

PENNFED FINANCIAL SERVICES INC

Form 425

November 14, 2006

Bear Stearns

SMid-Cap Investor Conference

November 14, 2006

Filed by New York Community Bancorp, Inc. pursuant to Rule 425 under the Securities Act of 1933

Subject Company: PennFed

Financial Services, Inc.

Commission File No. 0-24040

2

Forward-looking Statements and Associated Risk Factors

Safe Harbor Provisions of the Private Litigation Reform Act of 1995

This presentation,

like other written and oral communications presented by New

York

Community

Bancorp,

Inc. and its authorized officers, may be forward-looking statements

within the meaning of Section 27A of the Securities Act of 1933,

as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. New York Community

Bancorp, Inc. intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements

under the Private Litigation Reform Act

of

the Private Litigation Reform Act of 1995,

and

is

including

this

statement

for

purposes

of

said

safe

harbor

provisions.

Forward-looking statements, which are based on certain assumptions, may be identified by their reference to future periods and

events

relating

to

the

anticipated

effects

of

the

proposed

transaction

between

New

York

Community  
Bancorp,  
Inc.  
and  
PennFed  
Financial  
Services,  
Inc.  
(  
the  
Companies ).

The  
following  
factors,  
among  
others,  
could  
cause  
the  
actual  
results  
of  
the  
transaction  
and  
the  
expected  
benefits  
of  
the  
transaction  
to  
the  
combined  
company  
and  
to  
the  
Companies  
shareholders,  
to  
differ  
materially  
from  
the  
expectations  
stated  
in  
this  
presentation:

the  
ability  
of  
the  
Companies  
to  
consummate  
the  
transaction;  
a  
materially  
adverse  
change  
in  
the  
financial  
condition  
or  
results  
of  
operations  
of  
either  
company;  
the  
ability  
of  
New  
York  
Community  
Bancorp,  
Inc.  
to  
successfully  
integrate  
the  
assets,  
liabilities,  
customers,  
systems,  
and  
any  
management  
personnel  
it  
may  
acquire  
into  
its  
operations

pursuant  
to  
the  
transaction;  
and  
the  
ability  
to  
realize  
the  
related  
revenue  
synergies  
and  
cost  
savings  
within  
the  
expected  
time  
frames.

In  
addition,  
factors  
that  
could  
cause  
the  
actual  
results  
of  
the  
transaction  
to  
differ  
materially  
from  
current  
expectations  
include,  
but  
are  
not  
limited  
to,  
general  
economic  
conditions  
and  
trends,

either  
nationally  
or  
locally  
in  
some  
or  
all  
of  
the  
areas  
in  
which  
the  
Companies  
and  
their  
customers  
conduct  
their  
respective  
businesses;  
conditions  
in  
the  
securities  
markets  
or  
the  
banking  
industry;  
changes  
in  
interest  
rates,  
which  
may  
affect  
the  
Companies  
net  
income,  
the  
level  
of  
prepayment  
penalties  
and  
other  
future

cash  
flows,  
or  
the  
market  
value  
of  
their  
assets;  
changes  
in  
deposit  
flows,  
and  
in  
the  
demand  
for  
deposit,  
loan,  
and  
investment  
products  
and  
other  
financial  
services  
in  
the  
Companies  
local  
markets;  
changes  
in  
the  
financial  
or  
operating  
performance  
of  
the  
Companies  
customers  
businesses;  
changes  
in  
real  
estate  
values,  
which

could  
impact  
the  
quality  
of  
the  
assets  
securing  
the  
Companies  
loans;  
changes  
in  
the  
quality  
or  
composition  
of  
the  
Companies  
loan  
or  
investment  
portfolios;  
changes  
in  
competitive  
pressures  
among  
financial  
institutions  
or  
from  
non-financial  
institutions;  
changes  
in  
the  
customer  
base  
of  
either  
company;  
potential  
exposure  
to  
unknown  
or  
contingent  
liabilities



of  
companies  
targeted  
by  
New  
York  
Community  
Bancorp,  
Inc.  
for  
acquisition;  
the  
Companies  
timely  
development  
of  
new  
lines  
of  
business  
and  
competitive  
products  
or  
services  
within  
existing  
lines  
of  
business  
in  
a changing  
environment,  
and  
the  
acceptance  
of  
such  
products  
or  
services  
by  
the  
Companies  
customers;  
any  
interruption  
or  
breach  
of

security  
resulting  
in  
failures  
or  
disruptions  
in  
customer  
account  
management,  
general  
ledger,  
deposit,  
loan,  
or  
other  
systems;  
the  
outcome  
of  
pending  
or  
threatened  
litigation  
or  
of  
other  
matters  
before  
regulatory  
agencies,  
or  
of  
matters  
resulting  
from  
regulatory  
exams,  
whether  
currently  
existing  
or  
commencing  
in  
the  
future;  
environmental  
conditions  
that  
exist

or  
may  
exist  
on  
properties  
owned  
by,  
leased  
by,  
or  
mortgaged  
to  
the  
Companies;  
changes  
in  
estimates  
of  
future  
reserve  
requirements  
based  
upon  
the  
periodic  
review  
thereof  
under  
relevant  
regulatory  
and  
accounting  
requirements;  
changes  
in  
banking,  
securities,  
tax,  
environmental,  
and  
insurance  
law,  
regulations,  
and  
policies,  
and  
the  
ability  
to  
comply

with  
such  
changes  
in  
a  
timely  
manner;  
changes  
in  
accounting  
principles,  
policies,  
practices,  
or  
guidelines;  
changes  
in  
legislation  
and  
regulation;  
operational  
issues  
stemming  
from  
and/or  
capital  
spending  
necessitated  
by  
the  
potential  
need  
to  
adapt  
to  
industry  
changes  
in  
information  
technology  
systems,  
on  
which  
the  
Companies  
are  
highly  
dependent;  
changes  
in

the  
monetary  
and  
fiscal  
policies  
of  
the  
U.S.  
Government,  
including  
policies  
of  
the  
U.S.  
Treasury  
and  
the  
Federal  
Reserve  
Board;  
war  
or  
terrorist  
activities;  
and  
other  
economic,  
competitive,  
governmental,  
regulatory,  
and  
geopolitical  
factors  
affecting  
the  
Companies  
operations,  
pricing,  
and  
services.  
Additionally,  
the  
timing  
and  
occurrence  
or  
non-occurrence  
of  
events  
may

be  
subject  
to  
circumstances  
beyond  
the  
Companies  
control.  
Readers  
are  
cautioned  
not  
to  
place  
undue  
reliance  
on  
these  
forward-looking  
statements,  
which  
speak  
only  
as  
of  
the  
date  
of  
this  
presentation.  
Except  
as  
required  
by  
applicable  
law  
or  
regulation,  
the  
Company  
disclaims  
any  
obligation  
to  
update  
any  
forward-looking  
statements.

3

**Other Required Legal Disclosures**

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities. New York Community Bancorp, Inc. has filed a registration statement containing a proxy statement/prospectus, and other relevant documents concerning the proposed transaction with the Securities and Exchange Commission (the "SEC"). **WE URGE INVESTORS TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, AS WELL AS THE SEC'S WEBSITE FOR IMPORTANT INFORMATION.**

Investors will be able to obtain these documents free of charge at the SEC's web site ([www.sec.gov](http://www.sec.gov)). In addition, documents concerning New York Community Bancorp, Inc. will be available free of charge from the Investor Relations Department, New York Community Bancorp, Inc., 100 Merrick Avenue, Westbury, New York 11590.

4

We are a leading financial institution in the competitive New York metropolitan region.

(a)

SNL DataSource

(b)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

With total assets of \$28.9 billion at 9/30/06:

We operate the fourth largest thrift in the nation and the largest in New York State.

(a)

With multi-family loans totaling \$14.7 billion at 9/30/06:

We are the leading producer of multi-family loans for portfolio in New York City.

(a)



With total deposits of \$13.8 billion at 9/30/06:

We operate the tenth largest thrift depository in the nation and the third largest in New York State.

(a)

With the acquisitions of Long Island Financial Corp. in December 2005 and Atlantic

Bank of New York in April 2006:

We now operate 29 commercial bank branches in Manhattan, Queens, Brooklyn,

Westchester County, and Long Island.

With our proposed acquisition of PennFed Financial Services, Inc.:

We expect to operate the seventh largest depository in Essex County, New Jersey and the 12th largest in our New Jersey marketplace.

(a)(b)

We will have a network of 190 branches serving the New York metropolitan region.

(b)

5

The foundation for our success is a consistent business model that has focused on building value while, at the same time, building the Company.

(a)

Please see pages 25 and 26 for a reconciliation of our GAAP and operating efficiency ratios.

(b)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

The origination of multi-family loans:

-

\$18.0 billion of multi-family loans originated in the current decade, including \$4.7 billion in 2005 and \$2.4 billion year-to-date

The maintenance of strong credit standards, resulting in a consistent record of solid asset quality:

-

No  
net  
charge-offs  
for  
40  
consecutive  
quarters  
(4Q  
1994

-

3Q  
2004)

-  
Charge-offs  
of  
\$21,000  
in  
2005  
and  
\$279,000  
year-to-date

all  
on  
acquired  
assets  
The efficient operation of our Company and our branch network:

-  
Operating  
efficiency  
ratio  
of  
28.86%  
in  
2005  
and  
37.08%  
year-to-date

(a)  
The growth of our business through accretive merger transactions:

-  
November 2000:  
Haven Bancorp, Inc. (HAVN)

-  
July 2001:  
Richmond County Financial Corp. (RCBK)

-  
October 2003:  
Roslyn Bancorp, Inc. (RSLN)

-  
December 2005:  
Long Island Financial Corp. (LICB)

-  
April 2006:  
Atlantic Bank of New York (ABNY)

-  
March  
2007:  
PennFed  
Financial

Services,  
Inc.  
(PFSB)  
(b)

6

Our multi-family lending niche is profitable, efficient, and resilient.

Niche:

Primarily rent-controlled and -stabilized buildings in NYC

Borrowers:

Long-term property owners with a history of building cash flows, often on buildings that have been in their families for multiple generations

Term:

Years 1

5: Fixed at 150 bp above the 5-year CMT

Years 6

10: Monthly adjustable rate 250 bp above prime, or fixed rate 275 bp above the 5-year CMT plus 1 point

Prepayment

Range from 5 points to 1 point in years 1 through 5; recorded penalties:

as interest income

Efficiency:

Less costly to originate and service than 1-to-4 family loans

Quality:

No losses in our niche for more than 25 years

7

% of total loans: 74.4%

Average principal balance: \$3.6 million

Average loan-to-value ratio: 63.7%

Expected weighted average life: 3.8  
years

9 Mos. originations: \$2.4 billion

% of total loans originated in 9 Mos.: 60.2%

At 9/30/06

\$1,348

\$1,946

\$3,255

\$4,494

\$7,368

\$9,839

\$12,854

\$14,700

12/31/99

12/31/00

12/31/01

12/31/02

12/31/03

12/31/04

12/31/05

9/30/06

Multi-family Loan Portfolio

(a)

(in millions)

Multi-family loans have grown at a CAGR of 42.5% since 12/31/99.

(a)

Amounts exclude net deferred loan origination fees and costs.



8  
(in millions)  
\$1,611  
\$3,636  
\$5,405  
\$5,489  
\$10,499  
\$10,919  
\$13,396  
\$17,029  
\$19,757  
\$197  
\$526  
\$2,578  
\$4,652

\$9,500

\$12,119

\$7,081

\$5,637

\$5,209

45.7%

41.2%

% of Total Assets:

3/31/04

12/31/04

12/31/05

29.5%

55.7%

21.4%

64.8%

18.0%

68.3%

9/30/06

Cash flows from the sale of acquired assets have been converted into securities and then into loans.

12/31/00

12/31/01

12/31/02

12/31/03

12/31/99

Loans

Securities

10.4%

84.3%

11.2%

77.2%

28.0%

58.7%

41.1%

48.5%

40.5%

44.8%

9

(a)

SNL DataSource

0.78%

0.49%

0.60%

0.62%

0.52%

0.44%

0.43%

0.41%

0.17%

0.19%

0.19%

0.15%

0.15%

0.12%

0.11%

0.12%

12/31/99

12/31/00

12/31/01

12/31/02

12/31/03

12/31/04

12/31/05

9/30/06

Non-performing Assets / Total Assets

We have a consistent record of solid asset quality.

U.S. Thrifts

(a)

NYB

10  
62.44%  
62.54%  
63.07%  
62.40%  
64.53%  
66.03%  
64.81%  
65.51%  
37.08%  
28.86%  
21.46%  
23.59%

25.32%

30.50%

30.20%

28.74%

1999

2000

2001

2002

2003

2004

2005

9 Mos. 2006

Efficiency Ratio

We consistently rank among the most efficient bank holding companies in the nation.

U.S. Thrifts

(a)

NYB

(b)

(a)

SNL DataSource

(b)

Operating efficiency ratio. Please see pages 25 and 26 for a reconciliation of our GAAP and operating efficiency ratios.

11

Our efficiency has been driven by our approach to lending, product development, and branch expansion.

Multi-family and commercial real estate lending are both broker-driven without cost to the Company.

One-to-four family loans are originated on a pass-through basis and sold shortly after closing, servicing-released, generating income for the Company.

Products and services are frequently developed by third-party providers and the sale of these products generates additional revenues.

46 of our 166 branches are located in-store.

Franchise expansion has largely stemmed from mergers and acquisitions.

12

Much of our growth has been acquisition-driven.

5.63%

5.43%

1.4

13.8

7.1

28.9

19.8

\$14.7

166

w/ ABNY

9/30/06

5.19%

3.97%

3.65%

4.12%

7.19%



Tangible equity / tangible assets

(a)

1.3

0.9

0.3

0.2

0.1

Tangible stockholders

equity

(a)

31.2

26.3

23.4

9.2

4.7

1.9

Total assets

5.41%

4.13%

3.60%

4.11%

7.19%

Tangible equity / tangible assets

excluding after-tax mark-to-market

adjustment on securities

(a)

15.3

12.1

10.3

5.5

3.3

1.0

Total deposits

7.7

6.9

6.0

3.0

1.4

0.4

Core deposits

21.5

(c)

17.0

10.5

5.4

3.6

1.6

Total loans

\$14.7

(c)

\$12.9

\$ 7.4

\$3.3

\$1.9

\$1.3

Multi-family loans

190

152

139

120

86

14

Number of branches

Pro Forma

w/ PFSB

(b)

w/ LICB

12/31/05

w/ RSLN

12/31/03

w/ RCBK

12/31/01

w/ HAVN

12/31/00

12/31/99

(dollars in billions)

(a)

Please see page 27 for a reconciliation of our GAAP and non-GAAP capital measures.

(b)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

(c)

Prior to post-merger balance sheet repositioning.

13  
\$1,348  
\$1,946  
\$3,255  
\$4,494  
\$7,368  
\$9,839  
\$12,854  
\$14,700  
\$14,725  
\$1,690  
\$2,150  
\$995  
\$3,131  
\$3,557  
\$4,175

\$5,057

\$6,750

\$263

12/31/99

12/31/00

12/31/01

12/31/02

12/31/03

12/31/04

12/31/05

9/30/06

Pro Forma

(in millions)

Multi-family Loans Outstanding

All Other Loans Outstanding

(a)

Amounts exclude net deferred loan origination fees and costs.

(b)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

(c)

Prior to post-merger balance sheet repositioning.

\$5,405

\$5,489

\$10,499

Loans

Outstanding

(a)

Multi-family loans: 42.5% CAGR

Total loans: 46.8% CAGR

\$13,396

\$17,029

\$3,636

\$1,611

\$19,757

Acquisitions have contributed to our loan growth over the past six years

w/ HAVN

w/ RCBK

w/ RSLN

w/ ABNY

w/ LICB

Total Loans:

\$21,475

w/ PFSB

(b)(c)

14  
\$658  
\$1,874  
\$2,408  
\$1,949  
\$4,362  
\$3,752  
\$5,247  
\$6,639  
\$7,546  
\$378  
\$1,212  
\$2,588  
\$2,842  
\$5,247  
\$5,911

\$6,012  
\$5,943  
\$6,463  
\$720  
\$739  
\$846  
\$1,170  
\$1,245  
\$465  
\$455  
\$171  
\$40

12/31/99  
12/31/00  
12/31/01  
12/31/02  
12/31/03  
12/31/04  
12/31/05  
9/30/06

Pro Forma

\$3,257  
\$5,450  
\$5,256  
\$1,076

Total Deposits:

\$10,329  
\$10,402  
\$12,105  
\$13,752

Total deposits: 48.1% CAGR

Core deposits: 54.0% CAGR

Demand deposits: 66.4% CAGR

CDs

NOW, MMAs, and Savings

Demand deposits

(in millions)

Deposits

and have significantly bolstered the growth of our deposits.

w/ HAVN

w/ RCBK

w/ RSLN

w/ ABNY

w/ LICB

\$15,254

w/ PFSB

(a)

(a)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

15

The PFSB transaction is consistent with our proven growth-through-acquisition strategy.

ABNY

Provides cost-effective deposits to fund loan growth

Provides opportunities for profitable post-merger balance sheet repositioning

Extends our geographic footprint within the Metro New York region

Strengthens our deposit market share in existing markets

Immediately accretive to GAAP and cash earnings

PFSB

(a)

LICB

RSLN

RCBK

HAVN

(a)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

16

The acquisition of PFSB is expected to be completed on or about March 31, 2007.

(a)

Purchase Price per Share

Transaction Value

Form of Consideration

Exchange Ratio

Transaction Structure

Estimated Cost Savings

Revenue Synergies

Estimated Transaction Costs

Estimated Core Deposit Intangible

Termination Fee

Due Diligence

\$19.50

(b)

\$260 million



100% NYB Common Stock

Fixed at 1.222 NYB shares for each PFSB share

Tax-free exchange

\$9.0 million pre-tax (represents 40% of PFSB's pre-tax operating expenses); 100% realized in 2007

None assumed

\$18.6 million after-tax

3% of PFSB's non-CDs amortized over 10 years

(sum-of-the-years digits)

\$10 million (3.8% of transaction value)

Completed

(a)

Pending approval of PFSB's shareholders and the customary regulatory agencies.

(b)

Based on our closing price of \$15.96 on November 2, 2006.

17

The PFSB acquisition is expected to enhance our franchise, our balance sheet, and our earnings

Strengthens our market share in New Jersey

Improves

our

position

from

26

to

7

in

Essex

County

Solidifies our position in Hudson and Union Counties

Expands our footprint into Ocean, Middlesex, and Monmouth  
Counties

Provides cost-effective retail deposits to fund loan growth

Franchise

Enhancing

Expected to be immediately accretive to our GAAP and cash  
earnings

Double-digit internal rate of return without assumed revenue  
enhancements from balance sheet repositioning

Low

core

deposit

premium

of

10.8%

(a)

Attractive

Transaction Pricing

(a)

Calculated

as

transaction

value

less

tangible

book

value

divided

by

total

deposits

less

CDs

>

\$100,000.

th

th

18

while providing opportunities for future revenue growth.

Significant Cost

Savings and

Revenue

Enhancement

Opportunities

PFSB's current efficiency ratio is 62.2% compared to 40.7% for NYB

Estimated cost savings of approximately 40% of PFSB's pre-tax operating expenses to be fully realized in 2007

Expected sale of PFSB's 1-4 family loans and securities to provide liquidity for the production of multi-family and other higher-yielding loans

\$9.0 million in potential additional earnings from proposed post-merger balance sheet repositioning

(a)

Low Execution

Risk

We have a strong integration track record

five transactions completed

since 11/2000

PFSB's assets = approximately 8% of NYB's current assets

PFSB is well capitalized, with a total risk-based capital ratio of 13.43%

(b)

Low credit risk

PFSB has a strong record of asset quality

(b)

NPAs/Total Assets = 0.09%

NPLs/Total Loans = 0.12%

Net Charge-offs/Avg. Loans = 0.01%

No social issues

a common focus on community banking

Pro formas

reflect conservative cost savings assumptions and no revenue

enhancement

(a)

Assumes PFSB's 1-4 family loans and securities are replaced by multi-family and other higher-yielding loans.

(b)

Data at or for the nine months ended September 30, 2006.

19

The PFSB transaction is attractively priced.

2.68

2.01

Price/Book Value

(e)

--

9.4

Price / 2007 Projected EPS + Cost Savings + Balance Sheet

Repositioning Synergy

(d)

3.02

2.01

Price/Tangible Book Value

(e)

--

11.8

Price / 2007 Projected EPS + Balance Sheet Repositioning Synergy

(d)

20.0%

10.8%

Core Deposit Premium

(f)

--

14.0

Price / 2007 Projected EPS + Cost Savings

(c)

20.6

20.0

Price / 2007 Projected EPS

(b)

24.0x

21.7x

Price / LTM Earnings

Comparable

Bank and Thrift

Transactions

(a)

NYB-PFSB

Source: SNL Financial and SEC Filings

(a)

Comparable transactions include selected bank and thrift deals in NY, NJ, PA, and MD. Median values presented.

(b)

2007 EPS based on I/B/E/S consensus estimate of \$0.97.

(c)

Based on estimated cost savings of \$9.0 million (pre-tax).

(d)

Balance sheet repositioning assumes PFSB's 1-4 family loans and securities are replaced by multi-family and other higher-yield assets.

(e)

Book value and tangible book value per share at September 30, 2006.

(f)

Calculated

as

transaction

value

less

tangible

book

value

divided

by

total

deposits

less

CDs

>

\$100,000.

20

With the acquisition of PFSB, we will extend our geographic footprint in New Jersey and strengthen our market share.

NYB

PFSB

Bronx

Manhattan

Richmond

Kings

Queens

Nassau

Suffolk

Westchester

Essex



Union  
Middlesex  
Monmouth  
Ocean  
Hudson  
Essex  
13  
\$0.90  
Ocean  
3  
0.14  
Monmouth  
3  
0.13  
Middlesex  
2  
0.13  
Hudson  
2  
0.08  
Union  
1  
0.04  
Total  
24  
\$1.43  
PFSB  
Deposits  
by  
County  
(a)  
County  
Branches  
Deposits (\$B)  
Source: SNL Financial  
(a)  
At June 30, 2006.

21

Our recent commercial bank acquisitions have supported our net interest margin in a challenging yield curve environment.

The acquisition of LICB:

-

Added \$347 million of low-cost core deposits, including \$100 million of non-interest-bearing accounts on 12/30/05

The acquisition of ABNY:

-

Added \$1.4 billion of low-cost core deposits, including \$496 million of non-interest-bearing accounts on 4/28/06

The post-merger repositioning of our liabilities:

-

Used the proceeds from the post-merger sale of securities to prepay \$886 million of wholesale borrowings with a weighted average cost of 5.93% in 2Q 06

-

Reduced higher-cost brokered deposits

-

Extended \$1.2 billion of wholesale borrowings to an average call date of 2.4 years  
(\$2.5 billion year-to-date to an average call date of 2.6 years in 1H 06)

Our net interest margin:

- 1Q 06: 2.28%
- 2Q 06: 2.29%
- 3Q 06: 2.24%

22

2Q 2006:

-  
Sold \$1.2 billion of securities acquired in the LICB and ABNY transactions and used the proceeds to reduce our higher-cost sources of funds

-  
Completed the consolidation of our back-office operations

3Q 2006:

-  
Established new executive-level position to emphasize our focus on building a sales and service culture throughout our branch network

-  
Retained key personnel to maintain lending / depository relationships with major business customers

-  
Combined our community and commercial bank Premier Banking Groups to enhance

service to existing clients and build new relationships both here and overseas  
4Q 2006:

- 
- New York Commercial Bank's data processing systems have been upgraded
- 
- ABNY's data processing systems have been integrated with New York Commercial Bank's
- 
- Cross-sales training initiative to be launched throughout the branch network
- 
- Performance-driven incentive program for branch personnel to be rolled out

1Q 2007:

- - Initiate sale of New York Commercial Bank products throughout the New York Community Bank franchise, while providing superior small and mid-size business solutions
- The integration of Atlantic Bank is progressing on schedule.

23

We are committed to building value by building our business.

We are focused on:

Enhancing our asset mix by originating commercial loans to small and mid-size businesses in our market, while growing our multi-family, construction, and commercial real estate loan portfolios

Maintaining the quality of our assets by adhering to our traditional credit standards

Utilizing the cash flows from the sale of securities and 1-4 family loans to originate higher-yielding loans and reduce our higher-cost funding sources

Expanding and diversifying our deposit mix

Improving our net interest margin by replacing our high-cost wholesale sources

of funds with lower-cost retail deposits

Demonstrating our capacity to execute accretive merger transactions while  
maintaining our efficiency and making our franchise more valuable

Maintaining a high level of customer service

Maintaining the strength of our tangible capital measures

Maintaining the payment of a strong dividend

24

Log onto our web site: [www.myNYCB.com](http://www.myNYCB.com)

E-mail requests to: [ir@myNYCB.com](mailto:ir@myNYCB.com)

Call Investor Relations at: (516) 683-4420

Write to:

New York Community Bancorp, Inc.

615 Merrick Avenue

Westbury, NY 11590

11/14/2006

For More Information



25  
The  
following  
table  
presents  
a  
reconciliation  
of  
the  
Company's  
GAAP  
and  
operating  
efficiency  
ratios  
for  
the  
nine  
months  
ended  
September  
30,

2006:

Reconciliation of GAAP and Non-GAAP Measures

Adjustment:

37.08%

37.54%

Efficiency ratio

\$182,863

\$182,863

Operating expenses

\$493,134

\$487,063

non-interest income

Adjusted total net-interest income and

6,071

--

rate swaps

Loss on mark-to-market of interest

\$487,063

\$487,063

Total net interest income and non-interest income

Operating

GAAP

(dollars in thousands)

2006

Ended September 30,

For the Nine Months

26

The following table presents a reconciliation of the Company's GAAP and operating efficiency ratios for the years ended December 31, 2001, 2003, 2004, and 2005. For the year ended December 31, 2002, the Company's GAAP and operating efficiency ratios were not available.

Reconciliation of GAAP and Non-GAAP Measures

Adjustment:

Adjustments:

For the Years Ended December 31,

1999

2000

2001

2003

2004

2005

38.04%

\$112,757

--

\$112,757

\$296,431

--

--

--

\$296,431

GAAP  
 30.50%  
 \$ 89,957  
 (22,800)  
 \$112,757  
 \$294,931  
 (1,500)  
 --  
 --  
 \$296,431  
 Operating  
 30.20%  
 \$ 24,530  
 (24,800)  
 \$ 49,330  
 \$ 81,226  
 (13,500)  
 --  
 --  
 \$ 94,726  
 Operating  
 52.08%  
 \$49,330  
 --  
 \$49,330  
 \$94,726  
 --  
 --  
 --  
 \$94,726  
 GAAP  
 21.46%  
 \$193,632  
 --  
 \$193,632  
 \$902,464  
 --  
 157,215  
 8,209  
 \$737,040  
 Operating  
 28.74%  
 29.95%  
 23.59%  
 25.32%  
 26.27%  
 28.86%  
 34.14%  
 Efficiency ratio  
 \$20,525

\$21,390  
 \$148,950  
 \$169,373  
 \$193,632  
 \$200,033  
 \$236,621  
 Adjusted operating expenses  
 (865)  
 --  
 (20,423)  
 --  
 --  
 (36,588)  
 --  
 Merger-related charge  
 \$21,390  
 \$21,390  
 \$169,373  
 \$169,373  
 \$193,632  
 \$236,621  
 \$236,621  
 Operating expenses  
 \$71,426  
 \$71,426  
 \$631,349  
 \$668,962  
 \$737,040  
 \$693,068  
 \$693,068  
 non-interest income  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 Balance sheet repositioning charge  
 --  
 --  
 (37,613)  
 --  
 --  
 --  
 --  
 Gain on sale of branches  
 Adjusted total net interest income and  
 --  
 --

--  
--  
--  
--  
--

impairment

Loss on other-than-temporary

\$71,426

\$71,426

\$668,962

\$668,962

\$737,040

\$693,068

\$693,068

Total net interest income and  
non-interest income

Operating

GAAP

Operating

GAAP

GAAP

Operating

GAAP

(dollars in thousands)

27  
The  
following  
table  
presents  
a  
reconciliation  
of  
the  
Company's  
stockholders  
equity,

tangible  
stockholders  
equity,  
and  
adjusted  
stockholders  
equity;  
total  
assets,  
tangible  
assets,  
and  
adjusted  
tangible  
assets;  
and  
the  
related  
capital  
measures

at  
December

31,  
1999,  
2000,  
2001,  
2002,  
2003,  
2004,  
and  
2005

and  
at  
September

30,  
2006:

Reconciliation of GAAP and Non-GAAP Measures

December 31,  
September 30,  
1999

2000  
2001  
2002  
2003  
2004  
2005  
2006

(dollars in thousands)

--

--



(57,500)  
 (51,500)  
 (98,993)  
 (87,553)  
 (86,533)  
 (111,430)  
 Core deposit intangibles  
 7.19%  
 4.11%  
 3.60%  
 5.78%  
 4.13%  
 5.39%  
 5.41%  
 5.63%  
 Adjusted tangible stockholders  
 equity to adjusted  
 tangible assets  
 \$1,906,835  
 \$4,591,895  
 \$8,526,767  
 \$10,602,222  
 \$21,458,631  
 \$22,039,532  
 \$24,272,340  
 \$26,716,531  
 Adjusted tangible assets  
 --  
 (820)  
 (3,715)  
 (34,852)  
 34,640  
 40,697  
 55,857  
 55,626  
 Add back: Net unrealized losses (gains)  
 on securities  
 \$1,906,835  
 \$4,592,715  
 \$8,530,482  
 \$10,637,074  
 \$21,423,991  
 \$21,998,835  
 \$24,216,483  
 \$26,660,905  
 Tangible assets  
 \$137,141  
 \$188,520  
 \$307,266  
 \$612,642

\$885,951  
 \$1,188,120  
 \$1,313,512  
 \$1,504,255  
 Adjusted tangible stockholders  
 equity  
 --  
 (820)  
 (3,715)  
 (34,852)  
 34,640  
 40,697  
 55,857  
 55,626  
 Add back: Net unrealized losses (gains)  
 on securities  
 \$137,141  
 \$189,340  
 \$310,981  
 \$647,494  
 \$851,311  
 \$1,147,423  
 \$1,257,655  
 \$1,448,629  
 Tangible stockholders  
 equity  
 7.19%  
 4.12%  
 3.65%  
 6.09%  
 3.97%  
 5.22%  
 5.19%  
 5.43%  
 Tangible stockholders  
 equity to tangible assets  
 7.19%  
 6.53%  
 10.68%  
 11.70%  
 12.24%  
 13.26%  
 12.65%  
 12.83%  
 Stockholders  
 equity to total assets  
 \$1,906,835  
 \$4,592,715  
 \$8,530,482  
 \$10,637,074

\$21,423,991  
 \$21,998,835  
 \$24,216,483  
 \$26,660,905  
 Tangible assets  
 --  
 (118,070)  
 (614,653)  
 (624,518)  
 (1,918,353)  
 (1,951,438)  
 (1,980,689)  
 (2,151,951)  
 Less: Goodwill  
 \$1,906,835  
 \$4,710,785  
 \$9,202,635  
 \$11,313,092  
 \$23,441,337  
 \$24,037,826  
 \$26,283,705  
 \$28,924,286  
 Total assets  
 \$137,141  
 \$ 189,340  
 \$ 310,981  
 \$ 647,494  
 \$ 851,311  
 \$ 1,147,423  
 \$ 1,257,655  
 \$ 1,448,629  
 Tangible stockholders  
 equity  
 --  
 --  
 (57,500)  
 (51,500)  
 (98,993)  
 (87,553)  
 (86,533)  
 (111,430)  
 Core deposit intangibles  
 --  
 (118,070)  
 (614,653)  
 (624,518)  
 (1,918,353)  
 (1,951,438)  
 (1,980,689)  
 (2,151,951)

Less: Goodwill  
\$137,141  
\$ 307,410  
\$ 983,134  
\$1,323,512  
\$ 2,868,657  
\$ 3,186,414  
\$ 3,324,877  
\$ 3,712,010  
Total stockholders  
equity