OMB Control Number 1505-0222

# ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Flushing Financial Corporation/Flushing Savings Bank, FSB

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| Person to be contacted regarding this report: | David Fry | RSSD: (For Bank Holding Companies) | |
| UST Sequence Number: | 226 | Holding Company Docket Number: (For Thrift Holding Companies) | H-2328 |
| CPP Funds Received: | 70,000,000 | FDIC Certificate Number: (For Depository Institutions) | 16049 |
| CPP Funds Repaid to Date: | 70,000,000 | City: | Lake Success |
| Date Funded (first funding): | Dec 19, 2008 | State: | New York |
| Date Repaid[1]: | Oct 28, 2009 | | |

[1]If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

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| ☒ | Increase lending or reduce lending less than otherwise would have occurred. | The capital provided from the CPP provided capital that was used in our continued lending program throughout 2009, and helped allowed us to continue to grow our loan portfolio. |
| ☒ | To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.). | small business loans and multi family residential real estate loans in the New York metropolitan area |
| ☐ | Increase securities purchased (ABS, MBS, etc.). | |

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| ☐ Make other investments | |
| ☐ Increase reserves for non-performing assets | |
| ☐ Reduce borrowings | |
| ☐ Increase charge-offs | |
| ☐ Purchase another financial institution or purchase assets from another financial institution | |
| ☐ Held as non-leveraged increase to total capital | |

What actions were you able to avoid because of the capital infusion of CPP funds?

The capital infusion of CPP funds provided an additional capital cushion during uncertain economic times. While we were well capitalized without accepting the capital, without the additional capital we may have reduced loan originations and may not have grown our loan portfolio to the same extent that we did.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The capital infusion of CPP funds provided an additional capital cushion during uncertain economic times. While we were well capitalized without accepting the capital, the additional capital provided was used in our continued lending program, continued growth of our loan portfolio and maintaining our capital ratios well above well capitalized requirements.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.