

FURTHER. FORWARD.

NAVIGATING TO OVER \$2 BILLION IN ASSETS

2011
ANNUAL REPORT

The First National Bank of Long Island
Where Everyone Knows Your Name®

The
**FIRST OF
LONG ISLAND**

A Message From The President & CEO

Dear Shareholders:

It is my pleasure to report The First of Long Island Corporation recorded net income of \$19.5 million for 2011 versus \$18.4 million for 2010 – an increase of 5.8%. During 2011, the Bank continued to grow at a very nice pace, with increases in total assets of \$311 million, or 18.2%, total deposits of \$210 million, or 16.2%, and total loans of \$83 million, or 9.2%. Over the last four years, total assets grew at a compound annual growth rate (“CAGR”) of 17.3%, resulting in the balance sheet almost doubling in size from \$1.1 billion to just over \$2 billion. During this same time period, total deposits and loans grew at CAGRs of 14.7% and 17.0%, respectively. In combination with appropriate and effective expense control, our four-year net income CAGR is 14.1%. Book value per share grew at a four-year CAGR of almost 12%. To you, this means an individual share of stock as measured by book value is worth a lot more today than it was only a few years ago. Last year, book value per share increased \$3.54, or 19.7%.

The reputation and brand of the Bank has contributed to our growth. We continue to establish ourselves as a premiere retail banking organization within our local geography. A growing distribution system has also contributed to our momentum and positions the Bank well for the future.

We have been described by one firm that writes research on the Bank as having a “cult-like dedication to credit quality.” Excellent credit quality is one of the hallmarks of our Bank, and it is where “the rubber meets the road” in terms of differentiating us among our peers and the banking industry at large. We continue to manage loan growth and maintain a prudent reserve for loan losses. Our reserve is five-times our nonperforming loans, and our reserve coverage ratio (reserve as a percentage of total loans) increased from 1.55% at the beginning of 2011 to 1.68% by year-end. The \$4.1 million provision for loan losses in 2011 was primarily attributable to loan growth, net chargeoffs and the 13 basis point increase in the reserve coverage ratio. Net chargeoffs were \$1.5 million for 2011, or only 16 basis points of average loans outstanding during the year, and small by comparison to our peer group. Delinquent and nonaccrual loans amounted to only \$4.0 million at year-end 2011, or 40 basis points of total loans. In today’s environment this

ratio can change anytime based on a few large loans going bad or external economic factors getting worse. However, we are confident that our loan underwriting and credit administration policies and procedures can mitigate our exposure to credit losses. Additionally, we continue to build our risk management infrastructure to appropriately protect the monies entrusted to us by our depositors and shareholders.

We have been acutely conscious of our expense to revenue ratio which came in at 51.5% for 2011. This puts our organization among the most efficiently managed banks in the country as noted by the *American Banker*. Despite the fact that we opened six new

Board of Directors | The First of Long Island Corporation

Allen E. Busching

Principal
B&B Capital
(consulting and private investment)

Paul T. Canarick

President & Principal
Paul Todd, Inc.
(construction company)

Alexander L. Cover

Management Consultant
Self-Employed
(financial consulting)

Howard Thomas Hogan Jr., Esq.

Hogan & Hogan
(attorney at law)

John T. Lane

Retired Managing Director
J.P. Morgan & Co.

J. Douglas Maxwell Jr.

Chief Financial Officer
NIRx Medical Technologies LLC
(medical instrumentation)

Stephen V. Murphy

President
S.V. Murphy & Co., Inc.
(investment banking)

Milbrey Rennie Taylor

Strategic and Media Consultant

Walter C. Teagle III

Non-Executive Chairman
President
Teagle Management, Inc.
(private investment company)
Chairman
Teagle Foundation, Inc.
Managing General Partner
Gulo Capital Partners L.P.
(long/short investment partnership)

Michael N. Vittorio

President & Chief Executive Officer



From left to right (Standing): Alexander L. Cover, Stephen V. Murphy, Milbrey Rennie Taylor, Howard Thomas Hogan Jr., Esq. and Paul T. Canarick. From left to right (Sitting): J. Douglas Maxwell Jr., Michael N. Vittorio, Walter C. Teagle III, Allen E. Busching and John T. Lane.

Executive Officers | The First National Bank of Long Island

Michael N. Vittorio

President & Chief Executive Officer

Sallyanne K. Ballweg

Senior Executive Vice President

Mark D. Curtis

Executive Vice President
Chief Financial Officer & Cashier

Brian J. Keeney

Executive Vice President
Executive Trust Officer

Richard Kick

Executive Vice President
Senior Operations Officer

Donald L. Manfredonia

Executive Vice President
Senior Lending Officer

From left to right: Sallyanne K. Ballweg, Richard Kick, Brian J. Keeney, Michael N. Vittorio, Donald L. Manfredonia and Mark D. Curtis.

As a successful financial institution, our corporate responsibility is to give back to the communities that we serve and help those in need, especially on Long Island. In 2011, the Bank formed a Community Service Committee to help our organization fulfill our corporate responsibility.

The Committee included many bank employees who volunteered their time and efforts to help support our community service initiatives for various organizations such as The INN, Long Island Cares, The American Breast Cancer Society and Toys for Tots. Thank you to our employees and customers for their generosity.



Santa Visits Point Lookout & Northport Village

In the spirit of the holiday season, Santa Claus visited The First National Bank of Long Island branches in Point Lookout & Northport Village. Children received free goodie bags and a photo with Santa.



Operation Warmth

Customer Testimonials

Mr. Nicola Arena, Chairman & CEO

Mediterranean Shipping Company (United States)

The First National Bank of Long Island is proud to have one of the leading global shipping lines in the world, Mediterranean Shipping Company (United States), and its Chairman & CEO, Mr. Nicola Arena, as key customers of the Bank for nearly a decade.

"I was intrigued by the Bank's motto 'Where Everyone Knows Your Name.' Indeed, it is true. When I, or any of my employees, visit their Madison Avenue office in Manhattan, they treat us with courtesy and genuine empathy. From the moment we walk in the door, we automatically feel at home and they make us feel important. At bigger banks you have to wait on long lines and wait months to get answers no matter who you are. At The First National Bank of Long Island, they are efficient and help us right away. This is extremely important especially in our line of business. It gives us tranquility to know they have a strong, stable management team. We have a mutual trust together. In moments of need, you know who your friends are. The First National Bank of Long Island is our friend, they have been there for us and we are very delighted to have them as our banking partner."



"In moments of need, you know who your friends are. The First National Bank of Long Island is our friend, they have been there for us and we are very delighted to have them as our banking partner."

Mr. Frank Shahery, Vice President

Convermat Corporation

Convermat Corporation, headquartered in Great Neck, NY, is a top independent broker and leader in global tissue management. As a key customer of the Bank for seven years, they share a common interest with us – a reputation for providing quality service to their customers.

"We knew from the very beginning of our banking relationship that the The First National Bank of Long Island is a strong, healthy financial institution and it shows during these rough economic conditions. Most importantly, they are always there for us. Sometimes you can get lost in the shuffle with the bigger banks because they are too large and are unable to focus on smaller businesses. At The First National Bank of Long Island, this doesn't happen. All of the Senior Managers have been there for a long time. We choose to stay with the Bank, as opposed to other banks, because of the personalized relationship and trust we have developed with them over the years. We continue to grow our relationship with them just as our own customers have been loyal to us for 15 to 30 years – same people, same company. We are all growing together. They understand our fast-moving business and act quickly to meet our banking needs."



"We continue to grow our relationship with them just as our own customers have been loyal to us for 15 to 30 years – same people, same company. We are all growing together."



Point Lookout



On February 18, 2011, The First National Bank of Long Island opened its 34th branch in the family-oriented community of Point Lookout, located in the Town of Hempstead in Nassau County, NY. We are the first bank ever to open in Point Lookout and are proud to offer our banking services to small businesses, professionals, middle market prospects and service conscious consumers. The branch offers 24-Hour ATM service, as well as full-service banking in a friendly, living room style setting with a fireplace.



The community has been very welcoming to the Bank and our branch is very active with Point Lookout's Chamber of Commerce and Civic Association. In 2011, the branch participated in many key community events including The Welcome Summer Party, the Annual Kids Day at the Beach, a "Santa Day" and our "Teach Children to Save" program. The branch is looking forward to building new and existing relationships with customers and prospects in Point Lookout and the surrounding communities.



On August 22, 2011, The First National Bank of Long Island opened its 35th branch on the South Shore of Long Island in Massapequa, New York. The brand-new full-service branch is a beautiful addition to the Massapequa community and has ample parking, 24-Hour ATM service and a Drive-Up. By opening a branch in the Massapequa community, customers in our surrounding South Shore branch market areas have more convenience and better availability to do their everyday banking. The Massapequa community covers a wide area of Long Island including Massapequa, Massapequa Park, East Massapequa and North Massapequa. This location gives the Bank the opportunity to build new customer relationships with households and businesses in these areas. Within the first six months, the branch exceeded \$30 million in deposit balances. They continue to grow daily and our talented staff of banking professionals is readily available to assist customers with their personal and business banking needs.



Branch Locations



THE LARGEST INDEPENDENT COMMERCIAL BANK HEADQUARTERED ON LONG ISLAND

Full Service Offices

1 **BABYLON**
42 Deer Park Avenue
Babylon, NY 11702
(631) 422-1700
Colleen A. Vogelsberg
Vice President & Branch Manager

2 **BAYVILLE**
282 Bayville Avenue
Bayville, NY 11709
(516) 628-1288
Keith DeCuir
Vice President & Branch Manager
Elizabeth A. Matera
VP & Branch Market Manager

3 **BELLMORE**
408 Bedford Avenue
Bellmore, NY 11710
(516) 679-6200
Julie Freund
Vice President & Branch Manager
Cathy C. O'Malley
VP & Branch Market Manager

4 **COLD SPRING HARBOR**
147 Main Street
Cold Spring Harbor, NY 11724
(631) 367-3600
Colleen De Stefano
Vice President & Branch Manager

5 **EAST MEADOW**
1975 Hempstead Turnpike
East Meadow, NY 11554
(516) 357-7200
Larry McGovern
Vice President & Branch Manager
Cathy C. O'Malley
VP & Branch Market Manager

6 **GARDEN CITY**
1050 Franklin Avenue
Garden City, NY 11530
(516) 742-6262
Carol A. Kolesar
Vice President & Branch Manager

7 **GLEN HEAD**
10 Glen Head Road
Glen Head, NY 11545
(516) 671-4900
John J. Mulder Jr.
Vice President & Branch Manager

8 **GREENVALE**
7 Glen Cove Road
Greenvale, NY 11548
(516) 621-8811
Christina Marotta
Vice President & Branch Manager

9 **HUNTINGTON**
253 New York Avenue
Huntington, NY 11743
(631) 427-4143
Frank M. Plesche
Vice President & Branch Manager

10 **COMING SOON!**

11 **LOCUST VALLEY**
108 Forest Avenue
Locust Valley, NY 11560
(516) 671-2299
Elizabeth A. Matera
VP & Branch Market Manager

12 **MASSAPEQUA**
574 Broadway
Massapequa, NY 11758
(516) 795-0100
Ava S. Magnier
Vice President & Branch Manager

13 **MERRICK**
1810 Merrick Avenue
Merrick, NY 11566
(516) 771-6000
Cathy C. O'Malley
VP & Branch Market Manager

14 **NORTHPORT**
711 Fort Salonga Road
Northport, NY 11768
(631) 261-4000
Mary T. Sullivan
VP & Branch Market Manager

15 **NORTHPORT VILLAGE**
105 Main Street
Northport, NY 11768
(631) 261-0331
Vincent P. Bartilucci
Vice President & Branch Manager
Mary T. Sullivan
VP & Branch Market Manager

16 **OLD BROOKVILLE**
209 Glen Head Road
Old Brookville, NY 11545
(516) 759-9002
Henry C. Suhr
Vice President & Branch Manager

17 **POINT LOOKOUT**
26A Lido Boulevard
P.O. Box 173
Point Lookout, NY 11569
(516) 431-3144
Linda A. Rowse
Vice President & Branch Manager
Cathy C. O'Malley
VP & Branch Market Manager

18 **ROCKVILLE CENTRE**
310 Merrick Road
Rockville Centre, NY 11570
(516) 763-5533
Linda Roldan
Vice President & Branch Manager

19 **ROSLYN HEIGHTS**
130 Mineola Avenue
Roslyn Heights, NY 11577
(516) 621-1900
Lorraine Russo
Vice President & Branch Manager

20 **SEA CLIFF**
299 Sea Cliff Avenue
Sea Cliff, NY 11579
(516) 671-7868
Kirk B. Thomas
Vice President & Branch Manager
Elizabeth A. Matera
VP & Branch Market Manager

21 **VALLEY STREAM**
127 East Merrick Road
Valley Stream, NY 11580
(516) 825-0202
Toni Valente
Vice President & Branch Manager

22 **WOODBURY**
800 Woodbury Road, Suite M
Woodbury, NY 11797
(516) 364-3434
Marianne T. Plummer
Vice President & Branch Manager

23 **COMMERCIAL BANKING OFFICES**

24 **DEER PARK**
60 East Industry Court
Deer Park, NY 11729
(631) 243-2600
Joanne Maiorana-Davis
Vice President & Branch Manager

25 **FARMINGDALE**
22 Allen Boulevard
Farmingdale, NY 11735
(631) 753-8888
Sandy F. Buttacy
Vice President & Branch Manager

26 **FARMINGDALE**
2091 New Highway
Farmingdale, NY 11735
(631) 454-2022
Michael Gervase
Vice President & Branch Manager

27 **GREAT NECK**
536 Northern Boulevard
Great Neck, NY 11021
(516) 482-6666
Joanne Bosco
Vice President & Branch Manager

28 **HAUPPAUGE**
330 Motor Parkway
Hauppauge, NY 11788
(631) 952-2900
JoAnn Diamond
Vice President & Branch Manager

29 **HICKSVILLE**
106 Old Country Road
Hicksville, NY 11801
(516) 932-7150
Joyce C. Graber
Vice President & Branch Manager

30 **NEW HYDE PARK**
243 Jericho Turnpike
New Hyde Park, NY 11040
(516) 328-3100
Susan Costabile
Vice President & Branch Manager

31 **PORT JEFFERSON STATION**
Davis Professional Park
5225 Nesconset Highway
Building 4, Suite 21
Port Jefferson Station, NY 11776
(631) 928-4411
Susan Donovan
Vice President & Branch Manager

32 **MANHATTAN**
232 Madison Avenue
New York, NY 10016
(212) 213-8111
Judith A. Ferdinand
Vice President & Branch Manager

33 **225 Broadway, Suite 703**
New York, NY 10007
(212) 693-1515
Gladys Ruggiero
Vice President & Branch Manager

34 **1501 Broadway, Suite 301**
New York, NY 10036
(212) 278-0707
Doris M. Burkett
Vice President & Branch Manager

35 **LAKE SUCCESS**
3000 Marcus Avenue
Lake Success, NY 11042
(516) 775-3133
Jerry Scansarole
Vice President & Branch Manager

36 **SMITHTOWN**
285 Middle Country Road, Suite 104
Smithtown, NY 11787
(631) 265-0200
Frances A. Koslow
Vice President & Branch Manager

Select Service Banking Centers

“Enhancing shareholder value through earnings per share growth remains a top priority. Over the last four years, our stock has outperformed the NASDAQ Market Index and the NASDAQ Bank Stocks Index by a wide margin, and we grew our cash dividend from \$.58 per share to \$.90 per share.”

Mark Curtis

Executive Vice President
Chief Financial Officer and Cashier

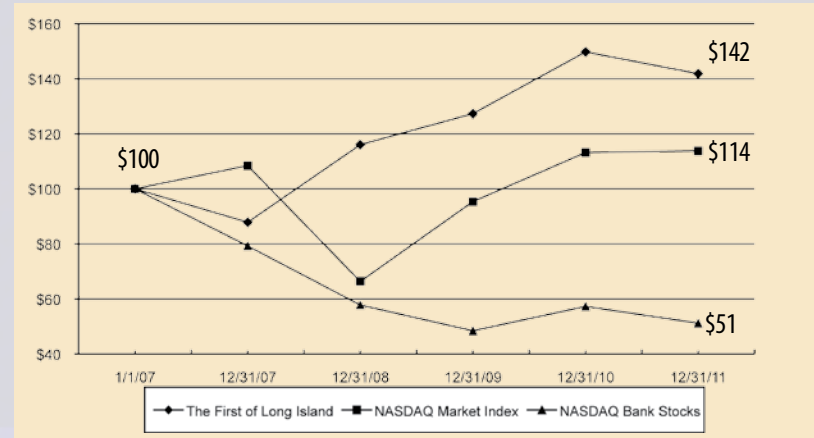


EARNINGS PER SHARE (“EPS”)

EPS grew from \$1.51 in 2007 to \$2.20 in 2011, or at a compound annual growth rate of almost 10%. The decrease in EPS from 2010 to 2011 resulted from a capital raise that we completed in 2010. The capital raise, which brought in just over \$32 million of fresh capital and increased shares outstanding by approximately 20%, positions us well for future growth.

PERFORMANCE GRAPH

The following graph compares the Corporation's total stockholder return with the NASDAQ Market Index and the NASDAQ Bank Stocks Index over a 5-year measurement period assuming \$100 invested on January 1, 2007, and dividends reinvested.



DIVIDENDS PER SHARE

On an annualized basis, our current quarterly cash dividend represents a yield of almost 3.5% on our current stock price.

TOTAL ASSETS

Over the last four years, total assets almost doubled in size, increasing from \$1.1 billion to just over \$2 billion.



TOTAL LOANS

We continue to change the composition of our earning assets from securities to loans. We expect that this strategy will enhance returns, build franchise value and drive both relationships and deposit growth. Like total assets, total loans nearly doubled in size over the last four years, increasing from \$526 million to \$986 million.

TOTAL DEPOSITS

Over the last four years, our deposits grew at a compound annual growth rate of almost 15%, or from \$869 million to just over \$1.5 billion.



Anne Marie Stefanucci
Vice President, Credit Department Manager

"The Credit Department's responsibility is to identify and manage the risks inherent in the lending function and thereby ensure credit quality in the Bank's loan portfolio. The members of our Department are experienced, knowledgeable and work diligently to respond to the needs of our customers and prospects."

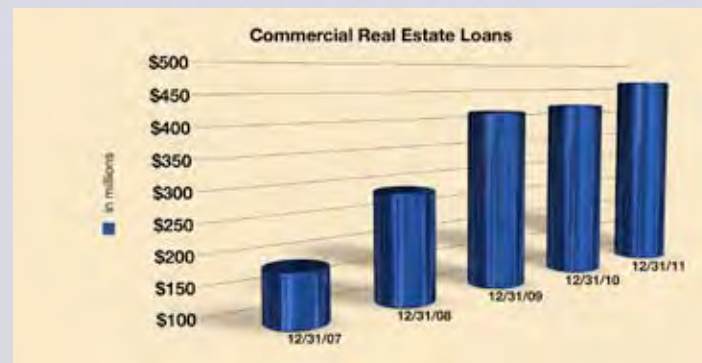
The Bank's strategy to change the composition of its earning assets from securities to loans led to the creation of the Credit Department in February 2006. Department members strive to partner effectively and efficiently with the Bank's lenders, while diligently protecting the Bank's assets via a keen eye toward risk management. There is significant depth of knowledge and experience in the Department, with each individual amassing over 20 years in the banking industry.

All members of the Department have been formally credit trained, in most cases by a major Money Center Bank, and many began their banking careers in the branch system and advanced through the ranks as Business Development Officers, Account Officers or Regional Senior Credit Officers. The Department places intense focus on the measurement and monitoring of credit administrative functions and all forms of credit risk and independently employs sound fundamental credit underwriting principles.

Paul Daley
Senior Vice President, Commercial Lending

"Developing our CRE portfolio is an important growth strategy for the Bank. Credit risk is the most critical risk we manage for the benefit of our shareholders."

The Commercial Real Estate Portfolio grew from \$170 million at 12/31/07 to \$460 million at 12/31/11, representing a CAGR of just over 28%. The credit quality of the CRE portfolio continues to remain strong as evidenced by nonperforming assets of .3%.



	2011	2010	2009	2008	2007
INCOME STATEMENT DATA:					
<i>(dollars in thousands, except per share data)</i>					
Interest Income	\$76,312	\$72,403	\$66,286	\$59,686	\$53,023
Interest Expense	17,567	16,774	18,334	16,743	16,269
Net Interest Income	58,745	55,629	47,952	42,943	36,754
Provision for Loan Losses.....	4,061	3,973	4,285	1,945	575
Net Income	19,457	18,392	13,463	12,962	11,482
PER SHARE DATA:					
Basic Earnings.....	\$2.22	\$2.33	\$1.87	\$1.79	\$1.52
Diluted Earnings	2.20	2.30	1.84	1.78	1.51
Cash Dividends Declared90	.84	.76	.66	.58
Dividend Payout Ratio	40.91%	36.52%	41.30%	37.08%	38.41%
Stock Splits/Dividends Declared.....	-	-	-	-	2-for-1
Book Value	\$21.53	\$17.99	\$16.15	\$14.25	\$13.73
Tangible Book Value	21.51	17.97	16.12	14.22	13.71
BALANCE SHEET DATA AT YEAR END:					
Total Assets	\$2,022,407	\$1,711,023	\$1,675,169	\$1,261,609	\$1,069,019
Loans.....	985,859	902,959	827,666	658,134	525,539
Allowance for Loan Losses.....	16,572	14,014	10,346	6,076	4,453
Deposits	1,502,868	1,292,938	1,277,550	900,337	869,038
Borrowed Funds.....	309,727	253,590	273,407	251,122	92,110
Stockholders' Equity	189,347	156,694	116,462	102,532	102,384
AVERAGE BALANCE SHEET DATA:					
Total Assets	\$1,852,611	\$1,657,396	\$1,413,632	\$1,181,655	\$1,003,240
Loans	947,309	864,163	716,569	572,356	480,166
Allowance for Loan Losses	15,013	11,954	6,357	4,947	4,167
Deposits	1,439,647	1,310,507	1,101,828	919,490	868,421
Borrowed Funds.....	226,382	193,823	194,129	157,275	32,705
Stockholders' Equity	174,458	142,140	110,767	100,710	98,402
FINANCIAL RATIOS:					
Return on Average Assets (ROA)	1.05%	1.11%	0.95%	1.10%	1.14%
Return on Average Stockholders' Equity (ROE)	11.15%	12.94%	12.15%	12.87%	11.67%
Average Equity to Average Assets	9.42%	8.58%	7.84%	8.52%	9.81%

STOCK PRICES AND CASH DIVIDENDS

Quarter	2011			Quarter	2010		
	High	Low	Dividends Declared		High	Low	Dividends Declared
First	\$29.61	\$26.05	\$.22	First	\$25.97	\$22.46	\$.20
Second	\$28.00	\$25.35	\$.22	Second	\$28.08	\$23.62	\$.20
Third	\$28.15	\$21.90	\$.23	Third	\$27.00	\$24.01	\$.22
Fourth	\$27.95	\$21.55	\$.23	Fourth	\$29.24	\$24.55	\$.22

CONSOLIDATED BALANCE SHEETS

December 31 (dollars in thousands)

	2011	2010
Assets:		
Cash and due from banks	\$ 29,101	\$ 18,144
Temporary investments.....	394	276
Cash and cash equivalents	<u>29,495</u>	<u>18,420</u>
Investment securities:		
Held-to-maturity, at amortized cost (fair value of \$66,077 and \$89,760)	62,085	86,578
Available-for-sale, at fair value	<u>893,956</u>	<u>653,115</u>
	<u>956,041</u>	<u>739,693</u>
Loan held for sale.....	-	1,000
Loans:		
Commercial and industrial.....	42,572	39,055
Secured by real estate:		
Commercial mortgages.....	459,875	416,946
Residential mortgages.....	372,477	334,768
Home equity.....	103,513	103,829
Other	<u>4,596</u>	<u>5,790</u>
	<u>983,033</u>	<u>900,388</u>
Net deferred loan origination costs	<u>2,826</u>	<u>2,571</u>
	<u>985,859</u>	<u>902,959</u>
Allowance for loan losses	<u>(16,572)</u>	<u>(14,014)</u>
	<u>969,287</u>	<u>888,945</u>
Restricted stock, at cost.....	12,284	8,155
Bank premises and equipment, net.....	21,809	20,843
Deferred income tax benefits	-	2,199
Bank-owned life insurance.....	13,165	12,663
Pension plan assets, net.....	6,132	5,868
Prepaid FDIC assessment.....	2,770	3,792
Other assets.....	<u>11,424</u>	<u>9,445</u>
	<u>\$ 2,022,407</u>	<u>\$ 1,711,023</u>
Liabilities:		
Deposits:		
Checking.....	\$ 435,517	\$ 386,797
Savings, NOW and money market.....	796,009	637,975
Time, \$100,000 and over	174,691	178,901
Time, other	<u>96,651</u>	<u>89,265</u>
	<u>1,502,868</u>	<u>1,292,938</u>
Short-term borrowings.....	102,227	61,590
Long-term debt.....	207,500	192,000
Accrued expenses and other liabilities.....	9,347	7,801
Deferred income taxes payable.....	<u>11,118</u>	<u>-</u>
	<u>1,833,060</u>	<u>1,554,329</u>
Commitments and Contingent Liabilities		
Stockholders' Equity:		
Common stock, par value \$.10 per share: Authorized, 20,000,000 shares;		
Issued and outstanding, 8,793,932 and 8,707,665 shares.....	879	871
Surplus	37,507	35,526
Retained earnings	<u>133,273</u>	<u>121,713</u>
	<u>171,659</u>	<u>158,110</u>
Accumulated other comprehensive income (loss) net of tax	<u>17,688</u>	<u>(1,416)</u>
	<u>189,347</u>	<u>156,694</u>
	<u>\$ 2,022,407</u>	<u>\$ 1,711,023</u>

CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31 (dollars in thousands, except per share data)

	2011	2010	2009
Interest and dividend income:			
Loans.....	\$ 47,777	\$ 45,660	\$ 39,753
Investment securities:			
Taxable.....	16,662	16,879	18,938
Nontaxable	<u>11,873</u>	<u>9,864</u>	<u>7,595</u>
	<u>76,312</u>	<u>72,403</u>	<u>66,286</u>
Interest expense:			
Savings, NOW and money market deposits	4,035	4,049	5,287
Time deposits.....	6,052	5,977	6,485
Short-term borrowings.....	93	108	221
Long-term debt.....	<u>7,387</u>	<u>6,640</u>	<u>6,341</u>
	<u>17,567</u>	<u>16,774</u>	<u>18,334</u>
Net interest income	<u>58,745</u>	<u>55,629</u>	<u>47,952</u>
Provision for loan losses	4,061	3,973	4,285
Net interest income after provision for loan losses.....	<u>54,684</u>	<u>51,656</u>	<u>43,667</u>
Noninterest income:			
Investment Management Division income.....	1,539	1,465	1,484
Service charges on deposit accounts.....	3,186	3,465	3,503
Net gains on sales of available-for-sale securities.....	138	1,719	1,428
Other.....	<u>1,563</u>	<u>1,284</u>	<u>1,339</u>
	<u>6,426</u>	<u>7,933</u>	<u>7,754</u>
Noninterest expense:			
Salaries	15,785	15,458	14,869
Employee benefits	5,066	5,303	5,827
Occupancy and equipment expense	7,148	6,486	6,025
Other operating expenses	<u>8,710</u>	<u>8,579</u>	<u>8,119</u>
	<u>36,709</u>	<u>35,826</u>	<u>34,840</u>
Income before income taxes.....	24,401	23,763	16,581
Income tax expense.....	4,944	5,371	3,118
Net Income.....	<u>\$ 19,457</u>	<u>\$ 18,392</u>	<u>\$ 13,463</u>
Weighted average:			
Common shares.....	8,761,895	7,899,241	7,203,064
Dilutive stock options and restricted stock units.....	<u>93,069</u>	<u>108,436</u>	<u>106,520</u>
	<u>8,854,964</u>	<u>8,007,677</u>	<u>7,309,584</u>
Earnings per share:			
Basic.....	<u>\$2.22</u>	<u>\$2.33</u>	<u>\$1.87</u>
Diluted	<u>\$2.20</u>	<u>\$2.30</u>	<u>\$1.84</u>
Cash dividends declared per share.....	<u>\$.90</u>	<u>\$.84</u>	<u>\$.76</u>

Business of the Corporation

The First of Long Island Corporation ("Corporation") is a one-bank holding company organized under the laws of the State of New York. Its primary business is the operation of its sole subsidiary, The First National Bank of Long Island ("Bank").

The Bank was organized in 1927 under national banking laws and became the sole subsidiary of the Corporation under a plan of reorganization effected April 30, 1984.

The Bank is a full-service commercial bank which provides a broad range of financial services to individual, professional, corporate, institutional and government customers through its thirty-five branch system on Long Island and in Manhattan.

The Bank is subject to regulation and supervision of the Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation which also insures its deposits. The Comptroller of the Currency is the primary banking agency responsible for regulating the subsidiary Bank. In addition, the Corporation is subject to the regulations and supervision of the Federal Reserve Board and the Securities and Exchange Commission.

The First National Bank of Long Island

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