FIRST OF LONG ISLAND CORP
Form 424B5
July 12, 2010

The information in this preliminary prospectus supplement relates to an effective registration statement, but is not complete and may be changed. This preliminary prospectus supplement and accompanying prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-167692

SUBJECT TO COMPLETION, DATED JULY 12, 2010

PRELIMINARY PROSPECTUS SUPPLEMENT
To the Prospectus dated July 2, 2010

[ ] Shares

Common Stock

We are offering [ ] shares of our common stock. Our common stock is traded on the Nasdaq Capital Market under the symbol "FLIC." On July 9, 2010, the last reported price of our common stock was $25.50 per share.

Investing in our common stock involves a high degree of risk. For certain risks and uncertainties that you should consider, see "Risk Factors" in this prospectus supplement and in the documents we file with the SEC that are incorporated by reference into this prospectus.

	Per Share	Total
Public offering price	[ ]	[ ]
Underwriting discount	[ ]	[ ]
Proceeds to us, before expenses	[ ]	[ ]

We have granted the underwriter a 30-day option to purchase up to [ ] additional shares of common stock at the same price, and on the same terms, solely to cover over-allotments, if any.

These securities are not deposits or obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the common stock to purchasers against payment in New York, New York on or about July [   ], 2010, subject to customary closing conditions.

Keefe, Bruyette & Woods

The date of this prospectus supplement is July [   ], 2010

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Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any related free writing prospectus. We have not, and the underwriter has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell our securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompa–nying prospectus, any related free writing prospectus, or any documents incorporated by reference herein, is accurate as of their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in the prospectus.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement which describes the specific terms of this offering and certain other matters and also updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus which provides more general information about us and our common stock. We may also provide, if necessary, a pricing supplement that describes the pricing terms of the common stock. You should read this prospectus supplement, the accompanying prospectus and any pricing supplement. Generally, when we refer to this "prospectus" we mean this prospectus supplement together with the accompanying prospectus.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus or any pricing supplement, you should rely on the information in the following order of priority: (1) the pricing supplement, if any; (2) this prospectus supplement; and (3) the accompanying prospectus.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. This prospectus supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for that person to make that offer or solicitation.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement to "the Corporation," "we," "us," "our" or similar references mean The First of Long Island Corporation and its direct and indirect subsidiaries. References to the "Bank" mean The First National Bank of Long Island, our wholly-owned subsidiary through which we conduct all of our business, and its subsidiaries. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that the option to purchase additional shares granted to the underwriter is not exercised in whole or in part.

SPECIAL NOTE REGARDING FORWARD–LOOKING STATEMENTS

We make forward-looking statements in this prospectus and the documents incorporated into it by reference. These forward-looking statements include: statements of goals, intentions, and expectations; estimates of risks and of future costs and benefits; assessments of probable loan 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 "believe," "expect," "could," "should," "would," "may," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other sim expressions.

Forward-looking statements are subject to numerous assumptions, risks, and uncertainties that may change over time. Forward-looking statements speak only as of the date they are made. 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 our future results could differ, possibly materially, from historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties:

- changes in economic conditions, including an economic recession that could affect the value of real estate collateral securing our mortgage loans and the ability of our borrowers to repay their loans;

- the timing and amount of revenues that we may recognize;
- increased competition among depository and other financial institutions in our marketplace;
- inflation and changes in the interest rate environment (including changes in the shape of the yield curve) that reduce our margins or fair value of our financial instruments;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- changes in consumer spending, borrowing and savings habits;

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- legislative and regulatory changes, including broad financial reform, the creation of new agencies focused on consumer protection, increases in FDIC assessments and increased regulatory oversight of our business;
- monetary and fiscal policies of the federal government, including the impact of the current government effort to restructure the U.S. financial and regulatory system;
- changes in tax policies, rates and regulations of federal, state and local tax authorities;
- deposit flows;
- the cost of funds;
- demand for loan products and other financial services;
- changes in the quality and composition of our loan and investment portfolios;
- changes in management's business strategies;
- changes in accounting principles, estimates, policies or guidelines;
- changes in real estate values;
- technology risk; and
- a variety of other matters that, by their nature, are subject to significant uncertainties.

We provide greater detail regarding some of these factors in the "Risk Factors" section of this prospectus supplement, our annual report on Form 10-K for the year ended December 31, 2009, including the "Risk Factors" section of that report, and in our other filings with the SEC. You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this prospectus. We do not assume any obligation to revise forward-looking statements except as may be required by law.

PROSPECTUS SUPPLEMENT SUMMARY

This summary is not complete and does not contain all of the information you should consider before investing in the common stock offered by this prospectus supplement and the accompanying prospectus. You should read this summary together with the entire prospectus supplement and prospectus, including our consolidated financial statements, the notes to those financial statements, and the other documents that are incorporated by reference in this prospectus supplement, before making an investment decision. See the "Risk Factors" section of this prospectus supplement for a discussion of the risks involved in investing in our common stock.

General

We are a one−bank holding company that provides financial services through our wholly−owned subsidiary, The First National Bank of Long Island. We serve the financial needs of privately owned businesses, professionals, consumers, public bodies, and other organizations primarily in Nassau and Suffolk Counties, Long Island and New York City. At June 30, 2010, we had total assets of $1.60 billion, deposits of $1.27 billion and stockholders' equity of $128.0 million.

Our principal business consists of attracting business and consumer checking deposits, money market deposits, time deposits and savings deposits and investing those funds in commercial and residential mortgage loans, commercial loans, home equity loans and lines of credit, and investment securities. Our loan portfolio is primarily comprised of loans to borrowers in Nassau and Suffolk Counties, Long Island and New York City, and our real estate loans are principally secured by properties located in these geographic areas. Our investment securities portfolio is primarily comprised of pass−through mortgage−backed securities and collateralized mortgage obligations issued by U.S. government agencies and municipal securities.

The New York metropolitan area in which we operate provides exceptional opportunities for our Bank. Over the years, there has been a significant amount of bank consolidation in our marketplace. This has resulted in the banking needs of many small and medium sized businesses and consumers not being properly serviced. Our Bank has been able to attract some of these disenfranchised customers with our strong dedication to service quality, attractive pricing, and the wide variety of products and services we offer.

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We are selling common stock to bolster our capital position in light of our organic growth initiatives, current economic conditions and current regulatory expectations as to what constitutes an appropriate level of capital.

Additional information about us and our subsidiaries is included in documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Our Company and Strategy

Growth Strategy

Historical Loan Growth. Total loans grew at a compounded annual growth rate ("CAGR") of just over 19% during the five-year period ended December 31, 2009 and amounted to $863.6 million, or 67.8% of total deposits, at June 30, 2010. The loan growth occurred largely in commercial mortgages, residential mortgages and home equity loans and lines which grew at CAGRs of 36.0%, 10.7% and 21.8%, respectively. One of our key strategic initiatives is to increase earnings by making loans a larger portion of the overall balance sheet and securities a smaller portion. Over time, this strategy should result in our loan to deposit ratio more closely resembling that of our national peer group, which averaged 81.2% at March 31, 2010.

We expect that loan growth will come from the marketing efforts of our personnel and be funded by a combination of deposit growth and maturities and paydowns on our investment securities portfolio. As in the past, we plan to focus our growth efforts on categories of loans we believe to be lower risk, including owner-occupied commercial mortgages, multifamily commercial mortgages, residential mortgages and home equity loans and lines. We plan to continue avoiding what we believe to be higher risk loan categories such as construction and land development loans and unsecured loans to individuals.

Historical Deposit Growth. Total deposits were $1.27 billion at June 30, 2010, and grew at a CAGR of almost 11% during the five-year period ended December 31, 2009. For the six months ended June 30, 2010, our overall cost of total deposits was 0.84%. We expect that future deposit growth will largely come from our continued expansion of the Bank's branch system, which currently consists of 33 branches located in Nassau and Suffolk Counties, Long Island and Manhattan, and new and expanded business banking relationships resulting from the efforts of our calling officers. Recently, many of our new full service branches have been small, well-appointed facilities located in micro markets on Long Island where we believe there is less competition than in some of the larger markets we serve. This approach has been successful in terms of minimizing our initial capital investment and ongoing operating costs and maximizing our ability to gather deposits quickly. In addition, we continue to focus on developing commercial lending relationships and have attracted some commercial customers that have made a meaningful contribution to the growth in our commercial checking balances. The growth of core deposits, particularly checking balances, remains a key strategic initiative.

Loan and Deposit Growth in 2010. During the first six months of 2010, we deliberately slowed our loan growth and scaled back our efforts to attract new deposits. This strategy was implemented to strengthen our Tier 1 leverage capital ratio. Specifically, during the period from December 31, 2009 to June 30, 2010, we increased our loans only 4.3% from $827.7 million to $863.6 million. Similarly, although we opened four new full service branches in the first six months of this year, we were not aggressive in seeking new deposits from these branches. As a result, our total deposits decreased slightly from $1.28 billion at December 31, 2009 to $1.27 billion at June 30, 2010. These and other actions described in "Recent Developments" caused our Tier 1 leverage capital ratio to increase from 7.19% at December 31, 2009 to 7.51% at June 30, 2010. Upon conclusion of this offering, we intend to resume our strategy of increasing our deposits and loans, but it is unlikely that we will achieve the same CAGR in either loans or deposits for the full year 2010 as we achieved during the five years ended December 31, 2009.

Recruiting and Retaining Superior Talent. We continue to focus on recruiting superior talent for our executive management, lending, commercial marketing, branch, and back-office teams. When applicable, our recruiting efforts target individuals who have significant relevant experience in their discipline, a loyal customer following and strong references. Our good reputation in our marketplace and successful track record in terms of profitability and growth have worked to our advantage in this regard.

Noninterest Income. Our noninterest income comes largely from investment management activities, service charges on deposit accounts, bank-owned life insurance policies, prepayment fees, and a variety of services we perform including, but not limited to, the sale of mutual funds and annuities, safe deposit box rental, ATMs, debit cards, and letters of credit. One of our strategic objectives is to grow noninterest income by expanding existing services and adding new products and services. In this regard we have worked to develop a sales culture to take advantage of cross-sell opportunities with our existing customers. In addition, we have considered and will continue to consider the acquisition of businesses that could complement our banking business and add to noninterest income.

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Financial Strength and Stability

Loan Quality. Our management team places greater emphasis on loan quality than portfolio growth or yield. At June 30, 2010, our nonperforming assets totaled $1.8 million, or 0.21% of total loans and OREO, and loans past due 30 to 89 days totaled $973,000. In addition, our net chargeoffs have not exceeded 0.06% of average total loans in any of the last five years. We attribute the lack of significant delinquencies and chargeoffs to sound underwriting standards, the categories of loans we have chosen to emphasize, the affluent nature of the geographic areas we serve and our diligent ongoing efforts to maintain asset quality. In recent years we enhanced our credit risk management by building a more robust credit department, adding an independent appraiser to our staff, and strengthening our written underwriting policies and loan review function. In approving new loans, we generally require a loan to value ratio of 75% or less, a FICO score of 680 or better and a debt service coverage ratio of 1.25X or better.

Investment Securities Portfolio. Our investment securities portfolio is comprised almost exclusively of a mix of residential mortgage-backed securities and municipal securities. Our mortgage-backed securities include both collateralized mortgage obligations and pass-through mortgage securities issued by U.S. government agencies, most of which are full faith and credit obligations of the U.S. government. The non-full faith and credit portion, which amounted to $17 million, or 4% of our total mortgage-backed securities at June 30, 2010, is comprised of pass-through mortgage securities issued and guaranteed by Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLMC”). Substantially all of our municipal bonds are general obligation bonds rated A or better by major rating agencies. At June 30, 2010, our total municipal bond holdings were $234.3 million, our largest single municipal bond holding was $3.4 million, our revenue bond holdings were $1.9 million and our non-rated bond holdings were $2.0 million. The revenue bonds in our portfolio are rated AA or better and the non-rated bonds are obligations of Long Island municipalities in our service area. We have no trust preferred securities in our portfolio nor do we have any securities that are deemed to be impaired.

Presence in Our Market

Branch Distribution. Our Bank is one of the largest independent commercial banks on Long Island, where we generally operate in densely populated, affluent areas with a mix of personal and business banking customers. We have not employed a one-size-fits-all strategy with respect to our branch distribution system. We have three different types of branches that target three different segments of the market. We believe that this approach has enabled us to maximize revenue and minimize the initial investment and ongoing costs associated with providing our various products and services.

We generally utilize conventional full service offices in affluent areas on Long Island where there is a traditional mix of personal and business banking customers. We utilize what we refer to as Commercial Banking Units (“CBU”) in markets where there is a high concentration of professional practices and other commercial businesses. These branches, which provide the equivalent of private banking to our business customers, have shorter hours and smaller footprints than our full service branches. As a result of lower personnel and overhead costs, these branches can be profitable providing personalized service to a limited number of business customers. We employ what we refer to as Select Service Banking Centers (“SSBC”) to provide a private banking atmosphere in markets where there is a high concentration of affluent consumers.

Customer Service and Branding. We differentiate ourselves from our competition by providing superior, personalized service. In recent years we have made significant investments in our technology platform in order to provide our employees with the tools necessary to better serve our customers and enable us to cross-sell the various products and services we offer. In addition, we have worked on a branding campaign to become commonly known as the Bank “Where Everyone Knows Your Name®.”

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THE OFFERING

Issuer	The First of Long Island Corporation
Common stock offered	[ ] shares of common stock, $0.10 par value per share (1)
Over-allotment option	We have granted the underwriter an option to purchase up to [ ] additional shares of common stock within 30 days of the date of this prospectus supplement in order to cover over-allot–ments, if any.
Common stock outstanding after the offering	[ ] shares of common stock (2)
Offering price	$[ ] per share
Net proceeds	The net proceeds, after underwriting discounts and estimated expenses, to us from the sale of the common stock offered hereby will be approximately $[ ] million. If the underwriter exercises its over-allotment option in full, we estimate that our net proceeds will be approximately $[ ] million.
Use of proceeds	We intend to use the proceeds of the offering for general corporate purposes. See "Use of Proceeds."
Market and trading symbol for our common stock	Our common stock is listed and traded on the Nasdaq Capital Market under the symbol "FLIC."
Dividends and distributions	We have historically paid cash dividends on our common stock. Whether we continue to pay cash dividends is at the discretion of our Board of Directors, dependent on the financial performance of our Bank subsidiary and subject to regulatory oversight and supervision. See "Market for Our Common Stock and Our Dividend Policy."
Risk factors	Investing in our common stock involves risks. You should carefully consider the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. In particular, we urge you to consider carefully the factors set forth under "Risk Factors" in this prospectus sup–plement before investing in our common stock.

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1. The number of shares offered assumes that the underwriter's over-allotment option is not exercised. If the over-allotment option is exercised in full, we will issue and sell [ ] shares.

2. The number of shares outstanding after the offering is based on 7,254,571 shares of common stock out–standing as of June 30, 2010, and excludes [ ] shares issuable pursuant to the exercise of the under–writer's over-allotment option. It also excludes an aggregate of 566,254 shares reserved for issuance in connection with outstanding awards

under our stock-based compensation plans.

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SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial information for the Corporation as of and for each of the five years ended December 31, 2009 (most of which has been derived from our audited consolidated financial statements), and as of and for the six months ended June 30, 2010 and 2009. You should read this table together with the consolidated financial information contained in our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 that have been filed with the SEC and are incorporated by reference in this prospectus supplement. Information as of and for the six-month periods ended June 30, 2010 and 2009 is derived in part from our unaudited interim consolidated financial statements. Such financial statements have been prepared on the same basis as our audited consolidated financial statements and include, in the opinion of management, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the information for such periods. The results of operations for the six month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the full 2010 year or any future period.

	6/30/10	6/30/09	12/31/09	12/31/08	12/31/07	12/31/06
BALANCE SHEET DATA:						
Total Assets	$1,598,287,000	$1,401,678,000	$1,675,169,000	$1,261,609,000	$1,069,019,000	$954,166,000
Loans	863,631,000	697,210,000	827,666,000	658,134,000	525,539,000	449,465,000
Allowance for Loan Losses	11,940,000	6,194,000	10,346,000	6,076,000	4,453,000	3,891,000
Investment Securities	659,781,000	615,656,000	767,773,000	548,253,000	466,314,000	454,851,000
Total Deposits	1,273,278,000	1,116,883,000	1,277,550,000	900,337,000	869,038,000	824,797,000
Checking Deposits	372,326,000	323,386,000	333,853,000	324,138,000	318,322,000	321,524,000
Borrowed Funds	185,840,000	167,439,000	273,407,000	251,122,000	92,110,000	28,143,000
Stockholders' Equity	127,952,000	108,301,000	116,462,000	102,532,000	102,384,000	95,561,000
SUMMARY INCOME STATEMENT						
Interest Income	$36,189,000	$31,274,000	$66,274,000	$59,686,000	$53,023,000	$49,000,000
Interest Expense	8,771,000	8,662,000	18,334,000	16,743,000	16,269,000	12,949,000
Net Interest Income	27,418,000	22,612,000	47,940,000	42,943,000	36,754,000	36,051,000
Provision for Loan Losses	1,598,000	106,000	4,285,000	1,945,000	575,000	670,000
Net Gains (Losses) On Sales of Securities	1,719,000	947,000	1,428,000	248,000	(234,000)	(635,000)
Other Noninterest Income	3,162,000	3,151,000	6,338,000	6,033,000	5,816,000	5,933,000
	17,932,000	17,207,000	34,840,000	29,689,000	27,384,000	26,667,000

Noninterest Expense						
Income Before Income Taxes	12,769,000	9,397,000	16,581,000	17,590,000	14,377,000	14,012,000
Income Tax Expense	3,146,000	2,061,000	3,118,000	4,628,000	2,895,000	2,785,000
Net Income	$9,623,000	$7,336,000	$13,463,000	$12,962,000	$11,482,000	$11,227,000
PER SHARE DATA:						
Basic Earnings	$1.33	$1.02	$1.87	$1.79	$1.52	$1.47
Diluted Earnings	$1.31	$1.01	$1.84	$1.78	$1.51	$1.45
Cash Dividends Declared	$.40	$.36	$.76	$.66	$.58	$.50
Stock Splits/Dividends Declared	-	-	-	-	2-for-1	-
Book Value	$17.64	$15.04	$16.15	$14.25	$13.73	$12.60
Tangible Book Value	$17.61	$15.01	$16.12	$14.22	$13.71	$12.57

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	6/30/10	6/30/09	12/31/09	12/31/08	12/31/07	12/31/06	12/31/05
LOAN QUALITY INFORMATION:							
Past Due & Restructured Loans:							
Past Due 30 to 89 Days	$973,000	$651,000	$2,057,000	$1,266,000	$490,000	$1,119,000	$171,000
Past Due 90 Days or More & Still Accruing	-	226,000	-	42,000	95,000	50,000	-
Nonaccrual Loans	1,799,000	440,000	432,000	112,000	257,000	135,000	151,000
Troubled Debt Restructurings	665,000	-	200,000	-			