

PENNFED FINANCIAL SERVICES INC

Form 425

January 29, 2007

Fourth Quarter 2006

Investor Presentation

January 29, 2007

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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

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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 representatives, is intended to provide information about 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 contained in this presentation 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 the anticipated effects of the proposed transaction between New York Community Bancorp, Inc. and PennFed Financial Services, Inc. among others, could cause the actual results of the transaction and the expected benefits of the transaction to the combined companies and their shareholders, to differ

materially from the expectations stated in this presentation: the ability of the Companies to consummate the transaction; a material change in the 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.

In addition, factors that could cause the actual results of the transaction to differ materially from current expectations include, but are not limited to, 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.

the timely development of new lines of business and competitive products or services within existing lines of business in a changing market; the development of new products or services by the Companies

customers; any interruption or breach of security resulting in failures or disruptions in customer account management, general ledger, loan, or other systems; the outcome of pending or threatened litigation or of other matters before regulatory agencies, or of matters existing or commencing in the future; environmental conditions that exist or may exist on properties owned by, leased by, or managed by the Companies

future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; changes in applicable laws, regulations, or accounting standards; and other factors that could cause the actual results of the transaction to differ materially from current expectations.

insurance law, regulations, and policies, and the ability to comply with such changes in a timely manner; changes in accounting, in legislation and regulation; operational issues stemming from and/or capital spending necessitated by the potential need to add 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 operations, pricing, and services. Additionally, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Company's control.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this regulation, the Company disclaims any obligation to update any forward-looking statements.

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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 F

registration

statement

with

the

U.S.

Securities

and

Exchange

Commission

(the

SEC )

which

has

not

yet

become

effective.

The

registration

statement

contains

a

proxy

statement/prospectus,

and

other

relevant

information

concerning

the

proposed

transaction.

WE

URGE

INVESTORS

TO

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THE

REGISTRATION STATEMENT CONTAINING THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEV

FILED WITH THE SEC, BECAUSE THEY CONTAIN 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 for New York Community Bancorp, Inc. will be available free of charge from the Investor Relations Department, New York Community Bancorp, 100 West Broadway, New York, New York 10038, or 100 West Broadway, Westbury, New York 11590.

4

With assets of \$28.5 billion at 12/31/06:

-

We operate the 5th largest thrift in the nation and the largest in New York State.

(a)

With a portfolio of \$14.5 billion:

-

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

(a)

With deposits of \$12.6 billion:

-

We operate the 10th largest thrift depository in the nation and the 3rd largest in New York State.

(a)

-

We operate the 16th largest commercial bank in our market.

(a)

With the acquisition of PennFed on or about March 31, 2007:

-  
We expect to operate the 2nd largest thrift depository in Essex County, NJ and the 3rd largest in our New Jersey market.

(a)(b)

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.

5

We are structured as a multi-bank holding company with two bank subsidiaries operating nine divisional banks.

Community

Bank

Divisions

Commercial

Bank

Division

(a)

(a)

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



6

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

(a)

New York Community Bank

New York Commercial Bank

PennFed

Queens

Nassau

Suffolk

Brooklyn

Manhattan

Staten Island

Bronx

Westchester

Essex

Union

Monmouth

Ocean

Hudson

Middlesex

(a)

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

7

With PFSB, we will have 190 branches serving consumers and businesses throughout Metro New York.

6

5

1

--

Manhattan

36

3

10

23

Nassau

15

(b)

--

--

15  
Essex, New Jersey  
Commercial  
Bank Branches  
Community  
Bank Branches  
17  
(b)  
--  
2  
15  
Other New Jersey  
11  
3  
4  
4  
Brooklyn  
190  
29  
48  
110  
Total  
10  
4  
5  
1  
Bronx and Westchester  
23  
(a)  
--  
5  
17  
Staten Island  
33  
(a)  
9  
14  
9  
Suffolk  
39  
(a)  
5  
7  
26  
Queens  
Total  
Traditional  
In-store  
Traditional  
Market Served

(a)

Includes a customer convenience center.

(b)

Pending approval of PFSB's shareholders and the customary regulatory agencies. NYB currently has 2 branches in Essex County, and 4 branches in Hudson County, NJ.

8

We compete very effectively against New York's money center banks.

100.00

\$49,220,400

475

Total for Institutions in Market

2.25

1,109,590

3

Signature Bank

10

4.07

2,001,685

22

HSBC Holdings plc

9

4.69  
2,306,740  
20  
Commerce Bancorp Inc.  
8  
5.18  
2,551,880  
51  
Bank of America Corp.  
7  
7.30  
3,592,143  
35  
Washington Mutual Inc.  
6  
10.04  
4,942,587  
29  
Astoria Financial Corp.  
5  
11.20  
5,512,324  
38  
New York Community  
4  
12.64  
6,220,195  
55  
Citigroup Inc.  
3  
13.16  
6,479,473  
59  
Capital One Financial Corp.  
2  
16.56%  
\$ 8,148,830  
85  
JPMorgan Chase & Co.  
1  
Market  
Share  
Deposits  
Branches  
Institution  
Rank  
NASSAU, NY  
100.00  
\$37,950,155  
405

Total for Institutions in Market  
2.32  
881,257  
7  
Flushing Financial Corp.  
10  
2.56  
970,644  
12  
Sovereign Bancorp Inc.  
9  
2.81  
1,064,945  
26  
Washington Mutual Inc.  
8  
3.89  
1,476,714  
10  
Ridgewood Savings Bank  
7  
7.08  
2,685,273  
22  
HSBC Holdings plc  
6  
7.59  
2,882,128  
40  
New York Community  
5  
8.32  
3,157,905  
17  
Astoria Financial Corp.  
4  
12.45  
4,722,978  
51  
Capital One Financial Corp.  
3  
13.53  
5,135,605  
29  
Citigroup Inc.  
2  
18.97%  
\$ 7,199,592  
65  
JPMorgan Chase & Co.



1  
Market  
Share  
Deposits  
Branches  
Institution  
Rank  
QUEENS, NY  
(dollars in thousands)  
Source: SNL DataSource  
(a) Pro forma for the pending acquisition of PennFed.  
100.00  
\$8,496,029  
100  
Total for Institutions in Market  
1.71  
145,351  
4  
Capital One Financial Corp.  
10  
2.41  
204,733  
5  
VSB Bancorp Inc.  
9  
3.02  
256,278  
2  
HSBC Holdings plc  
8  
4.00  
339,897  
5  
Commerce Bancorp Inc.  
7  
7.11  
603,776  
5  
Washington Mutual Inc.  
6  
8.91  
757,151  
11  
NSB Holding Corp.  
5  
11.87  
1,008,144  
6  
Citigroup Inc.  
4

12.21  
1,037,444  
8  
JPMorgan Chase & Co.  
3  
17.99  
1,528,359  
23  
New York Community  
2  
29.33%  
\$2,491,607  
23  
Sovereign Bancorp Inc.  
1  
Market  
Share  
Deposits  
Branches  
Institution  
Rank  
STATEN ISLAND, NY  
100  
33,793,788  
422  
Total for Institutions in Market  
2.66  
900,089  
9  
Commerce Bancorp Inc.  
10  
3.50  
1,183,588  
27  
Suffolk Bancorp  
9  
4.48  
1,512,730  
33  
Bank of America Corp.  
8  
4.59  
1,550,614  
33  
New York Community  
7  
4.93  
1,666,075  
22  
HSBC Holdings plc

6  
7.24  
2,445,807  
28  
Citigroup Inc.  
5  
7.82  
2,642,889  
36  
Washington Mutual Inc.  
4  
9.08  
3,069,546  
25  
Astoria Financial Corp.  
3  
19.16  
6,473,902  
80  
JPMorgan Chase & Co.  
2  
26.03  
8,795,547  
63  
Capital One Financial Corp.  
1  
Market  
Share  
Deposits  
Branches  
Institution  
Rank  
SUFFOLK, NY  
100.00  
\$15,835,652  
275  
Total for Institutions in Market  
4.47  
708,081  
8  
Investors Bancorp Inc.  
10  
4.48  
709,304  
9  
Commerce Bancorp Inc.  
9  
6.11  
966,905  
10

Hudson City Bancorp Inc.

8

6.11

967,395

15

New York Community

7

6.54

1,035,703

18

JPMorgan Chase & Co.

6

7.54

1,194,135

33

Bank of America Corp.

5

8.14

1,289,226

26

Valley National Bancorp

4

8.67

1,372,355

24

PNC Financial Services

3

10.53

1,667,929

22

Sovereign Bancorp Inc.

2

17.41%

\$ 2,756,217

32

Wachovia Corp.

1

Market

Share

Deposits

Branches

Institution

Rank

ESSEX, NJ

(a)

9

4th Quarter 2006 Highlights

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10

While the yield curve inverted over the course of 2006, our net interest margin remained stable.

3.56

4.07

4.14

2.29%

\$5,305

5.62

5.85%

2Q 2006

3.45

3.72

4.13

2.28%

\$10,149

5.56

5.81%

1Q 2006

64.4%

\$8,746

\$5,320

Prepayment penalties

4 bp

4.22

4.18

Average cost of borrowed funds

9 bp

3.83

3.74

Average cost of funds

23 bp

4.57

4.34

Average cost of CDs

3 bp

2.27%

2.24%

Net interest margin

12 bp

5.86

5.74

Average yield on assets

14 bp

6.08%

5.94%

Average yield on loans

4Q 2006

Linked-quarter

Increase

4Q 2006

3Q 2006

(dollars in thousands)

11

Our longstanding record of asset quality was extended in 4Q 2006.

(a)

SNL DataSource

0.40%

0.26%

0.08%

12/31/06

U.S. Banks & Thrifts

(a)

NY State Banks & Thrifts

(a)

NYB

NPAs

/ Total Assets



0.43%

0.39%

0.11%

12/31/06

NPLs / Total Loans

0.15%

0.15%

0.00%

2006

NCOs / Avg. Loans

12

Efficiency Ratio

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

(a)

SNL DataSource

(b)

Operating efficiency ratio. Please see page 29 for a reconciliation of our GAAP and operating efficiency ratios.

61.31%

58.23%

37.59%

2006

U.S. Banks & Thrifts

(a)

NY State Banks & Thrifts

(a)

NYB  
(b)  
61.01%  
56.99%  
39.12%  
4Q 2006

13

Both of our bank subsidiaries are well capitalized institutions:

The strength of our tangible capital has facilitated the payment of a strong quarterly cash dividend.

12/31/06

10.01%

7.10%

Leverage capital ratio

Commercial Bank

Community Bank

Our tangible capital measures grew on a linked-quarter basis and year-over-year:

5.41

5.19%

\$1.3

12/31/05

5.66

5.63

Tangible equity/tangible assets  
excluding after tax  
mark-to-market  
adjustment on securities

(a)

5.47%

5.43%

Tangible equity/tangible assets

(a)

\$1.4

\$1.4

Tangible stockholders

equity

(a)

12/31/06

9/30/06

(dollars in billions)

Our quarterly cash dividend has increased 90-fold since we initiated payments in 3Q 1994 and currently provides a yield in excess of 6%.

(a)

Please see page 30 for a reconciliation of our GAAP and non-GAAP capital measures.

14

**Our Business Model**

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15

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 page 29 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:

-

\$18.4 billion of multi-family loans originated in the current decade, including \$2.8 billion in 2006

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

-

Charge-offs of \$420,000 in 2006 all on acquired assets

-

No net charge-offs for 40 consecutive quarters (4Q 1994 - 3Q 2004)

The efficient operation of our Company and our branch network:

-

Operating efficiency ratio of 37.59% in 2006

(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)



16

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

17

% of total loans: 73.9%

Average principal balance: \$3.6 million

Average loan-to-value ratio: 64.0%

Expected weighted average life: 3.8  
years

2006 originations: \$2.8 billion

% of total loans originated in 2006: 56.4%

At 12/31/06

\$1,348

\$1,946

\$3,255

\$4,494

\$7,368

\$9,839

\$12,854

\$14,529

12/31/99

12/31/00

12/31/01

12/31/02

12/31/03

12/31/04

12/31/05

12/31/06

Multi-family

Loan

Portfolio

(a)

(in millions)

Multi-family loans have grown at a CAGR of 40.4% since 12/31/99.

(a)

Amounts exclude net deferred loan origination fees and costs.

18

The quality of our assets reflects our strong credit and underwriting standards.

Conservative loan-to-value ( LTV ) ratios

Minimum debt coverage ratio: 120%

All loans approved by the Mortgage and Real Estate Committee or the Credit Committee (a majority of the Board of Directors)

Director and executive officer inspect all properties over \$3 million

Board of Directors approves all loans over \$10 million

All properties appraised by independent appraisers

All independent appraisals reviewed by in-house appraisal officers

Multi-family

and

commercial

real

estate  
loans  
based  
on  
the  
lower  
of  
economic or market value  
Construction loans disbursed upon receipt of signed contract of sale

19

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 branches are located in-store.

Franchise expansion has largely stemmed from mergers and acquisitions.

20

Acquisitions have strengthened and enhanced the quality of our balance sheet.

5.66%

5.47%

1.4

12.6

6.7

28.5

19.7

\$14.5

166

w/ ABNY

12/31/06

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)

30.6

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)

14.1

12.1

10.3

5.5

3.3

1.0

Total deposits

7.3

6.9

6.0

3.0

1.4

0.4

Core deposits

21.4

17.0

10.5

5.4

3.6

1.6

Total loans

\$14.6

\$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)(c)

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 30 for a reconciliation of our GAAP and non-GAAP capital measures.

(b)

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

(c)

Pro formas

reflect NYB data at 12/31/06 and PFSB data at 9/30/06, and do not reflect the expected post-merger balance sheet repositioning.

21

In addition, our acquisitions have contributed to the achievement of several key goals.

Provides opportunities for profitable post-merger balance sheet repositioning

ABNY

Provides cost-effective deposits to fund loan growth

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.

22  
(dollars in millions)  
\$1,611  
\$3,636  
\$5,405  
\$5,489  
\$10,499  
\$10,919  
\$13,396  
\$17,029  
\$19,653  
\$197  
\$526  
\$2,578  
\$4,652

\$9,500

\$12,119

\$7,081

\$5,637

\$4,926

45.7%

41.2%

% of Total Assets:

3/31/04

12/31/04

12/31/05

29.5%

55.7%

21.4%

64.8%

17.3%

69.0%

12/31/06

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%

w/ HAVN

w/ RCBK

w/ RSLN

w/ ABNY

w/ LICB

23  
\$658  
\$1,874  
\$2,408  
\$1,949  
\$4,362  
\$3,752  
\$5,247  
\$5,945  
\$6,852  
\$378  
\$1,212  
\$2,588  
\$2,842  
\$5,247  
\$5,911

\$6,012  
\$5,551  
\$6,071  
\$720  
\$739  
\$846  
\$1,123  
\$1,198  
\$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  
12/31/06

Pro Forma

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

Total Deposits:

\$10,329  
\$10,402  
\$12,105  
\$12,619

Total deposits: 44.5% CAGR

Core deposits: 50.4% CAGR

Demand deposits: 62.5% CAGR

CDs

NOW, MMAs, and Savings

Demand deposits

(in millions)

Deposits

Additional funding has stemmed from acquired deposits.

w/ HAVN

w/ RCBK

w/ RSLN

w/ ABNY

w/ LICB

\$14,121

w/ PFSB

(a)(b)

(a)

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

(b)

Pro formas  
reflect NYB data at 12/31/06 and PFSB data at 9/30/06.



24  
\$1,348  
\$1,946  
\$3,255  
\$4,494  
\$7,368  
\$9,839  
\$12,854  
\$14,529  
\$14,554  
\$1,690  
\$2,150  
\$995  
\$3,131  
\$3,557  
\$4,175

\$5,124

\$6,817

\$263

12/31/99

12/31/00

12/31/01

12/31/02

12/31/03

12/31/04

12/31/05

12/31/06

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)

Pro formas

reflect NYB data at 12/31/06 and PFSB data at 9/30/06, and do not reflect the expected post-merger balance sheet repositioning.

\$5,405

\$5,489

\$10,499

Loans

Outstanding

(a)

Multi-family loans: 40.5% CAGR

Total loans: 44.7% CAGR

\$13,396

\$17,029

\$3,636

\$1,611

\$19,653

While acquisitions have contributed to the growth of our loan portfolio, the bulk of our growth has been organic.

w/ HAVN

w/ RCBK

w/ RSLN

w/ ABNY

w/ LICB

Total Loans:

\$21,371

w/ PFSB

(b)(c)

\$1,150

\$2,560

\$4,330

\$6,041

\$6,332

\$616

\$677

\$4,971

Total Originations:

25

Our acquisitions of LICB and ABNY provided us with an established commercial bank platform.

Diversified our depositor/borrower base

Enhanced our interest rate risk profile by replacing higher-cost funding with lower-cost core and non-interest-bearing deposits

Provided opportunities to cross-sell commercial bank products in savings bank branches

Added commercial lending expertise to our management team

Enhanced our asset mix with C&I loans to small and mid-size businesses

78%

(b)

82%

(a)

-

Core deposits/total deposits

28%

(b)

23%

(a)

-

Non-interest-bearing/total deposits

ABNY

LICB

(a)

Percentage as of 12/31/05

(b)

Percentage as of 4/28/06

26

4Q 2006:

-

New York Commercial Bank's data processing systems were upgraded.

-

ABNY's data processing systems were integrated with New York Commercial Bank's.

1Q 2007:

-

We have started to introduce certain Commercial Bank products in our Community Bank branches, and vice versa.

-

Sales & service training initiated for all branch personnel.

-  
Roll-out of sales and performance-based incentive programs throughout our branch network.

2Q 2007:

-  
PennFed's  
data  
processing  
systems  
to  
be  
integrated  
with  
NYB's.

(a)

-  
Commencement  
of  
sales  
&  
service  
training  
for  
PennFed  
branch  
personnel.

(a)

We are in the process of rolling out our sales & service initiative to enhance our revenues.

(a)

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

27

We are committed to building value in 2007.

Our Goals

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

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

Utilize

the

cash

flows

from

the



sale  
of  
securities  
and

1

-

4

family

loans

to

originate

higher-

yielding loans and/or reduce our higher-cost funding sources

Expand and diversify our deposit mix

Improve our net interest margin

Increase our revenues through the cross-sale of products and services

Maintain a strong level of efficiency

Grow our operating earnings

Demonstrate our capacity to execute accretive merger transactions while enhancing the value of our franchise

Maintain a high level of customer service

Maintain the strength of our tangible capital measures

Maintain our dividend

28

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

1/29/2007

For More Information

29  
Reconciliation of GAAP and Non-GAAP Measures  
The  
following  
tables  
present  
reconciliations  
of  
the  
Company's  
GAAP  
and  
operating  
efficiency  
ratios  
for  
the  
three  
and  
twelve

months  
ended  
December 31,  
2006.

For  
the  
three  
months  
ended  
September  
30,  
2006,

the  
Company's  
efficiency  
ratio  
was  
the  
same  
on  
a  
GAAP  
and  
operating  
basis.

6,071

--

rate swaps  
(3,072)

--

Retirement charge  
For the Year Ended  
December 31, 2006  
1,859

--

Loss on debt redemption

37.59%

\$247,546

(5,744)

\$256,362

\$658,486

\$650,556

Operating

39.41%

\$256,362

--

\$256,362

\$650,556

\$650,556

GAAP

Adjustments:

Adjustments:

Efficiency ratio

Adjusted operating expenses

Merger-related charge

Operating expenses

non-interest income

Adjusted total net interest income and

Loss on mark-to-market of interest

Total net interest income and

non-interest income

(dollars in thousands)

For the Three Months Ended

September 30, 2006

December 31, 2006

39.12%

\$66,683

(3,072)

(5,744)

\$73,499

\$165,352

1,859

\$163,493

Operating

44.96%

\$73,499

--

--

\$73,499

\$163,493

--

\$163,493

GAAP

--

--

Retirement charge

--

--

Loss on debt redemption

40.68%

\$66,428

--

\$66,428

\$163,314

\$163,314

Operating

40.68%

\$66,428

--

\$66,428

\$163,314

\$163,314

GAAP

Adjustments:

Adjustments:

Efficiency ratio

Adjusted operating expenses

Merger-related charge

Operating expenses

non-interest income

Adjusted total net interest income and

Total net interest income and

non-interest income

(dollars in thousands)

30  
Reconciliation of GAAP and Non-GAAP Capital Measures  
The  
following  
table  
presents  
a  
reconciliation  
of  
the  
Company's  
stockholders

equity,  
tangible  
stockholders  
equity,  
and  
adjusted  
tangible  
stockholders  
equity; total  
assets,  
tangible  
assets,  
and  
adjusted  
tangible  
assets;  
and  
the  
related  
capital  
measures  
at  
December  
31,  
1999,  
2000,  
2001,  
2002,  
2003,  
2004, 2005,  
and  
2006:  
December 31,  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
(dollars in thousands)  
--  
--  
(57,500)  
(51,500)  
(98,993)  
(87,553)  
(86,533)  
(106,381)



Core deposit intangibles

7.19%

4.11%

3.60%

5.78%

4.13%

5.39%

5.41%

5.66%

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

\$26,280,006

Adjusted tangible assets

--

(820)

(3,715)

(34,852)

34,640

40,697

55,857

52,125

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

\$26,227,881

Tangible assets

\$137,141

\$188,520

\$307,266

\$612,642

\$885,951

\$1,188,120

\$1,313,512  
 \$1,487,473  
 Adjusted  
 tangible  
 stockholders  
 equity

--  
 (820)

(3,715)  
 (34,852)

34,640  
 40,697

55,857  
 52,125

Add back: Net unrealized losses (gains)  
 on securities

\$137,141  
 \$189,340

\$310,981  
 \$647,494

\$851,311  
 \$1,147,423

\$1,257,655  
 \$1,435,348

Tangible  
 stockholders  
 equity

7.19%  
 4.12%

3.65%  
 6.09%

3.97%  
 5.22%

5.19%  
 5.47%

Tangible  
 stockholders  
 equity

to  
 tangible  
 assets

7.19%  
 6.53%

10.68%  
 11.70%

12.24%  
 13.26%

12.65%  
 12.95%

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  
 \$26,227,881  
 Tangible assets  
 --  
 (118,070)  
 (614,653)  
 (624,518)  
 (1,918,353)  
 (1,951,438)  
 (1,980,689)  
 (2,148,108)  
 Less: Goodwill  
 \$1,906,835  
 \$4,710,785  
 \$9,202,635  
 \$11,313,092  
 \$23,441,337  
 \$24,037,826  
 \$26,283,705  
 \$28,482,370  
 Total assets  
 \$137,141  
 \$ 189,340  
 \$ 310,981  
 \$ 647,494  
 \$ 851,311  
 \$ 1,147,423  
 \$ 1,257,655  
 \$ 1,435,348  
 Tangible  
 stockholders  
 equity  
 --  
 --  
 (57,500)  
 (51,500)  
 (98,993)  
 (87,553)  
 (86,533)  
 (106,381)

Core deposit intangibles

--

(118,070)

(614,653)

(624,518)

(1,918,353)

(1,951,438)

(1,980,689)

(2,148,108)

Less: Goodwill

\$137,141

\$ 307,410

\$ 983,134

\$1,323,512

\$ 2,868,657

\$ 3,186,414

\$ 3,324,877

\$ 3,689,837

Total

stockholders

equity