

NEW YORK COMMUNITY BANCORP INC

Form 10-Q/A

May 12, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2004

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
incorporation or organization)

06-1377322
(I.R.S. Employer
Identification No.)

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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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Par Value: \$0.01

Classes of Common Stock

264,366,491

Number of shares outstanding at

May 5, 2004

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EXPLANATORY NOTE

This amendment has been filed to correct two items: a heading to the table in Note 5 to the consolidated financial statements, and the exhibit list under Item 6. The heading on the table should not have read "in thousands." The list of exhibits in Item 6 should have included references to two amendments to the Bylaws of the Company. There are no other corrections to the filing.

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(in thousands, except share data)

| | March 31, 2004 | December 31, 2003 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|
| | <u>(unaudited)</u> | |
| Assets | | |
| Cash and due from banks | \$ 167,119 | \$ 285,904 |
| Money market investments | 1,168 | 1,167 |
| Securities available for sale: | | |
| Mortgage-backed and related securities available for sale (\$6,801,270 and \$5,288,777 market value of securities pledged at March 31, 2004 and December 31, 2003, respectively) | 7,529,234 | 5,501,377 |
| Debt and equity securities (\$24,960 and \$24,800 market value of securities pledged at March 31, 2004 and December 31, 2003, respectively) | 763,424 | 775,657 |
| Securities held to maturity: | | |
| Mortgage-backed and related securities (\$1,887,050 and \$1,195,686 market value of securities pledged at March 31, 2004 and December 31, 2003, respectively) | 1,923,098 | 2,038,560 |
| Debt and equity securities (\$885,919 and \$273,181 market value of securities pledged at March 31, 2004 and December 31, 2003, respectively) | 1,903,708 | 1,184,338 |
| Federal Home Loan Bank of New York stock, at cost | 193,469 | 170,915 |
| Mortgage loans: | | |
| Multi-family | 7,795,008 | 7,368,155 |
| Commercial real estate | 1,578,761 | 1,445,048 |
| 1-4 family | 672,077 | 730,963 |
| Construction | 737,102 | 643,548 |
| | <u>10,782,948</u> | <u>10,187,714</u> |
| Total mortgage loans | 10,782,948 | 10,187,714 |
| Other loans | 133,913 | 311,634 |
| Less: Net deferred loan origination costs | 2,252 | 1,023 |
| Allowance for loan losses | (78,293) | (78,293) |
| | <u>10,840,820</u> | <u>10,422,078</u> |
| Loans, net | 10,840,820 | 10,422,078 |
| Premises and equipment, net | 153,464 | 152,584 |
| Goodwill | 1,942,752 | 1,918,353 |
| Core deposit intangibles | 96,133 | 98,993 |
| Deferred tax asset, net | 214,419 | 256,920 |
| Other assets | 765,648 | 634,491 |
| | <u>\$ 26,494,456</u> | <u>\$ 23,441,337</u> |
| Total assets | \$ 26,494,456 | \$ 23,441,337 |
| Liabilities and Stockholders Equity | | |
| Deposits: | | |
| NOW and money market accounts | \$ 2,552,727 | \$ 2,300,221 |
| Savings accounts | 2,857,724 | 2,947,044 |
| Certificates of deposit | 3,885,816 | 4,361,638 |
| Non-interest-bearing accounts | 730,860 | 720,203 |
| | <u>10,027,127</u> | <u>10,329,106</u> |
| Total deposits | 10,027,127 | 10,329,106 |

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| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Official checks outstanding | 44,813 | 78,124 |
| Borrowed funds: | | |
| Junior subordinate debentures | 445,888 | |
| Borrowings | 12,234,575 | 9,931,013 |
| | <u> </u> | <u> </u> |
| Total borrowed funds | 12,680,463 | 9,931,013 |
| Mortgagors escrow | 89,789 | 31,240 |
| Other liabilities | 255,728 | 203,197 |
| | <u> </u> | <u> </u> |
| Total liabilities | 23,097,920 | 20,572,680 |
| | <u> </u> | <u> </u> |
| 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; 273,396,452 and 259,915,509 shares issued; 270,889,752 and 256,649,073 shares outstanding at March 31, 2004 and December 31, 2003, respectively) | 2,734 | 1,949 |
| Paid-in capital in excess of par | 3,001,157 | 2,565,620 |
| Retained earnings (substantially restricted) | 442,383 | 434,577 |
| Less: Treasury stock (2,506,700 and 3,266,436 shares, respectively) | (61,505) | (79,745) |
| Unallocated common stock held by ESOP | (15,627) | (15,950) |
| Common stock held by SERP and Deferred Compensation Plans | (3,113) | (3,113) |
| Unearned common stock held by RRP | | (41) |
| Accumulated other comprehensive income (loss), net of tax effect | 30,507 | (34,640) |
| | <u> </u> | <u> </u> |
| Total stockholders' equity | 3,396,536 | 2,868,657 |
| | <u> </u> | <u> </u> |
| Commitments and contingencies | | |
| | <u> </u> | <u> </u> |
| Total liabilities and stockholders' equity | \$ 26,494,456 | \$ 23,441,337 |
| | <u> </u> | <u> </u> |

See accompanying notes to unaudited 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, | |
| | 2004 | 2003 |
| Interest Income: | | |
| Mortgage and other loans | \$156,199 | \$103,256 |
| Mortgage-backed and related securities | 105,384 | 44,425 |
| Debt and equity securities | 34,031 | 18,610 |
| Money market investments | 234 | 283 |
| Total interest income | 295,848 | 166,574 |
| Interest Expense: | | |
| NOW and money market accounts | 6,864 | 3,786 |
| Savings accounts | 4,097 | 4,175 |
| Certificates of deposit | 7,268 | 10,777 |
| Borrowed funds | 64,059 | 39,536 |
| Mortgagors escrow | 44 | |
| Total interest expense | 82,332 | 58,274 |
| Net interest income | 213,516 | 108,300 |
| Provision for loan losses | | |
| Net interest income after provision for loan losses | 213,516 | 108,300 |
| Other Operating Income: | | |
| Fee income | 13,745 | 11,639 |
| Net securities gains | 9,944 | 6,485 |
| Other | 13,803 | 8,318 |
| Total other operating income | 37,492 | 26,442 |
| Non-interest Expense: | | |
| Operating expenses: | | |
| Compensation and benefits | 25,296 | 18,726 |
| Occupancy and equipment | 9,537 | 6,076 |
| General and administrative | 10,605 | 7,630 |
| Other | 1,505 | 1,507 |

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| | | |
|--------------------------------------------------|------------------|-----------------|
| Total operating expenses | 46,943 | 33,939 |
| Amortization of core deposit intangibles | 2,860 | 1,500 |
| Total non-interest expense | 49,803 | 35,439 |
| Income before income taxes | 201,205 | 99,303 |
| Income tax expense | 71,182 | 31,935 |
| Net Income | \$130,023 | \$67,368 |
| Comprehensive income, net of tax: | | |
| Unrealized gain on securities | 65,147 | 7,050 |
| Comprehensive income | \$195,170 | \$74,418 |
| Basic earnings per share ⁽¹⁾ | \$0.50 | \$0.37 |
| Diluted earnings per share ⁽¹⁾ | \$0.48 | \$0.37 |

(1) Per-share amounts for the three months ended March 31, 2003 have been adjusted to reflect 4-for-3 stock splits on February 17, 2004 and May 21, 2003.

See accompanying notes to unaudited consolidated financial statements.

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

(in thousands, except share data)

(unaudited)

| | Three Months Ended March 31, 2004 |
|----------------------------------------------------------------------------|----------------------------------------------|
| Common Stock (Par Value: \$0.01): | |
| Balance at beginning of year | \$ 1,949 |
| Shares issued in secondary offering and stock split | 785 |
| Balance at end of period | 2,734 |
| Paid-in Capital in Excess of Par: | |
| Balance at beginning of year | 2,565,620 |
| Shares issued in secondary offering | 399,431 |
| Allocation of ESOP stock | 2,967 |
| Allocation of Recognition and Retention Plan shares | 11,102 |
| Tax effect of stock plans | 23,315 |
| Shares issued and cash in lieu of fractional shares related to stock split | (1,278) |
| Balance at end of period | 3,001,157 |
| Retained Earnings: | |
| Balance at beginning of year | 434,577 |
| Net income | 130,023 |
| Dividends paid on common stock | (55,764) |
| Exercise of stock options | (66,453) |
| Balance at end of period | 442,383 |
| Treasury Stock: | |
| Balance at beginning of year | (79,745) |
| Purchase of common stock (2,144,374 shares) | (69,480) |
| Shares issued in satisfaction of stock option exercises (2,904,110 shares) | 87,720 |
| Balance at end of period | (61,505) |
| Employee Stock Ownership Plan: | |
| Balance at beginning of year | (15,950) |
| Earned portion of ESOP | 323 |
| Balance at end of period | (15,627) |
| SERP and Deferred Compensation Plans: | |
| Balance at beginning of year | (3,113) |
| Earned portion of SERP | |

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| | |
|-------------------------------------------------------|-------------|
| Balance at end of period | (3,113) |
| <hr/> | |
| Recognition and Retention Plans: | |
| Balance at beginning of year | (41) |
| Earned portion of RRP | 41 |
| <hr/> | |
| Balance at end of period | |
| <hr/> | |
| Accumulated Comprehensive Income, Net of Tax: | |
| Balance at beginning of year | (34,640) |
| Net unrealized appreciation in securities, net of tax | 65,147 |
| <hr/> | |
| Balance at end of period | 30,507 |
| <hr/> | |
| Total stockholders' equity | \$3,396,536 |
| <hr/> | |

See accompanying notes to unaudited consolidated financial statements.

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

(in thousands)

(unaudited)

| | Three Months Ended | |
|----------------------------------------------------------------------------------------|--------------------|------------------|
| | March 31, | |
| | 2004 | 2003 |
| Cash Flows from Operating Activities: | | |
| Net income | \$ 130,023 | \$ 67,368 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,274 | 1,710 |
| (Accretion) amortization of discounts/premiums, net | (21,273) | 7,840 |
| Accretion of net deferred loan origination fees | (1,229) | (1,046) |
| Amortization of core deposit intangibles | 2,860 | 1,500 |
| Net securities gains | (9,944) | (6,485) |
| Net gain on sale of loans | (334) | (862) |
| Changes to stock plans, including related tax benefits | 34,458 | 806 |
| Allocated portion of ESOP | 3,290 | 1,711 |
| Changes in assets and liabilities: | | |
| Increase in goodwill, net | (24,399) | |
| Decrease in deferred income taxes | 1,383 | 7,276 |
| Increase in other assets | (114,621) | (7,503) |
| (Decrease) increase in official checks outstanding | (33,311) | 11,106 |
| Increase (decrease) in other liabilities | 52,531 | (3,501) |
| Total adjustments | (107,315) | 12,552 |
| Net cash provided by operating activities | 22,708 | 79,920 |
| Cash Flows from Investing Activities: | | |
| Proceeds from repayments and redemptions of securities held to maturity | 351,772 | 4,687 |
| Proceeds from repayments, redemptions, and sales of securities available for sale, net | 936,845 | 1,170,835 |
| Purchase of securities held to maturity | (962,561) | (264,395) |
| Purchase of securities available for sale | (2,830,660) | (1,285,559) |
| Net increase in loans | (582,538) | (322,746) |
| Proceeds from sale of loans | 165,359 | 70,804 |
| Purchase or acquisition of premises and equipment, net | (4,154) | (1,005) |
| Net cash used in investing activities | (2,925,937) | (627,379) |
| Cash Flows from Financing Activities: | | |
| Net increase in mortgagors escrow | 58,549 | 31,458 |
| Net decrease in deposits | (301,979) | (73,554) |
| Net increase in borrowed funds | 2,732,914 | 715,988 |
| Cash dividends and stock options exercised | (122,217) | (28,583) |
| Stock options exercised, net of treasury stock purchased | 18,240 | (23,316) |

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| | | |
|----------------------------------------------------------|-------------------|-------------------|
| Proceeds from shares issued in secondary offering, net | 399,532 | |
| Cash in lieu of fractional shares related to stock split | (594) | |
| | <u> </u> | <u> </u> |
| Net cash provided by financing activities | 2,784,445 | 621,993 |
| | <u> </u> | <u> </u> |
| Net (decrease) increase in cash and cash equivalents | (118,784) | 74,534 |
| Cash and cash equivalents at beginning of period | 287,071 | 97,645 |
| | <u> </u> | <u> </u> |
| Cash and cash equivalents at end of period | \$ 168,287 | \$ 172,179 |
| | <u> </u> | <u> </u> |
| Supplemental information: | | |
| Cash paid for (received from): | | |
| Interest | \$104,625 | \$54,454 |
| Income taxes | (29,930) | 33,951 |
| Non-cash investing activities: | | |
| Transfer to other real estate owned from loans | \$205 | \$ |

See accompanying notes to unaudited consolidated financial statements.

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NEW YORK COMMUNITY BANCORP, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of New York Community Bancorp, Inc. and subsidiaries (the Company) and its wholly-owned subsidiary, New York Community Bank (the Bank).

The statements reflect all normal recurring adjustments that, in the opinion of management, are necessary to present a fair statement of the results for the periods presented. Certain reclassifications have been made to prior-year financial statements to conform to the 2004 presentation. There are no other adjustments reflected in the accompanying consolidated financial statements. The results of operations for the three months ended March 31, 2004 are not necessarily indicative of the results of operations that may be expected for all of 2004.

On October 31, 2003, the Company merged with Roslyn Bancorp, Inc. (Roslyn) in a purchase transaction, resulting in the exchange of 0.75 Company common shares for each share of Roslyn common stock held at the merger date. At the same time, Roslyn Savings Bank merged with and into the Bank. The Company's 2004 first quarter earnings reflect three months of combined operations.

Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC).

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's 2003 Annual Report to Shareholders and incorporated by reference into the Company's 2003 Annual Report on Form 10-K.

Note 2. Basis of Consolidation

The unaudited consolidated financial statements include accounts of the Company and other entities in which the Company has a controlling financial interest. All inter-company balances and transactions have been eliminated.

The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as special purpose entities (SPEs), through arrangements that do not involve voting interests. SPEs are an important part of the financial markets, providing market liquidity by facilitating investors' access to specific portfolios of assets and risks. SPEs may be organized as trusts, partnerships, or corporations and are typically set up for a single, discrete purpose. SPEs are not

operating entities and usually have no employees and a limited life.

There are two different accounting frameworks applicable to SPEs, depending on the nature of the entity and the Company's relation to that entity; the qualifying SPE (QSPE) framework under Statement of Financial Accounting Standards (SFAS) No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities a Replacement of Financial Accounting Standards Board (FASB) Statement No. 125 and the variable interest entity (VIE) framework under FASB Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46). The QSPE framework is applicable when an entity transfers (sells) financial assets to an SPE meeting certain criteria. These criteria are designed to ensure that the activities of the SPE are essentially predetermined in their entirety at the inception of the vehicle and that the transferor cannot exercise control over the entity. Entities meeting these criteria are not consolidated by the transferors. When an SPE does not meet the QSPE criteria, consolidation is assessed pursuant to FIN 46. A VIE is defined as an entity that lacks enough equity investment at risk to permit the entity to finance its activities without additional subordinated financial support from other parties; has equity owners who are unable to make decisions; and/or has equity owners that do not absorb or receive the entity's losses and returns. VIEs encompass vehicles traditionally viewed as SPEs

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and may also include other entities or legal structures, such as certain limited-purpose subsidiaries, trusts, or investment funds. FIN 46 requires a variable interest holder (counterparty to a VIE) to consolidate the VIE if that party will absorb a majority of the expected losses of the VIE, receive a majority of the residual returns of the VIE, or both. This party is considered the primary beneficiary of the entity. The determination of whether the Company meets the criteria to be considered the primary beneficiary of a VIE requires an evaluation of all transactions (such as investments, liquidity commitments, derivatives, and fee arrangements) with the entity. The foundation for this evaluation is an expected-loss calculation prescribed by FIN 46. It has been determined that the Company is not the primary beneficiary of its VIEs (statutory business trusts established in connection with the issuance of trust preferred securities) and, accordingly, the Company has deconsolidated those trusts in its unaudited consolidated financial statements.

Under FIN 46, investments in those trusts with regard to which the Company has significant influence over operating and financing decisions (generally defined as owning a voting or economic interest of 20% to 50%), are accounted for in accordance with the equity method of accounting. These investments are generally included in other assets in the unaudited consolidated statement of condition; the income or loss is included in other income in the unaudited consolidated statement of income. In December 2003, the FASB issued a revised FIN 46 (FIN 46R), which further delayed the effective date until March 31, 2004 for VIEs created prior to February 1, 2003, except for SPEs, which adopted FIN 46 or FIN 46R as of December 31, 2003.

Note 3. Stock-based Compensation

The Company had eight stock option plans at March 31, 2004 and five at March 31, 2003. As the Company applies Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for these plans, no compensation cost has been recognized.

Had compensation cost for the Company's stock option plans been determined based on the fair value at the date of grant for awards made under those plans, consistent with the method set forth in SFAS No. 123, Accounting for Stock-based Compensation, as amended by SFAS No. 148, Accounting for Stock-based Compensation Transition and Disclosure, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

| (in thousands, except per share data) | For the | |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------|
| | Three Months Ended March 31, | |
| | 2004 | 2003 ⁽¹⁾ |
| Net income: | | |
| As reported | \$130,023 | \$67,368 |
| Deduct: Stock-based employee compensation expense determined under fair value-based method, net of related tax effects | 11,809 | 3,177 |
| Pro forma | \$118,214 | \$64,191 |
| Basic Earnings Per Share: | | |
| As reported | \$0.50 | \$0.37 |
| Pro forma | \$0.45 | \$0.35 |

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| | | |
|-----------------------------|--------|--------|
| Diluted Earnings Per Share: | | |
| As reported | \$0.48 | \$0.37 |
| Pro forma | \$0.43 | \$0.35 |

(1) Per-share amounts for the three months ended March 31, 2003 have been adjusted to reflect 4-for-3 stock splits on February 17, 2004 and May 21, 2003.

Please see the discussion of Accounting for Stock Options on page 8 of this filing.

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The following is a summary of the Company's borrowed funds at March 31, 2004:

| (in thousands) | |
|---------------------------------|----------------------|
| FHLB-NY advances | \$ 2,530,647 |
| Repurchase agreements | 9,338,390 |
| Unsecured senior debt | 203,538 |
| Preferred stock of subsidiaries | 162,000 |
| Junior subordinated debentures | 445,888 |
| Total borrowed funds | \$ 12,680,463 |

At March 31, 2004, the Company had \$445.9 million of outstanding junior subordinated deferrable interest debentures (junior subordinated debentures) held by nine trusts, as listed below, that issued guaranteed capital debentures (capital securities). The capital securities qualified as Tier 1 capital of the Company at quarter-end. The proceeds of each issuance were invested in a series of junior subordinated debentures of the Company. The underlying asset of each statutory business trust is the relevant debenture. The Company has fully and unconditionally guaranteed each of the obligations under each trust's capital securities to the extent set forth in the guarantee. Each trust's capital securities are subject to mandatory redemption, in whole or in part, upon repayment of the debentures at their stated maturity or earlier redemption. The following is a summary of the outstanding capital securities issued by each trust and the junior subordinated debentures issued by the Company to each trust as of March 31, 2004:

| Issuer | Interest Rate of Capital Securities and Debentures(1) | Junior Subordinated Debenture | | Date of Original Issue | Stated Maturity | Optional Redemption Date |
|-----------------------------------------|--------------------------------------------------------------|--------------------------------------|----------------------------------------------|-------------------------------|------------------------|---------------------------------|
| | | Amount Outstanding | Capital Securities Amount Outstanding | | | |
| (in thousands) | | | | | | |
| Haven Capital Trust I ⁽²⁾ | 10.460% | \$ 17,782 | \$ 17,008 | February 12, 1997 | February 1, 2027 | February 1, 2007 |
| Haven Capital Trust II ⁽²⁾ | 10.250 | 22,643 | 21,860 | May 26, 1999 | June 30, 2029 | June 30, 2009 |
| Queens Capital Trust I ⁽²⁾ | 11.045 | 10,089 | 9,780 | July 26, 2000 | July 19, 2030 | July 19, 2010 |
| Queens Statutory Trust I ⁽²⁾ | 10.600 | 15,055 | 14,591 | September 7, 2000 | September 7, 2030 | September 7, 2010 |
| NYCB Capital Trust I | 4.980 | 37,114 | 36,000 | November 28, 2001 | December 8, 2031 | December 8, 2006 |
| New York Community Statutory Trust I | 4.710 | 36,083 | 35,000 | December 18, 2001 | December 18, 2031 | December 18, 2006 |
| | 4.830 | 51,805 | 50,250 | December 28, 2001 | December 28, 2031 | December 28, 2006 |

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| | | | | | | |
|------------------------------------------------|-------|-------------------|-------------------|------------------|------------------|------------------|
| New York Community Statutory Trust II | | | | | | |
| New York Community Capital Trust V | 6.000 | 191,178 | 182,673 | November 4, 2002 | November 1, 2051 | November 4, 2007 |
| Roslyn Preferred Trust I | 4.780 | 64,139 | 62,190 | March 20, 2002 | April 1, 2032 | April 1, 2007 |
| | | <u>\$ 445,888</u> | <u>\$ 429,352</u> | | | |

- (1) Excludes the effect of purchase accounting adjustments.
- (2) In the second quarter of 2003, the Company entered into four interest rate swap agreements related to these securities. Under these agreements, which were designated and accounted for as fair value hedges aggregating a notional value of \$65.0 million, the Company receives a fixed interest rate of 10.51%, which is equal to the interest due to the holders of the capital securities and pays a floating interest rate which is tied to the three-month LIBOR.

Table of Contents**Note 5. Estimated Net Periodic Pension Expense**

The following table sets forth the disclosures required under SFAS No. 132 (Revised), Employers' Disclosures about Pensions and Other Postretirement Benefits for the New York Community Bank Retirement Plan (the Retirement Plan):

| | For the | |
|-------------------------------------------------|---------------------------------|------------------|
| | Three Months Ended March 31, | |
| | 2004 | 2003 |
| Components of Net Periodic Benefit Cost: | | |
| Interest cost | \$ | \$ |
| Service cost | 524,118 | 558,186 |
| Expected return on plan assets | (816,771) | (773,713) |
| Amortization of: | | |
| Unrecognized transition obligation | | |
| Unrecognized loss | 194,641 | 236,714 |
| Unrecognized past service liability | 50,502 | 50,502 |
| Net periodic pension (credit) expense | \$ (47,510) | \$ 71,689 |

As discussed in the notes to the consolidated financial statements presented in the Company's 2003 Annual Report to Shareholders, the Company expects to contribute approximately \$100,000 to the Retirement Plan in 2004.

Note 6. Impact of Accounting Pronouncements*Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity, and requires that an issuer classify financial instruments that are considered a liability (or an asset in some circumstances) when that financial instrument embodies an obligation of the issuer.

SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. SFAS No. 150 had no impact on the Company's consolidated statement of financial condition or results of operations upon implementation during the third quarter of 2003. In November 2003, the FASB also issued a staff position that indefinitely deferred the effective date of SFAS No. 150 for certain mandatorily redeemable non-controlling interests. The Company currently believes that the deferral of the effective date of SFAS No. 150 for certain mandatorily redeemable non-controlling interests will not have a material impact on its consolidated statement of financial condition or results of operations when implemented.

The issuance of SFAS No. 150 and FIN 46 has also resulted in the Federal Reserve Board announcing potential future reconsideration of trust preferred securities as elements of regulatory capital.

Accounting for Stock Options

In March 2004, the FASB published an Exposure Draft, *Share-based Payment*, an Amendment of FASB Statements No. 123 and 95. The Exposure Draft proposes changes in accounting that would replace existing requirements under SFAS 123 and APB Opinion No 25. Under the proposal, all forms of share-based payments to employees, including employee stock options, would be treated the same as other forms of compensation by recognizing the related cost in the income statement. The expense of the award would generally be measured at fair value at the grant date. Current accounting guidance requires that the expense relating to employee stock options only be disclosed in the footnotes to the financial statements.

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Accounting for Loan Commitments

In March 2004, the SEC issued Staff Accounting Bulletin (SAB) No. 105, Application of Accounting Principles to Loan Commitments. SAB No. 105 clarifies certain provisions of SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, which amended portions of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities and is effective for periods following March 31, 2004. Together, SAB No. 105 and SFAS No. 149 provide guidance with regard to accounting for loan commitments. Under SAB No. 105 and SFAS No. 149, loan commitments relating to the origination of mortgage loans that will be held for sale shall be accounted for as derivative instruments by the issuer of the commitment. At March 31, 2004, the Company had \$70.1 million of one-to-four family loan commitments that will be held for sale upon origination. The adoption of SFAS No. 149 subsequent to March 31, 2004 did not have a material impact on the Company's consolidated financial statements.

Deconsolidation of Trust Subsidiaries

In accordance with FIN 46R, the Company deconsolidated all of its trust subsidiaries on January 1, 2004, resulting in the Company recording, on a stand-alone basis, a liability to these trusts totaling \$16.5 million under borrowed funds on the consolidated statements of financial condition. Previously, the liability was recorded in borrowed funds on the basis of the amount owed by the trust subsidiary. The impact of FIN 46R is further discussed in Notes 2 and 4 on pages 6 and 7 of this filing. The adoption of FIN 46R also resulted in the recording of the stand-alone Company's investment in these trusts as an other asset in the consolidated statements of financial condition, equal to the \$16.5 million increase in borrowed funds at March 31, 2004. The prior period consolidated financial statements are not retroactively adjusted for this pronouncement.

The Company's existing interest rate swap agreements that were designated, and accounted for, as fair value hedges, were also impacted by the adoption of FIN 46R. The notional amount of the four interest rate swap agreements totaled \$65.0 million at March 31, 2004 and equaled the amount of the fixed rate capital securities issued by the same four trust subsidiaries. The interest rate swap agreements, which convert fixed rate instruments to variable rate, have been redesignated to hedge the \$65.0 million of the Company's fixed rate junior subordinated debentures to four of its trust subsidiaries. The maturity dates, call features, and other critical terms of the fair value hedges match the terms of the junior subordinated debentures issued by the Company to each trust subsidiary.

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NEW YORK COMMUNITY BANCORP, INC.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

| | |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exhibit 2.1: | Agreement and Plan of Merger, dated as of June 27, 2003, by and between New York Community Bancorp, Inc. and Roslyn Bancorp, Inc. (1) |
| Exhibit 3.1: | Amended and Restated Certificate of Incorporation (2) |
| Exhibit 3.2: | Certificates of Amendment of Amended and Restated Certificate of Incorporation (3) |
| Exhibit 3.3: | Bylaws, as amended (4) |
| Exhibit 3.4(a): | Amendment to the Bylaws of the Company effective October 31, 2003 (5) |
| Exhibit 3.4(b): | Amendment to the Bylaws of the Company effective March 16, 2004 (6) |
| Exhibit 4.1: | Specimen Stock Certificate (7) |
| Exhibit 4.2: | Stockholder Protection Rights Agreement, dated as of January 16, 1996 and amended on March 27, 2001 and August 1, 2001 between New York Community Bancorp, Inc. and Registrar and Transfer Company, as Rights Agent (8) |
| Exhibit 4.3: | Amendment to Stockholder Protection Rights Agreement, dated as of June 27, 2003, between New York Community Bancorp, Inc. and Registrar and Transfer Company, as Rights Agent (9) |
| Exhibit 4.4: | Registrant will furnish, upon request, copies of all instruments defining the rights of holders of long-term debt instruments of registrant and its consolidated subsidiaries |
| Exhibit 11: | Statement re: Computation of Per Share Earnings (10) |
| Exhibit 31.1: | Certification pursuant to Rule 13a-14(a)/15(d)-14(a) |
| Exhibit 31.2: | Certification pursuant to Rule 13a-14(a)/15(d)-14(a) |
| Exhibit 32.1: | Certification pursuant to 18 U.S.C. 1350 |
| Exhibit 32.2: | Certification pursuant to 18 U.S.C. 1350 |

(1) Incorporated by reference to the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on July 31, 2003 (Registration No. 333-107498).

(2) Incorporated by reference to the Exhibits filed with the Company's Form 10-Q filed with the Securities and Exchange Commission on May 11, 2001.

(3) Incorporated by reference to Exhibits filed with the Company's Form 10-K for the year ended December 31, 2003 (File No. 001-31565).

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- (4) Incorporated by reference to Exhibits filed with the Company's Form 10-K for the year ended December 31, 2001 (File No. 0-22278).
- (5) Incorporated by reference to Exhibits filed with the Company's Registration Statement on Form S-4, as amended, filed with the Securities and Exchange Commission on September 15, 2003 (Registration No. 333-107498).
- (6) Incorporated by reference to the Company's Form 8-K filed with the Securities and Exchange Commission on March 24, 2004.
- (7) Incorporated by reference to Exhibits filed with the Company's Registration Statement on Form S-1 (Registration No. 333-66852).
- (8) Incorporated by reference to Exhibits filed with the Company's Form 8-A filed with the Securities and Exchange Commission on January 24, 1996, amended as reflected in Exhibit 4.2 to the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on April 25, 2001 (Registration No. 333-59486) and as reflected in Exhibit 4.3 to the Company's Form 8-A filed with the Securities and Exchange Commission on December 12, 2002 (File No. 0-22278).
- (9) Incorporated by reference to Exhibits filed with the Company's 8-A/A filed with the Securities and Exchange Commission on July 31, 2003 (Registration No. 001-31565).
- (10) Previously filed with the Company's Form 10-Q for the three months ended March 31, 2004, filed with the Securities and Exchange Commission on May 10, 2004.

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(b) Reports on Form 8-K

On January 16, 2004, the Company filed a Current Report on Form 8-K announcing that on January 15, 2004 its Board of Directors declared a 4-for-3 stock split in the form of a 33-1/3% stock dividend, payable on February 17, 2004 to shareholders of record at February 2, 2004.

On January 21, 2004, the Company furnished a Current Report on Form 8-K announcing that its Board of Directors had raised the quarterly cash dividend 12% to \$0.21 per share (as adjusted for the 4-for-3 stock split on February 17, 2004).

On January 26, 2004, the Company filed a Current Report on Form 8-K containing financial information filed in connection with its merger with Roslyn Bancorp, Inc. The exhibits included the Unaudited Consolidated Statements of Financial Condition at September 30, 2003 and the Unaudited Consolidated Statements of Income for the three and nine months ended September 30, 2003 and 2002 of Roslyn Bancorp, Inc.; the Audited Consolidated Statements of Financial Condition at December 31, 2002 and 2001 and the Audited Consolidated Statements of Income for the years ended December 31, 2002, 2001 and 2000 of Roslyn Bancorp, Inc.; and the Unaudited Pro Forma Combined Condensed Consolidated Statement of Financial Condition as of September 30, 2003 and the Unaudited Pro Forma Combined Condensed Consolidated Statement of Income for the nine months ended September 30, 2003 for New York Community Bancorp, Inc. and Roslyn Bancorp, Inc. and notes thereto.

On January 26, 2004, the Company furnished a Current Report on Form 8-K reporting its earnings for the three and twelve months ended December 31, 2003.

On January 28, 2004, the Company filed a Current Report on Form 8-K announcing that it had issued and sold approximately 13.3 million shares of common stock (as adjusted for the 4-for-3 stock split on February 17, 2004) in a follow-on offering underwritten by Bear, Stearns & Co. Inc., generating proceeds of approximately \$400.0 million pursuant to the Registration Statement on Form S-3 that was filed with the Securities and Exchange Commission on May 16, 2003.

On January 28, 2004, the Company furnished a Current Report on Form 8-K announcing that it was raising its diluted earnings per share projections for 2004 to a range of \$2.17 to \$2.20 (as adjusted for the 4-for-3 stock split on February 17, 2004).

On January 28, 2004, the Company furnished a Current Report on Form 8-K announcing its intention to make available, and distribute, to current and prospective investors a written presentation that would also be posted to its web site, beginning on January 27, 2004.

On January 30, 2004, the Company furnished a Current Report on Form 8-K announcing that it had completed its follow-on offering of 13.5 million shares of common stock (as adjusted for the 4-for-3 stock split on February 17, 2004).

On February 3, 2004, the Company filed a Current Report on Form 8-K announcing that it had entered into an underwriting agreement with Bear, Stearns & Co., Inc. on January 26, 2004 for the issuance of approximately 13.3 million shares of its common stock (as adjusted for the 4-for-3 stock split on February 17, 2004).

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On February 5, 2004, the Company furnished a Current Report on Form 8-K announcing its intention to make available, and distribute, to current and prospective investors a written presentation that would also be posted to its web site, beginning on February 5, 2004.

On February 6, 2004, the Company filed a Current Report on Form 8-K regarding the date of the Company's 2004 Annual Meeting of Shareholders and the related voting record date.

On February 18, 2004, the Company furnished a Current Report on Form 8-K announcing its intention to make available, and distribute, to current and prospective investors a written presentation that would also be posted to its web site, beginning on February 18, 2004.

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On February 26, 2004, the Company filed a Current Report on Form 8-K announcing its Board of Directors had authorized the repurchase of up to five million shares of common stock.

On March 4, 2004, the Company furnished a Current Report on Form 8-K announcing its intention to make available, and distribute, to current and prospective investors a written presentation that would also be posted to its web site, beginning on March 4, 2004.

On March 10, 2004, the Company furnished a Current Report on Form 8-K announcing its intention to make available, and distribute, to current and prospective investors a written presentation that would also be posted to its web site, beginning on March 10, 2004.

On March 24, 2004, the Company filed a Current Report on Form 8-K announcing that its Board of Directors had amended Section 3, Article III of the Company's By-laws to remove the requirement that the Company's Chairman of the Board and the Company's Chief Executive Officer each serve as a member of the Board's Nominating Committee.

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NEW YORK COMMUNITY BANCORP, INC.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

New York Community Bancorp, Inc.
(Registrant)

DATE: May 12, 2004

BY: /s/ Joseph R. Ficalora

Joseph R. Ficalora
President and
Chief Executive Officer

DATE: May 12, 2004

BY: /s/ Michael P. Puorro

Michael P. Puorro
Executive Vice President and

Chief Financial Officer