

## **Public Disclosure**

November 1, 1999

### **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**

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**NOTE: 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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## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of FNB LI prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of November 1, 1999. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable 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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**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 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

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

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

Performance Levels	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:

- y A substantial majority (94%) of loans were made in the bank's assessment area;
- y An adequate distribution of home mortgage loans to borrowers with low and moderate income;
- y An adequate distribution of loans to small businesses;
- y A good distribution of home mortgage loans to geographies of different income levels.
- y An adequate geographic distribution of small business loans;
- y A good level of qualified community development investments; and
- y Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the bank's assessment area (AA).

## Description of Institution

FNB Long Island is an intrastate bank headquartered in Glen Head, Long Island with \$543 million in assets as of June 30, 1999. FNB LI is the sole subsidiary of the First of Long Island Corporation ("The Corporation") holding company. The bank is a full service bank with nine branches and nine commercial banking offices throughout Nassau and western Suffolk counties on Long Island. As of June 30, 1999, FNB-LI's gross loans were \$177 million. There was no merger/acquisition activity that impacted the scope of the bank's operations during the CRA evaluation period. There are no operating subsidiaries of FNB-LI.

FNB-LI specializes in providing financial services to businesses in Long Island. Small business loan products include commercial real estate, construction loans, commercial loans, Small Business Administration (SBA) and community development loans. Small Business Administration (SBA)-guaranteed loans are offered to borrowers which 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. Deposits are invested mainly in investment securities and loans to businesses. Investments comprise 62% and loans 33% of total assets. Bank management did not request us to evaluate consumer loans.

Real Estate loans, including commercial and home loan financings, are the primary lending activity of the bank at 79% of loans. Commercial loans are 18% and consumer loans are 3% of the loan portfolio. Since June 30, 1998, gross loans have increased by 7%. The growth was mainly attributable to a 7% increase in real estate loans, while commercial loans increased by 5%. The bank's real estate loans include home equity loans and lines of credit. Tier 1 capital totaled \$64 million as of June 30, 1999. There are no foreign deposits on the bank's balance sheet.

FNB-LI operates in a very 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 small business loans. There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AA.



## **Scope of the Evaluation**

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

This review generally covers the calendar years 1997 and 1998 for HMDA and Community Development Lending. Small Business Loans covers calendar year 1998. There are no small farm loans. The Investment and Service Tests cover September 1, 1997 to November 1, 1999. The market share and peer lender comparisons are based on 1998 aggregate Home Mortgage Disclosure Act (HMDA) Reports and Small Business Reports data. The aggregate HMDA and Small Business Reports are available for public review. FNB-LI'S last examination report is dated September 26, 1997. The bank received a satisfactory rating at that examination.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business Reports for 1998. Essentially all lenders operating in FNB-LI'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 prior 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.

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

FNB-LI's entire AA, MSA 5380 was given a full-scope review.

### **Ratings**

The bank's overall rating is based on the performance in this AA.

## **Description of Assessment Area**

FNB-LI has one AA, which is located on Long Island in New York State. The AA consists of the entirety of Nassau County and a portion of southwestern Suffolk County, both in MSA 5380. The geographies comprising the AA are contiguous, do not arbitrarily exclude low and moderate-income geographies, and meet the regulatory requirements for an AA.

The population of the AA is 1.5 Million. There are 322 geographies in the AA. One (0.31%), low- income 22 (6.83%), moderate- income 209 (64.91%) middle-income, 86 (26.71%) upper-income geographies. Four geographies (1.24%) have no income designation. Ninety percent of the housing units in the AA are one to four family units, 8% are multifamily units, and 2% are mobile homes. Of the total housing units, 74% are owner-occupied, 19% are renter-occupied, and 7% are vacant. The median housing price in the AA is \$206,598. The updated median family income is \$73,300. This income is used in analyzing borrower distribution. The census median family income is \$56,726. This income is used when analyzing geographic distribution.

According to 1998 business demographics, there are 76,817 businesses in the AA. Farm businesses represent only a nominal portion of the business population. Small businesses represent 78% of the 66,538 businesses reporting revenues in the AA. The primary industries in this AA are services, retail trade, government and manufacturing. The primary employers in the area are the Federal, State and County governments; North Shore Long Island Jewish Health System, the U.S. Post Office, and the Catholic Diocese of Rockville Center.

## **Community Contacts**

We made two community contacts with groups involved with community redevelopment. One contact noted there is a need for mortgage loans that provide funds for both purchase and rehabilitation of foreclosed residential properties in

economically depressed areas. They felt that lack of involvement by local civic associations was an impediment to enabling individuals to improve these buildings, make them marketable, and qualify for mortgage financing from established lenders. The second contact did not identify any unmet credit needs. Both contacts complimented FNB-LI on the support the bank provides through monetary donations and no-cost services such as printing of promotional brochures.

### **Fair Lending Review**

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Our fair lending review consisted of a test for marital status discrimination in loan terms for home equity loan and line of credit applicants. The applications were all submitted in calendar year 1998. The loan terms for the unmarried prohibited basis group were compared to a married control group.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the lending test is rated Low Satisfactory, based on a full scope review. FNB-LI's overall lending performance in MSA 5380 is adequate. We placed more weight on small business lending than home mortgage lending in determining the bank's overall lending test rating.

#### Level of Lending Activity

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

FNB-LI lending levels reflect an adequate response to credit needs in the AA. FNB-LI is not an active HMDA lender. The 174 loans originated during 1997 and 1998 represented a 27% increase over the 115 HMDA loans originated during the previous examination period that covered January 1, 1996 through August 31, 1997. The bank ranked 144<sup>th</sup> for market share out of 304 lenders in the home purchase loan market in 1998, with a .04% market share. FNB-LI ranked 112<sup>th</sup> for market share in the refinance loan market out of 328 lenders during the same period, with a .10% market share. In 1998, the bank ranked 13<sup>th</sup> out of 118 lenders in the home improvement loan market, with a 1.50% market share. In all cases, the bank was outranked primarily by mortgage companies and larger banking institutions.

The bank is ranked 14<sup>th</sup> out of the 111 small business lenders in the assessment area in 1998, with a 1.28% market share. The institutions that outranked the bank were very large banks and credit card companies.

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

The bank's distribution of lending by geography is adequate. There is only one low-income census tract in the bank's AA. Our data indicates that there are no owner-occupied housing units or businesses located in this geography. An analysis in this tract is not meaningful.

#### *Home Purchase Loans*

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

purchases.

Home purchase lending is good. The percentage of lending in moderate-income geographies equaled the percentage of owner-occupied units in these geographies.

### **Home Improvement Loans**

Home improvement lending is adequate. FNB-LI originated one percent of its home improvement loans in moderate-income geographies. Five percent of owner occupied units are located in moderate-income geographies. Ninety-five percent of owner occupied units are located in middle and upper income geographies

### **Refinance Loans**

Home mortgage refinance lending in moderate- income geographies is excellent. The percentage of lending in moderate income-geographies exceeds the percentage of owner-occupied units in these tracts. Additionally, the market share in moderate-income geographies equaled the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 5 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.

FNB-LI's distribution of small business loan originations by geography is adequate. Three percent of small business loans were made to businesses in moderate-income geographies compared to 7 percent of the businesses located in those geographies. Ninety-three percent of businesses are located in middle and upper-income geographies.

### ***Lending Gap Analysis***

There are no unexplained conspicuous gaps found in FNB-LI's geographic loan distribution.

### **Inside/Outside Ratio**

FNB-LI originated a substantial amount of loans in the AA. The table below shows the number and dollar amount of HMDA and small business loans that were originated during the respective time periods. The bank made a substantial majority (94%) of these loans inside its AA.

Ratio of Loans Originated Inside the AA --January 1, 1997 through December 31, 1998 (\* Small Business data covers January 1, 1998 through December 31, 1998)

	<b>HMDA</b>	<b>*SMALL BUSINESS</b>	<b>TOTAL</b>
<b>Number</b>			
Number of loans inside AA	174	322	496
Total number of loans	192	331	523
% of Loans Inside/Total # of Loans	91%	97%	94%
<b>Dollars (in 000's)</b>			
\$ of Loans Inside AA	\$16,092	\$29, 271	\$45,363
Total \$ of Loans	\$17,017	\$31,096	\$48,113
% of Loans Inside/Total \$ of Loans	95%	94%	94.50%

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

The distribution of loans by income level of borrower in the bank's AA is adequate.

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

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Borrower distribution for home purchase loans is poor. FNB-LI made no home purchase loans to low-income borrowers. Fourteen percent of families in the AA are low-income. Five- percent of the bank's home purchase loans was made to moderate-income borrowers compared to 17% of low-income families in the AA. Thirty-two percent of home purchase loans were made to middle income borrowers and 63% were made to upper income borrowers.

## **Home Improvement Loans**

FNB-LI's borrower distribution for home improvement loans is good. Lending to low-and moderate-income borrowers is close to the percentage of low-and moderate-income families in the AA. The market share of lending to low-income borrowers exceeds the bank's overall market share.

## **Refinance Loans**

FNB-LI had a poor borrower distribution of home refinance loans. The bank did not originate any home refinance loans to low-income borrowers. Fourteen percent of the families in the AA are low-income. Seven percent of home refinance loans were made to moderate-income borrowers, compared to 17% of moderate-income families in the AA

## ***Small Loans to Businesses***

Refer to Table 10 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.

FNB-LI has an adequate distribution of loans to small businesses. FNB-LI made 44% of its loans to small size businesses during 1998. All lenders in the market made 56% of its loans to small sized businesses. Small businesses represent 78% of all businesses operating in the AA. A substantial majority (75%), of small loans were for amounts less than \$100,000.

## **Community Development Lending**

FNB-LI has an adequate level of community development loans. During the evaluation period, FNB-LI made 2 qualified community development loans for a total of \$127,000 thousand.

The bank provided a \$100 thousand line of credit to a state sponsored Business Development Corporation that provides small business financing at the statewide level, and includes the bank's assessment area.

The bank also originated a \$27 thousand loan to a Housing Community Services Center that locates housing primarily for low-income families.

## **Product Innovation and Flexibility**

FNB-LI offers a no-cost home equity loan and line of credit products at prime

interest rates. The activity for this product was not available.



## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is rated High Satisfactory. Based on a full-scope review, the bank's performance in MSA 5380 is good.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's level of qualified investments is good. Investment opportunities are somewhat limited due to the lack of low-income geographies in the AA and competition from other lenders for available opportunities.

During the evaluation period, FNB-LI's purchased a \$2,300 million investment in Federal mortgage-backed security loan pools that primarily benefit low and moderate-income individuals in the bank's AA. The prior period investment of \$40 thousand consisted of an investment in a Community Development Corporation. The Community Development Corporation provides second tier financing primarily to undercapitalized and minority small businesses located in Long Island.

The bank's level of qualified community development investments increased significantly from the prior CRA evaluation level of \$40 thousand.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated Low Satisfactory. Based on a full-scope review, the bank's performance in MSA 5380 is adequate.

### **Retail Banking Services**

Refer to Table 13 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.

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area. The bank operates nine full

service branches and six Automatic Teller Machines (ATM). The ATMs are available 24 hours a day. There are no offices or ATM's located in low or moderate- income geographies in the AA. Five (56%) of the nine full service

offices are located in middle income geographies and four (44%) are located in upper income geographies.

The Bank also has nine specialized Commercial Banking Offices (CBO's). The CBO's are primarily commercial loan and deposit generating offices. Two (23%) of these offices are located in moderate-income geographies, four (44%) are located in middle income geographies, and three (33%) offices are located in upper income geographies.

The only Branch closing during the evaluation period involved the relocation of a branch to a larger full service facility in Rockville Center, NY, a middle income geography. Table 13 reflects this relocation as a branch closed and a branch opened. There was no net change in the number of branches in the middle and upper income geographies where all the full-service offices are located. During 1998, CBO's were opened in Hauppauge and Bohemia, middle and moderate income geographies, and Garden City, an upper income geography.

The business hours offered at the branch offices do not vary in a way that inconveniences any portion of the AA. The hours differ slightly from office to office. All full service branches with the exception of Woodbury offer extended evening hours during the week. Typical lobby hours range from 9AM to 3PM on Monday through Thursday and 5PM to 7PM on Mondays or Fridays. Several of the offices offer Saturday hours, including the Locust Valley and Rockville Center branches, which are located in middle income geographies. All of the full service branches have drive-up facilities with the exception of the Rockville Center Branch. Bank management periodically reviews hours of operation to determine the reasonableness of the community's banking services needs.

### **Community Development Services**

FNB-LI offers an adequate level of community development services. Bank management participates in providing financial and technical expertise to various housing, business development and non-profit organizations in its AA.

FNB-LI has provided legal and compliance resources to the Nassau-Suffolk Business Development Corp., a lending consortium that provides second tier financing to minority and undercapitalized small businesses.

The bank assisted the Long Island Housing Services, in participating in first time homebuyer's seminars primarily for low and moderate-income individuals.

FNB-LI offers a low-cost budget-checking product designed specifically for 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 area that received comprehensive examination review (designated by the term ΔFull-ScopeΔ).

<b>Time Period Reviewed</b>	Lending Test: HMDA/CD Loans    January 1, 1997 to December 31, 1998 Small Business    January 1, 1998 to December 31, 1999 Investment Test:    September 1, 1997 to November 1, 1999 Service Test:        September 1, 1997 to November 1, 1999	
<b>Financial Institution</b>		<b>Products Reviewed</b>
First National Bank of Long Island Glen Head, NY 11545-0067		Home purchase, home improvement and refinance loans reported on the HMDA LAR, and small business loans reported on the Small Business Register.
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
The assessment area consists of the entirety of Nassau County and 52 census tracts in southwestern Suffolk County of Long Island, in MSA #5380	Full-Scope on-site	See "Description of Assessment Areas"

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the  $\Delta$  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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.
- 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 rank and 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 Refinance Loans** - See Table 2.
- Table 5. 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. 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 rank and market share information based on the most recent aggregate market data available.

- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. 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 the population 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 MSA/assessment area.



**Table 1. Lending Volume**

LENDING VOLUME												
State: New York												
Evaluation Period: January 1, 1997 TO December 31, 1998												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Nassau-SW Suffolk	100.00	174	16,092	322	29,271	0	0	2	127	498	45,490	100.0%
Limited-Scope:												

\* Deposit data as of June 30, 1998.

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

Geographic Distribution: HOME PURCHASE																State: New York		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans				
	% 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	#	% of Total**			
Full-Scope:																			
FNB of Long Island	0.00	0.00	5.00	5.00	67.00	32.00	28.00	63.00	144	0.04	0.00	0.00	0.01	0.12	19	100.00			
Limited-Scope:																			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

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

Geographic Distribution: HOME IMPROVEMENT																State: New York		Evaluation Period: January 1, 1997 To 1December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans				
	% 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	#	% of Total**			
Full-Scope:																			
Nassau-SW Suffolk	0.00	0.00	5.00	1.00	67.00	59.00	28.00	40.00	13	1.50	0.00	0.00	1.30	2.81	111	100.00			
Limited-Scope:																			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

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

Geographic Distribution: HOME MORTGAGE REFINANCE																State: New York		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% 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	#	% of Total**			
Full-Scope:																			
Nassau-SW Suffolk	0.00	0.00	5.00	7.00	67.00	25.00	28.00	68.00	112	0.10	0.00	0.14	0.03	0.26	44	100.00			
Limited-Scope:																			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS State: New York Evaluation Period: January 1, 1998 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Nassau- SW Suffolk	0.00	0.00	7.00	3.00	62.3	63.0	30.7	34.0	14	1.28	0	0.01	0.02	0.02	322	100
Limited-Scope:																

(\*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

Geographic Distribution: SMALL LOANS TO FARMS																
State: NY																
Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Nassau-SW Suffolk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited-Scope:																

(\*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.  
 (\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE																
State: New York																
Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Nassau-SW Suffolk	14.3	0	17.3	5.3	24.9	31.6	43.5	63.1	144	.04	0	0	.03	.10	19	100%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

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

Borrower Distribution: HOME IMPROVEMENT State: New York Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Nassau-SW Suffolk	14.3%	10.8%	17.3%	15.3%	24.9%	27.0%	43.5%	45.9%	13	1.50	1.2	.6	.7	1.4	111	100%
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.



**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				State: New York				Evaluation Period: January 1, 1997 TO December 31, 1998								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Nassau-SW Suffolk	14.3%	0	17.3%	6.8%	24.9%	25%	43.5%	68.2%	112	.10%	.10	.03%	.04%	.10%	44	100
Limited-Scope:																

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES											
State: New York				Evaluation Period: January 1, 1998 TO December 31, 1998							
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Loans to Businesses		Avg Loan Size
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****	
Full-Scope:											
Nassau - SW Suffolk	78.0%	44.0%	56.0%	75.0	18.0	7.0	1.28%	.8%	322	100	\$94
Limited-Scope:											

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.  
 (\*\*) 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% of small loans to businesses originated and purchased by the bank.  
 (\*\*\*) The market consists of all other Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.  
 (\*\*\*\*) Based on 1998 Aggregate Small Business Data only.  
 (\*\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

Borrower Distribution: SMALL LOANS TO FARMS										
			State: NY			Evaluation Period: January 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total*****
Full-Scope:										
Nassau-SW Suffolk	0	0	0	0	0	0	0	0	0	0
Limited-Scope:										

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.  
 (\*\*) 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 XX% of small loans to farms originated and purchased by the bank.  
 (\*\*\*) The market consists of all other Small Farm reporters in the MSA/AA and is based on 199X Aggregate Small Farm Data only.  
 (\*\*\*\*) Based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*\*\* ) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS State: NEW YORK Evaluation Period: November 1, 1997 TO November 20, 1999											
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments			Unfunded Commitments**	
	#	\$(000's)	%**	#	\$(000's)	%**	#	\$(000's)	% of Total \$≈s	#	\$(000's)
Full-Scope:											
Nassau-SW Suffolk	1	40	2%	6	2,300	98%	7	2,340	100%	0	0
Limited-Scope:											

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

(\*\*) ΔUnfunded CommitmentsΔ means legally binding investment commitments reported on the Report of Condition Schedule-L ΔOff Balance Sheet Items. Δ

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
State: New York																	
Evaluation Period: November 1, 1997 TO November 1, 1999																	
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies %				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Nassau / Suffolk	100	9	100	0	0	55	45	1	1	0	0	0	0	0.2	8.3	66.2	25.2
Limited-Scope:																	