

NEW YORK COMMUNITY BANCORP INC
Form 10-Q
May 09, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2014

Commission File Number 1-31565

NEW YORK COMMUNITY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of

06-1377322

(I.R.S. Employer Identification No.)

incorporation or organization)

615 Merrick Avenue, Westbury, New York 11590

(Address of principal executive offices)

(Registrant's telephone number, including area code) (516) 683-4100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

442,656,612
Number of shares of common stock outstanding at
May 2, 2014

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FORM 10-Q

Quarter Ended March 31, 2014

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NEW YORK COMMUNITY BANCORP, INC.
CONSOLIDATED STATEMENTS OF CONDITION

(in thousands, except share data)

	March 31, 2014	December 31, 2013
	(unaudited)	
Assets:		
Cash and cash equivalents	\$ 672,872	\$ 644,550
Securities:		
Available-for-sale (\$63,421 and \$79,905 pledged, respectively)	245,321	280,738
Held-to-maturity (\$4,916,515 and \$4,945,905 pledged, respectively) (fair value of \$7,629,929 and \$7,445,244, respectively)	7,707,092	7,670,282
Total securities	7,952,413	7,951,020
Non-covered loans held for sale	266,240	306,915
Non-covered loans held for investment, net of deferred loan fees and costs	30,867,631	29,837,989
Less: Allowance for losses on non-covered loans	(139,361)	(141,946)
Non-covered loans held for investment, net	30,728,270	29,696,043
Covered loans	2,695,158	2,788,618
Less: Allowance for losses on covered loans	(49,439)	(64,069)
Covered loans, net	2,645,719	2,724,549
Total loans, net	33,640,229	32,727,507
Federal Home Loan Bank stock, at cost	545,113	561,390
Premises and equipment, net	278,216	273,299
FDIC loss share receivable	460,426	492,674
Goodwill	2,436,131	2,436,131
Core deposit intangibles, net	13,918	16,240
Mortgage servicing rights	238,004	241,018
Bank-owned life insurance	899,649	893,522
Other real estate owned (includes \$36,134 and \$37,477, respectively, covered by loss sharing agreements)	106,789	108,869
Other assets	323,710	342,067
Total assets	\$ 47,567,470	\$ 46,688,287
Liabilities and Stockholders Equity:		
Deposits:		
NOW and money market accounts	\$ 11,180,217	\$ 10,536,947
Savings accounts	6,193,669	5,921,437

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Certificates of deposit	6,934,692	6,932,096
Non-interest-bearing accounts	2,444,988	2,270,512
Total deposits	26,753,566	25,660,992
Borrowed funds:		
Wholesale borrowings:		
Federal Home Loan Bank advances	10,514,899	10,872,576
Repurchase agreements	3,425,000	3,425,000
Fed funds purchased	525,000	445,000
Total wholesale borrowings	14,464,899	14,742,576
Other borrowings	362,481	362,426
Total borrowed funds	14,827,380	15,105,002
Other liabilities	243,872	186,631
Total liabilities	41,824,818	40,952,625
Stockholders' equity:		
Preferred stock at par \$0.01 (5,000,000 shares authorized; none issued)	--	--
Common stock at par \$0.01 (600,000,000 shares authorized; 442,659,460 and 440,873,285 shares issued, and 442,654,213 and 440,809,365 shares outstanding, respectively)	4,427	4,409
Paid-in capital in excess of par	5,347,183	5,346,017
Retained earnings	426,251	422,761
Treasury stock, at cost (5,247 and 63,920 shares, respectively)	(84)	(1,032)
Accumulated other comprehensive loss, net of tax:		
Net unrealized gain on securities available for sale, net of tax of \$732 and \$171, respectively	1,102	277
Net unrealized loss on the non-credit portion of other-than-temporary impairment (OTTI) losses on securities, net of tax of \$3,575 and \$3,586, respectively	(5,587)	(5,604)
Net unrealized loss on pension and post-retirement obligations, net of tax of \$20,769 and \$21,126, respectively	(30,640)	(31,166)
Total accumulated other comprehensive loss, net of tax	(35,125)	(36,493)
Total stockholders' equity	5,742,652	5,735,662
Total liabilities and stockholders' equity	\$ 47,567,470	\$ 46,688,287

See accompanying notes to the consolidated financial statements.

Table of Contents**NEW YORK COMMUNITY BANCORP, INC.****CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(in thousands, except per share data)

(unaudited)

	For the Three Months Ended March 31,	
	2014	2013
Interest Income:		
Mortgage and other loans	\$345,530	\$366,999
Securities and money market investments	69,781	45,808
Total interest income	415,311	412,807
Interest Expense:		
NOW and money market accounts	8,396	9,175
Savings accounts	6,473	4,021
Certificates of deposit	19,060	22,235
Borrowed funds	97,232	102,200
Total interest expense	131,161	137,631
Net interest income	284,150	275,176
Provision for losses on non-covered loans	--	5,000
(Recovery of) provision for losses on covered loans	(14,630)	4,502
Net interest income after (recovery of) provision for loan losses	298,780	265,674
Non-Interest Income:		
Mortgage banking income	14,610	26,109
Fee income	8,894	8,772
Bank-owned life insurance	6,829	7,253
Net gain on sales of securities	4,873	16,622
FDIC indemnification (expense) income	(11,704)	3,602
Gain on Visa shares sold	3,856	--
Other income	9,877	13,193
Total non-interest income	37,235	75,551

Non-Interest Expense:

Operating expenses:		
Compensation and benefits	75,740	83,506
Occupancy and equipment	25,998	23,600
General and administrative	42,264	44,569
Total operating expenses	144,002	151,675
Amortization of core deposit intangibles	2,323	4,421
Total non-interest expense	146,325	156,096
Income before income taxes	189,690	185,129
Income tax expense	74,436	66,454
Net income	\$115,254	\$118,675
Other comprehensive income (loss), net of tax:		
Change in net unrealized gain on securities available for sale, net of tax of \$2,529 and \$463, respectively	3,729	685
Change in the non-credit portion of OTTI losses recognized in other comprehensive income, net of tax of \$11 and \$17, respectively	17	28
Change in pension and post-retirement obligations, net of tax of \$357 and \$1,008, respectively	526	1,486
Less: Reclassification adjustment for sales of available-for-sale securities, net of tax of \$1,969 and \$2,048, respectively	(2,904)	(3,022)
Total other comprehensive income (loss), net of tax	1,368	(823)
Total comprehensive income, net of tax	\$116,622	\$117,852
Basic earnings per share	\$0.26	\$0.27
Diluted earnings per share	\$0.26	\$0.27

See accompanying notes to the consolidated financial statements.

Table of Contents**NEW YORK COMMUNITY BANCORP, INC.****CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY**

(in thousands, except share data)

(unaudited)

	For the Three Months Ended March 31, 2014
Common Stock (Par Value: \$0.01):	
Balance at beginning of year	\$ 4,409
Shares issued for restricted stock awards (1,782,601 shares)	18
Shares issued for exercise of stock options (3,574 shares)	--
Balance at end of period	4,427
Paid-in Capital in Excess of Par:	
Balance at beginning of year	5,346,017
Shares issued for restricted stock awards, net of forfeitures	(6,994)
Compensation expense related to restricted stock awards	6,664
Tax effect of stock plans	1,496
Balance at end of period	5,347,183
Retained Earnings:	
Balance at beginning of year	422,761
Net income	115,254
Dividends paid on common stock (\$0.25 per share)	(110,461)
Effect of adoption of Accounting Standards Update 2014-01	(1,303)
Balance at end of period	426,251
Treasury Stock:	
Balance at beginning of year	(1,032)
Purchase of common stock (358,461 shares)	(6,029)
Exercise of stock options (37 shares)	1
Shares issued for restricted stock awards (417,097 shares)	6,976
Balance at end of period	(84)

Accumulated Other Comprehensive Loss, net of tax:

Balance at beginning of year	(36,493)
Other comprehensive income, net of tax	1,368
Balance at end of period	(35,125)
Total stockholders' equity	\$ 5,742,652

See accompanying notes to the consolidated financial statements.

Table of Contents**NEW YORK COMMUNITY BANCORP, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

(unaudited)

	For the Three Months Ended March 31,	
	2014	2013
Cash Flows from Operating Activities:		
Net income	\$ 115,254	\$ 118,675
Adjustments to reconcile net income to net cash provided by operating activities:		
(Recovery of) provision for loan losses	(14,630)	9,502
Depreciation and amortization	6,765	6,880
Amortization of discounts and premiums, net	(2,007)	(199)
Amortization of core deposit intangibles	2,323	4,421
Net gain on sales of securities	(4,873)	(16,622)
Gain on sale of loans	(3,778)	(25,883)
Gain on Visa shares sold	(3,856)	--
Stock plan-related compensation	6,664	5,537
Deferred tax expense	10,587	7,259
Changes in assets and liabilities:		
Decrease in other assets	49,571	11,170
Increase in other liabilities	45,305	