

NEW YORK COMMUNITY BANCORP INC
Form 10-Q
November 09, 2007
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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 September 30, 2007

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)

615 Merrick Avenue, Westbury, New York 11590

(Address of principal executive offices)

06-1377322
(I.R.S. Employer

Identification No.)

(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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Par Value: \$0.01

Classes of Common Stock

323,604,166

Number of shares outstanding at

November 1, 2007

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

(in thousands, except share data)

	September 30, 2007	December 31, 2006
	(unaudited)	
Assets:		
Cash and cash equivalents	\$ 1,279,622	\$ 230,759
Securities available for sale:		
Mortgage-related securities (\$993,906 and \$1,592,064 pledged, respectively)	1,036,077	1,664,337
Other securities (\$156,398 and \$102,067 pledged, respectively)	440,586	276,450
Securities held to maturity:		
Mortgage-related securities (\$2,324,600 and \$1,374,806 pledged, respectively; fair value of \$2,286,659 and \$1,272,546, respectively)	2,366,817	1,387,817
Other securities (\$1,479,121 and \$1,155,070 pledged, respectively; fair value of \$2,052,093 and \$1,593,023, respectively)	2,053,630	1,597,380
Total securities	5,897,110	4,925,984
Loans, net of deferred loan fees and costs	19,001,084	19,652,891
Less: Allowance for loan losses	(88,030)	(85,389)
Loans, net	18,913,054	19,567,502
Federal Home Loan Bank of New York stock, at cost	376,080	404,311
Premises and equipment, net	197,455	196,084
Goodwill	2,349,504	2,148,108
Core deposit intangibles	112,701	106,381
Bank-owned life insurance (BOLI)	635,140	585,013
Other assets	279,239	318,228
Total assets	\$30,039,905	\$28,482,370
Liabilities and Stockholders Equity:		
Deposits:		
NOW and money market accounts	\$ 2,947,587	\$ 3,156,988
Savings accounts	2,456,765	2,394,145
Certificates of deposit	6,619,367	5,944,585
Non-interest-bearing accounts	1,543,785	1,123,286
Total deposits	13,567,504	12,619,004
Official checks outstanding	22,215	20,158
Borrowed funds:		
Wholesale borrowings	11,225,313	11,070,333
Junior subordinated debentures	500,527	455,659
Other borrowings	352,634	354,016
Total borrowed funds	12,078,474	11,880,008
Mortgagors escrow	119,922	74,736

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Other liabilities	220,316	198,627
Total liabilities	26,008,431	24,792,533
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; 314,823,165 and 295,350,936 shares issued and outstanding)	3,148	2,954
Paid-in capital in excess of par	3,659,859	3,341,340
Retained earnings (partially restricted)	403,940	421,313
Less: Unallocated common stock held by Employee Stock Ownership Plan (ESOP)	(3,751)	(4,604)
Common stock held by Supplemental Executive Retirement Plan (SERP)	(3,113)	(3,113)
Accumulated other comprehensive loss, net of tax	(28,609)	(68,053)
Total stockholders' equity	4,031,474	3,689,837
Commitments and contingencies		
Total liabilities and stockholders' equity	\$30,039,905	\$28,482,370

See accompanying notes to the 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		For the	
	Three Months Ended		Nine Months Ended	
	September 30, 2007	2006	September 30, 2007	2006
Interest Income:				
Mortgage and other loans	\$302,665	\$288,839	\$ 914,601	\$ 821,519
Securities	81,833	72,108	225,840	218,564
Money market investments	12,726	350	27,193	994
Total interest income	397,224	361,297	1,167,634	1,041,077
Interest Expense:				
NOW and money market accounts	24,067	30,397	73,215	87,580
Savings accounts	7,195	5,299	20,206	12,391
Certificates of deposit	78,589	70,148	229,151	178,115
Borrowed funds	132,495	115,575	382,847	342,089
Mortgagors escrow	26	31	93	141
Total interest expense	242,372	221,450	705,512	620,316
Net interest income	154,852	139,847	462,122	420,761
Provision for loan losses				
Net interest income after provision for loan losses	154,852	139,847	462,122	420,761
Non-interest Income:				
Fee income	10,624	10,437	31,124	28,531
Bank-owned life insurance	6,999	6,110	19,364	17,351
Net (loss) gain on sale of securities	(7,307)		1,888	2,823
Gain on sale of bank-owned property	64,879		64,879	
Loss on debt redemption			(1,848)	
Loss on other-than-temporary impairment of securities			(56,958)	
Loss on mark-to-market of interest rate swaps				(6,071)
Other	9,247	6,920	26,145	23,668
Total non-interest income	84,442	23,467	84,594	66,302
Non-interest Expense:				
Operating expenses:				
Compensation and benefits	40,599	34,478	117,728	96,536
Occupancy and equipment	16,739	15,875	49,333	41,894
General and administrative	15,462	16,075	50,679	44,433

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Total operating expenses	72,800	66,428	217,740	182,863
Prepayment of borrowings			3,190	26,477
Termination of interest rate swaps				1,132
Amortization of core deposit intangibles	5,855	5,049	16,680	12,822
Total non-interest expense	78,655	71,477	237,610	223,294
Income before income taxes	160,639	91,837	309,106	263,769
Income tax expense	49,730	29,360	97,404	84,305
Net Income	\$110,909	\$ 62,477	\$ 211,702	\$ 179,464
Comprehensive income, net of tax:				
Change in net unrealized losses on securities	12,557	22,993	38,810	231
Amortization relating to pension and post-retirement obligations	212		634	
Total comprehensive income, net of tax	\$123,678	\$ 85,470	\$ 251,146	\$ 179,695
Basic earnings per share	\$0.36	\$0.21	\$0.69	\$0.64
Diluted earnings per share	\$0.35	\$0.21	\$0.69	\$0.63

See accompanying notes to the 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)

	Nine Months Ended September 30, 2007
Common Stock (Par Value: \$0.01):	
Balance at beginning of year	\$ 2,954
Shares issued (19,472,229 shares)	194
Balance at end of period	3,148
Paid-in Capital in Excess of Par:	
Balance at beginning of year	3,341,340
Allocation of ESOP stock	3,859
Restricted stock activity	2,390
Exercise of stock options	58,851
Tax effect of stock plans	(2,355)
Shares issued for acquisition of PennFed Financial Services, Inc. (15,977,941 shares)	255,779
Cash-in-lieu of fractional shares	(5)
Balance at end of period	3,659,859
Retained Earnings (partially restricted):	
Balance at beginning of year	421,313
Net income	211,702
Dividends paid on common stock (\$0.75 per share for the nine-month period)	(229,642)
Effect of adoption of Financial Accounting Standards Board Interpretation No. 48	567
Balance at end of period	403,940
Treasury Stock:	
Balance at beginning of year	
Purchase of common stock (5,437 shares)	(95)
Exercise of stock options (5,437 shares)	95
Balance at end of period	
Unallocated Common Stock Held by ESOP:	
Balance at beginning of year	(4,604)
Earned portion of ESOP	853
Balance at end of period	(3,751)
Common Stock Held by SERP:	
Balance at beginning of year	(3,113)
Balance at end of period	(3,113)

Accumulated Other Comprehensive Loss, Net of Tax:

Balance at beginning of year	(68,053)
Change in net unrealized loss on securities available for sale, net of tax of \$(2,258)	3,476