raising \$70 million of common capital, selling approximately \$445 million of securities yielding 1.98%, purchasing \$384 million of securities yielding 5.67%, terminating \$200 million of a related investment securities swap for a \$3 million pre-tax gain, prepaying \$251 million of FHLB advances at a weighted average rate of 4.82%, replacing this funding at a rate of 4.54%, and moving \$74 million of loans with a weighted average coupon of 3.91% to held for sale incurring an 100% interest rate mark of \$3.8 million pre-tax. The net result of these transactions and other adjustments totaled \$76.0 million (pre-tax) or \$(1.74) per share, net of tax in 4Q24 and \$(1.77) per share in 2024.

Asset Quality Stable, and Capital Improves. Asset quality metrics were stable as NPAs were down 6.5% QoQ, but criticized and classified loans totaled 107 bps of gross loans. Net charge-offs to average loans were 28 bps in 4Q24 primarily relating to loans that were already fully reserved. TCE/TA ¹ increased to 7.82% at December 31, 2024, up 82 bps QoQ.

Key Financial Metrics ²

| | <u>4Q24</u> | <u>3Q24</u> | <u>2Q24</u> | <u>1Q24</u> | <u>4Q23</u> | <u>2024</u> | <u>2023</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>GAAP:</u> | | | | | | | |
| (Loss) Earnings per Share | \$ (1.61) | \$ 0.30 | \$ 0.18 | \$ 0.12 | \$ 0.27 | \$ (1.05) | \$ 0.96 |
| ROAA (%) | (2.17) | 0.39 | 0.24 | 0.17 | 0.38 | (0.35) | 0.34 |
| ROAE (%) | (29.24) | 5.30 | 3.19 | 2.20 | 4.84 | (4.67) | 4.25 |
| NIM FTE ³ (%) | 2.39 | 2.10 | 2.05 | 2.06 | 2.29 | 2.15 | 2.24 |
| <u>Core:</u> | | | | | | | |
| EPS | \$ 0.14 | \$ 0.26 | \$ 0.18 | \$ 0.14 | \$ 0.25 | \$ 0.73 | \$ 0.83 |
| ROAA (%) | 0.19 | 0.34 | 0.25 | 0.20 | 0.35 | 0.24 | 0.29 |
| ROAE (%) | 2.54 | 4.59 | 3.27 | 2.58 | 4.51 | 3.25 | 3.69 |
| Core NIM FTE (%) | 2.25 | 2.07 | 2.03 | 2.06 | 2.31 | 2.10 | 2.21 |
| <u>Credit Quality:</u> | | | | | | | |
| NPAs/Loans & OREO (%) | 0.76 | 0.81 | 0.82 | 0.68 | 0.67 | 0.76 | 0.67 |
| ACLs/Loans (%) | 0.60 | 0.59 | 0.61 | 0.60 | 0.58 | 0.60 | 0.58 |
| ACLs/NPLs (%) | 120.51 | 117.75 | 120.58 | 164.13 | 159.55 | 120.51 | 159.55 |
| NCOs/Avg Loans (%) | 0.28 | 0.18 | (0.01) | - | - | 0.11 | 0.16 |
| <u>Balance Sheet:</u> | | | | | | | |
| Avg Loans (\$B) | \$ 6.8 | \$ 6.7 | \$ 6.7 | \$ 6.8 | \$ 6.9 | \$ 6.8 | \$ 6.8 |
| Avg Dep (\$B) | \$ 7.4 | \$ 7.5 | \$ 7.2 | \$ 7.1 | \$ 6.9 | \$ 7.3 | \$ 6.9 |
| Book Value/Share | \$ 21.53 | \$ 22.94 | \$ 22.89 | \$ 23.04 | \$ 23.21 | \$ 21.53 | \$ 23.21 |

| | | | | | | | |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|
| Tangible BV/ Share | \$ 20.97 | \$ 22.29 | \$ 22.24 | \$ 22.39 | \$ 22.54 | \$ 20.97 | \$ 22.54 |
| TCE/TA (%) | 7.82 | 7.00 | 7.12 | 7.40 | 7.64 | 7.82 | 7.64 |

Note: In certain circumstances, reclassifications have been made to prior periods to conform to the current presentation.

¹ Tangible Common Equity ("TCE")/Total Assets ("TA"). ² See "Reconciliation of GAAP (Loss) Earnings and Core Earnings", "Reconciliation of GAAP Revenue and Pre-Provision Pre-Tax Net Revenue", and "Reconciliation of GAAP Net Interest Margin to Core Net Interest Income and Net Interest Margin." ³ Net Interest Margin ("NIM") Fully Taxable Equivalent ("FTE").

4Q24 Highlights

- Net interest margin FTE increased 10 bps YoY and 29 bps QoQ to 2.39%; Core net interest margin FTE decreased 6 bps YoY, but increased 18 bps QoQ to 2.25%; Prepayment penalty income, net reversals and recovered interest from nonaccrual and delinquent loans, swap termination fees and income, net gains and losses from fair value adjustments on qualifying hedges, and purchase accounting accretion totaled 17 bps in 4Q24 compared to 15 bps in 4Q23 and 11 bps in 3Q24; The net result of the balance sheet restructuring is expected to increase the NIM by approximately 10-15 bps in 1Q25
- Average total deposits increased 8.2% YoY but decreased 0.2% QoQ to \$7.4 billion; Average noninterest bearing (NIB) deposits declined 0.4% YoY but increased 2.9% QoQ and totaled 11.7% of total average deposits compared to 12.7% in 4Q23 and 11.3% in 3Q24. Average CDs were \$2.7 billion, up 14.6% YoY and 7.0% QoQ
- Period end net loans decreased 2.3% YoY and 1.1% QoQ to \$6.7 billion; Loan closings were \$225.2 million, down 7.8% YoY, but up 3.7% QoQ; Back-to-back swap loan originations were \$58.5 million compared to \$38.5 million in 3Q24 and generated \$0.9 million and \$0.6 million of noninterest income, respectively; Loan pipeline increased 21.9% YoY, but declined 32.1% QoQ to \$198.9 million; Approximately 27% of the loan pipeline consists of back-to-back swap loans
- NPAs totaled \$51.3 million (57 bps of assets) in 4Q24 compared to \$46.2 million (54 bps) a year ago and \$54.9 million (59 bps) in the prior quarter; A \$2.6 million reserve was allocated to the Company's largest NPA based on updated information
- Noninterest expense growth was 12% YoY in 4Q24 and 7.8% for 2024; Core noninterest expense growth was 6.6% YoY in 4Q24 and 6.1% in 2024, in line with our target of mid-single digit increase for 2024
- Provision for credit losses was \$6.4 million in 4Q24 compared to \$1.0 million in 4Q23 and \$1.7 million in 3Q24; Net charge-offs were \$4.7 million in 4Q24 compared to \$60,000 in 4Q23 and \$3.0 million in 3Q24; 4Q24 net charge-offs primarily relate to loans that were previously fully reserved
- Tangible Common Equity to Tangible Assets was 7.82% at December 31, 2024, compared to 7.00% at September 30, 2024; Tangible book value per share was \$20.97 compared to \$22.54 a year ago

| Areas of Focus | |
|--|--|
| Increase NIM and Reduce Volatility | <ul style="list-style-type: none"> • GAAP and Core NIM increased by 29 bps and 18 bps QoQ, respectively, in 4Q24 • Approximately 27% of the loan portfolio consists of floating rate loans (including hedges) • Average NIB deposits increased 2.9% QoQ and accounted for 11.7% of average total deposits |
| Maintain Credit Discipline | <ul style="list-style-type: none"> • Approximately 90% of the loan portfolio is collateralized by real estate with an average loan to value of less than 35% • Weighted average debt service coverage ratio is approximately 1.8x for multifamily and investor commercial real estate loans • Criticized and classified loans are 1.07% of gross loans • Manhattan office buildings exposure is minimal at 0.5% of gross loans |
| Preserve Strong Liquidity and Capital | <ul style="list-style-type: none"> • Maintaining ample liquidity with \$3.6 billion of undrawn lines and resources as of December 31, 2024 • Uninsured and uncollateralized deposits were 17% of total deposits, while uninsured deposits were 31% of total deposits • Total average deposits increased by 8.2% YoY, but declined 0.2% QoQ • Tangible Common Equity to Tangible Assets was 7.82% at December 31, 2024, up 82 bps QoQ |
| Bend the Expense Curve | <ul style="list-style-type: none"> • GAAP noninterest expense to average assets was 2.01% in 4Q24 compared to 1.90% in 4Q23 and 1.68% in 3Q24 • GAAP and Core noninterest expense growth was 7.8% and 6.1% in 2024, respectively, as investments were made to improve long term profitability |

Income Statement Highlights

YoY

QoQ

| (\$000s, except EPS) | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 | Change | Change |
|--|--------------|-----------|-----------|-----------|-----------|------------|------------|
| Net Interest Income | \$ 51,235 | \$ 45,603 | \$ 42,776 | \$ 42,397 | \$ 46,085 | 11.2 % | 12.4 % |
| Provision for Credit Losses | 6,440 | 1,727 | 809 | 592 | 998 | 545.3 | 272.9 |
| Noninterest Income (Loss) | (71,022) | 6,277 | 4,216 | 3,084 | 7,402 | (1,059.5) | (1,231.5) |
| Noninterest Expense | 45,630 | 38,696 | 39,047 | 39,892 | 40,735 | 12.0 | 17.9 |
| (Loss) Income Before Income Taxes | (71,857) | 11,457 | 7,136 | 4,997 | 11,754 | (711.3) | (727.2) |
| Provision (Benefit) for Income Taxes | (22,612) | 2,551 | 1,814 | 1,313 | 3,655 | (718.7) | (986.4) |
| Net (Loss) Income | \$ (49,245) | \$ 8,906 | \$ 5,322 | \$ 3,684 | \$ 8,099 | (708.0) | (652.9) |
| Diluted (Loss) Earnings per Share | \$ (1.61) | \$ 0.30 | \$ 0.18 | \$ 0.12 | \$ 0.27 | (696.3) | (636.7) |
| Avg. Diluted Shares (000s) | 30,519 | 29,742 | 29,789 | 29,742 | 29,650 | 2.9 | 2.6 |
| Core Net Income ¹ | \$ 4,209 | \$ 7,723 | \$ 5,456 | \$ 4,312 | \$ 7,546 | (44.2) | (45.5) |
| Core EPS ¹ | \$ 0.14 | \$ 0.26 | \$ 0.18 | \$ 0.14 | \$ 0.25 | (44.0) | (46.2) |

¹ See Reconciliation of GAAP Earnings and Core Earnings

Net interest income increased YoY and QoQ.

- Net Interest Margin FTE of 2.39% increased 10 bps YoY and 29 bps QoQ; The cost of funds declined 34 bps QoQ partially offset by a 3 bps decrease in the yield on interest earning assets
- Prepayment penalty income, swap termination fees and income, net reversals and recoveries of interest from nonaccrual and delinquent loans, net gains and losses from fair value adjustments on qualifying hedges, and purchase accounting accretion totaled \$3.8 million (17 bps to the NIM) in 4Q24 compared to \$2.4 million (11 bps to NIM) in 3Q24, \$0.7 million (3

bps to NIM) in 2Q24, \$1.0 million (5 bps to NIM) in 1Q24, and \$3.0 million (15 bps to NIM) in 4Q23

- Excluding the items in the previous bullet, the net interest margin was 2.22% in 4Q24 compared to 1.99% in 3Q24, 2.02% in 2Q24, 2.01% in 1Q24, and 2.14% in 4Q23

The provision for credit losses increased YoY and QoQ.

- Net charge-offs (recoveries) were \$4.7 million (28 bps of average loans) in 4Q24 compared to \$3.0 million (18 bps of average loans) in 3Q24, \$(92,000) ((1) bp of average loans) in 2Q24, \$4,000 (less than 1 bp of average loans) in 1Q24, and \$60,000 (less than 1 bp of average loans) in 4Q23; Net charges-offs in 4Q24 primarily relate to loans that were fully reserved

Noninterest income (loss) decreased YoY and QoQ.

- Back-to-back swap loan closings of \$58.5 million in 4Q24 (compared to \$121.6 million in 4Q23 and \$38.5 million in 3Q24) generated \$0.9 million of noninterest income (compared to \$1.5 million in 4Q23 and \$0.6 million in 3Q24)
- The result of the balance sheet restructuring was a pre-tax loss of \$76.4 million from the sale of the investment securities and the transfer of loans to held for sale.
- Net gains (losses) from fair value adjustments were \$(1.1) million (\$0.03 per share, net of tax) in 4Q24, \$1.0 million (\$0.03 per share, net of tax) in 3Q24, \$0.1 million (less than \$0.01 per share, net of tax) in 2Q24, \$(0.8) million (\$0.02 per share, net of tax) in 1Q24, and \$0.9 million (\$0.02 per share, net of tax) in 4Q23
- Gain on life insurance proceeds were \$0.3 million (about \$0.01 per share) in 4Q24, \$1,000 (less than \$0.01 per share) in 3Q24, and \$0.7 million (\$0.02 per share) in 4Q23
- Absent the items in the previous three bullets and other immaterial adjustments, core noninterest income was \$6.0 million in 4Q24, up 3.1% YoY and 12.8% QoQ

Noninterest expense increased YoY and QoQ.

- The balance sheet restructuring affected FHLB advances by incurring a \$2.6 million pre-payment penalty
- Excluding the effects of the prior bullet and other immaterial adjustments, core noninterest expenses were \$42.8 million in 4Q24, up 6.6% YoY and 10.8% QoQ; YoY increases primarily relate to business investments in staff and branches and deposit insurance premiums

Provision (benefit) for income taxes was \$(22.6) million in 4Q24 compared to \$3.7 million in 4Q23 and \$2.6 million in 3Q24.

- The effective tax rate was 31.5% in 4Q24, 22.3% in 3Q24, 25.4% in 2Q24, 26.3% in 1Q24, and 31.1% in 4Q23
- The effective tax rate in 4Q24 was primarily related to the increased benefit of permanent differences relative to pre-tax income (loss); The effective tax rate in 3Q24 includes approximately \$0.5 million of discrete tax benefits

Balance Sheet, Credit Quality, and Capital Highlights

| | | | | | | YoY | QoQ |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 | Change | Change |
| Averages (\$MM) | | | | | | | |
| Loans | \$ 6,780 | \$ 6,737 | \$ 6,748 | \$ 6,804 | \$ 6,868 | (1.3)% | 0.6 % |
| Total Deposits | 7,450 | 7,464 | 7,196 | 7,081 | 6,884 | 8.2 | (0.2) |
| Credit Quality (\$000s) | | | | | | | |
| Nonperforming Loans | \$ 33,318 | \$ 34,261 | \$ 34,540 | \$ 24,829 | \$ 25,172 | 32.4 % | (2.8)% |
| Nonperforming Assets | 51,318 | 54,888 | 55,832 | 46,254 | 46,153 | 11.2 | (6.5) |
| Criticized and Classified Loans | 72,207 | 68,338 | 76,485 | 59,021 | 76,719 | (5.9) | 5.7 |
| Criticized and Classified Assets | 90,207 | 88,965 | 97,777 | 80,446 | 97,700 | (7.7) | 1.4 |
| Allowance for Credit Losses/Loans (%) | 0.60 | 0.59 | 0.61 | 0.60 | 0.58 | 2 bps | 1 bp |
| Capital | | | | | | | |
| Book Value/Share | \$ 21.53 | \$ 22.94 | \$ 22.89 | \$ 23.04 | \$ 23.21 | (7.2)% | (6.1)% |
| Tangible Book Value/Share | 20.97 | 22.29 | 22.24 | 22.39 | 22.54 | (7.0) | (5.9) |
| Tang. Common Equity/Tang. Assets (%) | 7.82 | 7.00 | 7.12 | 7.40 | 7.64 | 18 bps | 82 bps |
| Leverage Ratio (%) | 8.04 | 7.91 | 8.18 | 8.32 | 8.47 | (43) | 13 |

Average loans decreased YoY but increased QoQ.

- Period end net loans totaled \$6.7 billion, down 2.3% YoY and 1.1% QoQ; Approximately \$74 million of loans were moved to held for sale at the end of the quarter and incurred a \$3.8 million interest rate mark; The sales are expected to close in 1Q25

- Total loan closings were \$225.2 million in 4Q24, \$217.1 million in 3Q24, \$126.0 million in 2Q24, \$130.0 million in 1Q24, and \$244.3 million in 4Q23; the loan pipeline was \$198.9 million at December 31, 2024, up 21.9% YoY, but down 32.1% QoQ
- The diversified loan portfolio is approximately 90% collateralized by real estate with an average loan-to-value ratio of <35%

Average total deposits increased YoY but declined QoQ.

- Average noninterest bearing deposits decreased 0.4% YoY, but increased 2.9% QoQ and comprised 11.7% of average total deposits in 4Q24 compared to 12.7% a year ago
- Average CDs totaled \$2.7 billion, up 14.6% YoY, but down 7.0% QoQ; approximately \$792.0 million of retail CDs are due to mature at an average rate of 4.59% in 1Q25

Credit Quality: Nonperforming loans increased YoY but decreased QoQ.

- Nonperforming loans were 49 bps of loans in 4Q24 compared to 36 bps in 4Q23 and 50 bps in 3Q24; The Company allocated \$2.6 million of reserves to its largest NPA during the quarter based on updated information
- Criticized and classified loans were 107 bps of gross loans at 4Q24 compared to 100 bps at 3Q24, 113 bps at 2Q24, 87 bps at 1Q24, and 111 bps at 4Q23
- Allowance for credit losses was 120.5% of nonperforming loans at 4Q24 compared to 159.5% at 4Q23 and 117.7% at 3Q24

Capital: Book value per common share and tangible book value per common share, a non-GAAP measure, decreased 7.2% and 7.0% YoY to \$21.53 and \$20.97, respectively.

- The Company completed a \$70 million common stock offering on December 16, 2024, in which it issued approximately 4.6 million shares; the offering enabled the Company to strengthen the balance sheet and improve future earnings
- The Company paid a dividend of \$0.22 per share in 4Q24; 807,964 shares remaining subject to repurchase under the authorized stock repurchase program, which has no expiration or maximum dollar limit
- Tangible common equity to tangible assets was 7.82% at December 31, 2024, compared to 7.64% at December 31, 2023, and 7.00% at September 30, 2024

Conference Call Information

Conference Call Information:

- John R. Buran, President and Chief Executive Officer, and Susan K. Cullen, Senior Executive Vice President and Chief Financial Officer and Treasurer, will host a conference call on Wednesday, January 29, 2025, at 9:30 AM (ET) to discuss the Company's fourth quarter and full year results and strategy.
- Dial-in for Live Call: 1-877-509-5836; Canada 855-669-9657
- Webcast : <https://event.choruscall.com/mediaframe/webcast.html?webcastid=NSw9K84e>
- Dial-in for Replay: 1-877-344-7529; Canada 855-669-9658

- Replay Access Code: 2177218
- The conference call will be simultaneously webcast and archived

First Quarter 2025 Earnings Release Date:

The Company plans to release First Quarter 2025 financial results after the market close on April 29, 2025, followed by a conference call at 9:30 AM (ET) on April 30, 2025.

A detailed announcement will be issued prior to the first quarter's close confirming the date and the time of the earning release.

About Flushing Financial Corporation

Flushing Financial Corporation (Nasdaq: FFIC) is the holding company for Flushing Bank®, an FDIC insured, New York State -chartered commercial bank that operates banking offices in Queens, Brooklyn, Manhattan, and on Long Island. The Bank has been building relationships with families, business owners, and communities since 1929. Today, it offers the products, services, and conveniences associated with large commercial banks, including a full complement of deposit, loan, equipment finance, and cash management services. Rewarding customers with personalized attention and bankers that can communicate in the languages prevalent within these multicultural markets is what makes the Bank uniquely different. As an Equal Housing Lender and leader in real estate lending, the Bank's experienced lending teams create mortgage solutions for real estate owners and property managers both within and outside the New York City metropolitan area. The Bank also fosters relationships with consumers nationwide through its online banking division with the iGObanking® and BankPurely® brands.

Additional information on Flushing Bank and Flushing Financial Corporation may be obtained by visiting the Company's website at FlushingBank.com. Flushing Financial Corporation's earnings release and presentation slides will be available prior to the conference call at www.FlushingBank.com under Investor Relations.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this Press Release 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, 2023 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.

#FF - **Statistical Tables Follow**

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
FINANCIAL HIGHLIGHTS
(Unaudited)

| | At or for the three months ended | | | | At or for the year | |
|---|----------------------------------|---------------|----------|-----------|--------------------|--------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, |
| | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 |
| <i>(Dollars in thousands, except per share data)</i> | | | | | | |
| <u>Performance Ratios</u> ⁽¹⁾ | | | | | | |
| Return on average assets | (2.17 %) | 0.39 % | 0.24 % | 0.17 % | 0.38 % | (0.35 %) |
| Return on average equity | (29.24) | 5.30 | 3.19 | 2.20 | 4.84 | (4.67) |
| Yield on average interest-earning assets ⁽²⁾ | 5.60 | 5.63 | 5.43 | 5.32 | 5.39 | 5.50 |
| Cost of average interest-bearing liabilities | 3.75 | 4.10 | 3.95 | 3.83 | 3.68 | 3.91 |
| Cost of funds | 3.35 | 3.69 | 3.54 | 3.42 | 3.26 | 3.50 |
| Net interest rate spread during period ⁽²⁾ | 1.85 | 1.53 | 1.48 | 1.49 | 1.71 | 1.59 |
| Net interest margin ⁽²⁾ | 2.39 | 2.10 | 2.05 | 2.06 | 2.29 | 2.15 |
| Noninterest expense to average assets | 2.01 | 1.68 | 1.77 | 1.83 | 1.90 | 1.82 |
| Efficiency ratio ⁽³⁾ | 79.01 | 77.20 | 82.57 | 86.07 | 76.69 | 81.04 |
| Average interest-earning assets to average interest- | 1.17 X | 1.16 X | 1.17 X | 1.17 X | 1.19 X | 1.17 X |

bearing
liabilities

**Average
Balances**

| | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total loans, net | \$ 6,780,268 | \$ 6,737,261 | \$ 6,748,140 | \$ 6,804,117 | \$ 6,867,927 | \$ 6,767,399 |
| Total interest-earning assets | 8,587,482 | 8,709,671 | 8,354,994 | 8,235,160 | 8,076,991 | 8,472,793 |
| Total assets | 9,071,879 | 9,203,884 | 8,830,665 | 8,707,505 | 8,569,002 | 8,954,491 |
| Total deposits | 7,449,504 | 7,463,783 | 7,195,940 | 7,081,498 | 6,884,037 | 7,298,549 |
| Total interest-bearing liabilities | 7,339,707 | 7,504,517 | 7,140,068 | 7,014,927 | 6,813,909 | 7,250,746 |
| Stockholders' equity | 673,588 | 672,762 | 667,557 | 669,185 | 669,819 | 670,786 |

**Per Share
Data**

| | | | | | | |
|--|----------|----------|----------|----------|----------|----------|
| Book value per common share (4) | \$ 21.53 | \$ 22.94 | \$ 22.89 | \$ 23.04 | \$ 23.21 | \$ 21.53 |
| Tangible book value per common share (5) | \$ 20.97 | \$ 22.29 | \$ 22.24 | \$ 22.39 | \$ 22.54 | \$ 20.97 |

**Stockholders'
Equity**

| | | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| Stockholders' equity | \$ 724,539 | \$ 666,891 | \$ 665,322 | \$ 669,827 | \$ 669,837 | \$ 724,539 |
| Tangible stockholders' equity | 705,780 | 648,035 | 646,364 | 650,763 | 650,664 | 705,780 |

**Consolidated
Regulatory
Capital Ratios**

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| Tier 1 capital | \$ 731,958 | \$ 735,984 | \$ 733,308 | \$ 734,192 | \$ 737,732 | \$ 731,958 |
|----------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Common equity Tier 1 capital | 685,004 | 689,902 | 686,630 | 687,458 | 691,754 | 685,004 |
| Total risk-based capital | 962,272 | 967,242 | 965,819 | 965,796 | 967,627 | 962,272 |
| Risk Weighted Assets | 6,762,048 | 6,790,253 | 6,718,568 | 6,664,496 | 6,750,301 | 6,762,048 |
| Tier 1 leverage capital (well capitalized = 5%) | 8.04 % | 7.91 % | 8.18 % | 8.32 % | 8.47 % | 8.04 % |
| Common equity Tier 1 risk-based capital (well capitalized = 6.5%) | 10.13 | 10.16 | 10.22 | 10.32 | 10.25 | 10.13 |
| Tier 1 risk-based capital (well capitalized = 8.0%) | 10.82 | 10.84 | 10.91 | 11.02 | 10.93 | 10.82 |
| Total risk-based capital (well capitalized = 10.0%) | 14.23 | 14.24 | 14.38 | 14.49 | 14.33 | 14.23 |
| <u>Capital Ratios</u> | | | | | | |
| Average equity to average assets | 7.43 % | 7.31 % | 7.56 % | 7.69 % | 7.82 % | 7.49 % |
| Equity to total assets | 8.02 | 7.19 | 7.31 | 7.61 | 7.85 | 8.02 |
| Tangible common equity to tangible assets (6) | 7.82 | 7.00 | 7.12 | 7.40 | 7.64 | 7.82 |
| <u>Asset Quality</u> | | | | | | |
| Nonaccrual loans | \$ 33,318 | \$ 34,261 | \$ 34,540 | \$ 24,829 | \$ 23,709 | \$ 33,318 |
| Nonperforming loans | 33,318 | 34,261 | 34,540 | 24,829 | 25,172 | 33,318 |

| | | | | | | |
|---|--------|--------|---------|--------|--------|--------|
| Nonperforming assets | 51,318 | 54,888 | 55,832 | 46,254 | 46,153 | 51,318 |
| Net charge-offs (recoveries) | 4,736 | 3,036 | (92) | 4 | 60 | 7,684 |
| <u>Asset Quality Ratios</u> | | | | | | |
| Nonperforming loans to gross loans | 0.49 % | 0.50 % | 0.51 % | 0.36 % | 0.36 % | 0.49 % |
| Nonperforming assets to total assets | 0.57 | 0.59 | 0.61 | 0.53 | 0.54 | 0.57 |
| Allowance for credit losses to gross loans | 0.60 | 0.59 | 0.61 | 0.60 | 0.58 | 0.60 |
| Allowance for credit losses to nonperforming assets | 78.24 | 73.50 | 74.60 | 88.10 | 87.02 | 78.24 |
| Allowance for credit losses to nonperforming loans | 120.51 | 117.75 | 120.58 | 164.13 | 159.55 | 120.51 |
| Net charge-offs (recoveries) to average loans | 0.28 | 0.18 | (0.01) | - | - | 0.11 |
| Full-service customer facilities | 28 | 28 | 27 | 27 | 27 | 28 |

(1) Ratios are presented on an annualized basis, where appropriate.

(2) Yields are calculated on the tax equivalent basis using the statutory federal income tax rate of 21% for the periods presented.

(3) 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.

(4) Calculated by dividing stockholders' equity by shares outstanding.

(5) Calculated by dividing tangible stockholders' common equity, a non-GAAP measure, by shares outstanding. Tangible stockholders' common equity is stockholders' equity less intangible assets. See "Calculation of Tangible Stockholders' Common Equity to Tangible Assets".

(6) See "Calculation of Tangible Stockholders' Common Equity to Tangible Assets".

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF (LOSS) INCOME
(Unaudited)

| | For the three months ended | | | | For the year ended | | |
|--|----------------------------|---------------|-----------|-----------|--------------------|--------------|--------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, | December 31, |
| | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 | 2023 |
| <i>(In thousands, except per share data)</i> | | | | | | | |
| <u>Interest and Dividend Income</u> | | | | | | | |
| Interest and fees on loans | \$ 94,111 | \$ 95,780 | \$ 92,728 | \$ 92,959 | \$ 95,616 | \$ 375,578 | \$ 355,348 |
| Interest and dividends on securities: | | | | | | | |
| Interest | 24,111 | 24,215 | 18,209 | 12,541 | 10,803 | 79,076 | 37,598 |
| Dividends | 31 | 33 | 33 | 33 | 34 | 130 | 126 |
| Other interest income | 1,787 | 2,565 | 2,260 | 3,966 | 2,310 | 10,578 | 8,405 |
| Total interest and dividend income | 120,040 | 122,593 | 113,230 | 109,499 | 108,763 | 465,362 | 401,477 |
| <u>Interest Expense</u> | | | | | | | |
| Deposits | 59,728 | 66,150 | 60,893 | 57,865 | 53,284 | 244,636 | 188,655 |
| Other interest expense | 9,077 | 10,840 | 9,561 | 9,237 | 9,394 | 38,715 | 33,670 |
| Total interest expense | 68,805 | 76,990 | 70,454 | 67,102 | 62,678 | 283,351 | 222,325 |
| Net Interest Income | 51,235 | 45,603 | 42,776 | 42,397 | 46,085 | 182,011 | 179,152 |
| Provision for credit losses | 6,440 | 1,727 | 809 | 592 | 998 | 9,568 | 10,518 |

| | | | | | | | |
|--|--------|--------|--------|--------|--------|---------|---------|
| Net Interest Income After Provision for Credit Losses | 44,795 | 43,876 | 41,967 | 41,805 | 45,087 | 172,443 | 168,634 |
|--|--------|--------|--------|--------|--------|---------|---------|

**Noninterest
(Loss) Income**

| | | | | | | | |
|---|-----------|-------|-------|--------|-------|-----------|--------|
| Banking services fee income | 2,180 | 1,790 | 1,583 | 1,394 | 2,824 | 6,947 | 8,651 |
| Net loss on sale of securities | (72,315) | - | - | - | - | (72,315) | - |
| Net gain (loss) on sale of loans | (3,836) | 137 | 26 | 110 | - | (3,563) | 108 |
| Net gain (loss) from fair value adjustments | (1,136) | 974 | 57 | (834) | 906 | (939) | 2,573 |
| Federal Home Loan Bank of New York stock dividends | 754 | 624 | 669 | 743 | 658 | 2,790 | 2,513 |
| Life insurance proceeds | 284 | 1 | - | - | 697 | 285 | 1,281 |
| Bank owned life insurance | 2,322 | 1,260 | 1,223 | 1,200 | 1,173 | 6,005 | 4,573 |
| Other income | 725 | 1,491 | 658 | 471 | 1,144 | 3,345 | 2,889 |
| Total noninterest (loss) income | (71,022) | 6,277 | 4,216 | 3,084 | 7,402 | (57,445) | 22,588 |

**Noninterest
Expense**

| | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Salaries and employee benefits | 25,346 | 22,216 | 21,723 | 22,113 | 23,359 | 91,398 | 85,957 |
| Occupancy and equipment | 3,880 | 3,745 | 3,713 | 3,779 | 3,698 | 15,117 | 14,396 |
| Professional services | 2,516 | 2,752 | 2,786 | 2,792 | 2,523 | 10,846 | 9,569 |
| FDIC deposit insurance | 2,005 | 1,318 | 1,322 | 1,652 | 1,162 | 6,297 | 3,994 |

| | | | | | | | |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|------------------|
| Data processing | 1,697 | 1,681 | 1,785 | 1,727 | 1,646 | 6,890 | 5,976 |
| Depreciation and amortization | 1,412 | 1,436 | 1,425 | 1,457 | 1,491 | 5,730 | 5,965 |
| Other real estate owned/foreclosure expense | 276 | 135 | 125 | 145 | 105 | 681 | 605 |
| Gain on sale of other real estate owned | - | (174) | - | - | - | (174) | - |
| Prepayment penalty on borrowings | 2,572 | - | - | - | - | 2,572 | - |
| Other operating expenses | 5,926 | 5,587 | 6,168 | 6,227 | 6,751 | 23,908 | 24,927 |
| Total noninterest expense | 45,630 | 38,696 | 39,047 | 39,892 | 40,735 | 163,265 | 151,389 |
| (Loss) Income Before Provision for Income Taxes | (71,857) | 11,457 | 7,136 | 4,997 | 11,754 | (48,267) | 39,833 |
| Provision (Benefit) for income taxes | (22,612) | 2,551 | 1,814 | 1,313 | 3,655 | (16,934) | 11,169 |
| Net (Loss) Income | \$ (49,245) | \$ 8,906 | \$ 5,322 | \$ 3,684 | \$ 8,099 | \$ (31,333) | \$ 28,664 |
| Basic (loss) earnings per common share | \$ (1.61) | \$ 0.30 | \$ 0.18 | \$ 0.12 | \$ 0.27 | \$ (1.05) | \$ 0.96 |
| Diluted (loss) earnings per common share | \$ (1.61) | \$ 0.30 | \$ 0.18 | \$ 0.12 | \$ 0.27 | \$ (1.05) | \$ 0.96 |
| Dividends per common share | \$ 0.22 | \$ 0.22 | \$ 0.22 | \$ 0.22 | \$ 0.22 | \$ 0.88 | \$ 0.88 |
| Basic average shares | 30,519 | 29,742 | 29,789 | 29,742 | 29,650 | 29,949 | 29,925 |

| | | | | | | | |
|------------------------|--------|--------|--------|--------|--------|--------|--------|
| Diluted average shares | 30,519 | 29,742 | 29,789 | 29,742 | 29,650 | 29,949 | 29,925 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

| | December 31, | September 30, | June 30, | March 31, | December 31, |
|-----------------------------------|-----------------|------------------|------------|------------|-----------------|
| | 2024 | 2024 | 2024 | 2024 | 2023 |
| <i>(Dollars in thousands)</i> | | | | | |
| <u>ASSETS</u> | | | | | |
| Cash and due from banks | \$ 152,574 | \$ 267,643 | \$ 156,913 | \$ 210,723 | \$ 172,157 |
| Securities held-to-maturity: | | | | | |
| Mortgage-backed securities | 7,836 | 7,841 | 7,846 | 7,850 | 7,855 |
| Other securities, net | 43,649 | 63,859 | 64,166 | 64,612 | 65,068 |
| Securities available for sale: | | | | | |
| Mortgage-backed securities | 911,636 | 926,731 | 869,494 | 509,527 | 354,344 |
| Other securities | 586,269 | 687,518 | 679,117 | 667,156 | 520,409 |
| Loans held for sale | 70,098 | - | - | - | - |
| Loans | 6,745,848 | 6,818,328 | 6,777,026 | 6,821,943 | 6,906,950 |
| Allowance for credit losses | (40,152) | (40,342) | (41,648) | (40,752) | (40,161) |
| Net loans | 6,705,696 | 6,777,986 | 6,735,378 | 6,781,191 | 6,866,789 |
| Interest and dividends receivable | 62,036 | 64,369 | 62,752 | 61,449 | 59,018 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Bank premises and equipment, net | 17,852 | 18,544 | 19,426 | 20,102 | 21,273 |
| Federal Home Loan Bank of New York stock | 38,096 | 32,745 | 46,331 | 24,845 | 31,066 |
| Bank owned life insurance | 218,174 | 217,200 | 215,940 | 214,718 | 213,518 |
| Goodwill | 17,636 | 17,636 | 17,636 | 17,636 | 17,636 |
| Core deposit intangibles | 1,123 | 1,220 | 1,322 | 1,428 | 1,537 |
| Right of use asset | 45,800 | 44,787 | 46,636 | 37,631 | 39,557 |
| Other assets | 160,497 | 152,807 | 174,283 | 188,457 | 167,009 |
| | ----- | ----- | ----- | ----- | ----- |
| Total assets | \$ 9,038,972 | \$ 9,280,886 | \$ 9,097,240 | \$ 8,807,325 | \$ 8,537,236 |
| | ===== | ===== | ===== | ===== | ===== |

LIABILITIES

| | | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Total deposits | \$ 7,178,933 | \$ 7,572,395 | \$ 6,906,863 | \$ 7,253,207 | \$ 6,815,261 |
| Borrowed funds | 916,054 | 846,123 | 1,316,565 | 671,474 | 841,281 |
| Operating lease liability | 46,443 | 45,437 | 47,485 | 38,674 | 40,822 |
| Other liabilities | 173,003 | 150,040 | 161,005 | 174,143 | 170,035 |
| | ----- | ----- | ----- | ----- | ----- |
| Total liabilities | 8,314,433 | 8,613,995 | 8,431,918 | 8,137,498 | 7,867,399 |
| | ----- | ----- | ----- | ----- | ----- |

STOCKHOLDERS' EQUITY

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Preferred stock (5,000,000 shares authorized; none issued) | - | - | - | - | - |
| Common stock (\$0.01 par value; 100,000,000 shares authorized) | 387 | 341 | 341 | 341 | 341 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Additional paid-in capital | 326,671 | 261,274 | 260,585 | 260,413 | 264,534 |
| Treasury stock | (101,655) | (101,633) | (101,633) | (101,641) | (106,070) |
| Retained earnings | 492,003 | 547,708 | 545,345 | 546,530 | 549,683 |
| Accumulated other comprehensive loss, net of taxes | 7,133 | (40,799) | (39,316) | (35,816) | (38,651) |
| Total stockholders' equity | 724,539 | 666,891 | 665,322 | 669,827 | 669,837 |
| Total liabilities and stockholders' equity | \$ 9,038,972 | \$ 9,280,886 | \$ 9,097,240 | \$ 8,807,325 | \$ 8,537,236 |

(In thousands)

| | | | | | |
|--------------------|--------|--------|--------|--------|--------|
| Issued shares | 38,678 | 34,088 | 34,088 | 34,088 | 34,088 |
| Outstanding shares | 33,659 | 29,069 | 29,069 | 29,069 | 28,866 |
| Treasury shares | 5,019 | 5,019 | 5,019 | 5,019 | 5,222 |

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
AVERAGE BALANCE SHEETS
(Unaudited)

For the three months ended

For the year ended

| | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
|--|-------------------|--------------------|---------------|----------------|-------------------|-------------------|-------------------|
|--|-------------------|--------------------|---------------|----------------|-------------------|-------------------|-------------------|

(In thousands)

Interest-earning Assets:

| | | | | | | | |
|---------------------|--------|------|------|------|------|--------|------|
| Loans held for sale | \$ 762 | \$ - | \$ - | \$ - | \$ - | \$ 192 | \$ - |
|---------------------|--------|------|------|------|------|--------|------|

| | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Mortgage loans, net | 5,358,490 | 5,337,170 | 5,338,614 | 5,353,606 | 5,356,112 | 5,346,975 | 5,328,412 |
| Commercial Business loans, net | 1,421,778 | 1,400,091 | 1,409,526 | 1,450,511 | 1,511,815 | 1,420,424 | 1,517,412 |
| Total loans, net | 6,780,268 | 6,737,261 | 6,748,140 | 6,804,117 | 6,867,927 | 6,767,399 | 6,845,824 |
| Taxable securities: | | | | | | | |
| Mortgage-backed securities | 919,587 | 984,383 | 691,802 | 462,934 | 426,612 | 765,700 | 442,412 |
| Other securities, net | 652,755 | 714,161 | 663,975 | 590,204 | 527,316 | 655,428 | 485,412 |
| Total taxable securities | 1,572,342 | 1,698,544 | 1,355,777 | 1,053,138 | 953,928 | 1,421,128 | 927,824 |
| Tax-exempt securities: | | | | | | | |
| Other securities | 64,531 | 65,070 | 65,451 | 65,939 | 66,242 | 65,245 | 66,245 |
| Total tax-exempt securities | 64,531 | 65,070 | 65,451 | 65,939 | 66,242 | 65,245 | 66,245 |
| Interest-earning deposits and federal funds sold | 169,579 | 208,796 | 185,626 | 311,966 | 188,894 | 218,829 | 184,412 |
| Total interest-earning assets | 8,587,482 | 8,709,671 | 8,354,994 | 8,235,160 | 8,076,991 | 8,472,793 | 8,023,412 |
| Other assets | 484,397 | 494,213 | 475,671 | 472,345 | 492,011 | 481,698 | 477,412 |
| Total assets | <u>\$ 9,071,879</u> | <u>\$ 9,203,884</u> | <u>\$ 8,830,665</u> | <u>\$ 8,707,505</u> | <u>\$ 8,569,002</u> | <u>\$ 8,954,491</u> | <u>\$ 8,500,824</u> |
| Interest-bearing Liabilities: | | | | | | | |
| Deposits: | | | | | | | |
| Savings accounts | \$ 99,669 | \$ 102,196 | \$ 103,335 | \$ 106,212 | \$ 110,316 | \$ 102,843 | \$ 121,412 |

| | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| NOW accounts | 2,024,600 | 1,886,387 | 2,017,085 | 1,935,250 | 1,848,285 | 1,965,774 | 1,937,000 |
| Money market accounts | 1,686,614 | 1,673,499 | 1,714,085 | 1,725,714 | 1,625,453 | 1,699,869 | 1,754,000 |
| Certificate of deposit accounts | 2,681,742 | 2,884,280 | 2,443,047 | 2,406,283 | 2,340,115 | 2,604,817 | 2,091,000 |
| Total due to depositors | 6,492,625 | 6,546,362 | 6,277,552 | 6,173,459 | 5,924,169 | 6,373,303 | 5,902,000 |
| Mortgagors' escrow accounts | 87,120 | 71,965 | 95,532 | 73,822 | 86,592 | 82,095 | 81,000 |
| Total interest-bearing deposits | 6,579,745 | 6,618,327 | 6,373,084 | 6,247,281 | 6,010,761 | 6,455,398 | 5,983,000 |
| Borrowings | 759,962 | 886,190 | 766,984 | 767,646 | 803,148 | 795,348 | 776,000 |
| Total interest-bearing liabilities | 7,339,707 | 7,504,517 | 7,140,068 | 7,014,927 | 6,813,909 | 7,250,746 | 6,761,000 |
| Noninterest-bearing demand deposits | 869,759 | 845,456 | 822,856 | 834,217 | 873,276 | 843,151 | 867,000 |
| Other liabilities | 188,825 | 181,149 | 200,184 | 189,176 | 211,998 | 189,808 | 196,000 |
| Total liabilities | 8,398,291 | 8,531,122 | 8,163,108 | 8,038,320 | 7,899,183 | 8,283,705 | 7,820,000 |
| Equity | 673,588 | 672,762 | 667,557 | 669,185 | 669,819 | 670,786 | 675,000 |
| Total liabilities and equity | \$ 9,071,879 | \$ 9,203,884 | \$ 8,830,665 | \$ 8,707,505 | \$ 8,569,002 | \$ 8,954,491 | \$ 8,500,000 |
| Net interest-earning assets | \$ 1,247,775 | \$ 1,205,154 | \$ 1,214,926 | \$ 1,220,233 | \$ 1,263,082 | \$ 1,222,047 | \$ 1,261,000 |

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
NET INTEREST INCOME AND NET INTEREST MARGIN
(Unaudited)

| | For the three months ended | | | | | For the year ended | |
|--|----------------------------|---------------|----------|-----------|--------------|--------------------|--------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, | December 31, |
| | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 | 2023 |
| <i>(Dollars in thousands)</i> | | | | | | | |
| Interest Income: | | | | | | | |
| Loans held for sale | \$ 7 | \$ - | \$ - | \$ - | \$ - | \$ 7 | \$ - |
| Mortgage loans, net | 73,252 | 74,645 | 71,968 | 71,572 | 72,505 | 291,437 | 291,437 |
| Commercial Business loans, net | 20,852 | 21,135 | 20,760 | 21,387 | 23,111 | 84,134 | 84,134 |
| Total loans, net | 94,104 | 95,780 | 92,728 | 92,959 | 95,616 | 375,571 | 375,571 |
| Taxable securities: | | | | | | | |
| Mortgage-backed securities | 13,884 | 12,443 | 7,462 | 3,696 | 3,217 | 37,485 | 37,485 |
| Other securities | 9,887 | 11,431 | 10,408 | 8,504 | 7,239 | 40,230 | 40,230 |
| Total taxable securities | 23,771 | 23,874 | 17,870 | 12,200 | 10,456 | 77,715 | 77,715 |
| Tax-exempt securities: | | | | | | | |
| Other securities | 469 | 474 | 470 | 474 | 482 | 1,887 | 1,887 |
| Total tax-exempt securities | 469 | 474 | 470 | 474 | 482 | 1,887 | 1,887 |
| Interest-earning deposits and federal funds sold | 1,787 | 2,565 | 2,260 | 3,966 | 2,310 | 10,578 | 10,578 |
| Total interest-earning assets | 120,138 | 122,693 | 113,328 | 109,599 | 108,864 | 465,758 | 465,758 |

Interest Expense:

Deposits:

| | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|------------|------|
| Savings accounts | \$ 113 | \$ 122 | \$ 115 | \$ 122 | \$ 124 | \$ 472 | \$ |
| NOW accounts | 18,390 | 18,795 | 20,007 | 18,491 | 17,411 | 75,683 | |
| Money market accounts | 15,909 | 17,485 | 17,326 | 17,272 | 15,785 | 67,992 | |
| Certificate of deposit accounts | 25,258 | 29,676 | 23,383 | 21,918 | 19,917 | 100,235 | |
| Total due to depositors | 59,670 | 66,078 | 60,831 | 57,803 | 53,237 | 244,382 | 1 |
| Mortgagors' escrow accounts | 58 | 72 | 62 | 62 | 47 | 254 | |
| Total interest-bearing deposits | 59,728 | 66,150 | 60,893 | 57,865 | 53,284 | 244,636 | 1 |
| Borrowings | 9,077 | 10,840 | 9,561 | 9,237 | 9,394 | 38,715 | |
| Total interest-bearing liabilities | 68,805 | 76,990 | 70,454 | 67,102 | 62,678 | 283,351 | 2 |
| Net interest income-tax equivalent | \$ 51,333 | \$ 45,703 | \$ 42,874 | \$ 42,497 | \$ 46,186 | \$ 182,407 | \$ 1 |
| Included in net interest income above: | | | | | | | |
| Episodic items ⁽¹⁾ | \$ 648 | \$ 1,647 | \$ 369 | \$ 928 | \$ 3,416 | \$ 3,592 | \$ |
| Net gains/(losses) from fair value adjustments on qualifying hedges included in net interest income | 2,911 | 554 | 177 | (187) | (872) | 3,455 | |
| Purchase accounting adjustments | 191 | 155 | 182 | 271 | 461 | 799 | |
| Interest-earning Assets Yields: | | | | | | | |

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| Mortgage loans, net | 3.67 % | - % | - % | - % | - % | 3.65 % |
| Mortgage loans, net | 5.47 | 5.59 | 5.39 | 5.35 | 5.41 | 5.45 |
| Commercial Business loans, net | 5.87 | 6.04 | 5.89 | 5.90 | 6.11 | 5.92 |
| Total loans, net | 5.55 | 5.69 | 5.50 | 5.46 | 5.57 | 5.55 |
| Taxable securities: | | | | | | |
| Mortgage-backed securities | 6.04 | 5.06 | 4.31 | 3.19 | 3.02 | 4.90 |
| Other securities | 6.06 | 6.40 | 6.27 | 5.76 | 5.49 | 6.14 |
| Total taxable securities | 6.05 | 5.62 | 5.27 | 4.63 | 4.38 | 5.47 |
| Tax-exempt securities: ⁽²⁾ | | | | | | |
| Other securities | 2.91 | 2.91 | 2.87 | 2.88 | 2.91 | 2.89 |
| Total tax-exempt securities | 2.91 | 2.91 | 2.87 | 2.88 | 2.91 | 2.89 |
| Interest-earning deposits and federal funds sold | 4.22 | 4.91 | 4.87 | 5.09 | 4.89 | 4.83 |
| Total interest-earning assets ⁽¹⁾ | 5.60 % | 5.63 % | 5.43 % | 5.32 % | 5.39 % | 5.50 % |
| Interest-bearing Liabilities Yields: | | | | | | |
| Deposits: | | | | | | |
| Savings accounts | 0.45 % | 0.48 % | 0.45 % | 0.46 % | 0.45 % | 0.46 % |
| NOW accounts | 3.63 | 3.99 | 3.97 | 3.82 | 3.77 | 3.85 |
| Money market accounts | 3.77 | 4.18 | 4.04 | 4.00 | 3.88 | 4.00 |

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| Certificate of deposit accounts | 3.77 | 4.12 | 3.83 | 3.64 | 3.40 | 3.85 |
| Total due to depositors | 3.68 | 4.04 | 3.88 | 3.75 | 3.59 | 3.83 |
| Mortgagors' escrow accounts | 0.27 | 0.40 | 0.26 | 0.34 | 0.22 | 0.31 |
| Total interest-bearing deposits | 3.63 | 4.00 | 3.82 | 3.70 | 3.55 | 3.79 |
| Borrowings | 4.78 | 4.89 | 4.99 | 4.81 | 4.68 | 4.87 |
| Total interest-bearing liabilities | 3.75 % | 4.10 % | 3.95 % | 3.83 % | 3.68 % | 3.91 % |
| Net interest rate spread (tax equivalent) ⁽¹⁾ | 1.85 % | 1.53 % | 1.48 % | 1.49 % | 1.71 % | 1.59 % |
| Net interest margin (tax equivalent) ⁽¹⁾ | 2.39 % | 2.10 % | 2.05 % | 2.06 % | 2.29 % | 2.15 % |
| Ratio of interest-earning assets to interest-bearing liabilities | 1.17 X | 1.16 X | 1.17 X | 1.17 X | 1.19 X | 1.17 X |

(1) Episodic items include prepayment penalty income, net reversals and recovered interest from nonaccrual and delinquent loans, and swap terminations fees/income.

(2) Yields are calculated on the tax equivalent basis using the statutory federal income tax rate of 21% for the periods presented.

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
DEPOSIT and LOAN COMPOSITION
(Unaudited)

Deposit Composition

| | | | | | 4Q24 vs. | 4Q24 vs. |
|--|-----------------|------------------|----------|-----------|-------------------------|-------------------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, 3Q24 | December 31, 4Q23 |
| | | | | | | |

| <i>(Dollars in thousands)</i> | 2024 | 2024 | 2024 | 2024 | 2023 | % Change | % Change |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|----------|----------|
| Noninterest bearing | \$ 836,545 | \$ 860,930 | \$ 825,327 | \$ 815,937 | \$ 847,416 | (2.8 %) | (1.3 %) |
| Interest bearing: | | | | | | | |
| Certificate of deposit accounts | 2,650,164 | 2,875,486 | 2,435,894 | 2,529,095 | 2,311,290 | (7.8) | 14.7 |
| Savings accounts | 98,964 | 100,279 | 103,296 | 105,147 | 108,605 | (1.3) | (8.9) |
| Money market accounts | 1,686,109 | 1,659,027 | 1,710,376 | 1,717,298 | 1,726,404 | 1.6 | (2.3) |
| NOW accounts | 1,854,069 | 2,003,301 | 1,774,268 | 2,003,649 | 1,771,164 | (7.4) | 4.7 |
| Total interest-bearing deposits | 6,289,306 | 6,638,093 | 6,023,834 | 6,355,189 | 5,917,463 | (5.3) | 6.3 |
| Total due to depositors | 7,125,851 | 7,499,023 | 6,849,161 | 7,171,126 | 6,764,879 | (5.0) | 5.3 |
| Mortgagors' escrow deposits | 53,082 | 73,372 | 57,702 | 82,081 | 50,382 | (27.7) | 5.4 |
| Total deposits | \$ 7,178,933 | \$ 7,572,395 | \$ 6,906,863 | \$ 7,253,207 | \$ 6,815,261 | (5.2 %) | 5.3 % |

Loan Composition

| | December 31, | September 30, | June 30, | March 31, | December 31, | 4Q24 vs. 3Q24 | 4Q24 vs. 4Q23 |
|-------------------------------|--------------|---------------|----------|-----------|--------------|---------------|---------------|
| <i>(Dollars in thousands)</i> | 2024 | 2024 | 2024 | 2024 | 2023 | % Change | % Change |

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|---------|---------|
| Multifamily residential | \$ 2,527,222 | \$ 2,638,863 | \$ 2,631,751 | \$ 2,622,737 | \$ 2,658,205 | (4.2 %) | (4.9 %) |
| Commercial real estate | 1,973,124 | 1,929,093 | 1,894,509 | 1,925,312 | 1,958,252 | 2.3 | 0.8 |
| One-to-four family - mixed use property | 511,222 | 515,511 | 518,510 | 516,198 | 530,243 | (0.8) | (3.6) |
| One-to-four family - residential | 244,282 | 252,293 | 261,716 | 267,156 | 220,213 | (3.2) | 10.9 |
| Construction | 60,399 | 63,674 | 65,161 | 60,568 | 58,673 | (5.1) | 2.9 |
| Mortgage loans | 5,316,249 | 5,399,434 | 5,371,647 | 5,391,971 | 5,425,586 | (1.5) | (2.0) |
| Small Business Administration | 19,925 | 19,368 | 13,957 | 16,244 | 20,205 | 2.9 | (1.4) |
| Commercial business and other | 1,401,602 | 1,387,965 | 1,389,711 | 1,411,725 | 1,452,518 | 1.0 | (3.5) |
| Commercial Business loans | 1,421,527 | 1,407,333 | 1,403,668 | 1,427,969 | 1,472,723 | 1.0 | (3.5) |
| Gross loans | 6,737,776 | 6,806,767 | 6,775,315 | 6,819,940 | 6,898,309 | (1.0) | (2.3) |
| Net unamortized (premiums) and unearned loan (cost) fees ⁽¹⁾ | 8,072 | 11,561 | 1,711 | 2,003 | 8,641 | (30.2) | (6.6) |
| Allowance for credit losses | (40,152) | (40,342) | (41,648) | (40,752) | (40,161) | (0.5) | - |
| Net loans | \$ 6,705,696 | \$ 6,777,986 | \$ 6,735,378 | \$ 6,781,191 | \$ 6,866,789 | (1.1 %) | (2.3 %) |

⁽¹⁾ Includes \$2.8 million, \$3.1 million, \$3.4 million, \$3.6 million, and \$3.9 million of purchase accounting unamortized discount resulting from the acquisition of Empire Bancorp at December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024, and December 31, 2023, respectively.

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
LOAN CLOSINGS and RATES
(Unaudited)

Loan Closings

| | For the three months ended | | | | For the year ended | | |
|---|----------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, | December31, |
| | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 | 2023 |
| <i>(In thousands)</i> | | | | | | | |
| Multifamily residential | \$ 25,232 | \$ 50,528 | \$ 27,966 | \$ 11,805 | \$ 82,995 | \$ 115,531 | \$ 232,715 |
| Commercial real estate | 75,285 | 56,713 | 20,573 | 10,040 | 60,092 | 162,611 | 184,382 |
| One-to-four family - mixed use property | 6,622 | 5,709 | 3,980 | 750 | 3,319 | 17,061 | 20,097 |
| One-to-four family - residential | 739 | 1,705 | 689 | 52,539 | 1,454 | 55,672 | 6,883 |
| Construction | 9,338 | 5,063 | 4,594 | 1,895 | 8,007 | 20,890 | 34,381 |
| Mortgage loans | 117,216 | 119,718 | 57,802 | 77,029 | 155,867 | 371,765 | 478,458 |
| Small Business Administration | 1,368 | 5,930 | - | - | 1,162 | 7,298 | 2,300 |
| Commercial business and other | 106,580 | 91,447 | 68,162 | 52,955 | 87,255 | 319,144 | 337,322 |
| Commercial Business loans | 107,948 | 97,377 | 68,162 | 52,955 | 88,417 | 326,442 | 339,622 |
| Total Closings | <u>\$ 225,164</u> | <u>\$ 217,095</u> | <u>\$ 125,964</u> | <u>\$ 129,984</u> | <u>\$ 244,284</u> | <u>\$ 698,207</u> | <u>\$ 818,080</u> |

Weighted Average Rate on Loan Closings

| Loan type | For the three months ended | | | | |
|---------------------------|----------------------------|---------------|----------|-----------|--------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, |
| | 2024 | 2024 | 2024 | 2024 | 2023 |
| Mortgage loans | 7.12 % | 7.31 % | 7.58 % | 6.36 % | 7.55 % |
| Commercial Business loans | 7.45 | 7.75 | 7.94 | 8.29 | 7.93 |
| Total loans | 7.28 % | 7.51 % | 7.77 % | 7.13 % | 7.69 % |

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
ASSET QUALITY
(Unaudited)

Allowance for Credit Losses

| | For the three months ended | | | | | For the year ended | |
|--|----------------------------|---------------|-----------|-----------|--------------|--------------------|--|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, | |
| | 2024 | 2024 | 2024 | 2024 | 2023 | 2023 | |
| <i>(Dollars in thousands)</i> | | | | | | | |
| Allowance for credit losses - loans | | | | | | | |
| Beginning balances | \$ 40,342 | \$ 41,648 | \$ 40,752 | \$ 40,161 | \$ 39,228 | \$ 40,161 | |
| Net loan charge-off (recoveries): | | | | | | | |
| Multifamily residential | (1) | - | (1) | - | (1) | (2) | |

| | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Commercial real estate | 421 | - | - | - | - | 421 | 8 |
| One-to-four family - mixed-use property | - | - | (2) | - | (1) | (2) | (1) |
| One-to-four family - residential | (41) | (58) | (2) | 13 | 9 | (88) | (29) |
| Small Business Administration | (4) | (1) | (91) | (5) | (29) | (101) | (241) |
| Commercial business and other | 4,361 | 3,095 | 4 | (4) | 82 | 7,456 | 11,077 |
| Total net loan charge-offs (recoveries) | 4,736 | 3,036 | (92) | 4 | 60 | 7,684 | 10,812 |
| Provision (benefit) for loan losses | 4,546 | 1,730 | 804 | 595 | 993 | 7,675 | 10,531 |
| Ending balance | \$ 40,152 | \$ 40,342 | \$ 41,648 | \$ 40,752 | \$ 40,161 | \$ 40,152 | \$ 40,161 |
| Gross charge-offs | \$ 4,790 | \$ 3,110 | \$ 11 | \$ 58 | \$ 107 | \$ 7,969 | \$ 11,157 |
| Gross recoveries | 54 | 74 | 103 | 54 | 47 | 285 | 345 |
| Allowance for credit losses - loans to gross loans | 0.60 % | 0.59 % | 0.61 % | 0.60 % | 0.58 % | 0.60 % | 0.58 % |
| Net loan charge-offs (recoveries) to average loans | 0.28 | 0.18 | (0.01) | - | - | 0.11 | 0.16 |

Nonperforming Assets

| | December 31, | September 30, | June 30, | March 31, | December 31, |
|---|-----------------|------------------|----------|--------------|-----------------|
| | 2024 | 2024 | 2024 | 2024 | 2023 |
| <i>(Dollars in thousands)</i> | | | | | |
| Loans 90 Days or More Past Due and Still Accruing: | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ 1,463 |
| Multifamily residential | | | | | |
| Total Loans 90 Days or more past due and still accruing | - | - | - | - | 1,463 |
| Nonaccrual Loans: | | | | | |
| Multifamily residential | 11,031 | 9,478 | 13,774 | 4,669 | 3,206 |
| Commercial real estate | 6,283 | 6,705 | - | - | - |
| One-to-four family - mixed- use property | 116 | 369 | 909 | 911 | 981 |
| One-to-four family - residential | 1,428 | 1,493 | 3,633 | 3,768 | 5,181 |
| Small Business Administration | 2,445 | 2,445 | 2,552 | 2,552 | 2,552 |
| Commercial business and other | 12,015 | 13,771 | 13,672 | 12,929 | 11,789 |
| Total Nonaccrual loans | 33,318 | 34,261 | 34,540 | 24,829 | 23,709 |
| Total Nonperforming Loans (NPLs) | 33,318 | 34,261 | 34,540 | 24,829 | 25,172 |
| Other Nonperforming Assets: | | | | | |
| Real estate acquired through foreclosure | - | - | 665 | 665 | - |
| Total Other nonperforming assets | - | - | 665 | 665 | - |

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Total Nonaccrual HTM Securities | 18,000 | 20,627 | 20,627 | 20,760 | 20,981 |
| Total Nonperforming Assets | \$ 51,318 | \$ 54,888 | \$ 55,832 | \$ 46,254 | \$ 46,153 |
| Nonperforming Assets to Total Assets | 0.57 % | 0.59 % | 0.61 % | 0.53 % | 0.54 % |
| Allowance for Credit Losses to NPLs | 120.5 % | 117.7 % | 120.6 % | 164.1 % | 159.5 % |

**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
RECONCILIATION OF GAAP (LOSS) EARNINGS and CORE EARNINGS**

Non-cash Fair Value Adjustments to GAAP (Loss) Earnings

The variance in GAAP (loss) 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 release. 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 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.

**FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
RECONCILIATION OF GAAP (LOSS) EARNINGS and CORE EARNINGS
(Unaudited)**

For the three months ended

For the year

| <i>(Dollars in thousands, except per share data)</i> | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | December 31, 2024 | I |
|--|-------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|----|
| GAAP (loss) income before income taxes | \$ (71,857) | \$ 11,457 | \$ 7,136 | \$ 4,997 | \$ 11,754 | \$ (48,267) | \$ |
| Net (gain) loss from fair value adjustments (Noninterest income (loss)) | 1,136 | (974) | (57) | 834 | (906) | 939 | |
| Net loss on sale of securities (Noninterest income (loss)) | 72,315 | - | - | - | - | 72,315 | |
| Life insurance proceeds (Noninterest income (loss)) | (284) | (1) | - | - | (697) | (285) | |
| Valuation allowance on loans transferred to held for sale (Noninterest income (loss)) | 3,836 | - | - | - | - | 3,836 | |
| Net (gain) loss from fair value adjustments on qualifying hedges (Net interest income) | (2,911) | (554) | (177) | 187 | 872 | (3,455) | |
| Prepayment penalty on borrowings (Noninterest expense) | 2,572 | - | - | - | - | 2,572 | |
| Net amortization of purchase | (101) | (62) | (85) | (169) | (355) | (417) | |

| | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| accounting adjustments and intangibles (Various) | | | | | | | |
| Miscellaneous expense (Professional services) | 218 | 10 | 494 | - | 526 | 722 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Core income before taxes | 4,924 | 9,876 | 7,311 | 5,849 | 11,194 | 27,960 | |
| Provision for core income taxes | 715 | 2,153 | 1,855 | 1,537 | 3,648 | 6,260 | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Core net income | \$ 4,209 | \$ 7,723 | \$ 5,456 | \$ 4,312 | \$ 7,546 | \$ 21,700 | \$ |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| GAAP diluted (loss) earnings per common share | \$ (1.61) | \$ 0.30 | \$ 0.18 | \$ 0.12 | \$ 0.27 | \$ (1.05) | \$ |
| Net (gain) loss from fair value adjustments, net of tax | 0.03 | (0.03) | (0.01) | 0.02 | (0.02) | 0.02 | |
| Net loss on sale of securities, net of tax | 1.65 | - | - | - | - | 1.68 | |
| Life insurance proceeds | (0.01) | - | - | - | (0.02) | (0.01) | |
| Valuation allowance on loans transferred to held for sale, net of tax | 0.09 | - | - | - | - | 0.09 | |
| Net (gain) loss from fair value adjustments on qualifying | (0.07) | (0.01) | - | - | 0.02 | (0.08) | |

| | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|----|
| hedges, net of tax | | | | | | | |
| Prepayment penalty on borrowings, net of tax | 0.06 | - | - | - | - | 0.06 | |
| Net amortization of purchase accounting adjustments, net of tax | - | - | - | - | (0.01) | (0.01) | |
| Miscellaneous expense, net of tax | - | - | 0.01 | - | 0.01 | 0.02 | |
| Core diluted earnings per common share ⁽¹⁾ | \$ 0.14 | \$ 0.26 | \$ 0.18 | \$ 0.14 | \$ 0.25 | \$ 0.73 | \$ |
| Core net income, as calculated above | \$ 4,209 | \$ 7,723 | \$ 5,456 | \$ 4,312 | \$ 7,546 | \$ 21,700 | \$ |
| Average assets | 9,060,481 | 9,203,884 | 8,830,665 | 8,707,505 | 8,569,002 | 8,951,618 | |
| Average equity | 662,190 | 672,762 | 667,557 | 669,185 | 669,819 | 667,913 | |
| Core return on average assets ⁽²⁾ | 0.19 % | 0.34 % | 0.25 % | 0.20 % | 0.35 % | 0.24 % | |
| Core return on average equity ⁽²⁾ | 2.54 % | 4.59 % | 3.27 % | 2.58 % | 4.51 % | 3.25 % | |

(1) Core diluted earnings per common share may not foot due to rounding.

(2) Ratios are calculated on an annualized basis.

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
RECONCILIATION OF GAAP REVENUE and PRE-PROVISION
PRE-TAX NET REVENUE
(Unaudited)

For the three months ended

For the year ended

| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, | December 31, |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <i>(Dollars in thousands)</i> | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 | 2023 |
| GAAP Net interest income | \$ 51,235 | \$ 45,603 | \$ 42,776 | \$ 42,397 | \$ 46,085 | \$ 182,011 | \$ 179,152 |
| Net (gain) loss from fair value adjustments on qualifying hedges | (2,911) | (554) | (177) | 187 | 872 | (3,455) | (371) |
| Net amortization of purchase accounting adjustments | (191) | (155) | (182) | (271) | (461) | (799) | (1,454) |
| Core Net interest income | <u>\$ 48,133</u> | <u>\$ 44,894</u> | <u>\$ 42,417</u> | <u>\$ 42,313</u> | <u>\$ 46,496</u> | <u>\$ 177,757</u> | <u>\$ 177,327</u> |
| GAAP Noninterest (loss) income | \$ (71,022) | \$ 6,277 | \$ 4,216 | \$ 3,084 | \$ 7,402 | \$ (57,445) | \$ 22,588 |
| Net (gain) loss from fair value adjustments | 1,136 | (974) | (57) | 834 | (906) | 939 | (2,573) |
| Net loss on sale of securities | 72,315 | - | - | - | - | 72,315 | - |
| Valuation allowance on loans transferred to held for sale | 3,836 | - | - | - | - | 3,836 | - |
| Life insurance proceeds | (284) | (1) | - | - | (697) | (285) | (1,281) |
| Core Noninterest income | <u>\$ 5,981</u> | <u>\$ 5,302</u> | <u>\$ 4,159</u> | <u>\$ 3,918</u> | <u>\$ 5,799</u> | <u>\$ 19,360</u> | <u>\$ 18,734</u> |

| | | | | | | | |
|---|--------------|-----------|-----------|-----------|-----------|--------------|------------|
| GAAP | | | | | | | |
| Noninterest expense | \$ 45,630 | \$ 38,696 | \$ 39,047 | \$ 39,892 | \$ 40,735 | \$ 163,265 | \$ 151,389 |
| Prepayment penalty on borrowings | (2,572) | - | - | - | - | (2,572) | - |
| Net amortization of purchase accounting adjustments | (90) | (93) | (97) | (102) | (106) | (382) | (447) |
| Miscellaneous expense | (218) | (10) | (494) | - | (526) | (722) | (526) |
| Core | | | | | | | |
| Noninterest expense | \$ 42,750 | \$ 38,593 | \$ 38,456 | \$ 39,790 | \$ 40,103 | \$ 159,589 | \$ 150,416 |
| Net interest income | \$ 51,235 | \$ 45,603 | \$ 42,776 | \$ 42,397 | \$ 46,085 | \$ 182,011 | \$ 179,152 |
| Noninterest income (loss) | (71,022) | 6,277 | 4,216 | 3,084 | 7,402 | (57,445) | 22,588 |
| Noninterest expense | (45,630) | (38,696) | (39,047) | (39,892) | (40,735) | (163,265) | (151,389) |
| Pre-provision pre-tax net (loss) revenue | \$ (65,417) | \$ 13,184 | \$ 7,945 | \$ 5,589 | \$ 12,752 | \$ (38,699) | \$ 50,351 |
| Core: | | | | | | | |
| Net interest income | \$ 48,133 | \$ 44,894 | \$ 42,417 | \$ 42,313 | \$ 46,496 | \$ 177,757 | \$ 177,327 |
| Noninterest income | 5,981 | 5,302 | 4,159 | 3,918 | 5,799 | 19,360 | 18,734 |
| Noninterest expense | (42,750) | (38,593) | (38,456) | (39,790) | (40,103) | (159,589) | (150,416) |
| Pre-provision pre-tax net revenue | \$ 11,364 | \$ 11,603 | \$ 8,120 | \$ 6,441 | \$ 12,192 | \$ 37,528 | \$ 45,645 |
| Efficiency Ratio | 79.0 % | 77.2 % | 82.6 % | 86.1 % | 76.7 % | 81.0 % | 76.7 % |

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
RECONCILIATION OF GAAP NET INTEREST INCOME and NET INTEREST MARGIN

to CORE NET INTEREST INCOME
(Unaudited)

| | For the three months ended | | | | For the year ended | |
|--|----------------------------|------------------|------------------|------------------|--------------------|-------------------|
| | December 31, | September 30, | June 30, | March 31, | December 31, | December 31, |
| <i>(Dollars in thousands)</i> | 2024 | 2024 | 2024 | 2024 | 2023 | 2024 |
| GAAP net interest income | \$ 51,235 | \$ 45,603 | \$ 42,776 | \$ 42,397 | \$ 46,085 | \$ 182,011 |
| Net (gain) loss from fair value adjustments on qualifying hedges | (2,911) | (554) | (177) | 187 | 872 | (3,455) |
| Net amortization of purchase accounting adjustments | (191) | (155) | (182) | (271) | (461) | (799) |
| Tax equivalent adjustment | 98 | 100 | 98 | 100 | 101 | 396 |
| Core net interest income FTE | <u>\$ 48,231</u> | <u>\$ 44,994</u> | <u>\$ 42,515</u> | <u>\$ 42,413</u> | <u>\$ 46,597</u> | <u>\$ 178,153</u> |
| Episodic items ⁽¹⁾ | <u>(648)</u> | <u>(1,647)</u> | <u>(369)</u> | <u>(928)</u> | <u>(3,416)</u> | <u>(3,592)</u> |
| Net interest income FTE excluding episodic items | <u>\$ 47,583</u> | <u>\$ 43,347</u> | <u>\$ 42,146</u> | <u>\$ 41,485</u> | <u>\$ 43,181</u> | <u>\$ 174,561</u> |
| Total average interest-earning assets ⁽²⁾ | \$ 8,590,022 | \$ 8,712,443 | \$ 8,358,006 | \$ 8,238,395 | \$ 8,080,550 | \$ 8,475,681 |
| Core net interest margin FTE | 2.25 % | 2.07 % | 2.03 % | 2.06 % | 2.31 % | 2.10 % |

| | | | | | | | | |
|--|----|-----------|--------------|--------------|--------------|--------------|--------------|------|
| Net interest margin FTE excluding episodic items | | 2.22 % | 1.99 % | 2.02 % | 2.01 % | 2.14 % | 2.06 % | |
| GAAP interest income on total loans, net ⁽³⁾ | \$ | 94,104 | \$ 95,780 | \$ 92,728 | \$ 92,959 | \$ 95,616 | \$ 375,571 | \$ |
| Net (gain) loss from fair value adjustments on qualifying hedges - loans | | 29 | (364) | (137) | 123 | 978 | (349) | |
| Net amortization of purchase accounting adjustments | | (216) | (168) | (198) | (295) | (484) | (877) | |
| Core interest income on total loans, net | \$ | 93,917 | \$ 95,248 | \$ 92,393 | \$ 92,787 | \$ 96,110 | \$ 374,345 | \$ |
| Average total loans, net ⁽²⁾ | \$ | 6,783,264 | \$ 6,740,579 | \$ 6,751,715 | \$ 6,807,944 | \$ 6,872,115 | \$ 6,770,826 | \$ 6 |
| Core yield on total loans | | 5.54 % | 5.65 % | 5.47 % | 5.45 % | 5.59 % | 5.53 % | |

(1) Episodic items include prepayment penalty income, net reversals and recovered interest from nonaccrual and delinquent loans, and swap terminations fees/income.

(2) Excludes purchase accounting average balances for all periods presented.

(3) Excludes interest income from loans held for sale.

FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
CALCULATION OF TANGIBLE STOCKHOLDERS'
COMMON EQUITY to TANGIBLE ASSETS
(Unaudited)

| | December 31, | September 30, | June 30, | March 31, | December 31, |
|--|-----------------|------------------|--------------|--------------|-----------------|
| <i>(Dollars in thousands)</i> | 2024 | 2024 | 2024 | 2024 | 2023 |
| Total Equity | \$ 724,539 | \$ 666,891 | \$ 665,322 | \$ 669,827 | \$ 669,837 |
| Less: | | | | | |
| Goodwill | (17,636) | (17,636) | (17,636) | (17,636) | (17,636) |
| Core deposit intangibles | (1,123) | (1,220) | (1,322) | (1,428) | (1,537) |
| Tangible Stockholders' Common Equity | \$ 705,780 | \$ 648,035 | \$ 646,364 | \$ 650,763 | \$ 650,664 |
| Total Assets | \$ 9,038,972 | \$ 9,280,886 | \$ 9,097,240 | \$ 8,807,325 | \$ 8,537,236 |
| Less: | | | | | |
| Goodwill | (17,636) | (17,636) | (17,636) | (17,636) | (17,636) |
| Core deposit intangibles | (1,123) | (1,220) | (1,322) | (1,428) | (1,537) |
| Tangible Assets | \$ 9,020,213 | \$ 9,262,030 | \$ 9,078,282 | \$ 8,788,261 | \$ 8,518,063 |
| Tangible Stockholders' Common Equity to Tangible Assets | 7.82 % | 7.00 % | 7.12 % | 7.40 % | 7.64 % |

SOURCE: Flushing Financial Corporation

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