



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

April 30, 2012

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

Flushing Savings Bank, FSB  
Charter Number: 711990

144-51 Northern Blvd.  
Flushing, NY 11354-4230

Office of the Comptroller of the Currency

New York Metro Field Office  
Harborside Financial Center – Plaza Five Suite 1600  
Jersey City, NJ 07311

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

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# Overall CRA Rating

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

The following table indicates the performance level of **Flushing Savings Bank, FSB** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Flushing Savings Bank, FSB Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory			
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The bank’s overall lending activity in the Nassau-Suffolk Counties and New York Counties AA is adequate.
- The overall geographic distribution of home purchase, home improvements, and home refinance loans is excellent within the bank’s AA. The geographic distribution of multifamily is good.
- A substantial majority of the bank’s home mortgage loans and small loans to businesses were originated inside the bank’s AA of the combined MDs.

## Definitions and Common Abbreviations

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

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

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

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

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

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

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

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the

bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined

in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

## Description of Institution

Flushing Savings Bank (FSB) is a federally-chartered stock savings bank headquartered in Flushing, New York. The bank is owned by Flushing Financial Corporation, its parent holding company, and is listed on the NASDAQ exchange ticker FFIC. FSB is an intrastate bank with seventeen branches throughout the New York metropolitan area. Nine branches are located in Queens County, five in Kings County (Brooklyn), two in Nassau County, and the final branch is located in New York County (Manhattan).

The bank opened two new branches in Borough Park and Williamsburg, Brooklyn during the evaluation period. Additionally, management relocated the Manhattan branch from Irving Place to Park Avenue South. No branches were closed during the period. Since the prior CRA examination dated August 3, 2009, total assets increased 5% to \$4.3 billion as of year-end 2011.

As of December 31, 2011, net loans of \$3.2 billion contained 78% of total assets. Multi-family, residential 1-4 family, and commercial loans totaled \$1.4 billion, \$861 million, and \$702 million, respectively. The bank's main loan product, multi-family loans, account for 44% of the loan portfolio. This is consistent with the bank's strategy to grow the multi-family portfolio, specifically targeting larger buildings of ten units or more, while reducing construction and non-owner occupied commercial real estate. Tier I capital is \$410 million.

The bank's financial condition does not appear to impact its ability to provide for the credit, investment, and service needs of its AA. The bank reported net income of \$34.5 million for the twelve month period ended December 31, 2011. The bank was given an overall Satisfactory CRA rating at the previous examination.

FSB operates in a very competitive market. The deposit market is dominated by large multinational institutions including JPMorgan Chase Bank, Bank of America, Citibank, Bank of New York Mellon, and HSBC Bank. These five institutions control 62% of the deposit market share of the MSA as of June 30, 2011. JPMorgan Chase Bank holds the largest market share with 33% of the deposits inside the market while FSB controls 0.24%. Management identified three main competitors with a similar size and business focus: The Dime Savings Bank of Williamsburgh, headquartered in Brooklyn, New York, operates 23 branches in a similar assessment area with total assets of \$4.0 billion. Ridgewood Savings Bank, headquartered in Ridgewood, New York, with total assets of \$4.8 billion and 39 branches. Lastly, New York Commercial Bank, which operates under New York Community Bank parent company, holds assets of \$2.8 billion and operates 34 branches. Products are geared toward small and medium-sized businesses and commercial real estate investors.

There are two AAs within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620. The Bank's AA consists of all of Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester Counties in the New York-White Plains- Wayne, NY-NJ Metropolitan Division (MD) #35644. The AA also includes the entire Nassau and Suffolk Counties in the Nassau-Suffolk, NY MD #35004.

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

The evaluation period for the lending test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and for loans to small businesses is from January 1, 2009 through December 31, 2011. The evaluation period for the community development loans, the investment test and the service test covers activities from August 3, 2009, through April 30, 2012. FSB experienced decreases in all loan products with the exception of multi-family loans. Multi-family loans consist of the majority of the portfolio and management intends to continue to grow this product.

## Data Integrity

In December 2011, an evaluation of the integrity of FSB's publicly filed information was performed to verify the accuracy and reliability of the HMDA data. Significant errors were found in the 2009 and 2010 reported data and it was determined unreliable. The bank reviewed the data within the evaluation period and corrected identified errors. In March 2012, a follow-up review was performed and no errors were found in the sample. At that time it was determined that the data was accurate and reliable.

During this examination, we performed an evaluation of the integrity of data pertaining to small business loans from 2009 through 2011. We found errors in our sample and found the data to be unreliable. We determined that the CRA data was reliable after management scrubbed it and we performed a validation. This examination was based on accurate data.

## Selection of Areas for Full-Scope Review

We performed a full-scope review of the New York-White Plains- Wayne, NY-NJ Metropolitan Division (MD) #35644. We performed a limited review of the Nassau-Suffolk, NY MD #35004.

The bank defines the Nassau-Suffolk AA as all of Nassau and Suffolk Counties in Long Island. This AA consists of 520 census tracts, most of which are middle- and upper-income tracts. It contains 9% volume of the home mortgage and small business loans or 7% of the dollar amount. A limited scope review will be conducted on this AA.

The New York County AA contains all of the Bronx, Brooklyn, New York, Putnam, Queens, Richmond, Rockland, and Westchester Counties. The bank accepts these counties as the remaining portion of its AA. These counties consist of 120 mixed income tracts. The bank made 91% of its total home mortgage and small business loans, 93% of its dollar amount, within this AA. As such, a full scope review will be conducted on the New York County.

Please refer to the table in Appendix A for more information.

## Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. More weight is placed on the FSB's performance in the New York AA as most of the bank's loans and branches are located in this AA.

## **Other**

We contacted one community development organization from the NY/NJ MD. The community development organization focuses on the western portion of Queens, New York, including Flushing, Jackson Heights, Elmhurst, Woodside, and Corona. It is a non-profit that revitalizes underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership. FSB has a representative on both the board of directors and the advisory board. The community credit needs are affordable housing assistance, foreclosure prevention, pre and post purchase counseling, financial literacy training, funding for non-profits, and first-time homebuyer loans.

# Fair Lending or Other Illegal Credit Practices Review

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

# Conclusions with Respect to Performance Tests

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

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

### Lending Activity

The bank's overall lending activity in the Nassau-Suffolk Counties and New York Counties AA is adequate. FSB originated 590 reportable loans in the AAs during the evaluation period. The loans totaled \$234 million. Home mortgage loans were the primary component of the reportable loans comprising of 96% of the dollar amount or 495 loans reported in New York County AA. The remaining loans were small loans to businesses. Likewise in Suffolk-Nassau Counties, 43 loans or 88% of the dollar amount of the reportable loans were home mortgages. The remaining 10 loans were small loans made to businesses. The bank did not originate any small loans to farms during the evaluation period.

The lending test in Nassau-Suffolk and New York Counties focused on home purchases, refinances, and improvements as well as small loans to businesses. We analyzed the percentage distribution of the loan volume originated and purchased by FSB in low-, moderate middle-, and upper-income tracts to the percentage distribution of owner-occupied housing units within the same tracts.

We considered the few low- and moderate-income geographies and the large bank competition within the AA. We further considered FSB's market share. Community development lending had a positive impact on the overall lending performance.

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

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

#### NY-NJ MD AA

##### *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 loans is excellent within the bank's AA.

##### *Home Purchase Loans*

The geographic distribution of home purchase loans in low- and moderate-income geographies within the bank's AA is excellent. Lending occurs primarily in the New York County as 86.88% of all reported home purchase loans were in this AA. Penetration in the low-income geographies of the AA is excellent as the bank's loans exceeded the 2.58% of owner-occupied units in these tracts by 174 basis points.

Similarly, penetration in moderate-income geographies of the same AA is excellent as 29.50% of all home purchase loans exceed the 13.53% of owner-occupied units.

#### *Home Improvement*

The geographic distribution of home improvement loans is excellent. Penetration in low-income tracts exceeded the 2.58% of owner occupied units available by 87 basis points. Additionally, penetration in moderate-income geographies exceeded the 13.53% of owner occupied units available by 371 basis points.

#### *Home Refinance*

The geographic distribution of home refinance loans is also excellent. Low-income tract penetration exceeded the percentage of owner occupied units available by over 500 basis points. Further, penetration in moderate-income geographies significantly exceeded the percent of owner-occupied housing.

#### *Multi-Family*

The geographic distribution of multi-family loans is good. The 12.35% penetration in low-income geographies was lower than the 19.20% of owner-occupied units available in the geography. However, penetration in moderate-income geographies far exceeded the 29.91% of owner-occupied units in the geography.

#### *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 poor. Penetration in low- and moderate-income geographies, at 2.38% and 11.90%, is lower than the 7.62% and 18.81% of business in low- and moderate-income geographies, respectively. Small business loans are not a primary product type. The bank is primarily a residential lender with approximately \$9 million or 4% of total loans originated in the New York County during the evaluation period.

### **Nassau-Suffolk Counties AA, Limited-Scope**

Penetration in low- and moderate-income geographies of the Nassau-Suffolk Counties AA is consistent with full-scope areas of geographic distribution of loans. The Nassau-Suffolk AA has excellent penetration among low- and moderate-income geographies. This performance does not weigh heavily given the minimal volume of small business lending made in that AA during the evaluation period.

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

There were no conspicuous gaps identified during the evaluation period.

### ***Inside/Outside Ratio***

A substantial majority of the bank's home mortgage loans and small loans to businesses were originated inside the bank's AA of the combined MDs. During the evaluation period approximately 93% of loans were originated within the AA. This performance positively impacted the overall analysis of the geographic distribution of lending by income level of geography.

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

### ***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 borrower distribution of home purchase, home improvement, and home refinance within the bank's AA is very poor. We placed more weight on loan distribution in New York County as most of the loans were originated in that MD. We also placed emphasis on multifamily loans as this product type is the bank's primary focus.

The borrower distribution of home mortgage loans in the New York AA is poor. The percentage of home purchase loans made to low- and moderate-income borrowers were significantly lower than families in those income tract. The percentage of home improvement loans made to low-income borrowers was also significantly lower than the percentage of families available in the low-income tract. The bank did not purchase or originate any loans to moderate income borrowers. There were 15.69% moderate income families in the New York AA.

The borrower distributions of home refinance loans made to low- and moderate-income borrowers were 2% to each group. Both are significantly lower than the low- and moderate-income families, 27.89% and 15.69% respectively, that reside in these income tracts. In fact, 76.54% of the bank's loans were made to upper income borrowers.

### ***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.

The overall borrower distribution of small loan to businesses is adequate. Borrower distribution of small loans to businesses in both Nassau-Suffolk and New York Counties is adequate. The majority of FSB's small loans made to businesses were made in the New York AA. The bank made 48.78% of its small loans to businesses with revenues of \$1 million or less in Nassau-Suffolk Counties. In the New York AA, the bank made 54.55% of its loans to small businesses with revenues of \$1 million or less.

The number of small loans made to businesses in the New York AA totaled 161,356, of which 17.34% were made to businesses of revenues \$1 million or under. In Nassau-Suffolk Counties, 64,522 small loans were made to businesses where 18.18% were made to small businesses. The percentage of bank loans made to businesses with revenue of \$1 million or less in Nassau-Suffolk and New York Counties were less than the percentage of businesses in the AAs. But, given the limited market share of 0.26% in the AA, the distribution is adequate. Additionally, most of the small loans to businesses were made in the amount of \$100,000 or less in the New York County indicating that most more of the loans were made to small businesses.

## **Community Development Lending**

The bank originates an adequate level of community development loans. 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.

FSB has five community development loans that total \$6.34 million. The loans' primary purpose was to assist low- and moderate-income families with affordable housing and other services. One loan was made to a small business in the low- moderate-income geography.

## **Product Innovation and Flexibility**

FSB makes use of innovative and flexible lending practices in serving the AA. The bank continues to participate in the Small Business Administration loan program that assists small businesses to obtain financing after they have exhausted all other options. The majority of the loan amounts are guaranteed by the federal government. FSB has been a recipient of SBA awards for several years.

The bank also participates in Proceed Business loan service. Proceed Business is a referral program that assists qualified small businesses in securing financing up to \$100,000. The service is not affiliated with the bank. Management has been involved in the service for over three years.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Nassau-Suffolk AA is not inconsistent with the bank's overall satisfactory performance under the lending test. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated "outstanding." The bank makes significant use of innovative investments to support CD initiative. We used the proportion of lending to each AA as the basis for the investment test. The bank had 91.85% of its CRA investments securities in the NY-NJ MD AA and 9.15% of its CRA investments securities were in the Nassau-Suffolk MD.

In addition to the securities in the investment portfolio, the bank made donations totaling \$114,797 during the evaluation period. Donations were made to computer learning and tutoring programs, as well as to fundraisers and grants for the benefit of low- and moderate-income individuals and families.

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

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Nassau-Suffolk MD is consistent with the bank's overall "outstanding" performance under the investment test. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated outstanding. Based on full-scope reviews, the bank's performance in the Nassau-Suffolk AA and New York AA is excellent.

## **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.

FSB's service delivery systems are accessible to geographies and individuals of different income levels in its Nassau-Suffolk AA and its New York AA. The bank opened two branches during the evaluation period and relocated another. No branches were closed. The bank has 40% of their branches in low- and moderate-income tract. The remaining branches are located in the middle- and upper-income census tracts. There are no branches located in low-income tracts, however, their branches are in close proximity to these areas. They are accessible by main roads and public transportation.

FSB's bank hours are convenient. All branches offer extended hours and three are open on Sundays. The services offered to customers are consistent and do not preclude easy access to low- and moderate-income areas. All branches have 24-hour ATM service and customers have access to internet banking as well as bank-by-mail. Remote deposit capture is a feature offered to commercial customers as an added convenience.

FSB encourages direct deposit, especially of government payments, under the 'Go Direct' program. Further, the bank offers a prepaid debit card to community members who do not have an account at FSB. The card can be used as a debit/credit card and it allows the benefits to be added regularly.

## **Community Development Services**

FSB provides a relatively high level of community development services. The bank regularly provides financial advice to low- and moderate-income individuals and families. The bank continues to participate in FDIC's Money Smart Program. Over 25 employees serve the AA by offering free financial education events to the community with a concentration on young adults. Management identifies schools within the AA

where low- and moderate-income students are enrolled. Employees provide financial/banking information to the students and offer youth savings to encourage the students to save. Additionally, the bank provides financial education the parents with the aim of making the household more financially savvy.

The bank also assists seniors within the community. The staff provides advice on how to avoid scams and identity theft, and answers questions about bank products and services. Over 50 hours was spent with the seniors, located mostly in low- and moderate-income areas, each year. Additionally, the bank takes part in many other community activities. One of the bank’s vice presidents is on the Board of New York City Neighborhood Housing services. An assistant vice president serves on the Greater Jamaica Development and Community Development Corporation of Long Island as committee members.

The bank offers education to entrepreneurs in low- and moderate-income areas. A bank employee discussed business services with approximately 30 entrepreneurs ways to improve their businesses and increase sales. The bank also provides money management services and instructions on how to navigate the technological world to maximize efficiency.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Service Test in the Nassau-Suffolk AA is not inconsistent with the bank’s overall “outstanding” performance under the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/09 to 12/31/11) Investment and Service Tests and CD Loans: (08/03/09 to 04/30/12)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Flushing Savings Bank, FSB (FSB) Flushing, New York	Home Mortgages, Small Loans to Businesses, Community Development Loans, Qualified CD Investments and Services	

Affiliate(s)	Affiliate Relationship	Products Reviewed
<p data-bbox="154 205 511 268"><i>[Instructions: Provide only if affiliate products are reviewed.]</i></p> <p data-bbox="154 296 207 323">N/A</p>	<p data-bbox="583 296 636 323">N/A</p>	<p data-bbox="868 296 922 323">N/A</p>
<p data-bbox="154 380 738 407"><b>List of Assessment Areas and Type of Examination</b></p>		
Assessment Area	Type of Exam	Other Information
<p data-bbox="191 474 527 562">Queens, Kings, New York, Richmond, Bronx, Putnam, Westchester, Rockland #35644</p> <p data-bbox="228 590 490 617">Nassau, Suffolk #35004</p>	<p data-bbox="656 474 776 501">Full-Scope</p> <p data-bbox="634 579 797 606">Limited Scope</p>	

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

[Complete a market profile for each MA or nonmetropolitan area that received a full-scope review.]

### NY-NJ MD

Demographic Information for Full-Scope Area: (NY-NJ MD)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,515	13.20	25.29	28.27	30.78	2.47
Population by Geography	9,314,235	14.72	27.97	25.49	31.64	0.18
Owner-Occupied Housing by Geography	1,208,243	2.58	13.53	28.16	55.73	0.00
Businesses by Geography	603,788	7.62	18.81	20.67	51.79	1.11
Farms by Geography	4,070	3.27	8.92	17.96	69.66	0.20
Family Distribution by Income Level	2,203,975	27.89	15.69	16.62	39.79	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	960,674	25.26	37.68	23.58	13.49	0.00
Median Family Income	= \$49,461					
HUD Adjusted Median Family Income for 2011	= \$67,400					
Households Below the Poverty Level	=18%					
				Median Housing Value	= \$244,528	
				Unemployment Rate	= 4.01%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census, and 2011 HUD updated MFI.

As of March 2012, the national unemployment rate was 8.2% while the average annual unemployment rate for 2011 was 8.9%. The local unemployment rate of this MSA is much lower at 4.01%. Based on 2010 Moody's Analytics data, the leading industries of New York City were government, general medical and surgical hospitals, full-service restaurants, individual and family services, and securities and commodity contracts intermediation and brokerage. The top employers of New York City were the Metropolitan Transportation Authority, New York City Health and Hospitals Corp., JPMorgan Chase & Company, Citigroup, Inc., and North-Shore Long Island Jewish Health System.

The FDIC deposit market share report as of June 30, 2011, indicates that FSB ranked 30<sup>th</sup> with 0.29 percent market share among the 238 depository institutions of the New York – Northern New Jersey – Long Island, NY-NJ-PA MSA. The MSA is very competitive and deposit market share is dominated by large national banks led by JPMorgan Chase Bank with a commanding 33.17 percent of the market. Although market share drops significantly, large institutions hold the subsequent spots including Bank of America with 8.95 percent, The Bank of New York Mellon with 8.53 percent, Citibank with 6.12 percent, HSBC Bank with 5.34 percent, and Wells Fargo with 3.79 percent, respectively. A further breakdown of FSB's deposits indicates that despite only two branches in Nassau County, \$1.82 billion or 58 percent of total deposits are held in this county. The majority of these deposits are of government entities and not consumers or businesses.

# Appendix C: Tables of Performance Data

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## Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans

originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

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

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

## Table 1. Lending Volume

LENDING VOLUME												
Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
FLUSHING-NY NJ MD	90.85	495	209,351	41	9,024	0	0	5	6,340	536	218,375	42.09
<b>Limited Review:</b>												
FLUSHING - Nassau Suffolk MD	9.15	43	13,727	11	1,893	0	0	0	0	54	15,620	57.91

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from August 3, 2009 to April 30, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

### Table 1. Other Products

LENDING VOLUME		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in MA/AA**
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
FLUSHING-NY NJ MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2009 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

### Table 1. Other Products

LENDING VOLUME	Geography: FLUSHING SB		Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011	
Assessment Area (2011):	Other Unsecured Consumer Loans*		Other Optional Loans*	
	#	\$ (000's)	#	\$ (000's)
<b>Full Review:</b>				
FLUSHING-NY NJ MD	0	0	0	0
<b>Limited Review:</b>				
FLUSHING - Nassau Suffolk MD	0	0	0	0

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\* The evaluation period for Optional Product Line(s) is from January 01, 2009 to December 31, 2011.

## Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31,						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	139	86.88	2.58	4.32	13.53	29.50	28.16	33.81	55.73	32.37	4.19	15.94	27.60	52.27
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	21	13.13	0.22	0.00	12.21	14.29	66.17	57.14	21.40	28.57	0.22	15.16	65.35	19.28

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

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

Geographic Distribution: HOME IMPROVEMENT 31, 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	29	78.38	2.58	3.45	13.53	17.24	28.16	41.38	55.73	37.93	3.86	13.28	25.49	57.36
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	8	21.62	0.22	0.00	12.21	0.00	66.17	37.50	21.40	62.50	0.14	14.87	65.58	19.41

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	84	87.50	2.58	8.33	13.53	33.33	28.16	23.81	55.73	34.52	2.08	9.77	20.62	67.52
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	12	12.50	0.22	0.00	12.21	16.67	66.17	75.00	21.40	8.33	0.13	9.67	66.66	23.54

\* Based on 2010 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

### Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31,						
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% of MF Units***	% BANK Loans***	% MF Units** *	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	243	99.18	19.20	12.35	29.91	49.79	19.70	25.93	31.19	11.93	15.38	29.90	20.31	34.41
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	2	0.82	3.51	0.00	27.94	0.00	58.07	100.00	10.49	0.00	1.85	22.22	61.11	14.81

\* Based on 2010 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	41	78.85	7.62	2.44	18.81	14.63	20.67	29.27	51.79	53.66	5.13	15.22	20.27	59.39
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	11	21.15	0.66	0.00	13.28	18.18	62.78	18.18	23.27	63.64	0.39	11.22	60.71	27.68

\* Based on 2010 Peer Small Business Data -- US and 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 (2010).

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

Geographic Distribution: SMALL LOANS TO FARMS 31, 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER						
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	0	0.00	3.27	0.00	8.92	0.00	17.96	0.00	69.66	0.00	6.94	19.65	19.08	54.34
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	0	0.00	0.30	0.00	17.32	0.00	65.89	0.00	16.48	0.00	0.00	21.67	65.00	13.33

\* Based on 2010 Peer Small Business Data -- US and 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 (2010).

## Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	139	86.88	27.89	1.01	15.69	6.06	16.62	6.06	39.79	86.87	0.92	7.76	22.62	68.69
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	21	13.13	18.03	0.00	18.61	0.00	24.19	6.25	39.18	93.75	5.36	26.42	32.09	36.13

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

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

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 28.1% of loans originated and purchased by BANK.

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

## Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31,						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data			
	#	% of Total**	% Families**	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	29	78.38	27.89	16.00	15.69	0.00	16.62	12.00	39.79	72.00	4.28	11.09	20.59	64.04
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	8	21.62	18.03	0.00	18.61	25.00	24.19	12.50	39.18	62.50	9.53	23.59	29.27	37.61

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 10.8% of loans originated and purchased by BANK.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2011		Geography: FLUSHING SB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
FLUSHING-NY NJ MD	84	87.50	27.89	2.00	15.69	2.00	16.62	24.00	39.79	72.00	1.38	5.92	16.16	76.54
<b>Limited Review:</b>														
FLUSHING - Nassau Suffolk MD	12	12.50	18.03	0.00	18.61	10.00	24.19	10.00	39.18	80.00	4.78	19.24	30.43	45.56

\* Based on 2010 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 37.5% of loans originated and purchased by BANK.

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

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

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2011			Geography: FLUSHING SB			Evaluation Period: JANUARY 1, 2009 TO			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FLUSHING-NY NJ MD	41	78.85	75.69	48.78	39.02	36.59	24.39	161,356	27,987
<b>Limited Review:</b>									
FLUSHING - Nassau Suffolk MD	11	21.15	80.65	54.55	27.27	63.64	9.09	64,522	11,693

\* Based on 2010 Peer Small Business Data -- US and 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 - 2010).

\*\*\*\* 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.

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

Borrower Distribution: SMALL LOANS TO FARMS 31, 2011		Geography: FLUSHING SB			Evaluation Period: JANUARY 1, 2009 TO DECEMBER				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FLUSHING-NY NJ MD	0	0.00	95.38	0.00	0.00	0.00	0.00	181	91
<b>Limited Review:</b>									
FLUSHING - Nassau Suffolk MD	0	0.00	95.91	0.00	0.00	0.00	0.00	135	71

\* Based on 2010 Peer Small Business Data -- US and 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 - 2010).

\*\*\*\* 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 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FLUSHING SB				Evaluation Period: AUGUST 3, 2009 TO APRIL 30, 2012			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
FLUSHING-NY NJ MD		4,969		25,940		30,909	91.85	2	500
<b>Limited Review:</b>									
FLUSHING - Nassau Suffolk MD		500		2,613		3,113	9.15	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: FLUSHING SB				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FLUSHING-NY NJ MD	42.09	15	88.24	6.67	33.33	33.33	26.67	2	0	0	0	0	0	14.72	27.97	25.49	31.64
<b>Limited Review:</b>																	
FLUSHING - Nassau Suffolk MD	57.91	2	11.76	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.76	16.02	64.36	18.86

## Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH and ATM DELIVERY SYSTEM				Geography: FLUSHING SB				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of BANK Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	# of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FLUSHING-NY NJ MD	0.00	0	0.00	0	0	0	0	0	0.00	0	0	0	0	14.72	27.97	25.49	31.64
<b>Limited Review:</b>																	
FLUSHING - Nassau Suffolk MD	0.00	0	0.00	0	0	0	0	0	0.00	0	0	0	0	0.76	16.02	64.36	18.86

