

Flushing Financial Corporation (NASDAQ: FFIC; Uniondale, NY) Completes \$75.0 Million Offering of 5.25% Subordinated Notes due 2026

Sandler O'Neill + Partners, L.P. served as sole book-running manager for this offering.

This transaction is the 93rd subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner or initial purchaser.¹ Since May 20, 2016, Sandler O'Neill has raised approximately \$2.3 Billion for its clients in 36 transactions as the book-running manager or placement agent, capturing a 75.0% market share of announced transactions.¹

About the Offering:

UNIONDALE, New York, December 12, 2016 – Flushing Financial Corporation (the "Company"), the parent company of Flushing Bank (the "Bank"), today announced the completion of its public offering of \$75 million of its Fixed-to-Floating Rate Subordinated Notes due December 15, 2026 (the "Notes"). The Notes will initially bear a fixed interest rate of 5.25% per year.

The Company intends to utilize the capital to fund future growth, raise its corporate profile and reduce concentrations.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:


Flushing Financial Corporation is the holding company for Flushing Bank®, a New York State-chartered commercial bank insured by the Federal Deposit Insurance Corporation. The Bank serves consumers, businesses, professionals, corporate clients, and public entities by offering a full complement of deposit, loan, and cash management services through its 19 banking offices located in Queens, Brooklyn, Manhattan, and Nassau County. As a leader in real estate lending, the Bank's experienced lending team creates mortgage solutions for real estate owners and property managers both within and outside the New York City metropolitan area. The Bank also operates an online banking division, iGObanking.com®, which offers competitively priced deposit products to consumers nationwide.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data not pro forma for the offering.

December 12, 2016

5.25% Fixed-to-Floating Rate
Subordinated Notes due 2026
\$75.0 Million



Sole Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights as of September 30, 2016 ²**Dollars in Millions**

Total Assets	\$5,999
Net Loans	\$4,719
Total Deposits	\$4,042
Total Equity	\$513
Leverage Ratio	8.80%
Tier 1 Ratio	12.35%
Total Capital Ratio	12.87%
Tang. Common Equity / Tang. Assets	8.30%

Sandler O'Neill Contacts:

Bob Kleinert
Managing Principal
(212) 466-7806

Bill Hickey
Principal, Co-Head of
Investment Banking
(212) 466-7704

Jacques de Saint Phalle
Principal
(212) 466-7721

Jace Day
Principal
(212) 466-7831

Jennifer Docherty
Managing Director
(212) 466-7796

Susan Weinberg
Managing Director
(212) 466-7807

James Furey
Managing Director
(212) 466-7934

Alex Bondroff
Associate
(212) 466-7727

Stephen Schroder
Analyst
(212) 466-7948

SANDLER O'NEILL + PARTNERS, L.P.

New York – Atlanta – Boston – Chicago – San Francisco