



September 17, 2014

Dear Stockholders:

I am pleased to report that today we announced a 3-for-2 stock split on our common stock. The split will be effected through a 50% stock dividend entitling each stockholder of record to receive one additional share of common stock for each two shares owned. We will not pay cash-in-lieu of fractional shares, but will instead round-up each stockholder's entitlement to the nearest full share. Additional shares issued as a result of the stock split will be distributed on October 15, 2014, to stockholders of record on October 1, 2014. Trading of the Corporation's shares on a split-adjusted basis will begin on October 16, 2014.

Today we also announced a cash dividend of \$.28 per share on the pre-split shares with the same record and payment dates as the stock split. This represents a 7.7% increase over the dividend of \$.26 per share declared in the same quarter last year.

I am very proud of the long-term value we have created for our stockholders. The stock split may broaden our investor base and improve the trading volume and liquidity of our common stock. The increase in the cash dividend is an expression of our confidence in the Corporation's future earnings power and represents the continuation of a trend of increases over many years.

Attached you will find answers to questions that are frequently asked regarding stock splits.

Michael N. Vittorio
President and Chief Executive Officer

Frequently Asked Questions

What is a 3-for-2 stock split in the form of a 50% stock dividend?

A 50% stock dividend is a common way to implement a 3-for-2 stock split. On October 15, 2014 (the “payment date”) each stockholder will receive one additional share of stock for each two shares owned as of the close of business on October 1, 2014 (the “record date”).

Why is the company splitting the stock?

This action reflects our desire to improve the trading volume and liquidity of our common stock and build long-term shareholder value.

How many shares will I receive?

A 3-for-2 split means that each stockholder will have 50% more shares after the split than before. For example, if a stockholder owns 100 shares of FLIC stock immediately prior to the split, that stockholder will own 150 shares of FLIC stock immediately after the split.

How will the stock split affect the market price per share?

Since there will be 50% more shares outstanding immediately after the split, each share will be worth two-thirds ($2/3$) of what it was worth immediately prior to the split. For example, if the market price per share is \$36 immediately prior to the split, the market price per share will be \$24 immediately after the split.

What happens to the overall value of my investment?

The overall value of each stockholder’s investment remains the same. Using the above examples, immediately prior to the split the total value of the stockholder’s investment is \$3,600 (100 shares times \$36 per share). Immediately after the split, the total value of the stockholder’s investment is still \$3,600 (150 shares times \$24 per share).

What and when are the key dates for the stock split?

Record Date – October 1, 2014: This date exists to determine which stockholders are entitled to receive additional shares due to the split.

- Any stockholder who owns shares as of the close of business on the record date will receive one additional share for each two shares owned.
- If you purchase shares between the Record Date and the Payment Date, you are entitled to receive an amount of split shares equal to 50% of the shares you purchased.
- If you sold your shares before the close of business on the record date, or between the Record Date and the Payment Date, you will not be entitled to receive any split shares.

Payment Date – October 15, 2014: This is the date that we will issue the new shares.

Ex-Date for the Stock Split – October 16, 2014: This is the date when FLIC common shares will trade on Nasdaq at the split-adjusted price, reflecting the 50% increase in the number of outstanding shares.

How will I receive the split shares if I have shares in a brokerage account?

If you hold FLIC shares in a brokerage account, the split shares will be sent directly to your broker for credit to your brokerage account. Please contact your broker directly with any questions regarding your brokerage account.

How will I receive the split shares if I have shares in certificate or direct registration form?

Regardless of whether you hold shares in certificate form or direct registration form, you will not receive a stock certificate for the split shares. In lieu of receiving a stock certificate, on October 15, 2014, Registrar and Transfer Company, FLIC's registrar and stock transfer agent, will mail you a Direct Registration Statement detailing your split shares. The Direct Registration Statement will give you the option of receiving a stock certificate for the split shares or transferring such shares to your brokerage account. If you have any questions, please contact Registrar and Transfer Company at 800-368-5948.

If you would like to view the shares you hold in certificate form or direct registration form, please go to www.rtc.com and click on 'LOGIN' in the upper right hand corner of the screen to get started.

What is Direct Registration?

Direct Registration is a form of electronic registration of stock ownership that enables FLIC stockholders to be directly registered on the books of Registrar and Transfer Company, as agent for FLIC, with no need for physical stock certificates.

What are the advantages of Direct Registration?

Direct Registration should be very convenient for you. The benefits include:

- Safer ownership: Saves you the administrative burden of keeping track of original stock certificates, and eliminates the worry and cost associated with replacing lost, destroyed or stolen certificates
- Faster and easier transfer of shares: Shares can be moved quickly since stock certificates do not need to be mailed to Registrar and Transfer Company to effect the transfer

Can I send in my existing FLIC stock certificates and have those shares converted to Direct Registration?

Yes. You may elect to deposit the shares represented by your existing stock certificates into your account at Registrar and Transfer Company. To deposit stock certificates, send them via Registered Mail return-receipt requested, to Registrar and Transfer Company. **Please do not sign the stock certificate(s).** You should include the bottom (detachable) section of your Direct Registration Statement with your written instructions regarding the deposit, and mail them to:

Registrar and Transfer Company, 10 Commerce Drive, Cranford, NJ 07016

We recommend that you insure the package for 2% of the value of the shares being mailed [$Value = Number\ of\ Shares \times Current\ Stock\ Price$]. If you have any questions regarding this

process, please contact Registrar and Transfer Company at 800-368-5948.

Does the 3-for-2 stock split in the form of a 50% stock dividend dilute my ownership interest in FLIC by increasing the number of shares?

No. This stock split will not change the proportionate interest a stockholder maintains in FLIC (e.g. a person owning one percent of FLIC common stock before the split will continue to own one percent of FLIC stock after giving effect to the split).

Do I have to pay for the shares?

There is no cost to you in connection with the stock split.

Has FLIC previously split the stock?

Yes. FLIC stock has been split a number of times, with the last split being a two-for-one stock split paid in April 2007.

Will the par value change?

No. The par value will remain at \$0.10 per share.

What will happen to the third quarter cash dividend?

The third quarter cash dividend of \$.28 per share will be paid on the pre-split shares. The split will not change the total dollar value of the cash dividend you would have received had the split not occurred.

Do I have to pay taxes on the new shares?

No. You will not have to pay taxes on your receipt of your new shares. FLIC's distribution of the new shares to you pursuant to the stock split is considered to be a nontaxable stock distribution for U.S. Federal income tax purposes.

What happens to my cost basis in my old shares?

Following your receipt of the split shares, you will need to allocate the tax basis of your pre-split FLIC shares between your pre-split FLIC shares and the split shares you receive. Consequently, two-thirds (2/3) of the tax basis of your pre-split FLIC shares will be allocated to your pre-split FLIC shares and the remaining one-third (1/3) will be allocated to your split shares. For a stockholder who owns several blocks of FLIC stock that were purchased at different times and prices, this allocation must be done on a block-by-block basis.

You should consult with your own personal tax advisor if you have any questions regarding your own specific facts and circumstances.

What happens to my shares in FLIC's Dividend Reinvestment/Stock Purchase Program ("DRIP")?

Your DRIP share count will increase by 50%.

What do I do with my current, pre-split, stock certificates?

Keep them - do not destroy them. The stock certificates are still valid. All your certificates should be kept in a safe place. However, as mentioned above, today most shares are kept in paperless fashion and stockholders with certificates have the option to conveniently convert all valid certificates to Direct Registration.

How does the stock split affect my stockholder voting rights?

There is no impact. At the 2015 Annual Meeting, assuming your holdings are unchanged and if the total number of shares outstanding were to be unchanged, you would vote 50% more shares, but your proportionate vote would remain the same relative to other stockholders.

How can I sell my new shares if I choose?

This process is unchanged. You may sell shares through your stockbroker.