



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

January 27, 2003

**Community Reinvestment Act
Performance Evaluation**

The First National Bank Of Long Island

Charter Number: 13126

**253 New York Avenue
Huntington, New York 11743**

COMPTROLLER OF THE CURRENCY

New York Metro Field Office - Community Banks & Federal Branches

1114 Avenue Of The Americas, Suite 3900

New York, New York 10036-7780

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.

Table of Contents

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS.....	3
DESCRIPTION OF INSTITUTION.....	6
SCOPE OF THE EVALUATION.....	7
FAIR LENDING REVIEW	8
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	9
LENDING TEST	9
INVESTMENT TEST.....	12
SERVICE TEST	13
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated “**Satisfactory.**”

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

Performance Levels	The First National Bank of Long Island Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		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:

- A good majority (72%) of the home mortgage loans, small loans to businesses and CD loans were made within the bank’s assessment area (AA);
- An adequate distribution of home mortgage loans to borrowers with low and moderate income;
- An adequate distribution of small loans to businesses;
- An adequate distribution of home mortgage loans to geographies of different income levels;
- An good geographic distribution of small business loans;
- A good level of qualified community development investments; and
- Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the bank’s assessment area.

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 (CD): 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.

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 or a block numbering area 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 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).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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.

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 primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

First National Bank of Long Island (FNBLI) is a full service intrastate bank headquartered in Huntington, Long Island, New York. FNBLI, with nine branches and twelve commercial banking offices throughout Nassau and western Suffolk counties on Long Island, is the sole subsidiary of the First of Long Island Corporation (Corporation), a bank holding company. Unless otherwise stated, all financial data are as of December 31, 2002. At that date, FNBLI reported total assets of \$792 million and tier 1 capital of \$80 million. Net loans of \$259 million (33%) and total investments of \$487 million (62%) comprise 95% of the bank's asset structure. Small business loan products include commercial real estate, construction, commercial, Small Business Administration (SBA), and community development loans. SBA-guaranteed loans are offered to borrowers who may not otherwise qualify for conventional commercial loans. Consumer loan products include home equity lines of credit and loans, home construction loans, automobile and personal loans, VISA credit cards, and overdraft checking. Real Estate loans, including commercial and home loan financings, are the primary lending activity of the bank at 84% of loans. Commercial loans are 14% and consumer loans are 2% of the loan portfolio. Since consumer lending outside of real estate related loans comprises only a small portion of the bank's lending activities, management did not request us to evaluate consumer loans.

FNBLI operates in a highly competitive financial services market with intense competition from mortgage companies, large regional banks, savings banks, community banks, credit unions, finance companies, and credit card companies that provide various banking services and products. As of the June 30, 2002 FDIC Summary of Deposits, FNBLI ranked 16th in deposit share within the AA, possessing 1.1% of the market. Dominating the market within the area are #1 JP Morgan Chase with 67 offices and 15% of the deposit market and #2 Citibank, 87 offices and 14% of the deposits.

The market analysis indicated that intense competition for mortgage lending is provided by a multitude of lenders, the vast majority of which do not have a banking presence within the bank's market area. Large multinational and regional institutions, as well as larger mortgage companies, provide strong competition for real estate lending. Small business lending is also very competitive with American Express and Associates Capital Bank dominating small business lending in the AA along with the larger banking institutions that have a presence in the market.

There was no merger/acquisition activity that impacted the scope of the bank's operations during the CRA evaluation period. FNBLI has an investment subsidiary and a Delaware real estate investment trust, incorporated in that state for tax purposes. The investments will be reviewed to determine those that may be considered as qualified investments. In addition, the bank has an insurance subsidiary that is currently dormant. This subsidiary does not impact the bank's ability to meet the needs of its AA. Aside from the investments, no other activities conducted by affiliates were considered in this evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA.

At the prior examination conducted by the Office of the Comptroller of the Currency dated November 1, 1999, the bank was rated "**Satisfactory.**"

Scope of the Evaluation

Evaluation Period/Products Evaluated

This review covers the calendar years 1999, 2000, 2001, and 2002 for HMDA reportable loans. Small Business Loans and Community Development Lending were analyzed using data for 2000, 2001, and 2002. There are no small farm loans, and bank management did not present any consumer loans for inclusion in this evaluation. The Investment and Service Tests cover November 2, 1999 to February 11, 2003. The market share and peer lender comparisons are based on 2001 aggregate Home Mortgage Disclosure Act (HMDA) Reports and Small Business Reports data. The aggregate HMDA and Small Business Reports are available for public review.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business Reports for 2001. Essentially all lenders operating in FNBLI's AA would have been required to file HMDA information. Small business reporting is required of bank and thrift institutions with assets of \$250 million or more as of December 31 of the two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets during the same time periods.

Data Integrity

During the examination, a review of the bank's reporting policies and practices was conducted to assist in determining the accuracy of the bank's reporting data. In addition, FNBLI's internal audit activities were reviewed. Overall, no issues were noted with the HMDA reporting process. Quarterly, a manual process is used to enter each loan from internal input sheets into HMDA software so that the loan data can be transmitted annually to the Federal Reserve Bank of New York (FRBNY). Each individual loan file in the register is reviewed for accuracy and proper reporting in order to minimize revision requests from the FRBNY. The 2001 HMDA filing to the FRBNY was submitted on time with minimal inaccuracies noted.

During this exam, we sampled loan files for HMDA to determine reporting accuracy, processing, and internal controls. We determined that the bank reports the appropriate data to the FRBNY and satisfactory controls exist for HMDA filing. We also ascertained no reporting errors and a clear audit trail between the nonpublic loan application register and the public loan application register.

A similar review of business loans was conducted and no significant inaccuracies were noted. Overall, the data presented by the bank were deemed to be sufficiently accurate so that a meaningful analysis may be conducted and conclusions derived.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's only assessment area.

Rating

The bank's overall rating is based entirely on the activities within the bank's only AA. When determining conclusions for the Lending Test, home mortgage products received slightly more weight than small business loans. Small farm loans were not reviewed, as none were originated during the review period. Within the home mortgage product category, home refinance loans, were weighted the

heaviest, followed by home improvement loans, and then home purchase loans. This weighting reflects FNBLI's volume by loan type over the evaluation period.

Community Contacts

Information regarding community credit needs was obtained from community contact data maintained by the Federal Financial Institutions Examinations Council (FFIEC) Community Contact System. These contacts were conducted immediately prior to the commencement of this review. An additional community contact with an organization within the AA was conducted during this review. The contact indicated a competitive environment among banks within the assessment area. The contact further indicated that there is a need for financial institutions to make loans to low- and moderate-income (LMI) individuals for both business and home ownership purposes.

There are reportedly opportunities for financial institution participation in meeting these needs. Such participation may take the form of direct loans, grants, donations, or other like assistance to community development corporations and other similar local groups. It was also mentioned that the larger multinational and regional financial institutions within the AA generally are active in the above areas. Such a situation would appear to limit additional investment opportunities for smaller institutions. Information contained in the FFIEC database also indicated a need for loans to assist in revitalizing or stabilizing LMI areas as well as a need for enhanced social services and financial literacy.

Fair Lending Review

An analysis of the most recent public comments, consumer complaint information, HMDA, small business, and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in November 1999.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Area Receiving a Full-Scope Review

The bank's performance under the lending test is rated "Low Satisfactory."

Lending Activity

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's lending activity.

The bank's leading lending product was home mortgage products representing 71% of the number of loans originated during the evaluation period. Small loans to businesses accounted for 29% of originated loans. Among the originated mortgage loans, 58% were for refinance, 23% were home improvement, and 19% were home purchase.

FNBLI ranked 114th among all lenders reporting HMDA activity within the assessment area in 2001. This bank reported 155 applications that translate to a market share of 0.11% among the 474 reporting lenders. The market leader was Fleet National Bank with a market share of 7%, followed by JP Morgan Chase at 5.5%. There is a drop-off after that. The market analysis indicated that intense competition for mortgage lending is provided by a multitude of lenders, the vast majority of which do not have a banking presence within FNBLI's market area. FNBLI ranks 116th of 390 lenders as an originator of refinance loans (0.1%) in the AA, 31st in originating home improvement loans (0.3%) out of 134 lenders, and 120th in making home purchase loans (0.1%) of 378 reporters.

In addition, lending to businesses is also intense. FNBLI ranked 29th in the small business lending with a 0.2% share within the MSA according to 2001 peer data. This ranking placed the bank within the range of other Long Island based banks of similar size. Leaders, by a large margin, in the area were American Express and Associates Capital Bank who captured 18% and 11% of the market respectively. A breakdown by county shows that this bank ranked 22nd in Nassau County and 29th in Suffolk County among lenders who report small business data. In both counties, FNBLI was competitive with other local banks of similar size in areas dominated by much larger local and national banking institutions.

Distribution of Loans by Income Level of the Geography

The geographic distribution of FNBLI's mortgage products and small loans to businesses reflects adequate penetration throughout the AA. It must be noted that the AA contains one census tract that is designated as low-income. This tract contains a college campus and prospects for real estate related or business lending are nonexistent. Any analysis of lending activity within that area would not be meaningful and therefore was not conducted.

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 mortgage loans is adequate.

The portion of home purchase loans made in the moderate-income tracts is near to the portion of owner-occupied housing units located within those geographies. In addition, the bank's market share of loans originated within the moderate-income areas closely approximates its overall market share.

The overall geographic distribution of home improvement loans is adequate. The portion of loans originated in the moderate-income tracts is less than the portion of owner-occupied housing units in those geographies. Housing in these tracts is almost evenly divided between owner-occupied housing (51%) and rental units (46%), with vacant housing units comprising the difference. FNBLI's market share of home improvement loans is less than the overall market share of such loans. This is considered adequate based upon the level of home ownership in the tracts, plus the fact that the bank makes most of the loans that may be attributed to home improvement via home equity lines for which the bank opts not to report data. In addition, the level of overall home improvement lending is minimal within the AA. According to market data available, the leader in this geography only reported a total of 280 applications during the review period. This may be an indicator that the market for such lending is also limited.

Overall geographic distribution of refinance loans is good. The portion of refinance loans made in the moderate-income tracts slightly exceeds the level of owner-occupied housing units located within those tracts. The bank's market share of loans originated within the moderate-income areas closely approximates its overall market share.

Small Loans to Businesses

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 geographic distribution of small loans to businesses is good. As noted, there is no lending analysis of loans in the single low-income tract due to the lack of opportunities because the tract is a college campus. Lending in the moderate-income tracts slightly exceeds that portion of businesses within those geographies. Additionally, the bank's market share of loans in moderate-income tracts substantially meets the overall market share for small loans to businesses.

Lending Gap Analysis

Reports detailing FNBLI's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

A good majority (72%) of the home mortgage loans, small loans to businesses, and CD loans were made within the bank's AA. By product, 81% of home mortgage loans, 55% of small loans to businesses, and 100% of CD loans were within the AA. Each of the home mortgage products approximated an 80% in/out ratio, with 81% of home purchase loans, 80% of home improvement, and 82% of refinance loans in the AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of FNBLI's home mortgage and small loans to businesses reflects an adequate dispersion among borrowers of different income levels throughout the AA.

Home Mortgage Loans

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 distribution of home mortgage loans to borrowers of different income levels is adequate.

Borrower distribution for home purchase loans is poor. The levels of low- and moderate-income families within the AA are 15% and 18% respectively. Home purchase loans to these segments of the population amounted to 1% and 6% of the loans made during the review period. A major contributing factor to these low levels is the high cost of housing. The weighted median average cost for housing is \$229,215, which would serve to prevent large segments of low- and moderate-income individuals from home ownership without significant assistance. In addition, the level of those relying on social security is 28% with an additional 4% of the population below the poverty level. It is unlikely that those with incomes below the low-income or poverty levels would be involved in home mortgage financing. The bank's level of loans to these segments exceeds the overall market share in the AA for home purchase loans.

Home improvement borrower distribution is good. The portion of loans made to both low- and moderate-income families approximates the demographic breakdown of such families. The portion of loans originated by FNBLI to low-income borrowers amounted to 13%, nearly equal to the 15% level of families in this category. Loans made by the bank to moderate-income families were 11% of the total made in this category. This level is slightly below the AA level of families of 18%. The market share for loans to low-income borrowers slightly exceeds the bank's market share in the AA for home improvement loans, while the bank's market share for loans to moderate-income borrowers substantially meets the bank's overall market share.

Refinance loan borrower distribution is adequate. The portion of loans made to low-income borrowers is below the portion of families defined as such. The portion of loans made to moderate-income borrowers is good as it closely approximates the proportion of families in this category. FNBLI's market share of loans in both categories meets the overall market share in the same two categories.

Small Loans to Businesses

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.

FNBLI has an adequate borrower distribution of small loans to businesses. FNBLI made 31% of these loans to small businesses (businesses with revenues of \$1 million or less) during the review period. This percentage of loans to small businesses is less than the percentage of small businesses to all businesses in the AA. However, FNBLI's market share of small loans to small businesses exceeds FNBLI's overall market share for small loans to all businesses. Also, the portion of small loans to businesses that were \$100 thousand or less more closely approximated the portion of small businesses within the AA. This is additional evidence of a very competitive market in the small business arena within the bank's AA.

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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

FNBLI's level of community development lending has a positive impact on the evaluation of its lending performance. The CD lending was primarily centered on small business lending which created, or retained, job opportunities for low- and moderate-income individuals. In addition, there were some loans that assisted in providing affordable housing to LMI individuals. Both small business and affordable housing were identified as primary credit needs within the AA. The dollar amount of CD loans is considered significant. None of the loans can be considered as complex or innovative.

During the review period, three CD loans that meet the definition of community development as defined by the regulation and amounting to \$4.8 million were originated. The loans were made to assist in constructing affordable housing for the LMI segment of the AA's population.

In addition to the above, the bank originated seventeen other loans totaling \$5.8 million that have community development as a primary purpose. However, these loans are all reported under small business lending and as result are analyzed there. Such lending in smaller dollar amounts is a need identified by the bank and the community contact. Though not separately analyzed here, these loans assist the bank in meeting identified needs within its AA.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending conclusion.

Products offered by the bank are generally of the types that are offered by other lending institutions in and around the AA. It was noted that FNBLI does actively participate in the State of New York Mortgage Agency (SONYMA) program. This program includes loans that provide lower interest rates within targeted areas in the AA. Through a referral program with another financial institution, FNBLI has reportedly been involved in the SONYMA program for several years; however, the only data available is for 2002. That data indicated that nearly 25% of the 60 originated loans referred to the other institution were to LMI individuals. This performance is not included in the income distribution analysis above since FNBLI did not originate these loans and so they were not on its HMDA-LAR.

INVESTMENT TEST

The bank's performance under the investment test is rated "High Satisfactory."

Refer to Table 13 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, FNBLI originated \$5.2 million of qualified community development investments. These are in addition to the prior period investments still outstanding totaling \$1.5 million. The level of investments is good, given the level of and intense competition for community development investment opportunities within the AA. All of the investments, including those in the prior period have made a positive impact on the community by assisting in providing mortgage loans to low- and

moderate-income individuals. The need for mortgages to such individuals, as well as affordable housing, has been identified as a need within this area.

SERVICE TEST

The bank's performance under the service test is rated "Low Satisfactory."

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 service delivery systems are reasonable based upon the geographies in the AA as well as accessibility to individuals of different income levels. The bank has 21 banking offices, including the head office, throughout its AA. The offices are divided into two categories, retail offices and commercial banking offices. Nine offices are traditional full-service retail branches. Each of the retail offices has an ATM as part of the services offered. These offices cater to the general public and offer consumer deposit and loan products. The ATMs, which offer 24-hour access, have the capability of providing deposit, inquiry, transfer, and withdrawal transaction activity. Both customers and noncustomers alike may access their accounts through these ATMs as these units are linked to the NYCE and CIRRUS networks.

In addition, the bank maintains 12 commercial banking offices (CBO). These offices are designed to exclusively serve businesses, professional practices, and not-for-profit organizations. These CBOs, generally located within commercial buildings with limited hours and access to the general public, are designed to assist in generating and maintaining relationships with the bank's commercial customers. These offices provide loan approval services and limited teller access for deposit activities.

Since the prior examination, three new CBOs were opened; all in middle-income areas, and one was closed, also in a middle-income geography.

The distribution of retail offices closely parallels the overall breakdown of the geographies within the bank's AA. Branch hours and services are good, with all of the retail offices offering comparable services, regardless of the income level of the geography. All retail offices offer extended hours on various days of the week with Saturday hours offered at seven of the nine sites.

FNBLI also offers an alternative delivery system of free on-line banking. This service includes on-line bill payment, review of deposit and loan information, transfer funds between accounts, and order stop payments. The bank also offers these services through its telephone banking service. We did not place significant weight on this alternative delivery system since no data were available to assist in determining the impact of these retail-banking services on low- and moderate-income individuals.

Community Development Services

FNBLI's performance in providing community development services is good.

Management and bank employees continue to support various organizations in the communities the bank serves by offering financial expertise. Many members of senior management serve on boards of

directors or various committees of organizations that provide community development services within the AA.

FNBLI employees provide a good level of support to several community development organizations. Members of the FNBLI staff and Board of Directors participate in approximately 12 community development organizations concentrating in organizations focused on:

- providing services targeted small businesses who employ LMI individuals,
- providing affordable housing opportunities to LMI individuals, and
- providing services aimed at assisting LMI individuals.

Examples of officer activities in the above organizations are as follow.

A senior officer of FNBLI serves on the board of the Long Island Housing Partnership. This organization assists in providing affordable housing targeting low- and moderate-income individuals residing, or wishing to reside, on Long Island. His overall banking and lending knowledge provides expertise in the areas of reviewing loan requests and providing training to first time homebuyers.

A loan officer of the bank is a director of the Long Island Business Development Council. This organization assists in the economic development of Long Island by making loans to small businesses under various programs, including those that are government sponsored. Loans are made either directly by the organization or they will underwrite the loan for another lender.

A loan officer is a director of the Hofstra University Corporate Development Council. This organization assists small businesses in various areas. Included are training and counseling services to help create employment opportunities targeting minorities and LMI individuals.

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 non-metropolitan 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”).

Time Period Reviewed	Lending Test (excludes CD Loans): (1/1/2000 to 12/31/2002- Business Loans, 1/1/1999 to 12/31/2002 – HMDA reported loans) Investment and Service Tests and CD Loans: (1/1/1999 to 2/11/2003)	
Financial Institution	Products Reviewed	
First National Bank of Long Island, Huntington, New York	Home Purchase, Home Improvement, Refinance Loans reported on the HMDA-LAR, Small Business Loans reported on the CRA Register and CD loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Investment Division	Investment Subsidiary	Investments.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Nassau-Suffolk, NY MSA #5380	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas Nassau-Suffolk MSA

Demographic Information for Full-Scope Area: Nassau-Suffolk MSA AA												
Demographic Characteristics	Total		Low Income Tracts		Mod. Income Tracts		Middle Income Tracts		Upper Income Tracts		NA Income Tracts	
	#	%	#	%	#	%	#	%	#	%	#	
Geographies (Census Tracts/BNAs)	370	0.27	1	8.65	32	65.95	244	23.24	86	1.89	7	
Population by Geography	1,677,935	0.12	1,943	9.98	167,518	66.88	1,122,216	22.54	378,175	0.48	8,083	
Owner-Occupied Housing by Geography	445,539	0.00	0	6.23	27,772	68.30	304,310	25.47	113,457	0.00	0	
Businesses by Geography	155,267	0.00	3	8.03	12,471	61.64	95,708	30.30	47,049	0.02	36	
Farms by Geography	2,133	0.00	0	9.24	197	65.82	1,404	24.85	530	0.09	2	
Family Distribution by Income Level	447,163	14.92	66,708	17.85	79,803	25.26	112,954	41.98	187,698	0.00	0	
Distribution of Low- and Moderate Income Families throughout AA Geographies	146,511	0.00	5	14.47	21,199	72.19	105,763	13.34	19,544	0.00	0	
Median Family Income	= \$56,726					Median Housing Value = \$229,215						
HUD Adjusted Median Family Income for 2001	= \$83,000					Unemployment Rate = 2.34%						
Households Below the Poverty Level	= 4.23%											

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and HUD updated MFI.

The Nassau Suffolk MSA consists of Nassau and Suffolk Counties in New York and is commonly known as Long Island. The bank's assessment area consists of all of Nassau County and a portion of the western half of Suffolk County, together comprising a large portion of MSA #5380. This assessment area, as defined, is in compliance with the CRA regulation. There are no gaps of coverage or exclusion of any low- or moderate-income census tracts within the assessment area. There are 270 census tracts in all of Nassau County, consisting of 1 low-income census tract, 20 moderate-income census tracts, 180 middle-income census tracts, and 66 upper-income census tracts (income for three census tracts is not available). The one low-income tract is comprised primarily of a college campus (C.W. Post College). Therefore no opportunities for mortgage or small business lending activity would exist. An analysis of lending in this tract would be meaningless. The bank's Suffolk County delineation, concentrated in the western portion of the county, contains 100 census tracts, consisting of no low-income census tracts, 12 moderate-income census tracts, 64 middle-income census tracts, and 20 upper-income census tracts (income for four census tracts is not available). The population of the entire assessment area is approximately 1.7 million people. Owner occupied housing represents 78% of the housing stock within the AA. The weighted median average cost for housing is \$229,215, which would serve to prevent many of the low- and moderate-income individuals from home ownership, without significant assistance.

The primary factor driving the local economy is centered within small businesses and their related activities. Available demographic information indicates that the leading industries are related to services, retail trades, government, and manufacturing. Industries concentrated in the area include local and interurban passenger transit, repair services, and recreational services. Specific growth areas in the local area include nondefense electronics, computer software manufacturing, medical imaging, and

biotechnology. A great portion of the small businesses located within the bank's assessment area are relatively new, as over 45% of them have been owned less than ten years. Of the total number of small businesses located within the assessment area, almost 70% are located within middle-income census tracts.

During the late 1980s to the early 1990s, the New York City metropolitan area experienced reduced employment as a result of layoffs in the financial services industry, corporate relocations, and the general decline of the local, regional, and national economies. Additionally, during that period the area experienced a general weakening of real estate values and a decline in home sales and construction. In particular, the New York counties of Nassau and Suffolk suffered reduced employment levels as a result of restructuring and downsizing in defense related industries, which historically have been significant sources of employment in the bank's primary market area. In the mid 1990s, however, the economy of the bank's primary market area began to stabilize as demonstrated by improved employment and economic indicators. Since that time, residential real estate values in the bank's assessment area have stabilized and recently have begun to improve. Residential real estate values continued to improve and by the end of the decade reached an all time high. However, commercial real estate values, which experienced the greatest declines during the late 1980s and early 1990s, have only recently begun to stabilize and have not improved as much as residential real estate. Commercial real estate values have also reached an impressive level with the economic prosperity and high employment rate experienced near the end of the 1990s. The local unemployment rate in Nassau and Suffolk Counties has recently averaged about 3%.

Significant employment growth has been noted in the services, government, and wholesale trade sectors. While slowing from the extraordinary pace of last year, job creation within the assessment area remains well ahead of the national average. The slower employment growth in 2001 is largely from the lack of labor supply. Economic conditions in Nassau and Suffolk Counties are expected to slow, as labor shortages finally take their toll on growth and as higher interest rates constrain consumer and business spending. Furthermore, office vacancy rates are historically low and the area has seen an increase in speculative commercial and industrial building. The area continues to be hampered, however, by high business and living costs. The assessment area's outlook depends heavily on the success of emerging, but volatile, high tech industries. North Shore-Long Island Jewish Health Systems is the major employer. The overall unemployment rate (not seasonally adjusted) was 3.9% in November 2002 up slightly from the 3.8% reported in November 2001, but significantly lower than the highpoint of 4.6% in July 2002.

Median family income has increased by 46% since 1990, reaching \$83,300 in 2001. The population has been growing steadily, but there has been significant growth in the "persons over 65" segment. The continued restructuring of commercial banking and health care, an aging infrastructure, and a gradual return to demographic trends may keep future growth below average. FNBLI continues to face strong competition in the commercial service areas from several larger well-established institutions operating within MSA 5380.

Low-income families represent 14.9% of the families while moderate-income families comprise 17.9%. Home ownership is zero in the low-income tract (due to it being a college campus), while only 6.2% of owner occupied units were located in moderate-income tracts. A large number of low- and moderate-income individuals and families have faced affordability issues caused by the high ownership and rental costs in the area, and a relatively high cost-of-living.

Appendix C: Tables of Performance Data

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: 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. 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. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

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. 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. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 1. Lending Volume

Lending Volume													Geography: Nassau-Suffolk MSA AA													Evaluation Period: January 1, 1999 to December 31, 2002												
Assessment Area	% of Rated Area Loans (#) in AA	HMDA Mortgages		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits (#) in AA																										
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)																											
Full Review																																						
FNBLI-Combined	100.00	467	72,647	194	35,791	0	0	3	4,800	664	113,238	100.00																										

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 1999 to February 11, 2003.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase Loans																Geography: Nassau-Suffolk MSA AA																Evaluation Period: January 1, 1999 to December 31, 2002															
Assessment Area	Total Home Purchase 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																																
Full Review																																															
FNBLI-Combined	87	100.0	0.00	0.00	6.23	3.45	68.30	33.33	25.47	63.22	0.09	0.00	0.06	0.05	0.21																																

Based on 2001 Peer Mortgage Data: Northeast Region.

** 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.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: Home Improvement Loans																Geography: Nassau-Suffolk MSA AA																Evaluation Period: January 1, 1999 to December 31, 2002															
Assessment Area	Total Home Improvement 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																																
Full Review																																															
FNBLI-Combined	108	100.0	0.00	0.00	6.23	2.78	68.30	53.70	25.47	43.52	0.75	0.00	0.26	0.52	1.73																																

* Based on 2001 Peer Mortgage Data: Northeast Region.

** 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.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: Home Mortgage Refinance Loans Geography: Nassau-Suffolk MSA AA Evaluation Period: January 1, 1999 to December 31, 2002															
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
Full Review															
FNBLI-Combined	271	100.0	0.00	0.00	6.23	6.64	68.30	46.13	25.47	47.23	0.13	0.00	0.11	0.09	0.26

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 5. Geographic Distribution of Multi-Family Loans

Geographic Distribution: Multi-Family Loans Geography: Nassau-Suffolk MSA AA Evaluation Period: January 1, 1999 to December 31, 2002															
Assessment Area	Total Multi-Family Loans		Low Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% MF Units ***	% Bank Loans	% MF Units ***	% BANK Loans	% MF Units ***	% BANK Loans	% MF Units ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review															
FNBLI-Combined	1	100.0	0.07	0.00	25.90	100.00	59.51	0.00	14.52	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2001 Peer Mortgage Data: Northeast Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: Small Loans to Businesses Geography: Nassau-Suffolk MSA AA Evaluation Period: January 1, 2000 to December 31, 2002															
Assessment Area	Total Small Loans		Low Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses ***	% Bank Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review															
FNBLI-Combined	194	100.0	0.00	0.00	8.03	8.76	61.64	59.28	30.30	31.96	0.18	0.00	0.11	0.13	0.40

* Based on 2001 Peer Small Business Data: US&PR.

** 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.

*** Source Data - Dun and Bradstreet (2002).

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: Small Loans to Farms															Geography: Nassau-Suffolk MSA AA					Evaluation Period: January 1, 2000 to December 31, 2002				
Assessment Area	Total Small Loans to Farms		Low Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% of Farms ***	% Bank Loans	% of Farms***	% BANK Loans	% of Farms ***	% BANK Loans	% of Farms ***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review																								
FNBLI-Combined	0	***	0.00	0.00	9.24	0.00	65.82	0.00	24.85	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2001 Peer Small Business Data: US&PR.

** 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.

*** Source Data - Dun and Bradstreet (2002).

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: Home Purchase Loans															Geography: Nassau-Suffolk MSA AA					Evaluation Period: January 1, 1999 to December 31, 2002				
Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *													
	#	% of Total**	% of Families ***	% Bank Loans****	% of Families ***	% BANK Loans****	% of Families ***	% BANK Loans****	% of Families ***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
Full Review																								
FNBLI-Combined	87	100.00	14.92	1.18	17.85	5.88	25.26	20.00	41.98	72.94	0.12	0.00	0.00	0.12	0.18									

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 2.30% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** 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.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: Home Improvement Loans															Geography: Nassau-Suffolk MSA AA					Evaluation Period: January 1, 1999 to December 31, 2002				
Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *													
	#	% of Total**	% of Families ***	% Bank Loans****	% of Families ***	% BANK Loans****	% of Families ***	% BANK Loans****	% of Families ***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
Full Review																								
FNBLI-Combined	108	100.00	14.92	12.62	17.85	10.68	25.26	27.18	41.98	49.51	0.82	1.54	0.36	0.42	1.20									

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 4.63% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** 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.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: Home Mortgage Refinance Loans												Geography: Nassau-Suffolk MSA AA					Evaluation Period: January 1, 1999 to December 31, 2002				
Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *										
	#	% of Total**	% of Families***	% Bank Loans****	% of Families***	% BANK Loans****	% of Families***	% BANK Loans****	% of Families***	% BANK Loans****	% of Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp				
Full Review																					
FNBLI-Combined	271	100.00	14.92	6.25	17.85	15.42	25.26	17.92	41.98	60.42	0.16	0.16	0.15	0.09	0.23						

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 11.44% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: Small Loans to Businesses										Geography: Nassau-Suffolk MSA AA			Evaluation Period: January 1, 2000 to December 31, 2002		
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 *							
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenue \$1 million or less						
Full Review															
FNBLI-Combined	194	100.00	61.73	31.44	56.70	18.04	25.26	0.18	0.31						

* Based on 2001 Peer Small Business Data: US&PR.

** 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.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** 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 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: 10000013126 FIRST NATL BANK OF LONG ISLAND

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: Small Loans to Farms										Geography: Nassau-Suffolk MSA AA			Evaluation Period: January 1, 2000 to December 31, 2002		
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 *							
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenue \$1 million or less						
Full Review															
FNBLI-Combined	0	0.00	92.97	0.00	0.00	0.00	0.00	0.00	0.00						

* Based on 2001 Peer Small Business Data: US&PR.

** 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.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** 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.

Table 13. Qualified Investments

Qualified Investments Geography: Nassau-Suffolk MSA AA Evaluation Period: January 1, 1999 to February 11, 2003									
Assessment Area	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	% of Total \$'s	#	\$ (000)
Full Review									
FNBLI-Combined	6	1,479	6	5,194	12	6,673	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation 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.

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

Distribution of Branch Delivery System and Branch Openings/Closings Geography: Nassau-Suffolk MSA AA Evaluation Period: January 1, 1999 to December 31, 2002																	
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 Locations of Branches (+ or -)				% of Population Within each Geography			
				Low	Mod	Mid	Upp			Lo w	Mod	Mid	Up p	Lo w	Mod	Mid	Up p
Full Review:																	
Nassau-Suffolk AA	100.00	20	100	0	5	65	30	3	1	0	0	2	0	0.1	10	67	23