



## **PUBLIC DISCLOSURE**

January 27, 2014

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of Long Island  
Charter Number 13126

10 Glen Head Road  
Glen Head, NY 11545

Office of the Comptroller of the Currency

340 Madison Avenue  
4th Floor  
New York, NY 10017-2613

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated Satisfactory.

The following table indicates the performance level of The First National Bank of Long Island with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank's overall lending activity in the AA (Assessment Area) is adequate. The majority of loans were originated in the banks AA.
- Small loans to businesses provide a good penetration among different geographies and borrower income levels.
- Community development lending positively influenced the bank's overall lending performance.
- The bank's performance under the investment test is good. The bank has a significant level of qualified investments, totaling \$13 million, or 6.38 percent of Tier One Capital.
- The bank's performance under the service test was satisfactory. The bank provides a relatively high level of community services.
- Services are tailored to the convenience and needs of the assessment areas.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinance, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in-group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number, and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division (MD):** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such

activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business (es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

The First National Bank of Long Island (FNBLI) is a full service intrastate bank headquartered in Glen Head, New York in Nassau County on Long Island. The bank is the sole subsidiary of The First of Long Island Corporation and is publicly traded on the NASDAQ Stock Exchange. FNBLI provides a broad range of financial services to individual, professional, corporate, institutional and government customers. The bank has thirty-seven branches on Long Island and in New York County. Branches consist of the main office located in Glen Head, New York, twenty three additional full service offices, eleven commercial banking offices, and two select service banking centers. The vast majority of the branches are located in Nassau and Suffolk counties on Long Island, while only two commercial branches are located in New York County.

As of December 31, 2013, FNBLI had total assets of \$2.4 billion, centered in loans (\$1.4 billion or 58 percent of assets) and investments (\$824 million or 33 percent of assets). Real estate loans total \$1.39 billion and account for 96 percent of total loans. The bank's main loan products are 1-4 family residential and commercial mortgages, which account for the majority of the loan portfolio. Other loan products include home equity, credit cards, automobile loans, Small Business Administration (SBA) loans, and other commercial and industrial loans. The bank also offers various personal and business deposit products, including savings accounts, drive-through and telephone banking, investment management and trust services, remote deposit capture, and sweep accounts. FNBLI's Tier One Capital totaled \$204 million and the Tier One Capital Leverage Capital ratio was 8.59 percent.

During the evaluation period, the bank experienced strong growth in both loans and core deposits. This is consistent with the bank's strategy, which is to continue to grow and expand the bank's market area. The bank facilitates this growth by expanding the branch network. During our evaluation period, the bank opened five new branches and plans to open approximately two branches per year going forward. In the short term, branch expansion will take place in the counties in which the bank already has a presence: Nassau, Suffolk and New York counties. In the future, the bank plans to expand into the larger New York Metropolitan area.

FNBLI operates in a very competitive banking market. There are forty banks, which operate nearly five hundred branches in Nassau County alone. The bank's competitors include local community banks, large regional banks, credit unions, mortgage companies, and non-bank financial institutions. The deposit market is dominated by large multinational institutions such as JP Morgan Chase Bank, Bank of America, Citibank, Bank of New York Mellon, and HSBC Bank USA. These institutions are the top five banks, which control over 60 percent of the deposit market share in the New York, Northern New Jersey, and Long Island metropolitan statistical area (MSA).

FNBLI has two assessment areas within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620. They are the Nassau-Suffolk, NY MD AA (#35004) and the New York-White Plains-Wayne, NY-NJ MD AA (#35644), both within New York State. The assessment areas appropriately include geographies where the bank has its main office, branches, and deposit-taking ATMs. FNBLI has the financial capacity to assist in meeting the credit needs of

its AA. There are no legal or financial factors, which would impact the bank's ability to help meet the credit needs of its community.

The bank's performance under the Community Reinvestment Act was last evaluated on April 25, 2011, based upon standards applicable to large banks. The bank's overall level of performance was "Satisfactory".

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for the lending test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and for small loans to business is from January 1, 2011 through September 30, 2013. The bank originated a nominal number of multi-family loans within the bank's assessment areas and originated two loans to farms within the bank's assessment area during the evaluation period. Therefore, an analysis of these products would not be meaningful and was not performed. The evaluation period for community development loans, investments, and service tests covers activities from January 1, 2011 through September 30, 2013.

### **Data Integrity**

In December of 2013, an evaluation of the integrity of FNBLI's publicly filed information was performed to verify the accuracy and reliability of the HMDA and CRA data. Community development (CD) loans and HMDA loans were reviewed and verified for the timeframes of January 1, 2011 and September 30, 2013. The bank's processes, procedures, and internal controls for HMDA and CRA data collection, verification, and reporting were found to be satisfactory. This current CRA examination is based on reliable data.

### **Selection of Areas for Full-Scope Review**

We performed full scope reviews of both of the bank's AA: Nassau-Suffolk MD (#35004) and the New York-White Plains-Wayne, NY-NJ MD (#35644). The bank defines the Nassau-Suffolk AA as all of Nassau County and the western part of Suffolk County in Long Island. This AA consists of 526 census tracts, the majority of which are middle- and upper-income tracts.

The bank's New York-White Plains-Wayne, NY-NJ MD AA (#35644), hereafter known as the New York County AA, is generally defined as the area south of Central Park in New York County. It consists of 125 census tracts. While the majority of the bank's lending takes place in the Nassau-Suffolk AA, the New York County AA represents a major market for the bank. As such, a full scope review was also performed.

Please refer to appendix A for more information on the AAs.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. More weight was placed on the bank's performance in the Nassau-Suffolk AA as the majority of the bank's branches, deposits, and employees are located in that AA.

## **Other**

For this examination, we contacted one community development organization from the Nassau-Suffolk AA. We also incorporated information from a community contact conducted in 2013 of the New York County AA. The community contacts provided an assessment of the community's needs, opportunities in which financial institutions may participate in assisting these needs and information on the perception of financial institutions involvement in the community. Our contact reiterated that the banking environment on Long Island and in New York City is extremely competitive, with several large banks controlling a majority of the lending and deposit market share in both areas. It was noted that while many of the larger institutions participate in community development projects, there are still many opportunities in low-income communities for banks. The Nassau-Suffolk contact discussed the large amount of foreclosures in the bank's assessment area, and the need for banks to reduce the number of foreclosures by taking precautionary measures and educating borrowers on how to prevent foreclosure. In addition, the contact discussed low-income families experiencing hardships by losing SNAP (Supplemental Nutrition Assistance Program) benefits unnecessarily, which causes additional hardship and delay for families and additional administration burden for counties. The contact discussed the possibility for a program to be developed in which low and moderate income individuals would be educated on SNAP and the ways coverage can be lost. SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated low satisfactory. Based on full-scope reviews, the bank's performance in the Nassau-Suffolk and New York County AAs is adequate.

#### Lending Activity

Refer to Tables 1 Lending Volume and Other in appendix C for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity in the Suffolk-Nassau AA and New York County AAs is adequate. The bank originated 876 reportable loans in the AA during the 2012-2013 evaluation periods, totaling over \$282 million. Home mortgage lending accounted for 61 percent of the total volume and 73 percent of total dollar amount, while small loans to businesses accounted for 38 percent of the total volume and 27 percent of the dollar amount. The bank originated two small loans to farms during the evaluation period totaling \$160 thousand. In the 2011 year, the bank originated 301 reportable loans in both AA's. Home mortgage lending accounted for the majority of loans made in 2011 at 53 percent of the total volume 67 percent of total dollar amount of loans originated in 2011.

Analysis for the lending test in the Nassau-Suffolk and New York County AA focused primarily on home purchase, home refinancing, home improvement, and small loans to businesses. The analysis compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies.

In evaluating the bank's lending activity, we considered the lack of low- and moderate- income census tracts and large bank competition within the AAs. Additionally, as a gauge of the bank's lending activity, we also considered its deposit and lending market share. In 2012, the bank ranked 47 out of 236 institutions with 0.14 percent of the market share in deposits in the New York-Newark-Jersey City, NY-NJ-PA AA. Specifically, as of June 30, 2012, the bank ranked 12<sup>th</sup> out of 47 institutions in the market with 1.53 percent of the market share in deposits in Nassau Suffolk AA and ranked 78<sup>th</sup> out of 91 institutions in the market with 0.01 percent of the market share in deposits in New York County AA.

In 2012, the bank's home purchase market share ranked 92<sup>nd</sup> with 0.09 percent of the market share in Nassau-Suffolk and 0.55 percent in New York County. For home improvement loans, the bank's market share was .13 percent in Nassau-Suffolk and zero in the New York County AA. For home mortgage refinances, the bank's market share was .65 percent in the Nassau-Suffolk AA and .22 percent in the New York County AA. Community development lending positively impacted the bank's overall lending performance.

## **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of loans by income level is adequate.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home purchase loans and home refinances is adequate, but the geographic distribution of home improvement loans is poor within the bank's AA.

### ***Home Purchase Loans (January 1, 2012 – September 30, 2013)***

Overall, the geographic distribution of home purchase loans in low- and moderate-income geographies is adequate within the bank's AAs. Within the Nassau-Suffolk AA, penetration in the low and moderate-income geographies is poor. Only 2.5 percent of the bank's home purchase loans were made in these geographies, which is lower than 11.68 percent owner-occupied units in the moderate-income geographies. There was no penetration in the low-income geographies for the Nassau-Suffolk AA. Penetration in low-income geographies was excellent in the New York County AA, exceeding the 1.75 percent owner-occupied units in those census tracts.

Based on discussions with bank management, attempts have been made to reach low-and moderate-income geographies by advertising within those areas; however, the bank receives a limited number of low- and moderate-income credit applications. In addition, the bank's traditional lending products do not include those that would be appealing to first time homebuyers, which may include LMI individuals (FHA and longer-term fixed rate loans).

### ***January 1, 2011 – December 31, 2011***

The geographic distribution of home purchase loans in low and moderate-income geographies for 2011 was poor. There were no loans originated for home purchases in 2011 for borrowers in low or moderate income geographies.

### ***Home Improvement Loans (January 1, 2012 – September 30, 2013)***

The overall geographic distribution of home improvement loans is poor. The bank did not originate any home improvement loans in low-income or moderate census tracts in either AAs during the evaluation period. The vast majority of the bank's home improvement loans (86%) were made in middle-income census tracts.

### ***January 1, 2011 – December 31, 2011***

The geographic distribution of home improvement loans in low and moderate income geographies for 2011 was poor. There were no loans originated for home improvement in 2011 for borrowers in low or moderate-income geographies.

*Home Mortgage Refinance Loans (January 1, 2012 – September 30, 2013)*

The geographic distribution of home mortgage refinance loans was adequate. There was excellent penetration in both AAs for low-income geographies, 4.55 percent penetration in the New York County AA compared to 1.75 percent owner occupied units. In the Nassau-Suffolk AA, there was .63 percent penetration is near to .72 percent of owner occupied units. Penetration in the moderate-income geographies was poor. There was minimal penetration in both AAs for home mortgage refinances, 2.19 percent in the Nassau-Suffolk AA (lower than 11.68 percent of owner occupied units) and 1.52 percent in the New York County AA lower than 9.32 percent owner occupied units

*January 1, 2011 – December 31, 2011*

The geographic distribution of home refinance loans in low and moderate income geographies for 2011 was poor. Three percent of the bank's home mortgage refinance loans were originated the Nassau-Suffolk AA to moderate-income borrowers in 2011. There were no loans for home refinance originated to low income borrowers in the Nassau-Suffolk AA. There were no home refinance loans made in 2011 for the New York County AA.

***Small Loans to Businesses (January 1, 2012 – September 30, 2013)***

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in low and moderate-income geographies in the Nassau-Suffolk AA exceeds the percentage of all businesses in those geographies, indicating an excellent level of lending. Small loans to businesses in the New York County AA was adequate. Loans made to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies; however, there were no loans to businesses made in low-income geographies during the assessment period. Although no small loans to businesses were made in the low-income geography for the NY assessment area, this is reasonable given that the bank only made 11 of these loans during the evaluation period. We also considered the fact that competition in New York City is great given the amount of large banks competing with FNBLI in this particular assessment area. As a result, more weight was given to the bank's performance in the Nassau-Suffolk AA.

***January 1, 2011 – December 31, 2011***

The geographic distribution of small loans to businesses in 2011 was adequate. Eleven percent of the bank's small business loans in 2011 were originated to businesses in moderate-income geographies within the Nassau-Suffolk AA. This exceeds the percentage of small businesses in that AA during the 2011 year, indicating excellent penetration. However, there was no penetration in low-income geographies for small business lending in the Nassau-Suffolk AA. There was no penetration in the New York County AA for small business lending in low or moderate-income geographies in 2011.

***Lending Gap Analysis***

We found no unexplained conspicuous gaps in FNBLI's lending patterns. The bank's Nassau-Suffolk and New York County AAs have a moderate volume of low- and moderate-income census tracts. Overall, the AAs only contain 48 or 5.8 percent low-income census tracts, and 137 or 16.8 percent moderate-income census tracts. The bank's lending products are available to any bank customer, regardless of their geography. None of the bank's branches are located in low-income geographies and only two branches are located in moderate-income geographies; however, the bank's branch network makes bank locations available to all segments of both assessment areas.

***Inside/Outside Ratio***

A high percentage of the bank's home mortgage loans and small loans to businesses were originated inside the Nassau-Suffolk and New York County AAs. The analysis was performed at the bank level as opposed to the AA level and includes bank originations and purchases only. During the evaluation period, 86 percent of the bank's reportable loans (home purchase & small business loans) were originated inside the designated AAs. Specifically; 76 percent of all home purchase loans were within the AA; 84 percent of all home refinance loans were within the AA; 87.5 percent of all home improvement loans were within the AA; and 94.6 percent of all small loans to businesses were originated inside the AA.

## **Distribution of Loans by Income Level of the Borrower**

Overall borrower distribution of small loans to businesses is adequate.

### ***Home Mortgage Loans (January 1, 2012 – September 30, 2013)***

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home purchase, home refinance, and home improvement loans in the Nassau-Suffolk and New York County AA is adequate.

The borrower distribution of home purchase loans in the Nassau-Suffolk AA is poor. The bank's penetration for lending to low and moderate income borrowers for home purchase loans is minimal at 5 percent each for both loan categories. This represents slightly less than one-third penetration for both low and moderate-income borrowers, which is lower than the 18.21 percent and 18.01 percent of the AA, respectively.

The borrower distribution of home improvement loans in the Nassau-Suffolk AA is good. Loans made to moderate-income borrowers were more than the percentage of moderate-income borrowers in the assessment area, indicating an excellent penetration in this product type. Although there was excellent penetration in the moderate-income borrower category, there was no penetration to low income borrowers for home improvement loans during the same evaluation period.

The borrower distribution of home mortgage refinance loans is poor. There is minimal penetration to low income borrowers, with only 2.51 percent of the bank's loans originated to low income borrowers, compared to 18.21 percent of families being low income. Penetration in the moderate income borrower category is poor. There is penetration of 9.09 percent for home mortgage refinance loans to moderate borrowers, compared to 18.01 percent of families categorized as moderate income borrowers.

The bank did not make any home purchase, home refinance, or home improvement loans to low- and moderate- income borrowers in the New York County AA during the 2012-2013 evaluation period. Although the bank only made loans to upper-income borrowers, this is reasonable given the majority of families in the New York County AA, 61 percent, are middle- and upper-income borrowers.

Given the limiting factors described above, overall borrower distribution of home mortgage loans is considered adequate.

*January 1, 2011 – December 31, 2011*

The borrower distribution of home purchase loans in 2011 was poor. Only 4 percent of the bank's home purchase loans were made to moderate income borrowers in 2011 in the Nassau-Suffolk AA. There were no home purchase loans made to low income borrowers in the Nassau-Suffolk AA. There were no loans made to low or moderate income borrowers in the New York County AA in 2011, indicating poor penetration.

The borrower distribution of home improvement loans in 2011 was poor. There were no home improvement loans made in either assessment area to low or moderate income borrowers during 2011, indicating very poor penetration.

The borrower distribution of home refinance loans in 2011 was poor. Only 10 percent of the bank's home refinance loans were made to moderate income borrowers in 2011 in the Nassau-Suffolk AA. There were no home refinance loans made to low-income borrowers in the Nassau-Suffolk AA in 2011. There were no home refinance loans made to low or moderate income borrowers in the New York County AA in 2011, indicating poor penetration.

*Small Loans to Businesses (January 1, 2012 – September 30, 2013)*

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses in the Nassau-Suffolk and New York County AA is poor. The bank made 30.86 percent of bank loans to businesses with revenues of \$1 million or less in the Nassau-Suffolk AA. The bank made 15.38 percent of bank loans to businesses with revenues of \$1 million or less in the New York County AA. The percentage of bank loans to businesses with revenues of \$1 million or less in both AAs is lower than the percentage of businesses in each AA. However, given the limited market share FNBLI has in Nassau-Suffolk AA (less than 1 percent) and the New York County AA (less than 1 percent) with respect to loans to small businesses, the distribution is reasonable. The bank's major competitors in the Nassau-Suffolk AA include American Express, Chase Bank, Capital One, and Texas Capital. Between these banks alone, they make up over 70 percent of the Nassau-Suffolk AAs market share for small business loans. Competitors in the New York County AA include American Express, Chase Bank, Citibank and HSBC, which make up 77 percent of the AA's market share.

Furthermore, the majority of the originated small loans to businesses were made in the amounts less than \$100 thousand, which indicates many of the bank's small loans were to smaller businesses. Specifically, the FNBLI originated 53.09 percent of bank loans to businesses with revenues of \$100 thousand or less in the Nassau-Suffolk AA and 53.85 percent of bank loans in the New York County AA. Loans to businesses with revenues of at least \$100 thousand but less than \$250 thousand comprised 17.28 percent in the Nassau-Suffolk AA and 23.08 percent in the New York County AA while loans to businesses with revenues of at least \$250 thousand but less than \$1 million accounted for 29.63 percent of the bank loans in the Nassau-Suffolk AA and 23.08 percent in the New York County AA.

*January 1, 2011 – December 31, 2011*

The borrower distribution of small loans to businesses in the Nassau-Suffolk and New York County AA's was poor in 2011. Fifteen percent of small loans to businesses were made in the Nassau-Suffolk AA, significantly lower than the percentage of businesses in the AA, indicating poor penetration. There were no small loans to businesses made in the New York County AA in 2011, indicating very poor penetration.

## **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. Table 5 does not separately list CD loans.

The level of CD lending is good and has a positive impact on the lending test. For our evaluation period, which ran from April 25, 2011 to January 27, 2014 the bank has made 26-community development (CD) loans to 13 borrowers, which meet the CD lending requirement totaling \$19.9 million. There were 26 community development loans made in the Nassau-Suffolk AA and no community development loans made in the New York County AA during our review period. Of the 29 CD loans, 9 are to new borrowers and 17 are renewals of previously extended lines. Our conclusions regarding community development activities are as follows:

- a) Community development loans are readily available to the institution and lenders have booked CD loans in almost every month since our prior examination. Community development loans, which have been booked since our prior examination, include: loans to schools, museums, hospitals, pharmacies, business development funds, and loan centers, which provide funding to low and moderate geographies.
- b) The institution is responsive to the opportunities for community development as evidenced in the amount of loans booked over our assessment period.
- c) In speaking with management, the bank is considering a program to incentivize lenders to make more community development loans. Management expressed interest in expanding these loan types and in increasing this business line in general.

## **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the lending test conclusion. The bank offers standard loan products.

## INVESTMENT TEST

The bank's performance under the investment test is rated "high satisfactory". Based on the full-scope reviews, the bank's performance in the Nassau-Suffolk AA and New York County AA is good.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank has a significant level of qualified community development investments, totaling \$13 million, or 6.38 percent of Tier 1 Capital. The bank made \$9.7 million in qualified investments during the current evaluation period, and retains \$3.3 million in investments from the prior CRA evaluation cycle. There are \$12.8 million in qualified investments in the Nassau-Suffolk AA and \$203,050 of qualified investments in the New York County AA as of our review period.

The bank makes significant use of innovative investments to support community development initiatives. The majority of the bank's qualified investment funds are in mortgage pass-through pools from FNMA, GNMA, and FHLMC, in which the underlying borrowers are LMI individuals within the bank's Assessment Areas. When purchasing these MBS pools, the bank works with a broker from to select pools based on census tract information. The bank typically purchases between two and three pools each year, specifically seeking pools in which the underlying borrowers are within the bank's AA.

The bank purchased five MBS pools in the current period, contributing \$9.4 million in qualified investments. Within four of these pools, the majority of underlying borrowers are LMI. We considered the full amount of these four pools to qualify under CRA purposes. One of the pools was comprised of only 50 percent LMI borrowers. In accordance with the 2010 CRA Interagency Questions & Answers, we considered the pro-rata amount for the underlying borrowers who are LMI. We utilized the book value to determine the value of the bank's 13 MBS pools.

The bank demonstrates leadership in community development through its membership in an organization that provides affordable housing to LMI individuals. Additionally, the bank made 18 qualified donations to community organizations that are designed to promote economic development or provide community services targeted to LMI individuals. Donations and membership dues totaled \$33 thousand in the evaluation period. The bank also has two CD investments totaling \$203 thousand with minority banks.

## **SERVICE TEST**

The bank's performance under the Service Test is rated "high satisfactory". Based on full-scope reviews, the bank's performance in the Nassau-Suffolk AA is high satisfactory and in the New York County AA is adequate. More weight was placed on the bank's performance in the Nassau-Suffolk AA as the majority of the bank's branches, deposits and employees are located within that AA.

### **Retail Banking Services**

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNBLI maintains no branches in low-income geographies in the Nassau-Suffolk AA. The number of the bank's branches in moderate-income geographies of 5.71 percent is lower than the 15.75 percent of population residing in moderate-income area in the Nassau-Suffolk AA. The bank maintains no branches in low-income and moderate-income geographies in the New York County AA. However, FNBLI's service delivery systems are reasonably accessible to geographies and individuals of different income levels throughout its Nassau-Suffolk AA and its New York County AA. Since the last CRA examination, the bank opened five new branch locations and merged two of its locations into one branch. Of the five new branches, three branches were opened in Nassau County with two located in an upper income level census tract and one located in a middle-income level census tract. The remaining two branches were opened in Suffolk County both located in a middle-income level census tract. As of February 28, 2013, the bank closed one location in New York City located in a low income level census tract and merged it into another branch in New York City which is located in an upper income level census tract. The bank's Compliance Officer advised that the New York location was closed due to the lease expiring and the inability to renew the lease on reasonable terms. Branch locations are mainly in middle and upper income geographies but are in close proximity to the low and moderate-income geographies within the bank's AAs, accessible via main roads and public transportation. To the extent changes have been made, the bank's closing of the New York branch has not adversely affected the accessibility of its delivery systems, particularly in low and moderate-income geographies and/or to low-and moderate-income individuals. This is due to the proximity of the bank's Madison Avenue branch, which is less than 1 mile away from the branch that closed.

The bank's service hours provide convenient and reasonable access for its AAs. Services are offered to all customers and are consistent and do not preclude convenient access to low and moderate income individuals. Of the bank's 24 full service branches, all have ATM services, 13 offer drive-up facilities, and 22 provide extended Friday evening and Saturday banking hours. Of the bank's 11 commercial and 2 select service banking branches, two have Saturday banking hours and four have ATM services. All ATM's are bilingual and display information in English and Spanish. In addition, some of the bank's employees are bi-lingual and offer customer service in English and Spanish. The bank offers bank-by-mail, bank-by-phone, debit cards, credit cards, and internet banking products to all customers. In addition, a variety of loan and deposit products and services are available to all customers at all branches. Although the bank has no

specific product or service geared toward low to moderate-income individuals, all products and services have no income requirements. The bank offers a free checking account with no minimum balance that offers free online banking, e-statements, and bill pay. They also offer a free statement savings account with no minimum balance needed to earn interest.

### **Community Development Services**

The bank provides a relatively high level of community development services. During the evaluation period, 42 bank employees provided financial expertise, leadership services, or both, to 46 different qualifying community development organizations serving the bank's AA.

The bank's performance under the Community Development Services Test is rated "high satisfactory" for the Nassau-Suffolk AA. In the Nassau-Suffolk AA, 39 bank employees provided financial expertise, leadership services, or both, to 24 different qualifying community development organizations serving the AA. The majority of these community development organizations were chambers of commerce and rotary clubs that serve the different cities, towns, and incorporated villages that make up the Nassau and Suffolk counties. These organizations promote economic development by financing local small businesses and provide community services to low-and moderate-income individuals and families. Notable examples of the bank's participation in community development service serving this AA include:

- The bank's President is on the Board of Directors of an association that promotes economic development, job generation projects, affordable housing, transportation improvements, property tax relief, income and business tax forms and reductions, as well as regulatory relief for businesses.
- The bank's President is the trustee for a not for profit hospital serving the health care needs of the county and its surrounding areas with services ranging from maternal health, oncology and physical medicine to cardiology, rehabilitation, orthopedics and behavioral health.
- The Senior Operations officer is a member of an organization that preserves and revitalizes houses and communities, assuring that low-income homeowners who are elderly, disabled, and/or single parent families, live in comfort and safety while maintaining their independence.

The bank's performance under the Community Development Services Test is rated "satisfactory" for the New York County AA. In the New York County AA, one bank employee provided financial expertise and/or leadership services to one qualifying community development organization serving the bank's New York County AA. Although the number of bank employees providing financial expertise and/or leadership services appears low in this AA, this is considered adequate as the majority of the bank's employees work and reside in the Nassau-Suffolk Counties AA. Community development services include:

- An employee from the Madison Avenue branch participates in outreach events and is an active member and of the Greater New York Chamber of Commerce. The mission of the chamber is to improve the business climate and to foster economic development within the local business community. The chamber provides valuable business services to help build businesses and reduce costs. They provide mail room services, which are virtual and complete offices for small businesses, startups, entrepreneurs and companies that want a NYC office and experience on their side. The chamber also provides a health alliance with free prescription discount drug cards. Furthermore, they provide help with business certifications and loan applications.

Qualifying Community Development Organization in the broader statewide regional area

The bank President and a loan center employee provided financial expertise and leadership services to two qualifying organizations in Albany County, which is considered the broader statewide regional area. One organization benefits the banks AA by assisting, promoting and providing loans to small businesses including start-up, early stage, and mature businesses with a particular emphasis on minority and women owned businesses. The organization also seeks to offer credit opportunities not otherwise available to small business in order to facilitate access to capital in support of economic development, to create or preserve job opportunities and to stimulate the growth expansion and modernization of small businesses in New York State. The other organization creates and distributes braille alphabet books to needy children with vision impairments and provides grants to low and moderate families who have special needs related to vision throughout New York State.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/11 to 9/30/13 CD Loans: 01/01/11 to 9/30/13 Investment and Service Tests: 01/01/11 to 9/30/13	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The First National Bank of Long Island (FNBLI) 10 Glen Head Road Glen Head, NY 11545	Home Mortgages, Small Loans to Businesses, Community Development Loans, Qualified CD Investments and Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Nassau-Suffolk Counties #35004 New York County #35644	Full-Scope Full-Scope	

## Appendix B: Market Profiles for Full-Scope Areas

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

### FNBLI AA 35004 Nassau Suffolk 2012-2013

Demographic Information for Full Scope Area: FNBLI AA 35004 Nassau Suffolk 2012-2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	526	2.09	13.69	57.60	25.10	1.52
Population by Geography	2,460,560	2.28	15.75	58.27	23.53	0.17
Owner-Occupied Housing by Geography	659,454	0.72	11.68	60.57	27.04	0.00
Business by Geography	252,336	1.52	12.76	57.59	28.13	0.01
Farms by Geography	4,467	2.13	16.45	58.54	22.88	0.00
Family Distribution by Income Level	619,453	18.21	18.01	23.55	40.24	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	224,322	3.09	22.35	59.19	15.38	0.00
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		101,543 105,900 5%	Median Housing Value Unemployment Rate		498,112 5.9%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 HUD updated MFI

FNBLI has two assessment areas within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620. They are the Nassau-Suffolk, NY MD AA (#35004) and the New York-White Plains-Wayne, NY-NJ MD AA (#35644), both within New York State. The bank provides banking services throughout its Nassau-Suffolk AA with 37 branches, of which 22 are located in Nassau County and 13 are in Suffolk County. As a percent of the total number of branches in the bank’s Nassau-Suffolk AA, 5.4 percent (2 branches) are located in the moderate-income geographies where 15.75 percent of the population resides; 54 percent (20 branches) are located in the middle-income geographies where 58.2 percent of the population resides, and 35 percent (13 branches) are located in the upper-income geographies where 23.5 percent of the population resides. Although the percent of the total number of branches located in moderate-income geographies is less than the percent of the population that resides in these geographies, and there are no branches in low-income geographies, the bank’s 35 branches in this AA are well located and widespread throughout the AA.

The Nassau-Suffolk AA banking market is highly competitive. The deposit market is dominated by large multinational institutions. FNBLI’s deposit market share is 1.53 percent, which makes the bank the 12<sup>th</sup> largest institution in the area (out of 47). The bank’s strategy is to continue to grow and expand its market area by increasing its branch network. Our community contact, a community organization from the Nassau-Suffolk AA, noted while many of the larger institutions participated in community development projects, there were still opportunities in low-income communities for all the banks.

According to the US Bureau of Labor Statistics, January 2014 unemployment rate for the Nassau-Suffolk AA was 5.9 percent, which was below the national unemployment rate of 7 percent. Major employers in Long Island include North Shore-Long Island Jewish-Health Systems, Cablevision Systems, Diocese of Rockville Centre, SUNY at Stony Brook, Waldbaum's, Sbarro Inc., Winthrop South Nassau University Health System, Verizon Communications, The Home Depot Inc., and Pathmark Stores. Top industry sectors are education and health services, government, professional and business services, and retail trade.

The Nassau-Suffolk AA was one of New York's best performers in 2013. Job growth was one of the fastest in the state for the first time since 2000. Although it is starting to abate, much of the job growth was attributed to construction hiring in the wake of Hurricane Sandy. The cleanup and rebuilding also boosted the hospitality industry, as hotels housed temporary workers and residents displaced by the storm.

The housing market is mending; though, the Nassau-Suffolk AA suffered the greatest and most protracted peak-to-trough house price decline in New York. Housing prices did not bottom until late 2013, so even though they have been rising rather quickly and steadily since then, they are further from their prior peak than the rest of the country. Supply is tightening, and though foreclosure inventory is still high, demand has been sufficient to offset it. Prices are expected to continue increasing during the 2014.

Analysts report the strengths of the Nassau-Suffolk AA to be: above average industrial diversity, high per capita income due to the linkage with New York City financial industries, and a highly skilled workforce. However, among the area's weaknesses are high housing costs, lack of developable land, an aging infrastructure and difficult regulatory environment for improvements, and high tax burden on residents.

Analysts believe that the Nassau-Suffolk AA will match New York City and the state in job growth in 2014 but will underperform the nation. This is due to the slowing down of Hurricane Sandy rebuilding, void left in the real estate market and struggling manufacturing sector. Analysts predict that in the long-term, the Nassau-Suffolk AA will underperform the nation in almost every aspect as high living costs and weak population growth will further constrain jobs and output.

**Institution ID:** THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**FNBLI AA 35644 New York 2012-2013**

Demographic Information for Full Scope Area: FNBLI AA 35644 New York 2012-2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	288	12.85	22.57	7.99	52.43	4.17
Population by Geography	1,585,873	14.38	24.17	7.32	53.98	0.14
Owner-Occupied Housing by Geography	167,031	1.75	9.32	5.62	83.30	0.01
Business by Geography	263,789	4.69	10.38	6.06	72.15	6.73
Farms by Geography	812	3.45	9.73	5.54	77.71	3.57
Family Distribution by Income Level	300,147	26.49	12.45	11.44	49.63	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	116,849	32.27	41.93	6.90	18.89	0.01
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		64,171 66,000 15%		Median Housing Value Unemployment Rate	692,806 6.7%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 HUD updated MFI

The New York County assessment area is generally defined as the area south of Central Park in New York County. It is also known as the New York-White Plains-Wayne, NY-NJ MSA (35644). The bank provides banking services throughout its New York County AA with two commercial banking branches. As a percent of the total number of branches in the bank’s New York County AA, both branches are located in the upper-income geographies where 53.98 percent of the population resides. Although no branches are located in low- or moderate-income geographies, access to the bank’s New York City branch network is readily available to all New York City residents and each branch is within a 3-mile radius of all census tracts.

FNBLI has limited presence in New York County AA as the bank’s deposit market share is 0.01 percent. The bank hold 78<sup>th</sup> place at the local deposit market (out of 91 institutions).

New York County is considered, in many respects, to be the financial capital of the world. Analysts list the strengths of the county to be: high level of international immigration and high per capita income and limited exposure to manufacturing. Conversely, challenges include: high business costs, especially from energy costs; high income inequality; and very unaffordable housing and high tax burdens on residents.

According to the US Bureau of Labor Statistics, January 2014 unemployment rate was 6.7 percent, which was slightly below the national unemployment rate of 7 percent. Major employers in New York County include New York-Presbyterian Healthcare System, Citigroup Inc., JPMorgan Chase & Company, Verizon Communications, Federated Department Stores Inc., Continuum Health Partners Inc., Columbia University, Time Warner Inc., and North-Shore Long Island Jewish Health System. Top industry sectors are education and health services; government; professional and business services; and financial activities.

Analysts predict that the 2014 job growth in New York County AA will be the slowest it has been in three years. This is due to the cool down in construction sector and aggressive cutting – cost measures undertaken by the financial firms facing a rising rate environment and diminishing profits. However, in a longer term, New York County AA is poised for average job growth and above-average wage and output growth thanks to its highly productive workforce and dynamic industry base.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As 12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As 12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings -** Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 1. Lending Volume**

LENDING VOLUME													Geography: FNBLI 35004 & 35644	
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013														
Assessment Area (2013):	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
<b>Full Review:</b>														
FNBLI AA 35004 Nassau/Suffolk	79.00	366	78,747	324	75,192	2	160	26	19,900	692	154,099	96.88		
FNBLI AA 35644 New York	21.00	171	126,974	13	1,915	0	0	0	0	184	128,889	3.12		

<sup>\*</sup> Loan Data as of September 30, 2013. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is from January 01, 2012 to September 30, 2013.

<sup>\*\*\*</sup> Deposit Data as of January 31, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 1. Other Products**

LENDING VOLUME														
Geography: FNBLI 35004 & 35644														
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013														
Assessment Area (2013):	% of Rated Area Loans in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Review:</b>														
FNBLI AA 3500404	0.00	0	0	0	0	0	0	0	0	0	0	0	0	96.88
FNBLI AA 35644 New	0.00	0	0	0	0	0	0	0	0	0	0	0	0	3.12

\* Loan Data as of September 30, 2013. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Optional Product Line(s) is from January 01, 2012 to September 30, 2013.  
 \*\*\* Deposit Data as of January 31, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Institution ID:** THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 1. Other Products**

LENDING VOLUME		Geography: FNBLI 35004 & 35644		
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013				
Assessment Area (2013):	Other Unsecured Consumer Loans*		Other Optional Loans*	
	#	\$ (000's)	#	\$ (000's)
<b>Full Review:</b>				
FNBLI AA 35004 Nassau Suffolk 012-2013	0	0	0	0
FNBLI AA 35644 New York 012-2013	0	0	0	0

\* The evaluation period for Optional Product Line(s) is from January 01, 2012 to September 30, 2013.

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013												Geography: FNBLI 35004 & 35644				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>†</sup>					
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	40	27.97	0.72	0.00	11.68	2.50	60.57	22.50	27.04	75.00	0.09	0.00	0.00	0.03	0.26	
FNBLI AA 35644 New York 2012-2013	103	72.03	1.75	1.94	9.32	3.88	5.62	0.97	83.30	93.20	0.55	0.74	0.30	0.00	0.61	

<sup>†</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013												Geography: FNBLI 35004 & 35644				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>†</sup>					
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	7	100.00	0.72	0.00	11.68	0.00	60.57	85.71	27.04	14.29	0.13	0.00	0.00	0.14	0.16	
FNBLI AA 35644 New York 2012-2013	0	0.00	1.75	0.00	9.32	0.00	5.62	0.00	83.30	0.00	0.00	0.00	0.00	0.00		

<sup>†</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013																
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	319	82.86	0.72	0.63	11.68	2.19	60.57	50.78	27.04	46.39	0.65	0.69	0.14	0.55	0.96	
FNBLI AA 35644 New York 2012-2013	66	17.14	1.75	4.55	9.32	1.52	5.62	1.52	83.30	92.42	0.22	0.36	0.00	0.16	0.23	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY												Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>					
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	0	0.00	8.72	0.00	25.64	0.00	51.55	0.00	14.09	0.00	0.00	0.00	0.00	0.00	0.00	
FNBLI AA 35644 New York 2012-2013	1	100.00	10.64	0.00	19.36	0.00	7.50	0.00	62.50	100.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Multi-Family Units is the number of multi-family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013																
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>					
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	324	6.72	1.52	2.78	2.76	3.58	57.59	51.85	28.13	31.79	0.00	0.00	0.00	0.00	0.00	
FNBLI AA 35644 New York 2012-2013	11	3.28	1.69	0.00	0.38	8.18	6.06	0.00	72.15	31.82	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2012 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2013).

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS												Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013																
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>					
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	2	100.00	2.13	0.00	16.45	0.00	58.54	0.00	22.88	100.00	0.00	0.00	0.00	0.00	0.00	
FNBLI AA 35644 New York 2012-2013	0	0.00	3.45	0.00	9.73	0.00	5.54	0.00	77.71	0.00	0.00	0.00	0.00	0.00		

<sup>\*</sup> Based on 2012 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2013).

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE												Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013																
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
FNBLI AA 35004 Nassau Suffolk 2012-2013	40	27.97	18.21	5.00	18.01	5.00	23.55	10.00	40.24	80.00	0.10	0.10	0.04	0.03	0.21	
FNBLI AA 35644 New York 2012-2013	103	72.03	26.49	0.00	12.45	0.00	11.44	0.00	49.63	100.00	0.58	0.00	0.00	0.00	0.65	

<sup>\*</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME                      Geography: FNBLI 35004 & 35644															
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBLI AA 35004 Nassau Suffolk 2012-2013	7	100.00	18.21	0.00	18.01	42.86	23.55	14.29	40.24	42.86	0.14	0.00	0.46	0.00	0.11
FNBLI AA 35644 New York 2012-2013	0	0.00	26.49	0.00	12.45	0.00	11.44	0.00	49.63	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE      Geography: FNBLI 35004 & 35644															
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBLI AA 35004 Nassau Suffolk 2012-2013	319	82.64	18.21	2.51	18.01	9.09	23.55	27.90	40.24	60.50	0.73	0.39	0.37	0.71	0.94
FNBLI AA 35644 New York 2012-2013	67	17.36	26.49	0.00	12.45	0.00	11.44	0.00	49.63	100.00	0.23	0.00	0.00	0.00	0.25

<sup>\*</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Institution ID:** THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FNBLI AA 35004 Nassau Suffolk 2012-2013	324	96.14	76.29	30.86	53.09	17.28	29.63	0.00	0.00
FNBLI AA 35644 New York 2012-2013	13	3.86	68.58	15.38	53.85	23.08	23.08	0.00	0.00

<sup>\*</sup> Based on 2012 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.37% of small loans to businesses originated and purchased by the bank.

Institution ID: THE FIRST NATIONAL BANK OF LI (10000013126) (Included)

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS					Geography: FNBLI 35004 & 35644				
Evaluation Period: JANUARY 1, 2012 TO SEPTEMBER 30, 2013									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FNBLI AA 35004 Nassau Suffolk 2012-2013	2	100.00	96.87	100.00	100.00	0.00	0.00	0.00	0.00
FNBLI AA 35644 New York 2012-2013	0	0.00	93.35	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2012 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2013).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
					Geography: FNBLI 35004 & 35644				
Evaluation Period: APRIL 25, 2011 TO DECEMBER 31, 2013									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
FNBLI AA 35004 Nassau Suffolk 2012-2013	13	3,347	24	9,455	37	12,802			
FNBLI AA 35644 New York 2012-2013	0	0	3	203	3	203			

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: FNBLI 35004 & 35644				
Evaluation Period: APRIL 25, 2011 TO DECEMBER 31, 2013																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings							Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
FNBLI AA 35004 Nassau Suffolk 2012-2013	96.88	35	94.59	0.00	5.71	57.14	37.14	0	0	0	0	0	0	2.28	15.75	58.27	23.53	
FNBLI AA 35644 New York 2012-2013	3.12	2	5.41	0.00	0.00	0.00	100.00	0	1	- 1	0	0	0	14.38	24.17	7.32	53.98	

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**Distribution of Branch and ATM Delivery System**

Distribution of Branch and ATM Delivery System																	
Geography: FNBLI 35004 & 35644																	
Evaluation Period: APRIL 25, 2011 TO DECEMBER 31, 2013																	
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FNBLI AA 35004 Nassau Suffolk 2012- 2013	96.88	35	94.59	0	6	57	37	27	96.43	0	1	14	12	2.28	15.75	58.27	23.53
FNBLI AA 35644 New York 2012-2013	3.12	2	5.41	0	0	0	100	1	3.57	0	0	0	1	14.38	24.17	7.32	53.98

