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NEW YORK COMMUNITY BANCORP INC

Form 425

April 18, 2001

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Subject Company: New York Community Bancorp, Inc.
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The following is a press release issued by New York Community Bancorp, Inc.
on April 18, 2001:

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April 18, 2001

Ilene A. Angarola
First Vice President
Investor Relations
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NEW YORK COMMUNITY BANCORP, INC.
REPORTS A 50% INCREASE IN 1ST QUARTER 2001 DILUTED CORE EPS TO \$0.42
AND A 135% INCREASE IN 1ST QUARTER 2001 DILUTED EPS TO \$0.66 PER SHARE

Westbury, N.Y., April 18, 2001 - New York Community Bancorp, Inc. (Nasdaq: NYCB) today reported core earnings of \$17.4 million, or \$0.42 per diluted share, for the three months ended March 31, 2001, as compared to reported earnings of \$7.6 million, or \$0.28 per diluted share, for the three months ended March 31, 2000(1). The 2001 amounts exclude a non-recurring net gain of \$10.3 million on the sale of loans and securities during the quarter, which boosted the Company's reported earnings to \$27.6 million, or \$0.66 per diluted share.

The Company also reported cash earnings of \$33.0 million, or \$0.79 per diluted share, for the first quarter of 2001, up from \$10.1 million, or \$0.37 per diluted share, for the year-earlier three months. In addition to providing \$5.4 million, or 19.6%, more to tangible capital than its reported earnings, the Company's cash earnings provided a return on average assets of 2.85% and a return on average stockholders' equity of 47.13%.

Chairman, President, and Chief Executive Officer Joseph R. Ficalora noted that the Company's first quarter 2001 performance not only reflects ongoing internal growth and improvements in its business, but also its November 30, 2000 purchase acquisition of Haven Bancorp, with \$2.7 billion in assets and 70 branch offices. "During the quarter, the Company achieved the objectives set forth at the time of the Haven transaction, with an additional \$560.0 million of the acquired loans and securities having been sold. This brings the sale of acquired assets to \$1.2 billion, in line with our initial expectations. The bulk of the proceeds have since been used to reduce liabilities, to fund mortgage originations, and to invest into readily marketable collateralized mortgage obligations, consistent with our current asset and liability management strategy. In the current rate environment, our sights are sharply focused on shortening the

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maturities of our assets and further de-leveraging the balance sheet. With approximately \$1.2 billion of CDs expected to reprice downward over the next four quarters, we are very well positioned to grow earnings throughout 2001."

(1) Per-share amounts for the year 2000 have been adjusted to reflect a 3-for-2 stock split on March 29, 2001.

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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"We also completed the integration and upgrade of the Bank's data processing systems, a complex undertaking that confirmed our ability to execute a key component of our post-merger strategy. Of lesser importance, but worthy of note, was the first quarter sale of CFS Insurance Agency, which was acquired in the Haven transaction, with no meaningful impact on our first quarter results," Mr. Ficalora said.

"We also maintained an aggressive approach to managing our capital. In addition to de-leveraging our balance sheet, we maintained an active share repurchase program. More than two million shares were repurchased over the course of the quarter, including 1.3 million shares repurchased in connection with the exercise of stock options by current or former officers and directors of the combined company. At March 31st, an additional 1,140,209 shares were still available for repurchase under the authorization approved by the Board on February 6, 2001.

"The quarter also confirmed our earnings expectations in the wake of the acquisition and the implementation of our various corporate strategies. Reflecting significant revenue growth from net interest income and other operating income, we achieved a 135% increase in diluted earnings per share on a reported basis and, on the basis of core earnings, an increase of 50%. Net interest income rose 114% to \$35.1 million, while other operating income experienced a better than 25-fold increase. Even excluding the one-time gain on sales of \$15.7 million, the growth in other operating income was substantial, fueled by an increase in fee income from an expanded branch network and customer base. At the same time, our effective tax rate was somewhat lower, at an anticipated run rate between 35% and 36%. While operating expense was boosted by the cost of the systems conversion," Mr. Ficalora continued, "we would expect such expenses to be somewhat lower in the quarters ahead.

"Based on our first quarter results and the strategic direction we have taken," Mr. Ficalora stated, "I currently anticipate that our core diluted earnings per share for 2001 will range between \$1.80 and \$1.83, as adjusted for our recent stock split. Similarly, I currently anticipate that our diluted cash earnings per share will range between \$2.38 and \$2.41, as adjusted for the split.

"These estimates, which exclude any impact from the proposed merger with Richmond County Financial Corp., are based on our assessment of the current interest rate environment, its expected direction over the next four quarters, and the following expectations regarding our results:

- Net interest income, interest rate spread, and net interest margin are expected to benefit from the anticipated repricing of approximately \$1.2 billion in CDs with a current cost of approximately 5.92%;

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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- In addition, the proceeds from the sale of one-to-four family mortgage loans and securities will be deployed into the origination of multi-family, commercial real estate, and construction loans with a shorter term to maturity;
- Our branch network is expected to generate substantial fee income and income from the sale of banking services and investment products;
- Operating expenses will reflect our focus on expense control, with an expected run rate of \$17.0 million to \$17.5 million per quarter for the remainder of 2001;
- Tax benefits will be maximized, resulting in an expected effective tax rate of 35% to 36%.

"Again, these estimates do not include the impact of the proposed merger with Richmond County Financial, which is expected to close during the third quarter, subject to the approval of our respective shareholders and regulatory agencies. We are currently in the process of preparing the necessary filings and look forward to issuing our joint proxy/prospectus as soon as possible," Mr. Ficalora said.

Earnings Summary

- Reflecting current strategy and a significant level of mortgage loan production, interest income rose \$48.1 million to \$84.4 million. The increase stemmed from a \$2.5 billion rise in the average balance of interest-earning assets to \$4.3 billion, which offset an eight-basis point drop in the average yield to 7.81%.
- Interest expense rose \$29.4 million to \$49.2 million, reflecting a \$2.4 billion rise in the average balance of interest-bearing liabilities to \$4.1 billion and a 19-basis point rise in the average cost to 4.83%.
- Net interest income rose \$18.7 million year-over-year to \$35.1 million. The Company's interest rate spread rose to 2.98% from 2.93% in the trailing quarter, while its net interest margin rose to 3.25% from 3.24% in the trailing three-month period.
- The provision for loan losses continued to be suspended, as it has been since the third quarter of 1995.

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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- Other operating income rose to \$28.5 million from \$1.1 million. In addition to the \$15.7 million pre-tax gain on sales, the increase reflects a 16-fold increase in fee income to \$7.9 million, primarily reflecting the benefit of the Haven acquisition, and a seven-fold increase in core other income to \$4.7 million, including investment product revenues, BOLI income, and other operating income.
- Non-interest expense rose to \$20.9 million, including operating expense of \$19.4 million and goodwill amortization of \$1.5 million. In addition to the costs incurred in operating a vastly expanded branch network, the higher level of operating expense reflects certain non-recurring expenses stemming from the systems conversion that occurred in the first quarter of the year.
- Income tax expense rose \$10.7 million to \$15.1 million, reflecting a \$30.8 million increase in pre-tax income to \$42.7 million. The 2001 amount reflects an effective tax rate of 35.3%.

Balance Sheet Summary

- Reflecting the aforementioned sale of loans and securities during the first quarter, the Company recorded total assets of \$4.6 billion at March 31, 2001, down \$76.3 million from the level recorded at December 31, 2000. Mortgage loans represented \$3.2 billion, or 68.0% of total assets, down \$440.1 million from the year-end amount.
- Reflecting the sale of one-to-four family mortgage loans totaling \$526.0 million, the portfolio of one-to-four family mortgage loans declined \$539.3 million to \$727.7 million, or 23.1% of mortgage loans outstanding, from \$1.3 billion, or 35.2%, at year-end 2000.
- At the same time, the portfolio of multi-family mortgage loans rose to \$2.0 billion, representing 64.4% of mortgage loans outstanding, from \$1.9 billion, representing 54.1%. The \$86.0 million increase in multi-family loans was complemented by a \$15.2 million rise in commercial real estate loans to \$339.2 million, representing 10.7% of the mortgage loan portfolio at March 31, 2001.

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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- Mortgage originations totaled \$257.6 million during the quarter, and included \$166.0 million in loans secured by multi-family buildings, \$27.8 million in loans secured by commercial real estate properties, and \$59.7 million in loans secured by one-to-four family homes.
- At April 17, 2001, the Company's pipeline held \$281.0 million of mortgage loans, including multi-family loans of \$205.0 million.
- The Company recorded its 26th consecutive quarter without any net charge-offs. Non-performing assets declined \$221,000 from the year-end

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2000 amount to \$8.8 million, representing 0.19% of total assets at March 31, 2001. The reduction was the net effect of a \$359,000 decline in non-performing loans to \$8.7 million and a \$138,000 increase in foreclosed real estate to \$150,000. The \$8.7 million consisted of mortgage loans in foreclosure totaling \$2.8 million and loans 90 days or more delinquent totaling \$5.9 million.

- In the absence of any net charge-offs or provisions for loan losses, the allowance for loan losses held steady at \$18.1 million, representing 206.85% of non-performing loans and 0.57% of loans, net.
- Securities held to maturity declined \$40.9 million to \$181.6 million, while mortgage-backed securities held to maturity declined \$42,000 to \$1.9 million at quarter's end. These reductions were partly offset by a \$423.7 million increase in money market investments to \$548.3 million (largely reflecting the proceeds from the sale of loans that settled at the close of the quarter), and by a \$38.7 million rise in securities available for sale to \$342.4 million after \$40.0 million of such securities were sold.
- Deposits declined \$43.4 million to \$3.2 billion, the net effect of a \$64.9 million decline in CDs to \$1.8 billion (representing 56.3% of total deposits) and a \$21.5 million rise in core deposits to \$1.4 billion (representing 43.7%). Borrowings totaled \$1.0 billion at March 31, 2001, down \$4.3 million from the total recorded at December 31st.
- Stockholders' equity totaled \$286.4 million at March 31, 2001, representing 6.18% of total assets and a book value of \$7.05 per share, based on 40,638,843 shares. In addition to distributing cash dividends of \$6.9 million during the quarter, the Company allocated \$54.9 million toward the repurchase of 2.2 million shares.

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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New York Community Bancorp, Inc. is the holding company for New York Community Bank. The Company serves its customers through 19 traditional and 67 in-store branch offices in New York City, Long Island, Westchester and Rockland counties, Connecticut, and New Jersey, and is one of the leading multi-family mortgage lenders in the United States. Additional information about the Company is available at its web site, www.myNYCB.com.

New York Community Bancorp and Richmond County Financial Corp. will be filing a joint proxy statement/ prospectus and other relevant documents concerning the merger with the United States Securities and Exchange Commission (the "SEC"). WE URGE INVESTORS TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS TO BE 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). In addition, documents filed with the SEC by New York Community Bancorp will be available free of charge from Ilene A. Angarola, First Vice President, Investor Relations, New York Community Bancorp, 615 Merrick Avenue, Westbury, New York 11590. Documents filed with the SEC by Richmond County Financial Corp. will be available free of charge from Thomas R. Cangemi,

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Executive Vice President and Chief Financial Officer, Richmond County Financial Corp., 1214 Castleton Avenue, Staten Island, New York 10310-1702.

The directors, executive officers, and certain other members of management of New York Community Bancorp and Richmond County Financial Corp. may be soliciting proxies in favor of the merger from the companies' respective shareholders. For information about these directors, executive officers, and members of management, shareholders are asked to refer to the most recent proxy statements issued by the respective companies, which are available at the addresses provided in the preceding paragraph.

Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

This release contains certain forward-looking statements, including the earnings outlook provided above, with regard to the Company's prospective performance and strategies within the meaning of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of said safe harbor provisions.

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New York Community Bancorp Reports 1st Quarter 2001 Earnings

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These forward-looking statements are based on current expectations, but actual results may differ materially from anticipated future results. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of the Company, are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions. The Company's ability to predict results or the actual effects of future plans or strategies is inherently uncertain. Factors that could have a material adverse effect on the operations of the Company and its subsidiaries include, but are not limited to, changes in market interest rates, general economic conditions, legislation, and regulation; changes in the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board; changes in the quality or composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, and demand for financial services in the Company's market area; changes in accounting principles and guidelines; and other economic, competitive, governmental, regulatory, and technological factors affecting the Company's operations, pricing, and services.

Specific factors that could cause future results to vary from current management expectations are detailed from time to time in the Company's SEC filings, most recently including its Annual Report on Form 10-K for the twelve months ended December 31, 2000.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Except as required by applicable law or regulation, the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

- Financial Statements and Highlights Follow -

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NEW YORK COMMUNITY BANCORP, INC.
CONSOLIDATED STATEMENTS OF CONDITION
(in thousands)

ASSETS

Cash and due from banks
Money market investments
Securities held to maturity (estimated market value of
\$180,753 and \$220,608, respectively)
Mortgage-backed securities held to maturity (estimated market
value of \$1,942 and \$1,979, respectively)
Securities available for sale

Mortgage loans:

1-4 family
Multi-family
Commercial real estate
Construction

Total mortgage loans
Other loans
Less: Unearned loan fees
Allowance for loan losses

Loans, net
Premises and equipment, net
Goodwill
Deferred tax asset, net
Other assets

Total assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:
NOW and money market accounts
Savings accounts
Certificates of deposit
Non-interest-bearing accounts

Total deposits

Official checks outstanding
Borrowings
Mortgagors' escrow
Other liabilities

Total liabilities

Stockholders' equity:

Preferred stock at par \$0.01 (5,000,000 shares authorized;
none issued)

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Common stock at par \$0.01 (60,000,000 shares authorized;
 46,455,336 shares issued; 43,457,043 and 44,370,186
 shares outstanding at March 31, 2001 and December 31,
 2000, respectively) (1)
 Paid-in capital in excess of par
 Retained earnings (substantially restricted)
 Less: Treasury stock (2,998,293 and 2,085,853 shares,
 respectively) (1)
 Unallocated common stock held by ESOP
 Common stock held by SERP
 Unearned common stock held by RRP's
 Accumulated other comprehensive income, net of tax effect

Total stockholders' equity

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

(1) Share amounts for the year 2000 have been adjusted to reflect a 3-for-2 stock split on March 29, 2001.

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NEW YORK COMMUNITY BANCORP, INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (in thousands, except per share data)
 (unaudited)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
INTEREST INCOME:		
Mortgage and other loans	\$70,509	\$33,126
Securities	8,903	3,023
Mortgage-backed securities	2,792	62
Money market investments	2,154	58
	84,358	36,269
Total interest income	84,358	36,269
INTEREST EXPENSE:		
NOW and money market accounts	3,936	785
Savings accounts	2,139	1,601
Certificates of deposit	27,180	8,076
Borrowings	15,969	9,357
Mortgagors' escrow	4	7
	49,228	19,826
Total interest expense	49,228	19,826
Net interest income	35,130	16,443
Provision for loan losses	--	--
	35,130	16,443

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Net interest income after provision for loan losses	35,130	16,443
	-----	-----
OTHER OPERATING INCOME:		
Fee income	7,933	501
Other	20,548	610
	-----	-----
Total other operating income	28,481	1,111
	-----	-----
NON-INTEREST EXPENSE:		
Compensation and benefits(1)	9,714	3,488
Occupancy and equipment	3,372	744
General and administrative	5,662	1,242
Other	672	164
	-----	-----
Total operating expense	19,420	5,638
Amortization of goodwill	1,482	--
	-----	-----
Total non-interest expense	20,902	5,638
	-----	-----
Income before income taxes	42,709	11,916
	-----	-----
Income tax expense(2)	15,065	4,322
	-----	-----
NET INCOME	\$27,644	\$7,594
	=====	=====
EARNINGS PER SHARE(3)	\$0.68	\$0.28
DILUTED EARNINGS PER SHARE(3)	\$0.66	\$0.28
	=====	=====

(1) Includes non-cash items of \$0.894 million and \$0.440 million, respectively.

(2) Includes non-cash items of \$2.500 million and \$1.413 million, respectively.

(3) Amounts for the year 2000 have been adjusted to reflect a 3-for-2 stock split on March 29, 2001.

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NEW YORK COMMUNITY BANCORP, INC.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(unaudited)

(dollars in thousands, except per share data)

	AT OR THREE M MA

	2001

CORE EARNINGS DATA: (1)	
Earnings	\$17,393
Earnings per share(2)	0.43
Diluted earnings per share(2)	0.42

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Return on average assets	1.50%
Return on average stockholders' equity	24.84
Operating expense to average assets	1.68
Efficiency ratio	40.59

REPORTED EARNINGS DATA:

Earnings	\$27,644
Earnings per share(2)	0.68
Diluted earnings per share(2)	0.66
Return on average assets	2.39%
Return on average stockholders' equity	39.49
Operating expense to average assets	1.68
Efficiency ratio	30.53
Shares used for EPS computation(2)	40,889,323
Shares used for diluted EPS computation(2)	41,573,959

CASH EARNINGS DATA:

Earnings	\$32,995
Earnings per share(2)	0.81
Diluted earnings per share(2)	0.79
Return on average assets	2.85%
Return on average stockholders' equity	47.13
Operating expense to average assets	1.60
Efficiency ratio	29.12

AVERAGE BALANCE SHEET DATA:

Mortgage and other loans	\$3,642,448
Total interest-earning assets	4,320,091
Interest-bearing deposits	3,074,352
Borrowings	1,035,057
Stockholders' equity	280,047
Average yield on interest-earning assets	7.81%
Average cost of interest-bearing liabilities	4.83
Interest rate spread	2.98
Net interest margin	3.25

AT MARCH 31,

2001

BALANCE SHEET DATA: (2)

Book value per share	\$7.05
Regulatory leverage capital ratio	5.25%
Stockholders' equity to total assets	6.18
Shares used for book value computation	40,638,843
Total shares issued and outstanding	43,457,043

ASSET QUALITY RATIOS:

Non-performing loans to loans, net	0.28%
Non-performing assets to total assets	0.19
Allowance for loan losses to non-performing loans	206.85
Allowance for loan losses to loans, net	0.57

- (1) Core earnings for the first quarter of 2001 exclude a non-recurring net gain of \$10.3 million on the sale of loans and securities. Core earnings for the first quarter of 2000 are the same as reported earnings for the corresponding period.

- (2) Amounts for the year 2000 have been adjusted to reflect a 3-for-2 stock split on March 29, 2001.