

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-32964

**THE FIRST OF LONG ISLAND CORPORATION**

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

11-2672906

(I.R.S. Employer Identification No.)

275 Broadhollow Road, Melville, NY

(Address of principal executive offices)

11747

(Zip Code)

(516) 671-4900

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, \$0.10 par value per share	FLIC	Nasdaq

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Accelerated Filer

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of May 7, 2024, the registrant had 22,516,143 shares of common stock, \$0.10 par value per share, outstanding.



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**PART 1. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(dollars in thousands)	March 31, 2024	December 31, 2023
<b>Assets:</b>		
Cash and cash equivalents	\$ 106,878	\$ 60,887
Investment securities available-for-sale, at fair value	677,112	695,877
<b>Loans:</b>		
Commercial and industrial	123,333	116,163
Secured by real estate:		
Commercial mortgages	1,922,275	1,919,714
Residential mortgages	1,148,719	1,166,887
Home equity lines	41,085	44,070
Consumer and other	1,162	1,230
	<u>3,236,574</u>	<u>3,248,064</u>
Allowance for credit losses	(28,335)	(28,992)
	<u>3,208,239</u>	<u>3,219,072</u>
Restricted stock, at cost	31,344	32,659
Bank premises and equipment, net	30,957	31,414
Right-of-use asset - operating leases	21,932	22,588
Bank-owned life insurance	114,460	114,045
Pension plan assets, net	10,634	10,740
Deferred income tax benefit	30,137	28,996
Other assets	24,006	19,622
	<u>\$ 4,255,699</u>	<u>\$ 4,235,900</u>
<b>Liabilities:</b>		
Deposits:		
Checking	\$ 1,102,284	\$ 1,133,184
Savings, NOW and money market	1,564,153	1,546,369
Time	660,070	591,433
	<u>3,326,507</u>	<u>3,270,986</u>
Overnight advances	—	70,000
Other borrowings	515,000	472,500
Operating lease liability	24,269	24,940
Accrued expenses and other liabilities	12,800	17,328
	<u>3,878,576</u>	<u>3,855,754</u>
<b>Stockholders' Equity:</b>		
Common stock, par value \$0.10 per share:		
Authorized, 80,000,000 shares;		
Issued and outstanding, 22,477,928 and 22,590,942 shares	2,248	2,259
Surplus	78,190	79,728
Retained earnings	355,605	355,887
	<u>436,043</u>	<u>437,874</u>
Accumulated other comprehensive loss, net of tax	(58,920)	(57,728)
	<u>377,123</u>	<u>380,146</u>
	<u>\$ 4,255,699</u>	<u>\$ 4,235,900</u>

See notes to unaudited consolidated financial statements

**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(in thousands, except per share data)	Three Months Ended March 31,	
	2024	2023
<b>Interest and dividend income:</b>		
Loans	\$ 33,543	\$ 30,405
Investment securities:		
Taxable	6,993	3,669
Nontaxable	960	1,945
	<u>41,496</u>	<u>36,019</u>
<b>Interest expense:</b>		
Savings, NOW and money market deposits	10,083	5,775
Time deposits	6,977	3,069
Overnight advances	263	108
Other borrowings	6,012	3,433
	<u>23,335</u>	<u>12,385</u>
Net interest income	18,161	23,634
<b>Credit provision for credit losses</b>	—	(1,056)
Net interest income after credit provision for credit losses	<u>18,161</u>	<u>24,690</u>
<b>Noninterest income:</b>		
Bank-owned life insurance	840	780
Service charges on deposit accounts	880	787
Net loss on sales of securities	—	(3,489)
Other	1,054	935
	<u>2,774</u>	<u>(987)</u>
<b>Noninterest expense:</b>		
Salaries and employee benefits	9,974	9,765
Occupancy and equipment	3,214	3,325
Other	3,018	3,481
	<u>16,206</u>	<u>16,571</u>
Income before income taxes	4,729	7,132
<b>Income tax expense</b>	294	651
<b>Net income</b>	<u>\$ 4,435</u>	<u>\$ 6,481</u>
<b>Weighted average:</b>		
Common shares	22,520,568	22,493,437
Dilutive restricted stock units	73,827	86,807
	<u>22,594,395</u>	<u>22,580,244</u>
<b>Earnings per share:</b>		
Basic	\$ 0.20	\$ 0.29
Diluted	0.20	0.29
<b>Cash dividends declared per share</b>	0.21	0.21

See notes to unaudited consolidated financial statements

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

(in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Net income</b>	<b>\$ 4,435</b>	<b>\$ 6,481</b>
<b>Other comprehensive income (loss):</b>		
Change in net unrealized holding gains (losses) on available-for-sale securities	(1,789)	5,420
Change in funded status of pension plan	200	254
Other comprehensive income (loss) before income taxes	(1,589)	5,674
<b>Income tax expense (benefit)</b>	<b>(397)</b>	<b>1,825</b>
<b>Other comprehensive income (loss)</b>	<b>(1,192)</b>	<b>3,849</b>
<b>Comprehensive income</b>	<b>\$ 3,243</b>	<b>\$ 10,330</b>

*See notes to unaudited consolidated financial statements*

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)**

(dollars in thousands)	Three Months Ended March 31, 2024					
	Common Stock		Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, January 1, 2024	22,590,942	\$ 2,259	\$ 79,728	\$ 355,887	\$ (57,728)	\$ 380,146
Net income				4,435		4,435
Other comprehensive loss					(1,192)	(1,192)
Repurchase of common stock	(167,526)	(17)	(2,003)			(2,020)
Shares withheld upon the vesting and conversion of RSUs	(19,530)	(2)	(250)			(252)
Common stock issued under stock compensation plans	46,926	5	9			14
Common stock issued under dividend reinvestment and stock purchase plan	27,116	3	305			308
Stock-based compensation			401			401
Cash dividends declared				(4,717)		(4,717)
Balance, March 31, 2024	<u>22,477,928</u>	<u>\$ 2,248</u>	<u>\$ 78,190</u>	<u>\$ 355,605</u>	<u>\$ (58,920)</u>	<u>\$ 377,123</u>

(dollars in thousands)	Three Months Ended March 31, 2023					
	Common Stock		Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, January 1, 2023	22,443,380	\$ 2,244	\$ 78,462	\$ 348,597	\$ (64,767)	\$ 364,536
Net income				6,481		6,481
Other comprehensive income					3,849	3,849
Shares withheld upon the vesting and conversion of RSUs	(47,275)	(5)	(846)			(851)
Common stock issued under stock compensation plans	103,015	11	6			17
Common stock issued under dividend reinvestment and stock purchase plan	32,665	3	500			503
Stock-based compensation			499			499
Cash dividends declared				(4,727)		(4,727)
Balance, March 31, 2023	<u>22,531,785</u>	<u>\$ 2,253</u>	<u>\$ 78,621</u>	<u>\$ 350,351</u>	<u>\$ (60,918)</u>	<u>\$ 370,307</u>

See notes to unaudited consolidated financial statements

**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 4,435	\$ 6,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Credit provision for credit losses	—	(1,056)
Credit provision for deferred income taxes	(744)	(264)
Depreciation and amortization of premises and equipment	769	745
Amortization of right-of-use asset - operating leases	656	689
Premium amortization on investment securities, net	494	336
Net loss on sales of securities	—	3,489
Stock-based compensation expense	401	499
Accretion of cash surrender value on bank-owned life insurance	(840)	(780)
Pension expense	306	372
Decrease in other liabilities	(455)	(699)
Other increases in assets	(3,945)	(1,593)
Net cash provided by operating activities	<u>1,077</u>	<u>8,219</u>
<b>Cash Flows From Investing Activities:</b>		
Available-for-sale securities:		
Proceeds from sales	—	145,451
Proceeds from maturities and redemptions	16,542	9,809
Purchases	(60)	(134,871)
Net decrease in loans	10,833	52,747
Net decrease in restricted stock	1,315	1,328
Purchases of premises and equipment, net	(312)	(920)
Net cash provided by investing activities	<u>28,318</u>	<u>73,544</u>
<b>Cash Flows From Financing Activities:</b>		
Net increase (decrease) in deposits	55,521	(65,884)
Net decrease in overnight advances	(70,000)	—
Proceeds from other borrowings	100,000	75,000
Repayment of other borrowings	(57,500)	(103,500)
Proceeds from issuance of common stock, net of shares withheld	56	(348)
Repurchase of common stock	(2,020)	—
Cash dividends paid	(9,461)	(9,441)
Net cash provided by (used in) financing activities	<u>16,596</u>	<u>(104,173)</u>
Net increase (decrease) in cash and cash equivalents	45,991	(22,410)
Cash and cash equivalents, beginning of year	60,887	74,178
Cash and cash equivalents, end of period	<u>\$ 106,878</u>	<u>\$ 51,768</u>
<b>Supplemental Cash Flow Disclosures:</b>		
Cash paid for:		
Interest	\$ 22,263	\$ 11,152
Income taxes	414	425
Operating cash flows from operating leases	871	528
Noncash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	—	295

See notes to unaudited consolidated financial statements

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****1 - BASIS OF PRESENTATION**

The accounting and reporting policies of The First of Long Island Corporation (“Corporation”) reflect banking industry practice and conform to generally accepted accounting principles (“GAAP”) in the United States.

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, The First National Bank of Long Island (“Bank”). The Bank has one wholly-owned subsidiary: FNY Service Corp., an investment company. The Bank and FNY Service Corp. jointly own another subsidiary, The First of Long Island REIT, Inc., a real estate investment trust. The consolidated entity is referred to as the “Corporation” and the Bank and its subsidiaries are collectively referred to as the “Bank.” All intercompany balances and amounts have been eliminated. For further information refer to the consolidated financial statements and notes thereto included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023.

The consolidated financial information included herein as of and for the periods ended March 31, 2024 and 2023 is unaudited. However, such information reflects all adjustments which are, in the opinion of management, necessary for a fair statement of results for the interim periods. The December 31, 2023 consolidated balance sheet was derived from the Corporation's December 31, 2023 audited consolidated financial statements. When appropriate, items in the prior year financial statements are reclassified to conform to the current period presentation.

*Use of Estimates.* In preparing the consolidated financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported asset and liability balances, revenue and expense amounts, and the disclosures provided, including disclosure of contingent assets and liabilities, based on available information. Actual results could differ significantly from those estimates. Information available which could affect these judgements include, but are not limited to, changes in interest rates, changes in the performance of the economy and changes in the financial condition of borrowers.

**2 - COMPREHENSIVE INCOME**

Comprehensive income includes net income and other comprehensive income (loss) (“OCI”). OCI includes revenues, expenses, gains and losses that under GAAP are included in comprehensive income but excluded from net income. OCI for the Corporation consists of unrealized holding gains or losses on available-for-sale (“AFS”) securities, derivative instruments and changes in the funded status of the Bank’s defined benefit pension plan, all net of related income taxes. Accumulated OCI is recognized as a separate component of stockholders’ equity.

The following table sets forth the components of accumulated OCI, net of tax.

<i>(in thousands)</i>	Balance 12/31/2023	Current Period Change	Balance 3/31/2024
Unrealized holding loss on available-for-sale securities	\$ (49,809)	\$ (1,330)	\$ (51,139)
Unrealized actuarial loss on pension plan	(7,919)	138	(7,781)
Accumulated other comprehensive loss, net of tax	\$ (57,728)	\$ (1,192)	\$ (58,920)

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The components of OCI and the related tax effects are as follows:

<i>(in thousands)</i>	Three Months Ended	
	2024	2023
Change in net unrealized holding gains or losses on available-for-sale securities:		
Change arising during the period	\$ (1,789)	\$ 1,931
Reclassification adjustment for losses included in net income (1)	—	3,489
	(1,789)	5,420
Tax effect	(459)	1,747
	(1,330)	3,673
Change in funded status of pension plan:		
Amortization of net actuarial loss included in pension expense (2)	200	254
Tax effect	62	78
	138	176
Other comprehensive income (loss)	\$ (1,192)	\$ 3,849

- (1) Represents net realized losses arising from the sale of AFS securities, included in the consolidated statements of income in the line item “Net loss on sales of securities.” See “Note 3 – Investment Securities” for the income tax benefit related to these net realized losses, included in the consolidated statements of income in the line item “Income tax expense.”
- (2) Represents the amortization of net actuarial loss relating to the Corporation’s defined benefit pension plan. This item is a component of net periodic pension cost and is included in the consolidated statements of income in the line item “Other noninterest income.”

**3 - INVESTMENT SECURITIES**

The following tables set forth the amortized cost and estimated fair values of the Bank’s AFS investment securities at the dates indicated.

<i>(in thousands)</i>	March 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and municipals	\$ 152,646	\$ 92	\$ (14,137)	\$ 138,601
Pass-through mortgage securities	162,557	—	(28,869)	133,688
Collateralized mortgage obligations	194,500	826	(22,000)	173,326
SBA agency obligations	122,077	290	(1,183)	121,184
Corporate bonds	119,000	—	(8,687)	110,313
	<u>\$ 750,780</u>	<u>\$ 1,208</u>	<u>\$ (74,876)</u>	<u>\$ 677,112</u>

<i>(in thousands)</i>	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and municipals	\$ 155,294	\$ 317	\$ (11,990)	\$ 143,621
Pass-through mortgage securities	165,734	—	(27,131)	138,603
Collateralized mortgage obligations	201,500	1,836	(21,074)	182,262
SBA agency obligations	126,228	331	(1,083)	125,476
Corporate bonds	119,000	—	(13,085)	105,915
	<u>\$ 767,756</u>	<u>\$ 2,484</u>	<u>\$ (74,363)</u>	<u>\$ 695,877</u>

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Small Business Administration (“SBA”) agency obligations are floating rate, government guaranteed securities backed by \$89.5 million of commercial mortgages and \$31.7 million of equipment finance loans at March 31, 2024.

At March 31, 2024 and December 31, 2023, investment securities with a carrying value of \$273.7 million and \$203.9 million, respectively, were pledged as collateral to secure public deposits and borrowed funds.

There were no holdings of any one issuer, other than the U.S. government and its agencies, in an amount greater than 10% of stockholders’ equity at March 31, 2024 and December 31, 2023.

There was no allowance for credit losses associated with the investment securities portfolio at March 31, 2024 or December 31, 2023.

**Securities With Unrealized Losses.** The following tables set forth securities with unrealized losses at the dates indicated presented by the length of time the securities have been in a continuous unrealized loss position.

<i>(in thousands)</i>	March 31, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
State and municipals	\$ 6,199	\$ (65)	\$ 118,520	\$ (14,072)	\$ 124,719	\$ (14,137)
Pass-through mortgage securities	3,967	(63)	129,721	(28,806)	133,688	(28,869)
Collateralized mortgage obligations	11,383	(88)	99,643	(21,912)	111,026	(22,000)
SBA agency obligations	34,745	(455)	61,171	(728)	95,916	(1,183)
Corporate bonds	—	—	110,313	(8,687)	110,313	(8,687)
Total temporarily impaired	<u>\$ 56,294</u>	<u>\$ (671)</u>	<u>\$ 519,368</u>	<u>\$ (74,205)</u>	<u>\$ 575,662</u>	<u>\$ (74,876)</u>
	December 31, 2023					
State and municipals	\$ 29,522	\$ (719)	\$ 95,725	\$ (11,271)	\$ 125,247	\$ (11,990)
Pass-through mortgage securities	2,361	(1)	134,558	(27,130)	136,919	(27,131)
Collateralized mortgage obligations	—	—	102,528	(21,074)	102,528	(21,074)
SBA agency obligations	98,879	(1,083)	—	—	98,879	(1,083)
Corporate bonds	—	—	105,915	(13,085)	105,915	(13,085)
Total temporarily impaired	<u>\$ 130,762</u>	<u>\$ (1,803)</u>	<u>\$ 438,726</u>	<u>\$ (72,560)</u>	<u>\$ 569,488</u>	<u>\$ (74,363)</u>

**State and Municipals**

At March 31, 2024, approximately \$124.7 million of state and municipal bonds had an unrealized loss of \$14.1 million. Substantially all the state and municipal bonds are considered high investment grade and rated Aa2/AA- or higher. The unrealized loss is attributable to changes in interest rates and illiquidity and not credit quality. The issuers continue to make timely principal and interest payments on the bonds. The Bank has the ability to hold these securities and it is likely that it will not be required to sell the securities before their anticipated recovery. The fair value is expected to recover as the bonds approach maturity.

**Pass-through Mortgage Securities**

At March 31, 2024, pass-through mortgage securities of approximately \$133.7 million had an unrealized loss of \$28.9 million. These securities were issued by U.S. government and government-sponsored agencies and are considered high investment grade. The unrealized loss is attributable to changes in interest rates and not credit quality. The issuers continue to make timely principal and interest payments on the bonds. The Bank has the ability to hold these securities and it is likely that it will not be required to sell the securities before their anticipated recovery. The fair value is expected to recover as the bonds approach maturity.

**Collateralized Mortgage Obligations**

At March 31, 2024, collateralized mortgage obligations of approximately \$111.0 million had an unrealized loss of \$22.0 million. These securities were issued by U.S. government and government-sponsored agencies and are considered high investment grade. The unrealized loss is attributable to changes in interest rates and not credit quality. The issuers continue to make timely principal and interest payments on the bonds. The Bank has the ability to hold these securities and it is likely that it will not be required to sell the securities before their anticipated recovery. The fair value is expected to recover as the bonds approach maturity.

## SBA Agency Obligations

At March 31, 2024, SBA agency obligations of approximately \$95.9 million had an unrealized loss of \$1.2 million. These securities were issued by the SBA, a U.S. government agency and are considered high investment grade. The unrealized loss is attributable to changes in interest rates and not credit quality. The issuer continues to make timely principal and interest payments on the bonds. The Bank has the ability to hold these securities and it is likely that it will not be required to sell the securities before their anticipated recovery. The fair value is expected to recover as the bonds approach maturity.

## Corporate Bonds

At March 31, 2024, approximately \$110.3 million of corporate bonds had an unrealized loss of \$8.7 million. The corporate bonds represent senior unsecured debt obligations of six of the largest U.S. based financial institutions, including JPMorgan Chase, Bank of America, Citigroup, Goldman Sachs, Morgan Stanley and Wells Fargo. Each of the corporate bonds has a stated maturity of ten years and matures in 2028. The bonds reprice quarterly based on the ten year constant maturity swap rate.

Each of the financial institutions is considered upper medium investment grade and rated A3 or higher. The unrealized loss is attributable to changes in credit spreads and interest rates and the illiquid nature of the securities. The Bank does not have the intent to sell these securities and it is likely that it will not be required to sell the securities before their anticipated recovery. Each of these financial institutions has diversified revenue streams, is well capitalized and continues to make timely interest payments. Management evaluates the quarterly financial statements of each company to determine if full payment of principal and interest is in doubt and does not believe there is any impairment at March 31, 2024.

**Sales of AFS Securities.** Sales of AFS securities were as follows:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2024	2023
Proceeds	\$ —	\$ 145,451
Gains	\$ —	\$ —
Losses	—	(3,489)
Net loss	\$ —	\$ (3,489)

Income tax benefit related to the net realized losses for the three months ended March 31, 2023 was \$1.1 million and is included in the consolidated statements of income in the line item "Income tax expense."

**Maturities.** The following table sets forth by maturity the amortized cost and fair value of the Bank's state and municipal securities and corporate bonds at March 31, 2024 based on the earlier of their stated maturity or, if applicable, their pre-refunded date. The remaining securities in the Bank's investment securities portfolio are mortgage and asset-backed securities, consisting of pass-through mortgage securities, collateralized mortgage obligations and SBA agency obligations. Although these securities are expected to have substantial periodic repayments, they are reflected in the table below in aggregate amounts.

<i>(in thousands)</i>	Amortized Cost	Fair Value
Within one year	\$ 1,203	\$ 1,201
After 1 through 5 years	135,198	125,640
After 5 through 10 years	34,505	32,145
After 10 years	100,740	89,928
Mortgage and asset-backed securities	479,134	428,198
	<u>\$ 750,780</u>	<u>\$ 677,112</u>

**4 - LOANS**

The following table sets forth the loans outstanding by class of loans at the dates indicated.

<i>(in thousands)</i>	March 31, 2024	December 31, 2023
Commercial and industrial	\$ 123,333	\$ 116,163
Commercial mortgages:		
Multifamily	859,271	857,163
Other	823,784	829,090
Owner-occupied	239,220	233,461
Residential mortgages:		
Closed end	1,148,719	1,166,887
Revolving home equity	41,085	44,070
Consumer and other	1,162	1,230
	<u>\$ 3,236,574</u>	<u>\$ 3,248,064</u>

**Allowance for Credit Losses.** Loans that do not share similar risk characteristics are evaluated on an individual basis. Such disparate risk characteristics may include internal or external credit ratings, risk ratings, collateral type, size of loan, effective interest rate, term, geographic location, industry or historical or expected loss pattern. For loans individually evaluated, an allowance for credit losses (“ACL” or “allowance”) is estimated based on either the fair value of collateral or the discounted value of expected future cash flows. In estimating the fair value of real estate collateral, management utilizes appraisals or evaluations adjusted for costs to dispose and a distressed sale adjustment, if needed. Estimating the fair value of collateral other than real estate is also subjective in nature and sometimes requires difficult and complex judgements. Determining expected future cash flows can be more subjective than determining fair values. Expected future cash flows could differ significantly, both in timing and amount, from the cash flows actually received over the loan’s remaining life. Individually evaluated loans are excluded from the estimation of credit losses for the pooled portfolio.

For loans collectively evaluated for credit loss, management segregates its loan portfolio into distinct pools, certain of which are combined in reporting loans outstanding by class of loans: (1) commercial and industrial; (2) small business; (3) multifamily; (4) owner-occupied; (5) other commercial real estate; (6) construction and land development; (7) closed end residential mortgage; (8) revolving home equity; (9) consumer; and (10) municipal loans. Historical loss information from the Bank’s own loan portfolio from December 31, 2007 to present provides a basis for management’s assessment of expected credit losses. The choice of a historical look-back period that begins in 2007 covers an entire economic cycle and impacts the average historical loss rates used to calculate the final ACL. Due to the extensive loss data available, management selected the vintage approach to measure the historical loss component of credit losses for most of its loan pools. For the revolving home equity and small business pools, the lifetime PD/LGD (probability of default/loss given default) method is used to measure historical losses.

Modifications to borrowers experiencing financial difficulty are initially included in loans collectively evaluated for credit loss. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification. A charge to the allowance for credit losses is generally not recorded upon modification.

Management believes that the methods selected fairly reflect the historical loss component of expected losses inherent in the Bank’s loan portfolio. However, since future losses could vary significantly from those experienced in the past, on a quarterly basis management adjusts its historical loss experience to reflect current and forecasted conditions. In doing so, management considers a variety of general qualitative and quantitative factors (“Q-factors”) and then subjectively determines the weight to assign to each in estimating losses. Qualitative characteristics include differences in underwriting standards, policies, lending staff and environmental risks. Management also considers whether further adjustments to historical loss information are needed to reflect the extent to which current conditions and reasonable and supportable forecasts over a one year to two year forecasting horizon differ from the conditions that existed during the historical loss period. These quantitative adjustments reflect changes to relevant data such as changes in unemployment rates, gross domestic product (“GDP”), vacancies, average growth in pools of loans, delinquencies or other factors associated with the financial assets. The immediate reversion method is applied for periods beyond the forecasting horizon. The Bank’s ACL allocable to pools of loans that are collectively evaluated for credit loss results primarily from these qualitative and quantitative adjustments to historical loss experience. Because of the nature of the Q-factors and the degree of judgement involved in assessing their impact, management’s resulting estimate of losses may not accurately reflect current and future losses in the portfolio.

The Bank did not record a provision for credit losses in the first quarter of 2024. Changes in the ACL were driven largely by net chargeoffs of \$657,000. Increases in Q-factors assessed to multifamily loans were offset by reductions in loan balances, specific reserves and other Q-factors pertaining to home prices and concentrations of credit.

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The following tables present the activity in the ACL for the periods indicated.

<i>(in thousands)</i>	Balance at 1/1/2024	Chargeoffs	Recoveries	Provision (Credit) for Credit Losses	Balance at 3/31/2024
Commercial and industrial	\$ 2,030	\$ 664	\$ 7	\$ 2	\$ 1,375
Commercial mortgages:					
Multifamily	6,817	—	—	1,297	8,114
Other	7,850	—	—	(311)	7,539
Owner-occupied	3,104	—	—	(102)	3,002
Residential mortgages:					
Closed end	8,838	—	—	(857)	7,981
Revolving home equity	339	—	—	(30)	309
Consumer and other	14	—	—	1	15
	<u>\$ 28,992</u>	<u>\$ 664</u>	<u>\$ 7</u>	<u>\$ —</u>	<u>\$ 28,335</u>

<i>(in thousands)</i>	Balance at 1/1/2023	Chargeoffs	Recoveries	Provision (Credit) for Credit Losses	Balance at 3/31/2023
Commercial and industrial	\$ 1,543	\$ 182	\$ 15	\$ 14	\$ 1,390
Commercial mortgages:					
Multifamily	8,430	—	—	(958)	7,472
Other	7,425	—	—	188	7,613
Owner-occupied	3,024	—	—	93	3,117
Residential mortgages:					
Closed end	10,633	—	—	(407)	10,226
Revolving home equity	362	—	—	15	377
Consumer and other	15	—	—	(1)	14
	<u>\$ 31,432</u>	<u>\$ 182</u>	<u>\$ 15</u>	<u>\$ (1,056)</u>	<u>\$ 30,209</u>

**Aging of Loans.** The following tables present the aging of loans past due and loans on nonaccrual status by class of loans.

<i>(in thousands)</i>	March 31, 2024							
	Past Due			Nonaccrual		Total Past Due Loans & Nonaccrual Loans	Current	Total Loans
	30-59 Days	60-89 Days	90 Days or More and Still Accruing	With an Allowance for Credit Loss	With No Allowance for Credit Loss			
Commercial and industrial	\$ 292	\$ —	\$ —	\$ —	\$ —	\$ 292	\$ 123,041	\$ 123,333
Commercial mortgages:								
Multifamily	—	—	—	—	—	—	859,271	859,271
Other	—	—	—	—	—	—	823,784	823,784
Owner-occupied	—	—	—	—	—	—	239,220	239,220
Residential mortgages:								
Closed end	—	—	—	—	1,172	1,172	1,147,547	1,148,719
Revolving home equity	—	—	—	—	—	—	41,085	41,085
Consumer and other	—	—	—	—	—	—	1,162	1,162
	<u>\$ 292</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,172</u>	<u>\$ 1,464</u>	<u>\$ 3,235,110</u>	<u>\$ 3,236,574</u>
	December 31, 2023							
Commercial and industrial	\$ 73	\$ —	\$ —	\$ 722	\$ —	\$ 795	\$ 115,368	\$ 116,163
Commercial mortgages:								
Multifamily	—	—	—	—	—	—	857,163	857,163
Other	1,624	—	—	—	—	1,624	827,466	829,090
Owner-occupied	—	—	—	—	—	—	233,461	233,461
Residential mortgages:								
Closed end	1,389	—	—	—	331	1,720	1,165,167	1,166,887
Revolving home equity	—	—	—	—	—	—	44,070	44,070
Consumer and other	—	—	—	—	—	—	1,230	1,230
	<u>\$ 3,086</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 722</u>	<u>\$ 331</u>	<u>\$ 4,139</u>	<u>\$ 3,243,925</u>	<u>\$ 3,248,064</u>

There were no loans in the process of foreclosure nor did the Bank hold any foreclosed residential real estate property at March 31, 2024 or December 31, 2023.

Accrued interest receivable from loans totaled \$10.7 million and \$10.4 million at March 31, 2024 and December 31, 2023, respectively, and is included in the line item "Other assets" on the consolidated balance sheets.

**Loan Modifications.** The Bank did not modify the terms of any loans for borrowers experiencing financial difficulty in the form of principal forgiveness, an interest reduction, an other-than-insignificant payment delay or a term extension during the previous twelve months.

**Risk Characteristics.** Credit risk within the Bank's loan portfolio primarily stems from factors such as changes in the borrower's financial condition, credit concentrations, changes in collateral values, economic conditions, rent regulation and environmental contamination of properties securing mortgage loans. The Bank's commercial loans, including those secured by real estate mortgages, are primarily made to small and medium-sized businesses. Such loans sometimes involve a higher degree of risk than those to larger companies because such businesses may have shorter operating histories, higher debt-to-equity ratios and may lack sophistication in internal record keeping and financial and operational controls. In addition, most of the Bank's loans are made to businesses and consumers on Long Island and in the boroughs of New York City ("NYC"), and a large percentage of these loans are mortgage loans secured by properties located in those areas. The primary sources of repayment for residential and commercial mortgage loans include employment and other income of the borrowers, the businesses of the borrowers and cash flows from the underlying properties. In the case of multifamily mortgage loans, a substantial portion of the underlying properties are rent stabilized or rent controlled. These sources of repayment are dependent on the strength of the local economy.

**Credit Quality Indicators.** The Bank categorizes loans into risk categories based on relevant information about the borrower's ability to service their debt including, but not limited to, current financial information for the borrower and any guarantors, payment experience, credit underwriting documentation, public records, due diligence checks and current economic trends. Management analyzes loans individually and classifies them using risk rating matrices consistent with regulatory guidance as follows.

**Watch:** The borrower's cash flow has a high degree of variability and subject to economic downturns. Liquidity is strained and the ability of the borrower to access traditional sources of credit is diminished.

**Special Mention:** The borrower has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank's credit position at some future date. Special mention assets are not adversely classified and do not expose the Bank to risk sufficient to warrant adverse classification.

**Substandard:** Loans are inadequately protected by the current sound worth and paying capacity of the borrower or the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

**Doubtful:** Loans have all the inherent weaknesses of those classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, based on existing facts, conditions and values, highly questionable and improbable.

Risk ratings on commercial and industrial loans and commercial mortgages are initially assigned during the underwriting process and affirmed as part of the approval process. The ratings are periodically reviewed and evaluated based on borrower contact, credit department review or independent loan review.

The Bank's loan risk rating and review policy establishes requirements for the annual review of commercial real estate and commercial and industrial loans. The requirements include details of the scope of coverage and selection process based on loan-type and risk rating. The Bank reviews at least 80% of its commercial real estate loan portfolio on an annual basis and uses a third-party review firm as part of its credit quality monitoring program. Lines of credit are also reviewed annually at each proposed reaffirmation. The frequency of the review of other loans is determined by minimum principal balance thresholds and the Bank's ongoing assessments of the borrower's condition.

Residential mortgage loans, revolving home equity lines and other consumer loans are initially evaluated utilizing the borrower's credit score. A credit score is a tool used in the Bank's loan approval process, and a minimum score of 680 is generally required for new loans. Credit scores for each borrower are updated at least annually. However, regardless of credit score, loans may be classified, criticized or placed on management's watch list if relevant information comes to light.

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The following tables present the amortized cost basis of loans by class of loans, vintage and risk rating. Loans shown as Pass are all loans other than those risk rated Watch, Special Mention, Substandard or Doubtful. Also presented are gross chargeoffs and recoveries recorded in the current year-to-date period by year of origination.

		March 31, 2024						Revolving Loans (1)	Total
		Term Loans by Origination Year							
(in thousands)		2024	2023	2022	2021	2020	Prior		
<b>Commercial and industrial:</b>									
Risk rating:									
Pass	\$	29,669	\$ 26,644	\$ 19,708	\$ 22,505	\$ 6,466	\$ 5,236	\$ 10,596	\$ 120,824
Watch		—	—	—	2,509	—	—	—	2,509
Special Mention		—	—	—	—	—	—	—	—
Substandard		—	—	—	—	—	—	—	—
Doubtful		—	—	—	—	—	—	—	—
	\$	<u>29,669</u>	<u>\$ 26,644</u>	<u>\$ 19,708</u>	<u>\$ 25,014</u>	<u>\$ 6,466</u>	<u>\$ 5,236</u>	<u>\$ 10,596</u>	<u>\$ 123,333</u>
Current-period gross chargeoffs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (664)	\$ (664)
Current-period recoveries		—	—	—	—	—	—	7	7
Current-period net chargeoffs	\$	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (657)</u>	<u>\$ (657)</u>
<b>Commercial mortgages – multifamily:</b>									
Risk rating:									
Pass	\$	11,371	\$ 41,911	\$ 190,637	\$ 175,890	\$ 37,107	\$ 400,448	\$ 125	\$ 857,489
Watch		—	—	—	—	—	1,782	—	1,782
Special Mention		—	—	—	—	—	—	—	—
Substandard		—	—	—	—	—	—	—	—
Doubtful		—	—	—	—	—	—	—	—
	\$	<u>11,371</u>	<u>\$ 41,911</u>	<u>\$ 190,637</u>	<u>\$ 175,890</u>	<u>\$ 37,107</u>	<u>\$ 402,230</u>	<u>\$ 125</u>	<u>\$ 859,271</u>
Current-period gross chargeoffs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current-period recoveries		—	—	—	—	—	—	—	—
Current-period net chargeoffs	\$	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Commercial mortgages – other:</b>									
Risk rating:									
Pass	\$	6,489	\$ 71,982	\$ 195,100	\$ 217,435	\$ 96,498	\$ 214,930	\$ 22	\$ 802,456
Watch		—	—	—	—	—	14,664	—	14,664
Special Mention		—	—	—	—	—	—	—	—
Substandard		—	—	—	—	—	6,664	—	6,664
Doubtful		—	—	—	—	—	—	—	—
	\$	<u>6,489</u>	<u>\$ 71,982</u>	<u>\$ 195,100</u>	<u>\$ 217,435</u>	<u>\$ 96,498</u>	<u>\$ 236,258</u>	<u>\$ 22</u>	<u>\$ 823,784</u>
Current-period gross chargeoffs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current-period recoveries		—	—	—	—	—	—	—	—
Current-period net chargeoffs	\$	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Commercial mortgages – owner-occupied:</b>									
Risk rating:									
Pass	\$	8,180	\$ 22,351	\$ 53,222	\$ 52,580	\$ 23,490	\$ 71,887	\$ 2,214	\$ 233,924
Watch		—	269	—	5,027	—	—	—	5,296
Special Mention		—	—	—	—	—	—	—	—
Substandard		—	—	—	—	—	—	—	—
Doubtful		—	—	—	—	—	—	—	—
	\$	<u>8,180</u>	<u>\$ 22,620</u>	<u>\$ 53,222</u>	<u>\$ 57,607</u>	<u>\$ 23,490</u>	<u>\$ 71,887</u>	<u>\$ 2,214</u>	<u>\$ 239,220</u>
Current-period gross chargeoffs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current-period recoveries		—	—	—	—	—	—	—	—
Current-period net chargeoffs	\$	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(in thousands)	March 31, 2024							
	Term Loans by Origination Year						Revolving Loans (1)	Total
	2024	2023	2022	2021	2020	Prior		
<b>Residential mortgages (2):</b>								
Risk rating:								
Pass	\$ —	\$ 27,539	\$ 193,665	\$ 161,312	\$ 33,736	\$ 734,874	\$ 41,085	\$ 1,192,211
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	1,172	—	1,172
Doubtful	—	—	—	—	—	—	—	—
	<u>\$ —</u>	<u>\$ 27,539</u>	<u>\$ 193,665</u>	<u>\$ 161,312</u>	<u>\$ 33,736</u>	<u>\$ 736,046</u>	<u>\$ 41,085</u>	<u>\$ 1,193,383</u>
Current-period gross chargeoffs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current-period recoveries	—	—	—	—	—	—	—	—
Current-period net chargeoffs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Consumer and other:</b>								
Risk rating:								
Pass	\$ —	\$ 43	\$ 205	\$ —	\$ —	\$ 100	\$ 780	\$ 1,128
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Not Rated	—	—	—	—	—	—	34	34
	<u>\$ —</u>	<u>\$ 43</u>	<u>\$ 205</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 100</u>	<u>\$ 814</u>	<u>\$ 1,162</u>
Current-period gross chargeoffs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current-period recoveries	—	—	—	—	—	—	—	—
Current-period net chargeoffs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Total Loans	<u>\$ 55,709</u>	<u>\$ 190,739</u>	<u>\$ 652,537</u>	<u>\$ 637,258</u>	<u>\$ 197,297</u>	<u>\$ 1,451,757</u>	<u>\$ 54,856</u>	<u>\$ 3,240,153</u>
Total net chargeoffs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (657)</u>	<u>\$ (657)</u>

- (1) Includes revolving lines converted to term of \$3.1 million of commercial and industrial, \$1.0 million of owner-occupied commercial mortgage and \$6.2 million of residential home equity.
- (2) Certain fixed rate residential mortgage loans are included in a fair value hedging relationship. The amortized cost excludes a contra asset of \$3.6 million related to basis adjustments for loans in the closed portfolio under the portfolio layer method at March 31, 2024. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was de-designated. See "Note 7 - Derivatives" for more information on the fair value hedge.

## 5 - STOCK-BASED COMPENSATION

The following table presents a summary of restricted stock units ("RSUs") outstanding at March 31, 2024 and changes during the three month period then ended.

	Number of RSUs	Weighted- Average Grant-Date Fair Value	Weighted- Average Remaining Contractual Term (yrs.)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2024	213,879	\$ 16.04		
Granted	185,911	10.86		
Converted	(45,720)	15.78		
Forfeited	(3,144)	11.77		
Outstanding at March 31, 2024	<u>350,926</u>	<u>\$ 13.37</u>	<u>1.45</u>	<u>\$ 3,892</u>

As of March 31, 2024, there was \$3.2 million of unrecognized compensation cost related to non-vested RSUs. The total cost is expected to be recognized over a weighted-average period of 1.8 years.

## 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

**Financial Instruments Recorded at Fair Value.** When measuring fair value, the Corporation uses a fair value hierarchy, which is designed to maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy involves three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Corporation's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of the Corporation's financial assets and liabilities measured at fair value on a recurring basis are set forth in the table that follows. The fair values of AFS securities are determined on a recurring basis using matrix pricing (Level 2 inputs). Matrix pricing, which is a mathematical technique widely used in the industry to value debt securities, does not rely exclusively on quoted prices for the specific securities but rather on the relationship of such securities to other benchmark quoted securities. Where no significant other observable inputs were available, Level 3 inputs were used. The fair values of interest rate swaps are based on valuation models using observable market data as of the measurement date resulting in a Level 2 classification.

(in thousands)	Total	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>March 31, 2024:</b>				
Financial Assets:				
Available-for-Sale Securities:				
State and municipals	\$ 138,601	\$ —	\$ 138,429	\$ 172
Pass-through mortgage securities	133,688	—	133,688	—
Collateralized mortgage obligations	173,326	—	173,326	—
SBA agency obligations	121,184	—	121,184	—
Corporate bonds	110,313	—	110,313	—
	<u>677,112</u>	<u>—</u>	<u>676,940</u>	<u>172</u>
Derivative - interest rate swaps	3,591	—	3,591	—
	<u>\$ 680,703</u>	<u>\$ —</u>	<u>\$ 680,531</u>	<u>\$ 172</u>
<b>December 31, 2023:</b>				
Financial Assets:				
Available-for-Sale Securities:				
State and municipals	\$ 143,621	\$ —	\$ 143,429	\$ 192
Pass-through mortgage securities	138,603	—	138,603	—
Collateralized mortgage obligations	182,262	—	182,262	—
SBA agency obligations	125,476	—	125,476	—
Corporate bonds	105,915	—	105,915	—
	<u>695,877</u>	<u>—</u>	<u>695,685</u>	<u>192</u>
Derivative - interest rate swaps	582	—	582	—
	<u>\$ 696,459</u>	<u>\$ —</u>	<u>\$ 696,267</u>	<u>\$ 192</u>

**State and municipal AFS securities measured using Level 3 inputs.** The Bank held three non-rated bond anticipation notes with a book value of \$172,000 at March 31, 2024. These bonds have a one year maturity and are issued by local municipalities that are customers of the Bank. Due to the short duration of the bonds, book value approximates fair value at March 31, 2024.

**Land and Buildings.** Premises and facilities held-for-sale of \$383,000 at March 31, 2024 and December 31, 2023 are reported in the line item "Other assets" in the consolidated balance sheets and are measured at lower of cost or fair value on a nonrecurring basis.

**Financial Instruments Not Recorded at Fair Value.** Fair value estimates are made at a specific point in time. Such estimates are generally subjective in nature and dependent upon a number of significant assumptions associated with each financial instrument or group of similar financial instruments, including estimates of discount rates, liquidity, risks associated with specific financial instruments, estimates of future cash flows, and relevant available market information. Changes in assumptions could significantly affect the estimates. In addition, fair value estimates do not reflect the value of anticipated future business, premiums or discounts that could result from offering for sale at one time the Corporation's entire holdings of a particular financial instrument, or the income tax consequences of realizing gains or losses on the sale of financial instruments.

The following table sets forth the carrying amounts and estimated fair values of financial instruments that are not recorded at fair value in the Corporation's financial statements.

<i>(in thousands)</i>	Level of Fair Value Hierarchy	March 31, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>					
Cash and cash equivalents	Level 1	\$ 106,878	\$ 106,878	\$ 60,887	\$ 60,887
Loans, net (1)	Level 3	3,208,239	2,917,912	3,219,072	2,945,864
Restricted stock	n/a	31,344	n/a	32,659	n/a
<b>Financial Liabilities:</b>					
Checking deposits	Level 1	1,102,284	1,102,284	1,133,184	1,133,184
Savings, NOW and money market deposits	Level 1	1,564,153	1,564,153	1,546,369	1,546,369
Time deposits	Level 2	660,070	655,207	591,433	586,856
Overnight advances	Level 1	—	—	70,000	70,000
Other borrowings	Level 2	515,000	513,285	472,500	471,276

(1) The decrease in fair value of net loans is mainly due to an increase in interest rates.

## 7 – DERIVATIVES

As part of its asset liability management activities, the Corporation may utilize interest rate swaps to help manage its interest rate risk position. The notional amount of an interest rate swap does not represent the amount exchanged by the parties. The exchange of cash flows is determined by reference to the notional amount and the other terms of the interest rate swap agreements.

**Fair Value Hedge.** On March 16, 2023, the Bank entered into a three year interest rate swap with a notional amount totaling \$300 million which was designated as a fair value hedge of certain fixed rate residential mortgages. The Bank pays a fixed rate of 3.82% and receives a floating rate based on the secured overnight financing rate ("SOFR") for the life of the agreement without an exchange of the underlying notional amount. The hedge was determined to be effective during the quarter ended March 31, 2024 and the Corporation expects the hedge to remain effective during the remaining term of the swap. The gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk is recognized in interest income.

The following table summarizes information about the interest rate swap designated as a fair value hedge.

	March 31, 2024
Notional amount	\$300 million
Fixed pay rate	3.82%
Overnight SOFR receive rate	5.34%
Maturity	1.96 years

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The following table presents the amount recorded on the balance sheet related to cumulative basis adjustments for the fair value hedge as of the periods indicated.

<i>(in thousands)</i>	March 31, 2024	December 31, 2023
<b>Loans - Residential Mortgages:</b>		
Carrying amount of the hedged asset (1)	\$ 459,008	\$ 465,495
Fair value hedging adjustment included in the carrying amount of the hedged asset	(3,579)	(506)

- (1) This amount represents the amortized cost basis of the closed loan portfolio used to designate the hedging relationship in which the hedged item is the stated amount of assets in the closed portfolio anticipated to be outstanding for the designated hedge period. At March 31, 2024, the amortized cost basis of the closed portfolio used in this hedging relationship was \$462.6 million. The cumulative basis adjustment associated with this hedging relationship was \$3.6 million and the amount of the designated hedged item was \$3.6 million.

During the first quarter of 2024, the Bank recorded a \$1.0 million credit from the swap transaction as a component of interest income in the consolidated statements of income.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of The First of Long Island Corporation's financial condition and operating results during the periods included in the accompanying consolidated financial statements and should be read in conjunction with such financial statements. The Corporation's financial condition and operating results principally reflect those of its wholly-owned subsidiary, The First National Bank of Long Island, and subsidiaries wholly-owned by the Bank, either directly or indirectly, FNY Service Corp. and The First of Long Island REIT, Inc. The consolidated entity is referred to as the Corporation and the Bank and its subsidiaries are collectively referred to as the Bank. The Bank's primary service area is Nassau and Suffolk Counties on Long Island and the NYC boroughs of Queens, Brooklyn and Manhattan.

### Overview

Net income and diluted earnings per share for the quarter ended March 31, 2024 were \$4.4 million and \$0.20, respectively, compared to \$6.5 million and \$0.29, respectively, for the comparable quarter in 2023. The principal drivers of the lower earnings were declines in net interest income of \$5.5 million and the provision for credit losses of \$1.1 million. These items were partially offset by a loss on the sales of securities of \$3.5 million in the first quarter of 2023. The decline in net interest income primarily resulted from the current rate environment's impact on the Bank's liability sensitive balance sheet. The quarter produced a return on average assets ("ROA") of 0.42%, return on average equity ("ROE") of 4.72%, net interest margin of 1.79%, and an efficiency ratio of 76.48%.

Net interest income declined when comparing the first quarters of 2024 and 2023 due to an increase in interest expense of \$11.0 million that was partially offset by a \$5.5 million increase in interest income. The cost of interest-bearing liabilities increased 151 basis points ("bps") while the yield on interest-earning assets increased 52 bps when comparing the two quarters. Also contributing to the decline in net interest income was a shift in the mix of funding as average noninterest-bearing deposits decreased \$155.4 million while average interest-bearing liabilities increased \$137.3 million.

Noninterest income, excluding the loss on the sales of securities, increased \$272,000 when comparing the first quarters of 2024 and 2023. Recurring components of noninterest income including bank-owned life insurance ("BOLI") and service charges on deposit accounts had increases of 7.7% and 11.8%, respectively. Other noninterest income increased 12.7% and included increases of \$106,000 in real estate tax refunds and \$52,000 in merchant card services.

Noninterest expense declined \$365,000 for the first quarter of 2024, as compared to the first quarter of 2023. Reductions in legal fees of \$233,000, occupancy and equipment expense of \$111,000 and director fees of \$82,000 primarily drove the decline. These items were partially offset by an increase of \$209,000 in salaries and employee benefits due to higher incentive compensation and group health costs in the current quarter.

The Bank did not record a provision for credit losses in first quarter of 2024. In the first quarter of 2023, the Bank recorded a reversal of \$1.1 million from the ACL. Changes in the ACL in 2024 were driven largely by net chargeoffs of \$657,000. The Bank's ACL to total loans (reserve coverage ratio) at March 31, 2024, was 0.88% of total loans as compared to 0.89% of total loans at December 31, 2023. Past due loans and nonaccrual loans were modest at \$292,000 and \$1.2 million, respectively, at March 31, 2024. Overall credit quality in the loan and investment portfolios remains strong.

Income tax expense decreased \$357,000 and the effective tax rate (income tax expense as a percentage of pre-tax book income) declined from 9.1% in the first quarter of 2023 to 6.2% in the current quarter. The decline in the effective tax rate is mainly due to an increase in the percentage of pre-tax income derived from the Bank's REIT and BOLI. The decrease in income tax expense reflects the lower effective tax rate and a decline in pre-tax income.

**Liquidity.** Total average deposits declined by \$162.6 million comparing the first quarters of 2024 to 2023, reflecting industry trends. At March 31, 2024, overnight advances were down \$70 million from year-end 2023. Other borrowings increased \$42.5 million in the quarter to \$515.0 million at March 31, 2024.

The Bank had \$1.1 billion in collateralized borrowing lines with the Federal Home Loan Bank ("FHLB") of New York and the Federal Reserve Bank ("FRB") at March 31, 2024, as well as a \$20 million unsecured line of credit with a correspondent bank. We also had \$375 million in unencumbered cash and securities. In total, we had approximately \$1.5 billion of available liquidity at March 31, 2024.

**Capital.** The Corporation's capital position remains strong with a Leverage Ratio of approximately 10.0% at March 31, 2024. Book value per share was \$16.78 at March 31, 2024, versus \$16.83 at December 31, 2023. The accumulated OCI component of stockholders' equity is mainly comprised of a net unrealized loss in the AFS securities portfolio due to higher market interest rates. We repurchased 167,526 shares in the first quarter of 2024 at a cost of \$2.0 million and the Bank declared its quarterly cash dividend of \$0.21 per share. The Board and management continue to evaluate both capital management tools to provide the best opportunity to maximize shareholder value.

**Looking Forward.** Historically, the Bank experiences seasonal deposit outflows at year-end and deposits generally build throughout the year. While average deposits declined approximately \$100 million during the first quarter, at March 31, 2024, total deposits were \$55.5 million higher than at December 31, 2023. During the first quarter the Bank repriced \$62.5 million of wholesale funding with a weighted average cost of 1.36% to current market rates with a weighted average cost of 4.78%. The first quarter 2024 repricing of wholesale funding represented the final tranches of wholesale funding with a significant increase in interest costs. Retail certificates of deposit have largely repriced to market although the 2024 tranches in April and May have a weighted average cost of approximately 4% and will likely reprice higher during the second quarter of 2024.

The combination of deposit stabilization since year-end 2023's seasonal outflows and wholesale funding and retail certificates of deposit largely repriced to market rates should stabilize our margin in the coming quarter. Improvement in the margin in second half of 2024 is dependent on an improving yield curve.

**Net Interest Income**

**Average Balance Sheet; Interest Rates and Interest Differential.** The following table sets forth the average daily balances for each major category of assets, liabilities and stockholders' equity as well as the amounts and average rates earned or paid on each major category of interest-earning assets and interest-bearing liabilities. The average balances of loans include nonaccrual loans. The average balances of investment securities exclude unrealized gains and losses on AFS securities.

	Three Months Ended March 31,					
	2024			2023		
(dollars in thousands)	Average Balance	Interest/ Dividends	Average Rate	Average Balance	Interest/ Dividends	Average Rate
<b>Assets:</b>						
Interest-earning bank balances	\$ 55,117	\$ 751	5.48%	\$ 49,156	\$ 547	4.51%
Investment securities:						
Taxable	638,857	6,242	3.91	467,444	3,122	2.67
Nontaxable (1)	153,417	1,215	3.17	303,273	2,462	3.25
Loans (1)	3,243,445	33,543	4.14	3,287,664	30,407	3.70
Total interest-earning assets	4,090,836	41,751	4.08	4,107,537	36,538	3.56
Allowance for credit losses	(28,947)			(31,424)		
Net interest-earning assets	4,061,889			4,076,113		
Cash and due from banks	31,703			31,015		
Premises and equipment, net	31,257			31,782		
Other assets	120,884			115,173		
	<u>\$ 4,245,733</u>			<u>\$ 4,254,083</u>		
<b>Liabilities and Stockholders' Equity:</b>						
Savings, NOW & money market deposits	\$ 1,534,081	10,083	2.64	\$ 1,677,634	5,775	1.40
Time deposits	643,854	6,977	4.36	507,475	3,069	2.45
Total interest-bearing deposits	2,177,935	17,060	3.15	2,185,109	8,844	1.64
Overnight advances	18,846	263	5.61	8,811	108	4.97
Other borrowings	504,258	6,012	4.80	369,867	3,433	3.76
Total interest-bearing liabilities	2,701,039	23,335	3.47	2,563,787	12,385	1.96
Checking deposits	1,126,593			1,281,991		
Other liabilities	40,014			37,692		
	3,867,646			3,883,470		
Stockholders' equity	378,087			370,613		
	<u>\$ 4,245,733</u>			<u>\$ 4,254,083</u>		
Net interest income (1)		<u>\$ 18,416</u>			<u>\$ 24,153</u>	
Net interest spread (1)			<u>0.61%</u>			<u>1.60%</u>
Net interest margin (1)			<u>1.79%</u>			<u>2.34%</u>

(1) Tax-equivalent basis. Interest income on a tax-equivalent basis includes the additional amount of interest income that would have been earned if the Corporation's investment in tax-exempt loans and investment securities had been made in loans and investment securities subject to federal income taxes yielding the same after-tax income. The tax-equivalent amount of \$1.00 of nontaxable income was \$1.27 in each period presented, using the statutory federal income tax rate of 21%.

**Rate/Volume Analysis.** The following table sets forth the effect of changes in volumes and rates on tax-equivalent interest income, interest expense and net interest income. The changes attributable to the combined impact of volume and rate have been allocated to the changes due to volume and the changes due to rate.

<i>(in thousands)</i>	Three Months Ended March 31, 2024 Versus 2023		
	Increase (decrease) due to changes in:		
	Volume	Rate	Net Change
<b>Interest Income:</b>			
Interest-earning bank balances	\$ 75	\$ 129	\$ 204
Investment securities:			
Taxable	1,376	1,744	3,120
Nontaxable	(1,190)	(57)	(1,247)
Loans	(413)	3,549	3,136
<b>Total interest income</b>	<b>(152)</b>	<b>5,365</b>	<b>5,213</b>
<b>Interest Expense:</b>			
Savings, NOW & money market deposits	(473)	4,781	4,308
Time deposits	1,015	2,893	3,908
Overnight advances	138	17	155
Other borrowings	1,461	1,118	2,579
<b>Total interest expense</b>	<b>2,141</b>	<b>8,809</b>	<b>10,950</b>
<b>Decrease in net interest income</b>	<b>\$ (2,293)</b>	<b>\$ (3,444)</b>	<b>\$ (5,737)</b>

### Net Interest Income

Net interest income on a tax-equivalent basis for the three months ended March 31, 2024 was \$18.4 million, a decrease of \$5.7 million, or 23.8%, from the same period of 2023. Net interest income declined due to an increase in interest expense of \$11.0 million that was partially offset by a \$5.5 million increase in interest income. The cost of interest-bearing liabilities increased 151 bps while the yield on interest-earning assets increased 52 bps when comparing the first quarters of 2024 and 2023. Also contributing to the decline in net interest income was a shift in the mix of funding as average noninterest-bearing deposits decreased \$155.4 million while average interest-bearing liabilities increased \$137.3 million. Net interest margin for the first quarter of 2024 was 1.79% compared to 2.34% for the same period of 2023.

### Noninterest Income

Noninterest income includes BOLI, service charges on deposit accounts, gains or losses on sales of securities, and all other items of income, other than interest, resulting from the business activities of the Corporation.

Noninterest income, excluding the loss on sales of securities, increased \$272,000 when comparing the first quarter of 2024 and 2023. Recurring components of noninterest income including BOLI and service charges on deposit accounts had increases of 7.7% and 11.8%, respectively. Other noninterest income increased 12.7% and included increases of \$106,000 in real estate tax refunds and \$52,000 in merchant card services.

## **Noninterest Expense**

Noninterest expense is comprised of salaries and employee benefits, occupancy and equipment expense and other operating expenses incurred in supporting the various business activities of the Corporation.

Noninterest expense declined \$365,000, or 2.2%, for the first quarter of 2024, as compared to the first quarter of 2023. Reductions in legal fees of \$233,000, occupancy and equipment expense of \$111,000 and director fees of \$82,000 primarily drove the decline. These items were partially offset by an increase of \$209,000 in salaries and employee benefits due to higher incentive compensation and group health costs in the current quarter.

## **Income Taxes**

Income tax expense decreased \$357,000 and the effective tax rate declined from 9.1% in the first quarter of 2023 to 6.2% in the current quarter. The decline in the effective tax rate is mainly due to an increase in the percentage of pre-tax income derived from the Bank's REIT and BOLI. The decrease in income tax expense reflects the lower effective tax rate and a decline in pre-tax income.

## **Critical Accounting Policies and Estimates**

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported asset and liability balances and revenue and expense amounts. Our determination of the ACL is a critical accounting estimate because it is based on our subjective evaluation of a variety of factors at a specific point in time and involves difficult and complex judgements about matters that are inherently uncertain. In the event that management's estimate needs to be adjusted based on additional information that comes to light after the estimate is made or changes in circumstances, such adjustment could result in the need for a significantly different ACL and thereby materially impact, either positively or negatively, the Bank's results of operations.

The Bank's Allowance for Credit Losses Committee ("ACL Committee"), which is a management committee chaired by the Chief Credit Officer, meets on a quarterly basis and is responsible for determining the ACL after considering the results of credit reviews performed by the Bank's independent loan review consultants and the Bank's credit department. In addition, and in consultation with the Bank's Chief Financial Officer, the ACL Committee is responsible for implementing and maintaining accounting policies and procedures surrounding the calculation of the required allowance. The Loan Committee of the Board reviews and approves the Bank's loan policy at least once each calendar year. The Bank's ACL is reviewed and ratified by the Loan Committee on a quarterly basis and is subject to periodic examination by the Office of the Comptroller of the Currency ("OCC") whose safety and soundness examination includes a determination as to the adequacy of the allowance to absorb current expected credit losses.

The ACL is a valuation amount that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the Bank's loan portfolio. The allowance is established through provisions for credit losses charged against income. When available information confirms that specific loans, or portions thereof, are uncollectible, these amounts are charged against the ACL, and subsequent recoveries, if any, are credited to the allowance.

Management estimates the ACL balance using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical loss information from the Bank's own loan portfolio has been compiled since December 31, 2007 and generally provides a starting point for management's assessment of expected credit losses. A historical look-back period that begins in 2007 covers an entire economic cycle and impacts the average historical loss rates used to calculate the final ACL. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level or term as well as for current and potential future changes in economic conditions over a one year to two year forecasting horizon, such as unemployment rates, GDP, vacancy rates or other relevant factors. The immediate reversion method is applied for periods beyond the forecasting horizon. The ACL is an amount that management currently believes will be adequate to absorb expected lifetime losses in the Bank's loan portfolio. The process for estimating credit losses and determining the ACL as of any balance sheet date is subjective in nature and requires material estimates and judgements. Actual results could differ significantly from those estimates.

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The ACL is measured on a collective (pool) basis when similar risk characteristics exist. Management segregates its loan portfolio into ten distinct pools: (1) commercial and industrial; (2) small business; (3) multifamily; (4) owner-occupied; (5) other commercial real estate; (6) construction and land development; (7) residential mortgage; (8) revolving home equity; (9) consumer; and (10) municipal loans. The vintage method is applied to measure the historical loss component of lifetime credit losses inherent in most of its loan pools. For the revolving home equity and small business pools, the lifetime PD/LGD method is used to measure historical losses.

Management believes that the methods selected fairly reflect the historical loss component of expected losses inherent in the Bank's loan portfolio. However, since future losses could vary significantly from those experienced in the past, on a quarterly basis management adjusts its historical loss experience to reflect current conditions and reasonable and supportable forecasts. In doing so, management considers a variety of Q-factors and then subjectively determines the weight to assign to each in estimating losses. The factors include: (1) changes in lending policies and procedures; (2) experience, ability and depth of lending staff; (3) trends in average loan growth and concentrations; (4) changes in the quality of the loan review function; (5) delinquencies; (6) environmental risks; (7) current and forecasted economic conditions as judged by things such as unemployment levels and GDP; (8) changes in the value of underlying collateral as judged by things such as median home prices and forecasted vacancy rates in the Bank's service area; and (9) direction and magnitude of risks in the portfolio. The Bank's ACL allocable to its loan pools results primarily from these Q-factor adjustments to historical loss experience with the largest sensitivity of the ACL arising from loan growth, loan concentrations and economic forecasts of unemployment, GDP and vacancies. At March 31, 2024, the ACL was composed approximately 80% of Q-factors and 20% of historical losses. Because of the nature of the Q-factors and the difficulty in assessing their impact, management's resulting estimate of losses may not accurately reflect lifetime losses in the portfolio.

Loans that do not share similar risk characteristics are evaluated on an individual basis. Such disparate risk characteristics may include internal or external credit ratings, risk ratings, collateral type, size of loan, effective interest rate, term, geographic location, industry or historical or expected loss pattern. Estimated losses for loans individually evaluated are based on either the fair value of collateral or the discounted value of expected future cash flows. For all collateral dependent loans evaluated on an individual basis, credit losses are measured based on the fair value of the collateral. In estimating the fair value of real estate collateral, management utilizes appraisals or evaluations adjusted for costs to dispose and a distressed sale adjustment, if needed. Estimating the fair value of collateral other than real estate is also subjective in nature and sometimes requires difficult and complex judgements. Determining expected future cash flows can be more subjective than determining fair values. Expected future cash flows could differ significantly, both in timing and amount, from the cash flows received over the loan's remaining life. Individually evaluated loans are not included in the estimation of credit losses from the pooled portfolio.

### Asset Quality

Information about the Corporation's risk elements is set forth below. Risk elements include nonaccrual loans, other real estate owned, loans that are contractually past due 30 days or more and modifications made to borrowers experiencing financial difficulty. These risk elements present more than the normal risk that the Corporation will be unable to eventually collect or realize their full carrying value.

<i>(in thousands)</i>	March 31, 2024	December 31, 2023
<b>Loans including modifications to borrowers experiencing financial difficulty:</b>		
Modified and performing according to their modified terms	\$ 429	\$ 431
Past due 30 through 89 days	292	3,086
Past due 90 days or more and still accruing	—	—
Nonaccrual	1,172	1,053
	<u>1,893</u>	<u>4,570</u>
<b>Other real estate owned</b>	<u>—</u>	<u>—</u>
	<u>\$ 1,893</u>	<u>\$ 4,570</u>

The disclosure of other potential problem loans can be found in "Note 4 – Loans" to the Corporation's consolidated financial statements of this Form 10-Q.

At March 31, 2024, commercial mortgages comprised \$1.9 billion, or 59%, of total loans outstanding, with an average loan size of \$2.4 million, a weighted average loan-to-value ("LTV") of 50.8% and a weighted average debt service coverage ratio ("DSCR") of 2.03x. Multifamily loans made up 45% of the commercial real estate portfolio, amounting to \$859.3 million at March 31, 2024. Multifamily loans had an average loan size of \$2.4 million, a weighted average LTV of 51.1%, a weighted average DSCR of 1.86x and 55% were majority rent regulated.

## **Allowance and Provision for Credit Losses**

The ACL is established through provisions for credit losses charged against income. When available information confirms that specific loans, or portions thereof, are uncollectible, these amounts are charged off against the ACL, and subsequent recoveries, if any, are credited to the ACL.

The ACL decreased \$657,000 during the first quarter of 2024, amounting to \$28.3 million, or 0.88% of total loans, at March 31, 2024 compared to \$29.0 million, or 0.89% of total loans, at December 31, 2023. During the first quarter of 2024, the Bank had loan chargeoffs of \$664,000 and recoveries of \$7,000. The Bank did not record a provision for credit loss in first quarter of 2024. Increases in Q-factors assessed to multifamily loans were offset by reductions in loan balances, specific reserves and other Q-factors pertaining to home prices and concentrations of credit. During the first quarter of 2023, the Bank had loan chargeoffs of \$182,000, recoveries of \$15,000 and recorded a reversal of \$1.1 million from the ACL. The reversal from the ACL in the 2023 period was mainly due to improvements in historical loss rates and declines in outstanding loans, average growth rates and concentrations of credit, partially offset by deteriorating economic conditions.

The ACL is an amount that management currently believes will be adequate to absorb expected lifetime losses in the Bank's loan portfolio. As more fully discussed in "Critical Accounting Policies and Estimates," the process for estimating credit losses and determining the ACL as of any balance sheet date is subjective in nature and requires material estimates and judgements. Actual results could differ significantly from those estimates. Other detailed information on the Bank's loan portfolio and ACL can be found in "Note 4 – Loans" to the Corporation's consolidated financial statements included in this Form 10-Q.

The amount of future chargeoffs and provisions for credit losses will be affected by economic conditions on Long Island and in the boroughs of NYC. Such conditions could affect the financial strength of the Bank's borrowers and will affect the value of real estate collateral securing the Bank's mortgage loans. Loans secured by real estate represent approximately 96% of the Bank's total loans outstanding at March 31, 2024. The majority of these loans are collateralized by properties located on Long Island and in the boroughs of NYC. While business activity in the New York metropolitan area has improved, inflation, increasing interest rates and government regulation pose economic challenges and may result in higher chargeoffs and provisions.

Future provisions and chargeoffs could also be affected by environmental impairment of properties securing the Bank's mortgage loans. At the present time, management is not aware of any environmental pollution originating on or near properties securing the Bank's loans that would materially affect the carrying value of such loans.

## **Cash Flows and Liquidity**

**Cash Flows.** The Bank's primary sources of cash are deposits, maturities and amortization of loans and investment securities, operations and borrowings. The Bank uses cash from these and other sources to fund loan growth, purchase investment securities, repay deposits and borrowings, expand and improve its physical facilities and pay cash dividends to the Corporation. The Corporation uses dividends from the Bank to pay stockholder dividends, repurchase its common stock and for general corporate purposes.

The Corporation's cash and cash equivalent position at March 31, 2024 was \$106.9 million versus \$60.9 million at December 31, 2023. The increase occurred primarily because cash provided by sales, paydowns or repayments of securities and loans, deposit inflows, proceeds from borrowings and operations exceeded cash used to repay deposits and borrowings, purchase securities, originate loans and pay cash dividends.

Securities decreased \$18.8 million during the first quarter of 2024, from \$695.9 million at year-end 2023 to \$677.1 million at March 31, 2024. The decrease is primarily attributable to \$16.5 million in paydowns and maturities and an increase in the unrealized loss of \$1.8 million.

The Bank's securities portfolio comprised 16% of total assets at March 31, 2024 and had a duration of approximately 3.7 years. Approximately 34% of the portfolio was comprised of floating rate assets, including \$121.2 million of SBA agency obligations with a current yield of 6.40% that reprice quarterly based on the prime rate and \$110.3 million of floating rate corporate bonds with a current yield of approximately 4.38% that reprice quarterly based on the ten year constant maturity swap rate.

Government agency fixed rate mortgage-backed securities, including collateralized mortgage obligations, were \$307.0 million and comprised 45% of the investment portfolio at March 31, 2024. This portfolio had a current yield of 2.65%. The Bank expects approximately \$59.0 million of cash inflows from the investment securities portfolio over the next twelve months and will consider reinvesting them in higher yielding agency mortgage securities that provide some lock out protection when rates eventually decline. The remaining 20% of the portfolio is invested in tax exempt municipal bonds that currently yield 3.17% on a tax adjusted basis.

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The \$3.2 billion loan portfolio was comprised of \$1.9 billion of commercial mortgages, \$1.2 billion of residential mortgages and \$123.3 million of commercial and industrial loans. Approximately \$646 million, or 20.0%, will reprice by March 31, 2025, of which \$300 million is related to the three-year interest rate swap transaction previously discussed. The Bank expects an additional \$210 million, or 6%, of the loan portfolio to reprice from approximately 3.48% to 7.18% from March 31, 2025 to March 31, 2026 based on current rates. We expect approximately \$365 million of cash inflows from the mortgage loan portfolio over the next twelve months.

During the first quarter of 2024, total deposits grew \$55.5 million or 1.7%, to \$3.3 billion at March 31, 2024. The increase was attributable to growth in savings, NOW and money market deposits of \$17.8 million and time deposits of \$68.6 million, partially offset by a decline in noninterest-bearing checking deposits of \$30.9 million. Noninterest-bearing checking deposits of \$1.1 billion represent 33% of total deposits. Brokered time deposits increased \$34.1 million during the first quarter of 2024, totaling \$210.0 million, or 6.3%, of total deposits. Brokered time deposits have a weighted average cost of 4.99% and an average maturity of approximately six months, of which \$85.7 million, or 41%, will mature in the second quarter of 2024 with an average cost of 5.21%. Reciprocal deposits under the Insured Cash Sweep (“ICS”) program were \$16.3 million at March 31, 2024.

There were no overnight advances at March 31, 2024, compared to \$70 million at year-end 2023. Other borrowings increased \$42.5 million, or 9.0%, during the first quarter of 2024, to \$515.0 million at March 31, 2024. Maturities of \$57.5 million with a weighted average rate of 3.30% were partially offset by new borrowings of \$100.0 million with a weighted average rate of 4.72%. Other borrowings at March 31, 2024 had a weighted average cost of 4.85% and an average maturity of 10 months.

**Liquidity.** The Bank has a board committee approved liquidity policy and liquidity contingency plan, which are intended to ensure that the Bank has sufficient liquidity to meet the ongoing needs of its customers in terms of credit and deposit outflows, take advantage of earnings enhancement opportunities and respond to liquidity stress conditions should they arise.

The Bank has both internal and external sources of liquidity that can be used to fund loan growth and accommodate deposit outflows. The Bank’s primary internal sources of liquidity are maturities and monthly payments from its investment securities and loan portfolios, operations and sales of investment securities designated as AFS. At March 31, 2024, the Bank had approximately \$293.0 million of unencumbered AFS securities.

The Bank is a member of the FRB of New York and the FHLB of New York and has a federal funds line with a commercial bank. In addition to customer deposits, the Bank’s primary external sources of liquidity are secured borrowings from the FRB of New York and FHLB of New York. In addition, the Bank can purchase overnight federal funds under its existing line and the Corporation can raise funds through its Dividend Reinvestment and Stock Purchase Plan. However, the Bank’s FRB of New York membership, FHLB of New York membership and federal funds line do not represent legal commitments to extend credit to the Bank. The amount that the Bank can potentially borrow is currently dependent on the amount of unencumbered eligible securities and loans that the Bank can use as collateral and the collateral margins required by the lenders. The Bank’s borrowing capacity may be adjusted by the FRB of New York or the FHLB of New York and may take into account factors such as the Bank’s tangible common equity ratio, collateral margins required by the lender or other factors. A possible future downgrade of securities and loans pledged as collateral could also impact the amount of available funding. Regulatory or strategic changes affecting the access to and availability of funding from the FHLB and FRB could adversely impact the Bank’s liquidity.

The Bank had \$1.1 billion in collateralized borrowing lines with the FHLB of New York and the FRB of New York at March 31, 2024, as well as a \$20 million unsecured line of credit with a correspondent bank. We also had \$375.2 million in unencumbered cash and securities. In total, we had approximately \$1.5 billion of available liquidity, compared to an aggregate of uninsured and uncollateralized deposits of approximately \$1.3 billion. Uninsured and uncollateralized deposits represented 39% of total deposits.

## **Capital**

Stockholders’ equity was \$377.1 million at March 31, 2024 versus \$380.1 million at December 31, 2023. The decrease was mainly due to an increase in the after-tax loss on the Bank’s AFS investment securities of \$1.3 million, cash dividends declared of \$4.7 million and common stock repurchases of \$2.0 million, partially offset by net income of \$4.4 million.

The Corporation’s ROA and ROE for the first quarter of 2024 were 0.42% and 4.72%, respectively, compared to 0.62% and 7.09%, respectively, for the 2023 period. Book value per share was \$16.78 at March 31, 2024, compared to \$16.83 at year-end 2023. Based on the Corporation’s market value per share at March 31, 2024 of \$11.09, the dividend yield is 7.6%.

The Corporation and the Bank have elected to adopt the community bank leverage ratio (“CBLR”) framework, which requires a leverage ratio of greater than 9.00%. As a qualifying community banking organization, the Corporation and the Bank may opt out of the CBLR framework in any subsequent quarter by completing its regulatory agency reporting using the traditional capital rules. In addition, the Corporation and the Bank exclude accumulated OCI components from Tier 1 and Total regulatory capital, in accordance with the federal banking agencies’ regulatory capital guidelines.

The Corporation's capital management policy is designed to build and maintain capital levels that exceed regulatory standards and appropriately provide for growth. The Leverage Ratio of the Corporation and the Bank at March 31, 2024 were 9.99% and 9.92%, respectively, and satisfies the well capitalized ratio requirements under the Prompt Corrective Action statutes. The Corporation and the Bank elected the optional five-year transition period provided by the federal banking agencies for recognizing the regulatory capital impact of the implementation of CECL.

The Corporation has a stock repurchase program under which it is authorized to purchase shares of its common stock from time to time through open market purchases, privately negotiated transactions, or in any other manner that is compliant with applicable securities laws. The stock repurchase program does not obligate the Corporation to purchase shares and there is no guarantee as to the exact number of shares that may be repurchased pursuant to this program, which is subject to market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity and other factors deemed appropriate. During the first quarter of 2024, the Corporation repurchased 167,526 shares of its common stock at a total cost of \$2.0 million. The Corporation can repurchase another \$13.0 million under Board approved repurchase programs.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Bank invests in interest-earning assets, which are funded by interest-bearing deposits and borrowings, noninterest-bearing deposits and capital. The Bank's results of operations are subject to risk resulting from interest rate fluctuations generally and having assets and liabilities that have different maturity, repricing and prepayment/withdrawal characteristics. The Bank defines interest rate risk as the risk that the Bank's net interest income and/or economic value of equity ("EVE") will change when interest rates change. The principal objective of the Bank's asset liability management activities is to optimize current and future net interest income while at the same time maintain acceptable levels of interest rate and liquidity risk and facilitate the funding needs of the Bank.

The Bank monitors and manages interest rate risk through a variety of techniques including traditional gap analysis and the use of interest rate sensitivity models. Both gap analysis and interest rate sensitivity modeling involve a variety of significant estimates and assumptions and are done at a specific point in time. Changes in the estimates and assumptions made in gap analysis and interest rate sensitivity modeling could have a significant impact on projected results and conclusions. Therefore, these techniques may not accurately reflect the actual impact of changes in the interest rate environment on the Bank's net interest income or EVE.

Through the use of interest rate sensitivity modeling, the Bank projects net interest income over a five-year period assuming a static balance sheet and no changes in interest rates from current levels. Utilization of a static balance sheet ensures that interest rate risk embedded in the Bank's current balance sheet is not masked by assumed balance sheet growth or contraction. Net interest income is projected over a five-year time period utilizing various interest rate change scenarios, including both ramped and shocked changes as well as changes in the shape of the yield curve. The interest rate scenarios modeled are based on the shape of the current yield curve and the relative level of rates and management's expectations as to potential future yield curve shapes and rate levels.

The Bank also uses interest rate sensitivity modeling to calculate EVE in the current rate environment assuming shock increases and decreases in interest rates. EVE is the difference between the present value of expected future cash flows from the Bank's assets and the present value of the expected future cash flows from the Bank's liabilities. Present values are determined using discount rates that management believes are reflective of current market conditions. EVE can capture long-term interest rate risk that would not be captured in a five-year projection of net interest income.

In utilizing interest rate sensitivity modeling to project net interest income and calculate EVE, management makes a variety of estimates and assumptions which include the following: (1) how much and when yields and costs on individual categories of interest-earning assets and interest-bearing liabilities will change in response to projected changes in market interest rates; (2) future cash flows, including prepayments of mortgage assets and calls of municipal securities; (3) cash flow reinvestment assumptions; (4) appropriate discount rates to be applied to loan, deposit and borrowing cash flows; and (5) decay or runoff rates for nonmaturity deposits such as checking, savings, NOW and money market accounts. The repricing of loans and borrowings and the reinvestment of loan and security cash flows are generally assumed to be impacted by the full amount of each assumed rate change, while the repricing of nonmaturity deposits is not. For nonmaturity deposits, management makes estimates of how much and when it will need to change the rates paid on the Bank's various nonmaturity deposit products in response to changes in general market interest rates. These estimates are based on product type, management's experience with needed deposit rate adjustments in prior interest rate change cycles, the results of a nonmaturity deposit study conducted by an independent consultant and updated on a periodic basis and management's assessment of competitive conditions in its marketplace.

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The information provided in the following table is based on a variety of estimates and assumptions that management believes to be reasonable, the more significant of which are set forth hereinafter. The base case information in the table shows: (1) a calculation of the Corporation's EVE at March 31, 2024 arrived at by discounting estimated future cash flows at rates that management believes are reflective of current market conditions; and (2) an estimate of net interest income for the year ending March 31, 2025 assuming a static balance sheet, the adjustment of repricing balances to current rate levels, and the reinvestment at current rate levels of cash flows from maturing assets and liabilities in a mix of assets and liabilities that is intended to reflect a static balance sheet. In addition, in calculating EVE, cash flows for nonmaturity deposits are assumed to have an overall life of 6.0 years based on the current mix of such deposits and the most recently updated nonmaturity deposit study.

The rate change information in the following table shows estimates of net interest income for the year ending March 31, 2025 and calculations of EVE at March 31, 2024 assuming rate changes of plus and minus 100, 200 and 300 bps. The rate change scenarios were selected based on the relative level of current interest rates and: (1) are assumed to be shock or immediate changes for both EVE and net interest income; (2) occur uniformly across the yield curve regardless of the duration to maturity or repricing of specific assets and liabilities; and (3) impact the repricing and reinvestment of all assets and liabilities, except nonmaturity deposits, by the full amount of the rate change. In projecting future net interest income under the indicated rate change scenarios, activity is simulated by assuming that cash flows from maturing assets and liabilities are reinvested in a mix of assets and liabilities that is intended to reflect a static balance sheet. The changes in EVE from the base case have not been tax affected.

Rate Change Scenario <i>(dollars in thousands)</i>	Economic Value of Equity at March 31, 2024			Net Interest Income for Year Ending March 31, 2025		
	Amount	Percent Change From Base Case		Amount	Percent Change From Base Case	
+ 300 basis point rate shock	\$ 370,086	-25.4	%	\$ 68,347	-10.3	%
+ 200 basis point rate shock	408,193	-17.8	%	70,877	-7.0	%
+ 100 basis point rate shock	455,861	-8.2	%	73,874	-3.1	%
Base case (no rate change)	496,392	—		76,215	—	
- 100 basis point rate shock	532,065	7.2	%	78,164	2.6	%
- 200 basis point rate shock	548,575	10.5	%	78,994	3.6	%
- 300 basis point rate shock	547,861	10.4	%	79,176	3.9	%

As shown in the preceding table, assuming a static balance sheet, an immediate increase in interest rates of 100, 200 or 300 bps could negatively impact the Bank's net interest income for the year ended March 31, 2025 because the Bank might need to increase the rates paid on its nonmaturity deposits to remain competitive and any time deposits or borrowings that mature would reprice at a higher interest rate. In addition, the Bank's securities portfolio, excluding corporate bonds and SBA agency obligations, and a large portion of its loan portfolio do not immediately reprice with changes in market rates. At March 31, 2024, approximately \$877 million, or 22.4%, of the Bank's loans and securities reprice or mature within one year. An immediate decrease in interest rates of 100, 200 or 300 bps could positively impact the Bank's net interest income for the same time period because the Bank would pay less for time deposits or borrowings that mature and reprice at a lower interest rate and would be able to reduce non-maturity deposit rates while the downward repricing of its assets would lag. The positive impact on net interest income of an immediate decrease in interest rates is somewhat constrained because the decrease is assumed to occur uniformly across the inverted yield curve. Changes in management's estimates as to the rates that will need to be paid on nonmaturity deposits could have a material impact on the net interest income amounts shown for each scenario in the table.

**Forward-Looking Statements**

This Quarterly Report on Form 10-Q and the documents incorporated into it by reference contain or may contain various forward-looking statements. These forward-looking statements include statements of goals; intentions and expectations; estimates of risks and of future costs and benefits; assessments of expected future credit losses; assessments of market risk; and statements of the ability to achieve financial and other goals. Forward-looking statements are typically identified by words such as "would," "should," "could," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties which may change over time. Forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements and future results could differ materially from historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties: general economic conditions and trends, either nationally or locally; the effects of the recent turmoil in the banking industry; conditions in the securities markets; fluctuations in the trading price of our common stock; changes in interest rates and the rate of inflation; changes in the shape of the yield curve; changes in deposit flows, and in the demand for deposit and loan products and other financial services; changes in real estate values; changes in the quality or composition of our loan or investment portfolios; changes in competitive pressures among financial institutions or from non-financial institutions; our ability to retain key members of management; changes in legislation, regulation, and policies; and a variety of other matters which, by their nature, are subject to significant uncertainties. We provide greater detail regarding some of these factors in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023, in Part I under "Item 1A. Our forward-looking statements may also be subject to other risks and uncertainties, including those that we may discuss elsewhere in other documents we file with the Securities and Exchange Commission ("SEC") from time to time.

#### **ITEM 4. CONTROLS AND PROCEDURES**

##### **Disclosure Controls and Procedures**

The Corporation's Principal Executive Officer and Principal Financial Officer have evaluated the Corporation's disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based upon that evaluation, they have concluded that the Corporation's disclosure controls and procedures are effective as of the end of the period covered by this report.

##### **Changes in Internal Control Over Financial Reporting**

There were no changes in internal control over financial reporting that occurred during the first quarter of 2024 that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

#### **PART II. OTHER INFORMATION**

##### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, the Corporation is involved in various legal actions and claims arising in the normal course of its business. In the opinion of management, these legal actions and claims are not expected to have a material adverse impact on the Corporation's financial condition and results of operations.

##### **ITEM 1A. RISK FACTORS**

There have been no material changes to the risk factors disclosed in Item 1A. Risk Factors, in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

**(c) Stock Repurchases.** The Corporation has a stock repurchase program under which it is authorized to purchase shares of its common stock from time to time through open market purchases, privately negotiated transactions, or in any other manner that is compliant with applicable securities laws. The details of the Corporation's purchases under the stock repurchase program in the first quarter of 2024 are set forth in the table that follows.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
January 2024	—	—	—	\$ 14,964,378
February 2024	167,526	\$ 11.908	167,526	\$ 12,969,406
March 2024	—	—	—	\$ 12,969,406
Total	<u>167,526</u>	\$ 11.908	<u>167,526</u>	

(1) The Corporation's Board of Directors approved a \$30 million common stock repurchase program which was announced on January 31, 2022. The Corporation's stock repurchase program does not have a fixed expiration date.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable

**ITEM 5. OTHER INFORMATION****(c) Securities Trading Plan of Directors and Executive Officers**

During the three months ended March 31, 2024, none of the directors or executive officers of the Corporation adopted or terminated any contract, instruction or written plan for the purchase or sale of the Corporation's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as that term is used in SEC regulations.

**ITEM 6. EXHIBITS**

See Index of Exhibits that follows.

**INDEX OF EXHIBITS**

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a)</a>
31.2	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a)</a>
32	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and U.S.C. Section 1350</a>
101	The following materials from the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE FIRST OF LONG ISLAND CORPORATION  
(Registrant)

Dated: May 9, 2024

By /s/ CHRISTOPHER BECKER

\_\_\_\_\_  
Christopher Becker, President & Chief Executive Officer  
(principal executive officer)

By /s/ JANET T. VERNEUILLE

\_\_\_\_\_  
Janet T. Verneuille, Senior Executive Vice President,  
Chief Financial Officer & Treasurer  
(principal financial officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a)**

I, Christopher Becker, certify that:

- 1) I have reviewed this Form 10-Q of The First of Long Island Corporation (“Registrant”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- 4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
- 5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 9, 2024

By /s/ CHRISTOPHER BECKER

Christopher Becker  
President & Chief Executive Officer  
(principal executive officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a)**

I, Janet T. Verneuille, certify that:

- 1) I have reviewed this Form 10-Q of The First of Long Island Corporation (“Registrant”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- 4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
- 5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 9, 2024

By /s/ JANET T. VERNEUILLE

Janet T. Verneuille

Senior Executive Vice President, Chief Financial Officer

& Treasurer

(principal financial officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(b)  
AND 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of The First of Long Island Corporation (“Corporation”) on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on May 9, 2024 (“Report”), we, Christopher Becker, President and Chief Executive Officer of the Corporation and Janet T. Verneuille, Senior Executive Vice President, Chief Financial Officer and Treasurer of the Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the accompanying Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: May 9, 2024

By /s/ CHRISTOPHER BECKER

Christopher Becker  
President & Chief Executive Officer  
(principal executive officer)

By /s/ JANET T. VERNEUILLE

Janet T. Verneuille  
Senior Executive Vice President, Chief Financial Officer  
& Treasurer  
(principal financial officer)