NEW YORK STATE BANKING DEPARTMENT

CONSUMER SERVICES DIVISION

One State Street
New York, NY 10004

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2002

Institution: The Roslyn Savings Bank
One Jericho Plaza
Jericho, NY 11753

Note: **This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution's Profile	
Assessment Area	
Performance Tests and Assessment Factors	4
Lending Test	
Investment Test	
Service Test	
Discrimination or Other Illegal Practices	
Process Factors	
Other Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of The Roslyn Savings Bank ("RSB") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2002.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income ("LMI") areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

(1) outstanding record of meeting community credit needs;

(2) satisfactory record of meeting community credit needs;

(3) needs to improve record of meeting community credit needs; and

(4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public ("Evaluation"). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

Roslyn Savings Bank ("RSB") is rated "2", indicating a satisfactory record of helping to meet community credit needs. This rating is based on the following factors:

- **Lending Test: "High Satisfactory"**

  Lending Activity: The bank's lending levels reflect adequate responsiveness to assessment area credit needs. RSB's Home Mortgage Disclosure Act ("HMDA") reportable lending activity was rather weak in 2001, but increased 80.3% by number to 494 loans, and 154.2% by dollar volume to $124.3 million in 2002. Additionally, in 2002 the bank extended 302 MECAs[1] totaling $295 million, up from 148 such loans totaling $114.4 million in 2001.

  Assessment Area Lending: RSB made a substantial majority of its HMDA-reportable loans and MECAs within the assessment area. For the evaluation period, assessment area loans comprised 93.1% by number and 96.4% by dollar volume of the bank's total lending.

  Geographic Distribution of Loans: The bank's geographic distribution of loans reflects adequate penetration throughout the assessment area.

  - In 2001, the bank's LMI penetration rates for HMDA loans were 11.0% by number and 8.0% by dollar volume, well below the aggregate's corresponding rates of 16.0% and 15.0%, respectively. RSB's LMI penetration improved in 2002, to 11.9% by number and 10.3% by dollar volume.

  - In 2001, the bank's LMI penetration rates for MECA loans were 14.2% by number and 37.4% by dollar volume. RSB's corresponding penetration rates increased significantly in 2002, to 23.2% by number and 48.7% by dollar volume.

  Borrower's Profile: The bank's distribution of borrowers reflects excellent lending penetration among customers of different income levels.

  - In 2001, the bank's LMI penetration rates for HMDA-reportable loans were 27.4% by number and 17.2% by dollar volume, significantly above the aggregate rates of 19.1% and 10.7%, respectively. The bank's LMI penetration rate for the number of loans was relatively unchanged in 2002, while its dollar volume penetration rate dropped to 13.4%.

[1] Modification, Extension, Consolidation Agreement

- RSB extended 16.4% of the number and 11.1% of the dollar volume of its 1-4 family MECA loans to LMI borrowers in 2001. The bank's LMI penetration rates declined in 2002, to 14.2% and 8.8%, respectively.

Community Development Lending: The bank is a leader in making community development loans. During the evaluation period, RSB originated 115 community development loans totaling $317.2 million, all of which was new money. Of the total, $189.7 million or 58.9% reflect multifamily and MECA loans. These were not considered at the prior evaluation. Other community development loans totaled $127.5 million, representing an increase of 416% from the level considered at the prior evaluation.

- **Investment Test: "Outstanding"**

The bank had an excellent level of qualified community development investments and grants, although rarely in a leadership position and with limited involvement in investments not routinely provided by private investors. RSB's qualified investments and grants amounted to $44.7 million, of which $26.6 million or 59.5% were new initiatives. The bank's level of qualified investments had more than doubled since the prior evaluation date.

- **Service Test: "High Satisfactory"**

Retail Banking Services

- The bank's delivery systems are accessible to essentially all portions of the bank's assessment area. The bank operates 37 full-service banking offices of which three, or 8.1%, are in moderate-income areas and seven branches, or 18.9%, are adjacent to LMI census tracts.

- The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals. Between evaluation periods, the bank opened 11 branch offices, of which three or 27.3% are located in or adjacent to LMI census tracts. The bank did not close any banking office during the same period.

- Services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and/or LMI individuals.

Community Development Services

- The bank provides a relatively high level of community development services. Bank management provides technical assistance to organizations and programs that promote affordable housing, economic development and community services throughout the assessment area.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile:

Chartered in 1876, RSB is a wholly owned subsidiary of Roslyn Bancorp, Inc., a one-bank holding company headquartered in Jericho, New York. In January 1997, the bank converted from a New York State chartered mutual to a stock savings bank. Based on total assets at year-end 2002, Roslyn ranked as the fourth largest publicly traded thrift institution in New York State.

After the close of business on February 16, 1999, the bank acquired Roosevelt Savings Bank. In November 2000, RSB sold Roslyn National Mortgage Corp. (RNMC), a wholly owned mortgage subsidiary. Since the sale of RNMC, the bank has de-emphasized the origination of 1-4 family residential loans in favor of commercial mortgages, multi-family construction and industrial lending.

At the December 31, 2002 evaluation date, RSB reported total assets of $10.8 billion, comprised primarily of investments (67.1%) and loans (29.4%). The bank's net loan-to-deposit ratio declined significantly to 53.9%, as compared with 81.1% on December 31, 2001.

The bank operates 37 retail branches located in the Nassau and Suffolk counties on Long Island and the New York City boroughs of Brooklyn (Kings), Queens and the Bronx. Supplementing the banking offices are ATM facilities linked to NYCE, CIRRUS and Exchange Networks at all branch locations, excepting the Main Office and Bayside branch.

The institution offers a variety of lending products including the following:

- Commercial Loans – commercial mortgages, multifamily loans, construction loans, small business loans

- Consumer Loans – personal loans and lines of credit, credit cards, passbook loans, student loans, private banking loans

- Residential Mortgages – 1-4 family residential loans, refinance, home improvement, home equity lines of credit, residential construction loans

The following table is a summary of the bank's lending portfolio, based on regulatory filings as of year-end 2002, 2001 and 2000, respectively.

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2002		12/31/2001		12/31/2000	
LOAN TYPE	$000	%	$000	%	$000	%
Residential Mortgage Loans	1,500,799	47.3	2,473,552	66.1	3,225,887	77.9
Commercial Mortgage Loans	797,670	25.2	630,115	16.8	519,128	12.5
Commercial & Industrial Loans	17,987	0.6	13,908	0.4	7,812	0.2
Multifamily Loans	337,244	10.6	173,780	4.6	104,210	2.5
Consumer Loans	88,972	2.8	62,303	1.7	36,022	1.0
Construction Loans	423,119	13.4	312,630	8.3	138,205	3.3
Other Loans	3,167	0.1	77,714	2.1	107,802	2.6
Total Gross Loans	**3,168,958**	**100.0**	**3,744,002**	**100.0**	**4,139,066**	**100.0**

Since the prior evaluation, gross loans declined by $970 million, or 23.4%. Primarily because of the sale of RNMC, the bank's residential mortgage loan portfolio decreased by $1.7 billion or, 53.5%. However, as illustrated in the above table, growth is apparent in all other major lending categories.

Deposit Market Share:

As illustrated in the chart below, RSB's home county of Nassau has 54.3% of its banking offices and provides 60.5% of the institution's deposits.

Deposit Market Share as of June 30, 2002				
County	# Offices	Deposits ($000)	Market Share	Rank
Nassau	19	3,155,302	8.18%	6th out of 30
Suffolk	5	742,720	8.12%	12th out of 26
Queens	7	847,716	2.66%	10th out of 47
Kings	3	451,842	1.66%	13th out of 38
Bronx	1	14,230	0.16%	20th out of 22
Total**	35	5,211,810	3.96%	9th out of 74

** *The bank opened two new branches during the second half of 2002 that are not included in the above chart.*

Subsequent Events:

On June 27, 2003 (following the current evaluation period), New York Community Bancorp, Inc. and Roslyn Bancorp, Inc. announced the signing of a definitive agreement under which the two companies would combine in a strategic merger. The transaction closed in the fourth quarter of 2003. Under the terms of the agreement, Roslyn Bancorp merged with

and into New York Community Bancorp and The Roslyn Savings Bank will operate as a division of New York Community Bank.

At its prior Performance Evaluation as of December 31, 2000 by the New York State Banking Department, RSB received a rating of "2," reflecting a satisfactory record of helping to meet community credit needs.

There are no known financial or legal impediments that adversely affected the bank's ability to meet the credit needs of its community.

Assessment Area:[2]

Between evaluations, RSB expanded its assessment area to include Bronx and New York counties. The bank now designates as its assessment area the entire counties of Nassau and Suffolk within MSA 5380, as well as Bronx, Kings, New York and Queens counties within MSA 5600.

The new assessment area consists of 2,697 census tracts, of which 313 or 11.6% are low-income, 496 or 18.4% are moderate-income, 1,139 or 42.2% are middle-income, 677 or 25.1% are upper-income and 72 or 2.7% are zero-income tracts.

The chart below details RSB's assessment area.

Assessment Area - Distribution by Census Tracts												
	Low		Moderate		Middle		Upper		N/A		Total	
County	#	%	#	%	#	%	#	%	#	%	#	%
Nassau	1	0.4	20	7.4	180	66.7	66	24.4	3	1.1	270	100
Suffolk	2	0.6	59	18.9	205	65.7	39	12.5	7	2.2	312	100
Bronx	126	35.5	65	18.3	88	24.8	61	17.2	15	4.2	355	100
Kings	114	14.4	207	26.2	302	38.3	147	18.6	19	2.4	789	100
New York	63	21.1	65	21.8	33	11.1	126	42.3	11	3.7	298	100
Queens	7	1.0	80	11.9	331	49.2	238	35.4	17	2.5	673	100
Total	**313**	**11.6**	**496**	**18.4**	**1,139**	**42.2**	**677**	**25.1**	**72**	**2.7**	**2,697**	**100**

The assessment area appears reasonable based upon the location of branches and its lending patterns. There is no evidence that LMI areas were arbitrarily excluded.

[2] Please note that while percentage figures are based on exact numbers, absolute numbers pertaining to population and housing characteristics have been rounded to the nearest decimal point.

Assessment Area Detail:

MSA 5380 (Nassau and Suffolk)

Nassau County:
Population: According to the U.S. Census Bureau, Nassau had a population of 1.3 million in 1990. Almost 14.2% of the area population was over the age of 65 and 19.2% was under the age of 16.

Families/Households: There were 346.8 thousand families in the county, of which 14.7% (51.1 thousand) were low-income families, 17.5% (60.8 thousand) were moderate-income, 25.1% (86.9 thousand) were middle-income and 42.7% (147.9 thousand) were upper-income families. Of the 112 thousand LMI families, 13.0% (14.5 thousand) lived in LMI areas and these families accounted for 55.2% of all the families (26.3 thousand) that lived in LMI areas. There were 431.1 thousand households, of which 4.2% (18 thousand) had incomes below the poverty level.

Housing Units: There were 446.3 thousand housing units in the county, of which 88.3% (394.2 thousand) were 1-4 family units and 10.5% (46.9 thousand) were multifamily units. Almost 77.8% (347.2 thousand) of all the housing units were owner-occupied and 5.2% (18 thousand) were in LMI areas. About 18.9% (84.4 thousand) were rental-occupied and 22.7% (19.1 thousand) were in LMI areas. Approximately 3.4% (15.1 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 38 years and the median value was $237 thousand.

Median Family Income: In 1990, the county's median family income was $63.6 thousand and the median family income for the MSA was $56.7 thousand. HUD's 2002 estimated median family income for the MSA was $83 thousand.

Unemployment Rates: According to the New York State Department of Labor, Nassau County's unemployment rate averaged 4.1% in 2002, up from 3.1% in 2001. The county's average unemployment rates were significantly below the State's average rates of 6.1% and 4.9% in 2002 and 2001, respectively. The MSA's average rates were 4.3% and 3.3%, respectively.

Suffolk County:
Population: According to the U.S. Census Bureau, Suffolk County had a population of 1.3 million in 1990. Almost 10.7% of the area population were over the age of 65 and 21.8% were under the age of 16.

Families/Households: There were 343.6 thousand families in the county, of which 18.0% (61.9 thousand) were low-income families, 21.0% (72.1 thousand) were moderate-income, 27.6% (94.7 thousand) were middle-income and 33.4% (114.3 thousand) were upper-income families. Of the 134 thousand LMI families, 29.1% (39 thousand) lived in LMI areas and these families accounted for 57.6% of all the families (67.7 thousand) that lived in LMI

areas. There were 424.6 thousand households in the county, of which 4.9% (21 thousand) had incomes below the poverty level.

Housing Units: There were 481.3 thousand housing units in the county, of which 91.0% (438.9 thousand) were 1-4 family units and 6.0% (31.7 thousand) were multifamily units. Almost 70% (340.3 thousand) of all the housing units were owner-occupied and 18.7% (63.5 thousand) were in LMI areas. Approximately 17% (84.4 thousand) were rental units and 31.4% (26.5 thousand) were in LMI areas. Nearly 11% (57.6 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 27 years and the median value was $178.4 thousand.

Median Family Income: In 1990, the county's median family income was $54.7 thousand and the median family income for the MSA was $56.7 thousand. HUD's 2002 estimated median family income for the MSA was $83 thousand.

Unemployment Rates: According to the New York State Department of Labor, Suffolk County's unemployment rate averaged 3.5% in 2001 and 4.4% in 2002. The county's average rates were significantly below the State's average rates of 4.9% in 2001 and 6.1% in 2002. The MSA's average rates were 3.3% and 4.3%, respectively.

MSA 5600 (includes Bronx, Kings, New York and Queens)

Bronx County:
Population: According to the U.S. Census Bureau, the county had a population of 1.2 million in 1990. Almost 11.6% of the area population were over the age of 65 and 24.7% were under the age of 16.

Families/Households: There were 292 thousand families in the county, of which 38.8% (113.2 thousand) were low-income families, 17.9% (52.3 thousand) were moderate-income, 17.9% (52.2 thousand) were middle-income and 25.4% (74.3 thousand) were upper-income families. Of the 165.5 thousand LMI families, 77.2% (127.7 thousand) lived in LMI areas and these families accounted for 72.2% of all the families (177 thousand) that lived in LMI areas. There were 423.2 thousand households in the county, of which 26.9% (114 thousand) had incomes below the poverty level.

Housing Units: There were 441 thousand housing units in the county, of which 23.4% (103.1 thousand) were 1-4 family units and 74.7% (329.2 thousand) were multifamily units. About 17.2% (75.8 thousand) of all the housing units were owner-occupied and 19.9% (15.1 thousand) were in LMI areas. Almost 79% (348.3 thousand) were renter-occupied and 66.4% (231.3 thousand) were in LMI areas. About 4% (17.5 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 38 years and the median value was $130.8 thousand.

Median Family Income: In 1990, median family income for the Bronx was $25.5 thousand compared with $37.5 thousand for the MSA. HUD's estimated median family income for the MSA was $62.8 thousand in 2002.

Unemployment Rates: Bronx County's unemployment rate averaged 7.2% in 2001 and 9.3% in 2002. The county's average rates were significantly above the State's average rates of 4.9% in 2001 and 6.1% in 2002. The MSA's average rates were 5.6% and 7.3%, respectively.

A portion of the Bronx shares a federally designated Empowerment Zone ("EZ") with Harlem (part of New York County). These two communities are separated by the Harlem River, joined by three bridges and have long been considered examples of urban distress. For example, in 1990, only 51.0% of the residents of the EZ were in the labor force and more than one in three households received public assistance.

The Hunts Point and Port Morris neighborhoods are designated as Economic Development Zones (EDZs) by the State of New York based on economic distress. Firms located in these areas may be eligible for assistance including various tax credits.

Kings County:
Population: According to the U.S. Census Bureau, the county had a population of 2.3 million in 1990. Almost 12.5% of the area population were over the age of 65 and 23.5% were under the age of 16.

Families/Households: There were 563.3 thousand families in the county, of which 32.4% (182.5 thousand) were low-income families, 17.6% (99.1 thousand) were moderate-income, 19.0% (106.8 thousand) were middle-income and 31.0% (174.9 thousand) were upper-income families. Of the 281.6 thousand LMI families, 62.3% (175.4 thousand) lived in LMI areas and these families accounted for 65.9% of all the families (266.1 thousand) that lived in LMI areas. There were 827.7 thousand households in the county, of which 21.5% (178.1 thousand) had incomes below the poverty level.

Housing Units: There were 873.7 thousand housing units in the county, 46.3% (404.7 thousand) of which were 1-4 family units and 52.2% (455.7 thousand) of which were multifamily units. About 24.7% (215.8 thousand) of all the housing units were owner-occupied and 25.7% (55.5 thousand) were in LMI areas. Almost 70.1% (612.4 thousand) were rental-occupied units and 51.3% (314.1 thousand) were in LMI areas. Approximately 5.6% (48.9 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 44 years and the median value was $181.4 thousand.

Median Family Income: In 1990, the county's median family income was $30 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $62.8 thousand in 2002.

Unemployment Rates: Kings County's unemployment rates averaged 6.7% in 2001 and 8.6% in 2002. The county's average rates were significantly above the State's average rates of 4.9% in 2001 and 6.1% in 2002. The MSA's average rates were 5.6% and 7.3%, respectively.

Portions of Kings County have been designated an EDZ by the State of New York, based on community economic distress. East Williamsburg, East Brooklyn and Southwest Brooklyn neighborhoods are designated EDZs. Firms located in these areas may be eligible for assistance including various tax credits.

New York County:
Population: According to the U.S. Census Bureau, the county had a population of 1.5 million in 1990. About 13.3% of the area population were over the age of 65 and 14.9% were under the age of 16.

Families/Households: There were 305.4 thousand families in the county, of which 28.8% (88 thousand) were low-income families, 13.8% (42.3 thousand) were moderate-income, 14.4% (43.8 thousand) were middle-income and 43.0% (131.3 thousand) were upper-income families. Of the 130.2 thousand LMI families, 76.5% (99.7 thousand) lived in LMI areas and these families accounted for 68.3% of all the families (145.9 thousand) that lived in LMI areas. There were 716.8 thousand households in the county, of which 16.8% (120.1 thousand) had incomes below the poverty level.

Housing Units: There were 785.1 thousand housing units in the county, 2.9% (22.6 thousand) of which were 1-4 family units and 95.7% (751.4 thousand) were multifamily units. About 16.3% (128 thousand) of all the housing units were owner-occupied and 9.7% (12.4 thousand) were in LMI areas. Almost 75% (588.4 thousand) were rental- occupied units and 39.7% (233.9 thousand) were in LMI areas. Approximately 9.1% (71.2 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 41 years and the median value was $212.4 thousand.

Median Family Income: In 1990, the county's median family income was $36.8 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $62.8 thousand in 2002.

Unemployment Rates: According to the New York Department of Labor, New York County's unemployment rates averaged 6.4% in 2001 and 8.2% in 2002. The county's average rates were significantly above the State's average rates of 4.9% in 2001 and 6.1% in 2002. The MSA's average rates were 5.6% and 7.3%, respectively.

Queens County:
Population: According to the U.S. Census Bureau, the county had a population of 2 million in 1990. Almost 14.7% of the area population were over the age of 65 and 18.6% were under the age of 16.

Families/Households: There were 495.6 thousand families in the county, of which 18.2% (90.2 thousand) were low-income families, 16.4% (81.5 thousand) were moderate-income, 21.7% (107.5 thousand) were middle-income and 43.7% (216.4 thousand) were upper-income families. Of the 171.7 thousand LMI families, 24.4% (41.9 thousand) lived in LMI areas and these families accounted for 57.9% of all the families (72.3 thousand) that lived

in LMI areas. There were 718.4 thousand households in the county, of which 10.8% (77.9 thousand) had incomes below the poverty level.

Housing Units: There were 752.7 thousand housing units in the county, of which 56.6% (426.3 thousand) were 1-4 family units and 41.4% (311.8 thousand) were multifamily units. Almost 40.7% (306.1 thousand) of all the housing units were owner-occupied and 5.9% (18 thousand) were in LMI areas. About 55% (414 thousand) were rental-occupied units and 21% (87.1 thousand) were in LMI areas. Approximately 4.5% (34 thousand) of all the housing units were vacant and/or boarded up. The median age of housing was 41 years and the median value was $198.1 thousand.

Median Family Income: In 1990, the county's median family income was $40.4 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $62.8 thousand in 2002.

Unemployment Rates: According to the New York Department of Labor, Queens County's unemployment rates averaged 4.9% in 2001 and 6.5% in 2002. The county's average rates equaled the State's average rate in 2001, but were slightly above the 6.1% in 2002. The MSA's average rates were 5.6% and 7.3%, respectively.

Portions of Queens County have been designated an EDZ by the State of New York, based on community economic distress. The Far Rockaway and South Jamaica neighborhoods are so designated. These areas may offer a potential business abundant land or existing prime industrial and commercial buildings, and skilled workers. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credit, investment tax credit, zone capital credit, sales tax refunds, real property tax abatement, technical assistance and utility rate savings. This designation indicates that there is substantial opportunity for small business lending and investment in this area.

PERFORMANCE TESTS AND ASSESSMENT FACTORS

This performance evaluation incorporates a review of the bank's lending, investment and service activities within the assessment area during 2001 and 2002. Products considered include HMDA-reportable loans and Other Loans (refinancings) made using MECAs. Small business loans were not included in this evaluation due to the limited volume of originations. As discussed in the performance context, the bank recently altered its strategy by deemphasizing 1-4 family residential lending.

Statistics utilized in this evaluation were derived from various sources. In addition to bank-specific loan information submitted by RSB, aggregate data for HMDA-reportable loans was obtained from the Federal Financial Institutions Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz, an external vendor. Examiners compared RSB's HMDA-reportable lending to the 2001 aggregate only. The 2002 aggregate data was not available for purposes of this evaluation. Demographics are derived from 1990 U.S. Census data, updated with 2002 HUD estimated median family income.

I. Lending Test: "High Satisfactory"

The bank's lending performance is evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Lending; (3) Geographic Distribution; (4) Borrower Characteristics; (5) Community Development Lending; and (6) Flexible Lending Practices.

Lending Activity: "Low Satisfactory"

The bank's lending levels reflect adequate responsiveness to assessment area credit needs. While rather weak in 2001, lending volume recovered significantly in 2002. When both HMDA and MECA loans are considered, RSB's lending activity increased 88.6% by number and 156.8% by dollar volume between years.

In 2001, the bank originated 274 HMDA-reportable loans totaling $48.9 million. According to the 2001 HMDA Lender Market Share Report, these figures earned RSB a ranking of 107th by number and 116th by dollar volume among 522 lending institutions in the assessment area, with market shares of 0.13% and 0.11%, respectively. During 2002, the bank's HMDA lending activity increased 80.3% by number to 494 loans, and 154.2% by dollar volume to $124.3 million.

In 2001, the bank made 148 MECA loans (116 1-4 family residential and 32 multifamily) totaling $114.4 million ($26.5 million and $87.9 million, respectively). During 2002, MECA activity significantly increased to 302 loans (204 1-4 family residential and 98 multifamily) totaling $295 million ($51.5 million and $243.5 million, respectively).

Assessment Area Lending: "Outstanding"

RSB extended a substantial majority of its HMDA-reportable and MECAs within the assessment area. For the entire review period, the bank originated 93.1% by number and 96.4% by dollar volume of its loans inside the assessment area.

The bank originated 96.7%, 83.3%, and 100.0% by number of HMDA, MECA 1-4 family, and MECA multifamily loans, respectively, inside the assessment area. By dollar volume, the corresponding ratios were 97.5%, 81.8% and 100.0%, respectively.

The table below illustrates the distribution of loans originated inside and outside of the assessment area for 2001 and 2002:

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA Reportable Loans										
2001	274	99.3	2	0.7	276	48,901	99.2	374	0.8	49,275
2002	494	95.4	24	4.6	518	124,337	96.9	3,981	3.1	128,318
Total-HMDA Loans	**768**	**96.7**	**26**	**3.3**	**794**	**173,238**	**97.5**	**4,355**	**2.5**	**177,593**
Other Loans - 1-4 Family MECAs										
2001	116	87.2	17	12.8	133	26,504	84.1	5,019	15.9	31,523
2002	204	81.3	47	18.7	251	51,486	80.6	12,365	19.4	63,851
Total 1-4 MECAs	**320**	**83.3**	**64**	**16.7**	**384**	**77,990**	**81.8**	**17,384**	**18.2**	**95,374**
Other Loans - Mulitfamily MECAs										
2001	32	100.0	-	0.0	32	87,923	100.0	-	0.0	87,923
2002	98	100.0	-	0.0	98	243,465	100.0	-	0.0	243,465
Tot MultiFam MECAs	**130**	**100.0**	**-**	**0.0**	**130**	**331,388**	**100.0**	**-**	**0.0**	**331,388**
Total-Other Loans	**450**	**87.5**	**64**	**12.5**	**514**	**409,378**	**95.9**	**17,384**	**4.1**	**426,762**
Combined Total	**1,218**	**93.1**	**90**	**6.9**	**1,308**	**582,616**	**96.4**	**21,739**	**3.6**	**604,355**

Geographic Distribution of Loans: "Low Satisfactory"

The bank's geographic distribution of HMDA-reportable and Other Loans reflects adequate penetration throughout the assessment area.

HMDA-Reportable Loans

In 2001, the bank's extended 11.0% by number and 8.0% by dollar volume of its HMDA-reportable loans in LMI areas, well below the aggregate's LMI penetration rates of 16.0% and 15.0%, respectively. RSB's penetration rates reflected a 23.6% and 37.0% decline from the levels reported in 2000. During 2002, the bank's LMI area penetration rates improved to 11.9% by number and 10.3% by dollar volume.

The table below illustrates the distribution of HMDA-reportable loans by geography income level for 2001 and 2002:

Distribution of HMDA-Reportable Loans by Geography Income Level								
2001								
	Bank				**Aggregate**			
Geography	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	1	0.4	180	0.4	4,555	2.2	1,219,962	2.8
Moderate	29	10.6	3,698	7.6	28,993	13.8	5,349,059	12.2
Middle	169	61.7	28,164	57.6	115,388	55.0	20,392,202	46.7
Upper	74	27.0	16,713	34.2	60,730	28.9	16,664,246	38.1
N/A	1	0.4	146	0.3	213	0.1	60,870	0.1
Total	**274**	**100.0**	**48,901**	**100.0**	**209,879**	**100.0**	**43,686,339**	**100.0**
2002								
	Bank				**Aggregate**			
Geography	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	4	0.8	2,918	2.3	**Data**	**Not**	**Available**	-
Moderate	55	11.1	9,957	8.0	-	-	-	-
Middle	276	55.9	42,939	34.5	-	-	-	-
Upper	158	32.0	68,453	55.1	-	-	-	-
N/A	1	0.2	70	0.1	-	-	-	-
Total	**494**	**100.0**	**124,337**	**100.0**	**-**	**-**	**-**	**-**

Other Loans:

The bank's overall geographic distribution of MECAs reflects adequate penetration throughout the assessment area. In 2001, the bank extended 14.2% by number and 37.4% by dollar volume of its loans in LMI areas. LMI penetration rates improved dramatically in 2002, to 23.2% and 48.7%, respectively.

The bank made no 1-4 family MECAs in low-income areas during the review period and made only 4.3% and 3.4% by number in moderate-income areas in 2001 and 2002, respectively. The bank's corresponding dollar volume rate for each year was 3.1%.

RSB had very high LMI area penetration rates for its multifamily MECAs. The bank extended 50.0% by number and 47.8% by dollar volume of such loans in LMI areas in 2001, increasing to 64.3% and 58.4%, respectively in 2002.

Please refer to the following table for details:

Distribution of Other Loans by Geography Income Level												
2001												
	1-4 Family				**Multifamily**				**Combined**			
Geography	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	-	-	-	-	4	12.5	9,048	10.3	4	2.7	9,048	7.9
Moderate	5	4.3	815	3.1	12	37.5	32,985	37.5	17	11.5	33,800	29.5
Middle	59	50.9	11,125	42.0	10	31.3	30,640	34.8	69	46.6	41,765	36.5
Upper	52	44.8	14,564	55.0	6	18.8	15,250	17.3	58	39.2	29,814	26.1
N/A	-	-	-	-	-	-	-	-	-	-	-	-
Total	**116**	**100.0**	**26,504**	**100.0**	**32**	**100.0**	**87,923**	**100.0**	**148**	**100.0**	**114,427**	**100.0**
2002												
	1-4 Family				**Multifamily**				**Combined**			
Geography	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	-	-	-	-	26	26.5	52,077	21.4	26	8.6	52,077	17.7
Moderate	7	3.4	1,613	3.1	37	37.8	90,034	37.0	44	14.6	91,647	31.1
Middle	90	44.1	19,127	37.1	19	19.4	40,786	16.8	109	36.1	59,913	20.3
Upper	107	52.5	30,746	59.7	16	16.3	60,568	24.9	123	40.7	91,314	31.0
N/A	-	-	-	-	-	-	-	-	-	-	-	-
Total	**204**	**100.0**	**51,486**	**100.0**	**98**	**100.0**	**243,465**	**100.0**	**302**	**100.0**	**294,951**	**100.0**

Borrower Characteristics: "Outstanding"

The bank's distribution of loans according to borrower characteristics reflects excellent penetration among borrowers of different income levels.

HMDA-Reportable Loans

In 2001, the bank extended 27.4% by number and 17.2% by dollar volume of its loans to LMI borrowers, significantly above the aggregate's corresponding penetration rates of 19.1% and 10.7%, respectively. The bank's LMI penetration rate based on the number of loans was relatively unchanged in 2002, but its corresponding dollar penetration rate declined to 13.4%. However, in absolute terms, the number and the dollar volume of loans to LMI borrowers significantly increased between years.

The table below illustrates the distribution of HMDA-reportable loans by borrower income levels for 2001 and 2002:

Distribution of HMDA Reportable Loans by Borrower Income Level								
2001								
Borrower Income	**Bank**				**Aggregate**			
	#	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	20	7.3	1,586	3.2	8,118	3.9	738,099	1.7
Moderate	55	20.1	6,848	14.0	31,862	15.2	3,922,559	9.0
Middle	87	31.8	13,792	28.2	56,237	26.8	8,673,593	19.9
Upper	100	36.5	20,580	42.1	88,757	42.3	22,490,991	51.5
N/A	12	4.4	6,095	12.5	24,905	11.9	7,861,097	18.0
Total	**274**	**100.0**	**48,901**	**100.0**	**209,879**	**100.0**	**43,686,339**	**100.0**
2002								
Borrower Income	**Bank**				**Aggregate**			
	#	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	39	7.9	4,149	3.3	**Data**	**Not**	**Available**	-
Moderate	97	19.6	12,516	10.1	-	-	-	-
Middle	152	30.8	24,042	19.3	-	-	-	-
Upper	173	35.0	36,211	29.1	-	-	-	-
N/A	33	6.7	47,419	38.1	-	-	-	-
Total	**494**	**100.0**	**124,337**	**100.0**	**-**	**-**	**-**	**-**

Other Loans:

The bank's distribution of 1-4 family MECAs reflects adequate penetration among customers of different income levels. In 2001, the bank's LMI penetration rate was 16.4% by number and 11.1% by dollar volume. RSB's LMI penetration rates declined during 2002, to 14.2% and 8.8%, respectively.

The distribution of multifamily MECAs was not analyzed according to borrower characteristics, since borrower income data was not available.

The table below illustrates the distribution of 1-4 family MECA loans by borrower income level for 2001 and 2002:

Distribution of Other Loans (1-4 family MECAs) by Borrower Income Level								
Borrower Income	**2002**				**2001**			
	#	**# %**	**$000s**	**$ %**	**#**	**# %**	**$000s**	**$ %**
Low	6	2.9	807	1.6	1	0.9	150	0.6
Moderate	23	11.3	3,702	7.2	18	15.5	2,792	10.5
Middle	45	22.1	8,963	17.4	32	27.6	4,883	18.4
Upper	130	63.7	38,014	73.8	65	56.0	18,679	70.5
N/A	-	-	-	-	-	-	-	-
Total	**204**	**100.0**	**51,486**	**100.0**	**116**	**100.0**	**26,504**	**100.0**

Community Development Lending: "Outstanding"

The bank is a leader in making community development loans.

During the evaluation period, RSB originated 115 community development loans totaling $317.2 million, all of which were new initiatives for the bank. Substantially all of these facilities were commercial, construction and multifamily loans. As noted in the performance context, the bank's general operating strategy now focuses on the origination of loans in these categories.

Multifamily and MECA loans comprised $189.7 million, or 59.8% of the total community development activity. Loans in these categories were not considered at the prior evaluation. Other community development loans increased a dramatic $127.5 million, or 416.0%, since the prior evaluation.

On a dollar volume basis, 70.9% of community development loans supported affordable housing, 25.9% revitalization and stabilization activities and 3.3% community services. The corresponding percentages by number of loans were 74.8%, 19.1% and 6.1%, respectively.

The following table summarizes the bank's community development lending activities by counties within the assessment area:

Community Development Loans (In Thousands)								
	Affordable Housing		Community Service		Revitalize & Stabilize		Total	
	#	$	#	$	#	$	#	$
MSA 5380								
Nassau	4	7,100	-	-	-	-	4	7,100
Suffolk	5	25,947	-	-	1	1,600	6	27,547
Sub-total MSA 5380	**9**	**33,047**	**-**	**-**	**1**	**1,600**	**10**	**34,647**
MSA 5600								
Bronx	10	20,773	-	-	2	2,750	12	23,523
Kings	5	8,646	4	4,104	6	13,317	15	26,067
New York	62	162,286	2	5,100	10	49,115	74	216,501
Queens	-	-	1	1,211	3	15,207	4	16,418
Sub-total MSA 5600	**77**	**191,705**	**7**	**10,415**	**21**	**80,389**	**105**	**282,509**
Total	**86**	**224,752**	**7**	**10,415**	**22**	**81,989**	**115**	**317,156**

The following are examples of the bank's community development initiatives:

- In December 2001, the bank granted a $17.9 million loan to finance construction of a 98-unit, 8-story co-operative ("co-op") apartment building located in the Harlem section of Manhattan. The project is located in a low-income area and developed under the New Housing Opportunities Program ('NHOP") of the New York City Housing Development Corporation ("HDC"). The project will provide affordable housing in the area.

- In May 2002, the bank provided a $3.8 million construction-permanent loan to a community development corporation in Brooklyn. The proceeds will finance

development of the South Brooklyn Community Center, located in a moderate-income area. This community development corporation is a coalition of neighbors working together to develop housing and jobs, prevent displacement of low-income residents and ensure that all residents share in the benefits of a revitalized community, regardless of race.

- In June 2002, the bank provided a $16.4 million construction loan to finance a 9-story, 92-unit co-op apartment building located in a low-income area in upper Manhattan. The project, which is being developed under the joint participation/sponsorship of HDC and NHOP, will provide affordable housing in the area.

- In September 2002, the bank approved a $7.2 million construction to permanent loan that will finance a 7-story, 106-rental unit apartment building in the Bronx. The project is located in a low-income area and is sponsored by the South Bronx Overall Economic Development Corporation ("SOBRO"), which acquired the land from the NYC Economic Development Corporation. The project is being developed under the Federal and NY State Low-Income Housing Tax Credit Program.

Innovative or Flexible Lending Practices:

The bank offers several flexible lending products for 1-4 family residential loans through Cendant Mortgage Corporation, a third-party originator. However, management was unable to provide information on the number and dollar amount of loans.

II. Investment Test: "Outstanding"

The investment test evaluates a banking institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s), or a broader statewide or regional area, that includes the banking institution's assessment area(s). The institution's investment performance is evaluated pursuant to criteria which may include the following: (1) the dollar amount of qualified investments; (2) the innovativeness or complexity of qualified investments; (3) the responsiveness of qualified investments to credit and community development needs; and (4) the degree to which the qualified investments are not routinely provided by private investors.

The bank had an excellent level of qualified community development ("CD") investments and grants, although rarely in a leadership position, and with limited involvement in investments not routinely provided by private investors. The bank's qualified investments are neither innovative nor complex, but are responsive to community needs.

RSB's qualified CD investments and grants for the evaluation period totaled $44.7 million, of which $26.6 million, or 59.5%, represented new money. The bank's level of qualified investments more than doubled since the prior evaluation date. A substantial majority (97.0%) of the bank's qualified investments was for affordable housing.

The following is a brief description of the new investments:

- Community Preservation Corp ("CPC") Collateral Trust Notes - In December 2002, the bank purchased approximately $15.6 million in CPC Collateral Trust Notes backed by pool of multifamily dwellings classified as "Downstate insured." All properties in the pool were insured by SONYMA.

- Mortgage Backed Securities ("MBS") - In 2001, the bank purchased $4.8 million and $3.9 million in Fannie Mae and Freddie Mac mortgage-backed securities, respectively. These securities are backed by mortgages collateralized by properties located in LMI areas.

Grants:

During the evaluation period, the bank made contributions totaling $1.9 million as follows:

- In 2001 and 2002, The Roslyn Savings Foundation made qualified grants totaling $503.2 thousand and $382.5 thousand, respectively. The foundation was organized in 1997, exclusively for charitable purposes. It is committed to providing grants designed to further community development, expand home ownership opportunities and provide access to affordable housing in the local communities served by the bank. In addition, the Foundation supports local community organizations in the health, education and culture categories that contribute to the quality of life.

- The bank granted $1 million to the Affordable Housing Program ("AHP") sponsored by the Federal Home Loan Bank of New York ("FHLBNY"). This represent the bank's 2001 and 2002 pro-rata share of the 10.0% of earnings set aside by the FHLB of NY to fund the AHP program. FHLBNY's Affordable Housing Program advances funds at subsidized rates to member institutions. These funds are given to qualified community development groups for the purchase, construction, and/or rehabilitation of (i) owner-occupied housing for low and moderate income households; or (ii) rental housing, where at least 20.0% of the rental units will be occupied by and affordable for very low-income households for the remaining useful life of such housing or the mortgage terms.

The following is a summary of RSB's qualified community development investments and grants during the review period:

Qualified Community Development Investments (in thousands)						
Particulars	Affordable Housing	Economic Dev.	Community Service	Revitalize & Stabilize	Total Commitment	New Money
Mortgage Backed Securities	18,396				18,396	8,685
New York Equity Fund	3,000				3,000	-
NYS Housing Finance Agency	4,980				4,980	-
Nassau/Suffolk Bus. Dev. Fund		200			200	-
FNMA / CPC Investments	49				49	-
NY Business Dev. Fund		500			500	500
CPC Collateral Trust Note	15,711				15,711	15,557
Grants	1,267	167	453	18	1,905	1,905
Totals	**43,403**	**867**	**453**	**18**	**44,740**	**26,648**

III. Service Test: "High Satisfactory"

The Service Test evaluates a banking institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of a banking institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

Retail Banking Services: "High Satisfactory"

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the bank's assessment area. As of December 31, 2002, the bank operates 37 full service banking offices (including the main office), of which three, or 8.1%, are located in moderate-income areas and seven, or 18.9%, are located in areas adjacent to LMI census tracts.

The following chart illustrates the distribution of branches by county:

Distribution of Branches as of December 31, 2002							
	Branches	Moderate		Adjacent to LMI		Total Mod. / Adj. LMI	
County		#	%	#	%	#	%
Nassau	19	1	5.3	5	26.3	6	31.6
Suffolk	7	1	14.3	1	14.3	2	28.6
Queens	7	0	0.0	1	14.3	1	14.3
Kings	3	1	33.3	0	0.0	1	33.3
Bronx	1	0	0.0	0	0.0	0	0.0
Total	**37**	**3**	**8.1**	**7**	**18.9**	**10**	**27.0**

Supplementing the banking offices are Automated Teller Machine (ATM) facilities at all branch locations, other than its Main Office and Bayside branch. ATMs linked to NYCE, CIRRUS and Exchange Networks are available 24-hours a day.

The bank offers the following additional alternative delivery systems:

- Online Banking Services – allows customers to pay bills, transfer funds, apply for loans and verify account balances. Visitors to the bank's website can access information on all available products, services, branch locations and banking hours.

- 24-Hour Telephone Banking Service – allows customers to obtain account information, office locations and hours, transfer funds between Roslyn accounts, make loan payment, as well as have access to customer representatives during normal business hours.

- Mail Services (Bank-by-Mail)

Changes in Branch Locations

The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.

Between evaluation periods, the bank opened 11 branch offices: three in 2001 and eight in 2002, of which three offices, or 27.3%, were either located in moderate-income areas or in areas adjacent to LMI census tracts.

The bank did not close any banking offices during the same period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and/or LMI individuals. General banking hours are from 8:30 a.m. to 3:00 p.m. All banking offices have extended banking hours one night per week, mostly until to 8:00 p.m., and are open on Saturdays from 8:30 a.m. to 2:00 p.m.

Drive-up and walk-up facilities are available at most branches during regular and extended hours. In addition, limited drive-up and/or walk-up services are available on Sundays from 11:00 a.m. to 2:00 p.m. at the Lawrence Branch, which is adjacent to an LMI area.

The bank continues to offer the "Free Checking" account that was introduced in December of 1997. The account is more advantageous than the "Basic Banking" account required by New York State Banking Law and features no minimum balance, per check charges, monthly fees or maintenance charges.

Community Development Services: "High Satisfactory"

The bank provides a relatively high level of community development services. RSB management provides technical assistance to organizations and programs that promote affordable housing, economic development and community services throughout the

assessment area.

The following are some examples of the bank officers' involvement with community organizations:

- Chairman & CEO – board member and past board president of Interfaith Nutrition Network ("INN"). INN provides food, shelter and supportive services to Long Island's hungry and homeless populations. Also serves as a board member of the Helen Keller Services for the Blind.

- President & COO – member of Advisory Board of Neighborhood Housing Services ("NHS").

- Vice Chairman – charter member of Long Island Housing Partnership Inc. ("LIHP") board of directors. LIHP provides housing opportunities for those who would be unable to afford decent and safe homes.

- Senior Vice President & Senior Commercial Loan Officer – member of the board of directors of LIHP and serves on several ad-hoc committees; immediate past president of the board of directors and chairman of the Budget & Finance Committee of the Arthritis Foundation, Long Island Chapter.

- Vice President, CRA & Community Development Officer – member of the loan committee for Nassau-Suffolk Community Development Corporation; member of the Advisory Board on New York State Association for Affordable Housing; chairman of the Community Bankers Association of New York State – CRA Committee; Child Care Loan Committee member with the Community Development Corporation of Long Island.

- Assistant Vice President & Branch Manager – board member on the Bedford-Stuyvesant NHS and Citywide Loan Policy & Credit Committee.

The bank's senior officers conducted fund raising campaigns to support local community groups whose services aid the needy. Funds were raised for Interfaith Nutrition Network, Neighborhood Housing Services of NYC, New York and National Housing Conference, Visiting Nurse Association, Hispanic Counseling Center, United Jewish Appeal, Queens Child Guidance Center and others.

The bank conducts a Money and Banking Program for elementary, junior high school and high school students on an ongoing basis. The program encourages students to follow their dreams to achieve their goals and links this to the importance of money management. The program was presented annually to disabled children at the Carman Road School (Nassau BOCES), and to five other local schools during the evaluation period.

The bank offers dedicated space in its Gates Avenue branch in the Bedford-Stuyvesant community of Brooklyn to conduct NHS-sponsored Home Maintenance Workshops and

other programs.

The Roslyn Savings Foundation and the bank, in partnership with Community Development Corporation of Long Island, Inc. ("CDC"), expanded the Home Maintenance Workshop to Long Island in October 2001. The training is provided at no charge to LMI individuals. RSB's Senior Vice President and Marketing Officer is currently an instructor at two home maintenance facilities, while an Executive VP and the Chief Information Officer are trainers at a CDC center.

IV. Discrimination or Other Illegal Practices

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

Examiners noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance report concurrent with this assessment indicates satisfactory adherence to antidiscrimination or other applicable laws and regulations. No evidence of prohibited discrimination or other illegal credit practices was noted.

V. Process Factors

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

RSB ascertains the credit and related needs of its assessment area through its community outreach program. The bank believes that community outreach and involvement with local organizations, business professionals and members of the community provide the most effective means of ascertaining the credit products and services necessary to meet the diverse financial and other needs of all its communities, including those of LMI.

The following is a sample of local community development organizations with which the bank has been involved with through its outreach program:

- Nassau-Suffolk Community Development Corporation
- Neighborhood Housing Services
- Long Island Development Corporation
- New York State Association for Affordable Housing
- Family Service League of Suffolk County

- Helen Keller Services for the Blind
- Interfaith Nutrition Network
- Long Island Housing Partnership
- Urban Financial Services Coalition Inc.
- Community Development Corporation of Long Island
- Queens Child Guidance Center
- Hispanic Counseling Center
- Habitat for Humanity

The bank's ongoing program of community outreach and involvement resulted in its participation in a broad array of community development lending activities such as the preservation and improvement of affordable housing, senior citizen housing, and commercial revitalization in the assessment area, especially Manhattan and The Bronx.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

The bank uses a variety of methods to make members of the community aware of its credit services. The bank makes the market area aware of its credit services through the active involvement of senior management, officers and employees in local community organizations. The CRA Officer, also serving as Director of Community Development, is responsible for the outreach program leading to identification and participation in lending, investment and service opportunities.

RSB advertises primarily through newspapers and local publications such as *Newsday, New York Times, North Shore Today, Bronx Times, Queens Chronicle* and *LI Business News.*

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

All CRA related activities and initiatives of the bank are coordinated and overseen by the CRA Officer. The CRA Officer reports directly to the President and is a member of the Asset & Liability Committee – a management committee chaired by the Chairman and CEO of the bank. The Committee meets on a regular basis and discusses, among other topics, the bank's CRA performance.

VI. Other Factors

Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

None noted.

GLOSSARY

Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

Community Development

The term "community development" is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income ("LMI") individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A "community development loan" is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income ("LMI") persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A "qualified investment" is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;

- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
    - Serving on a loan review committee;
    - Developing loan application and underwriting standards;
    - Developing loan processing systems;
    - Developing secondary market vehicles or programs;
    - Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
    - Furnishing financial services training for staff and management;
    - Contributing accounting/bookkeeping services; and
    - Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act ("HMDA")

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of $1 million or less.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas ("BNAs"), where according to the 1990 US Census, the median family income is less than 80.0% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80.0% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Those individuals whose income is less than 80.0% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20.0% would indicate that the bank made 20 out of a total of 100 loans to LMI geographies or borrowers.

Small Business Loans

Loans to businesses with original amounts of $1 million or less.