

# **PUBLIC DISCLOSURE**

**April 16, 2015**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Flushing Bank  
58564**

**144-51 Northern Boulevard  
Flushing, New York 11354**

**Federal Deposit Insurance Corporation  
350 Fifth Avenue – Suite 1200  
New York, New York 10118**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

The following table indicates the performance level of Flushing Bank with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	FLUSHING BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

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

### Lending Test

Flushing Bank's lending levels reflect an excellent responsiveness to assessment area credit needs. The bank made a substantial majority of its loans within its assessment area. Overall, the geographic distribution of loans reflects excellent penetration throughout the bank's assessment area. The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different size. Flushing Bank originated a relatively high level of community development loans. Flushing Bank makes limited use of innovative or flexible lending practices.

### Investment Test

Flushing Bank has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits an adequate responsiveness to credit and community economic development needs. The institution occasionally uses innovative or complex investments to support community development initiatives.

### Service Test

Retail banking services are reasonably accessible to essentially all portions of the bank's assessment area. Services and business hours do not vary in a way that inconveniences portions of its assessment area. There have been no changes in the bank's branch locations. The bank provided an adequate level of community development services.

- During the previous evaluation period, Flushing purchased pools of mortgage backed securities (MBSs) secured by mortgages on 1-4 family properties. All of the mortgages were to low- and moderate-income borrowers located within the bank’s assessment area. The investments helped support affordable housing, and are backed by mortgages to borrowers with incomes of no more than 80.0 percent of the median family income for that area. The MBS pools have an outstanding balance of approximately \$4.2 million.

Economic Development

- During the previous evaluation period, Flushing invested in the New York Business Development Corp (NYBDC). The NYBDC promotes the expansion and growth of new and existing small businesses located throughout some of the more economically depressed areas in New York through the Excelsior Growth Fund. The bank’s investment was targeted to its assessment area. The outstanding balance totaled \$69,000.

Revitalization or Stabilization

- During the evaluation period, the bank invested an additional \$5 million in the Solomon Hess SBA Loan Fund (Fund), bringing the bank’s total investment to \$10 million. The Fund’s mission is to promote economic development in low- and moderate-income areas and create jobs for low- and moderate-income individuals in the bank’s assessment area.

Table 12 below displays the bank’s community development grants and donations by year and purpose.

Year	Total		Community Services		Economic Development	
	#	\$ (000)	#	\$ (000)	#	\$ (000)
<b>2012*</b>	5	3	5	3	0	0
<b>2013</b>	8	88	7	73	1	15
<b>2014</b>	5	43	5	43	0	0
<b>2015**</b>	1	10	1	10	0	0
<b>Total Grants/Donations</b>	<b>19</b>	<b>144</b>	<b>18</b>	<b>129</b>	<b>1</b>	<b>15</b>

*Source: Bank records \*starting 5/1/2012\*\*As of 04/15/2015*

Flushing made community development grants and donations totaling \$143,850 to community groups and organizations that support community development initiatives throughout the assessment area during the review period. Listed below are several examples of the qualified donations and contributions:

Community Services

- Highbridge Voices: Highbridge Voices provides academic and music programs to children in South Bronx, which is historically one of the most impoverished Congressional districts in the United States. The organization is located in a low-income