V F CORP/NC
Form SC 13G/A
February 12, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities exchange Act of 1934

(AMENDMENT NO.2)*

V F CORP

(NAME OF ISSUER)

COM

(TITLE OF CLASS OF SECURITIES)

918204108

(CUSIP NUMBER)

December 31, 2001

(Date of event which requires filing of this Statement)

NOTE: A MAJORITY OF THE SHARES REPORTED IN THIS SCHEDULE 13G ARE HELD BY UNAFFILIATED THIRD-PARTY CLIENT ACCOUNTS MANAGED BY ALLIANCE CAPITAL MANAGEMENT L.P., AS INVESTMENT ADVISER. (ALLIANCE CAPITAL MANAGEMENT L.P. IS A MAJORITY-OWNED SUBSIDIARY OF AXA FINANCIAL, INC.)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

X Rule 13d-1(b)
Rule 13d-1(c)
Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be 'filed' for the purpose of Section 18 of the Securities Exchange Act of 1934 ('Act') or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(CONTINUED ON FOLLOWING PAGE(S))

CUSIP NO. 918204108 13G Page 2 of 13 Pages

1. NAME OF REPORTING PERSON
   S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

   AXA Assurances I.A.R.D. Mutuelle

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (A) [X]
   (B) [ ]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
   France

NUMBER OF SHARES BENEFICIALLY OWNED AS OF December 31, 2001 BY EACH REPORTING PERSON WITH:			
	5.	SOLE VOTING POWER	6,609,341
	6.	SHARED VOTING POWER	1,598,117
	7.	SOLE DISPOSITIVE POWER	13,267,534
	8.	SHARED DISPOSITIVE POWER	32,600

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
   REPORTING PERSON 13,300,134

   (Not to be construed as an admission of beneficial ownership)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
    SHARES * | |

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 12.0%

12. TYPE OF REPORTING PERSON *
    IC

* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP NO. 918204108 13G Page 3 of 13 Pages

1. NAME OF REPORTING PERSON
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NUMBER OF SHARES BENEFICIALLY OWNED AS OF December 31, 2001			
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	6.	SHARED VOTING POWER	1,598,117

BY EACH REPORTING PERSON WITH:	7.	SOLE DISPOSITIVE POWER	13,267,534
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CUSIP NO. 918204108 13G Page 4 of 13 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

AXA Conseil Vie Assurance Mutuelle

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (A) [X]
(B) [ ]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
France

NUMBER OF SHARES BENEFICIALLY	5.	SOLE VOTING POWER	6,609,341
OWNED AS OF December 31, 2001	6.	SHARED VOTING POWER	1,598,117
BY EACH REPORTING	7.	SOLE DISPOSITIVE POWER	13,267,534
PERSON WITH:	8.	SHARED DISPOSITIVE POWER	32,600

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 13,300,134
(Not to be construed as an admission of beneficial ownership)

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CUSIP NO. 918204108 13G Page 5 of 13 Pages

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 1. NAME OF REPORTING PERSON
    S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

       AXA Courtage Assurance  Mutuelle

 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *          (A) [X]
                                                                (B) [ ]

 3. SEC USE ONLY


 4. CITIZENSHIP OR PLACE OF ORGANIZATION
       France

      NUMBER OF SHARES     5.   SOLE VOTING POWER            6,609,341
        BENEFICIALLY
         OWNED AS OF       6.   SHARED VOTING POWER          1,598,117
      December 31, 2001
           BY EACH         7.   SOLE DISPOSITIVE POWER       13,267,534
          REPORTING
        PERSON WITH:       8.   SHARED DISPOSITIVE POWER     32,600

 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
    REPORTING PERSON                                         13,300,134

    (Not to be construed as an admission of beneficial ownership)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
    SHARES *                                                    | |

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9          12.0%

12. TYPE OF REPORTING PERSON *
      IC

               * SEE INSTRUCTIONS BEFORE FILLING OUT!

    CUSIP NO. 918204108           13G                   Page 6 of 13 Pages


 1. NAME OF REPORTING PERSON
    S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

       AXA

 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *          (A) [ ]
                                                                (B) [ ]

 3. SEC USE ONLY


 4. CITIZENSHIP OR PLACE OF ORGANIZATION
       France

      NUMBER OF SHARES     5.   SOLE VOTING POWER            6,609,341
        BENEFICIALLY
         OWNED AS OF       6.   SHARED VOTING POWER          1,598,117
      December 31, 2001
           BY EACH         7.   SOLE DISPOSITIVE POWER       13,267,534
          REPORTING
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PERSON WITH: 8. SHARED DISPOSITIVE POWER 32,600

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 13,300,134

(Not to be construed as an admission of beneficial ownership)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES * | |

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 12.0%

12. TYPE OF REPORTING PERSON *
IC

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

AXA Financial, Inc. 13-3623351

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (A) [ ]
(B) [ ]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
State of Delaware

NUMBER OF SHARES BENEFICIALLY OWNED AS OF December 31, 2001 BY EACH REPORTING PERSON WITH:			
	5.	SOLE VOTING POWER	6,580,641
	6.	SHARED VOTING POWER	1,598,117
	7.	SOLE DISPOSITIVE POWER	13,267,534
	8.	SHARED DISPOSITIVE POWER	0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 13,267,534
(Not to be construed as an admission of beneficial ownership)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES * | |

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 12.0%

12. TYPE OF REPORTING PERSON *
HC

* SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1(a) Name of Issuer:
V F CORP

Item 1(b) Address of Issuer's Principal Executive Offices:
628 Green Valley Rd
Greensboro, NC 27408-

Item 2(a) and (b)
Name of Person Filing and Address of Principal Business Office:

AXA Conseil Vie Assurance Mutuelle,
AXA Assurances I.A.R.D Mutuelle, and
AXA Assurances Vie Mutuelle,
370, rue Saint Honore
75001 Paris, France

AXA Courtage Assurance Mutuelle
26, rue Louis le Grand
75002 Paris, France

as a group (collectively, the 'Mutuelles AXA').

AXA
25, avenue Matignon
75008 Paris, France

AXA Financial, Inc.
1290 Avenue of the Americas
New York, New York 10104

(Please contact Patrick Meehan at (212) 314-5644 with any questions.)

Item 2(c) Citizenship:
Mutuelles AXA and AXA - France
AXA Financial, Inc. - Delaware

Item 2(d) Title of Class of Securities:

COM

Item 2(e) Cusip Number:
918204108

Item 3. Type of Reporting Person:
AXA Financial, Inc. as a parent holding company,
in accordance with 240.13d-1(b)(ii)(G).

The Mutuelles AXA, as a group, acting as a parent holding company.

AXA as a parent holding company.

Item 4. Ownership as of December 31, 2001

(a) Amount Beneficially Owned:

13,300,134 shares of common stock beneficially owned including:

	No. of Shares
The Mutuelles AXA, as a group	0
AXA	0
AXA Entity or Entities acquired solely for investment purposes: Common Stock AXA Rosenberg Investment Management LLC	32,600
AXA Financial, Inc.	0
Subsidiaries:	
Alliance Capital Management L.P. acquired solely for investment purposes on behalf of client discretionary investment advisory accounts: Common Stock	13,266,734
The Equitable Life Assurance Society of the United States acquired solely for investment purposes: Common Stock	800
Total	13,300,134

Each of the Mutuelles AXA, as a group, and AXA expressly declares that the filing of this Schedule 13G shall not be construed as an admission that it is, for purposes of Section 13(d) of the Exchange Act, the beneficial owner of any securities covered by this Schedule 13G.

Each of the above subsidiaries of AXA Financial, Inc. operates under independent management and makes independent decisions.

(b) Percent of Class: 12.0%

ITEM 4. Ownership as of December 31, 2001 (CONT.)

(c) Deemed Voting Power and Disposition Power:

(i) Deemed to have Sole Power to Vote or to Direct the Vote	(ii) Deemed to have Shared Power to Vote or to Direct the Vote	(iii) Deemed to have Sole Power to Dispose or to Direct the Disposition	(iv) Deemed to have Shared Power to Dispose or to Direct the Disposition

The Mutuelles AXA, as a group	0	0	0	0
AXA	0	0	0	0
AXA Entity or Entities:				
AXA Rosenberg Investment Management LLC	28,700	0	0	32,600
AXA Financial, Inc.	0	0	0	0
Subsidiaries:				
Alliance Capital Management L.P.	6,580,641	1,598,117	13,266,734	0
The Equitable Life Assurance Society of the United States	0	0	800	0
	6,609,341	1,598,117	13,267,534	32,600

Each of the above subsidiaries of AXA Financial, Inc. operates under independent management and makes independent voting and investment decisions.

Item 5. Ownership of Five Percent or Less of a Class:
If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following. ( )

Item 6. Ownership of More than Five Percent on behalf of Another Person. N/A

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reporting on by the Parent Holding Company:

This Schedule 13G is being filed by AXA Financial, Inc.; AXA, which owns AXA Financial, Inc.; and the Mutuelles AXA, which as a group control AXA:

(X) in the Mutuelles AXAs' capacity, as a group, acting as a parent holding company with respect to the holdings of the following AXA entity or entities:

(X) in AXA's capacity as a parent holding company with respect to the holdings of the following AXA entity or entities:
AXA Rosenberg Investment Management LLC

(X) in AXA Financial, Inc.'s capacity as a parent holding company with respect to the holdings of the following subsidiaries:

(X) Alliance Capital Management L.P. (13-3434400), an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.

(X) The Equitable Life Assurance Society of the United States (13-5570651), an insurance company and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.

Item 8. Identification and Classification of Members of the Group. N/A

Item 9. Notice of Dissolution of Group: N/A

Item 10. Certification:

By signing below I certify that to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 11, 2002 AXA FINANCIAL, INC.*

/s/ Alvin H. Fenichel

Alvin H. Fenichel
Senior Vice President
and Controller

*Pursuant to the Joint Filing Agreement with respect to Schedule 13G attached hereto as Exhibit I, among AXA Financial, Inc., AXA Conseil Vie Assurance Mutuelle, AXA Assurances I.A.R.D Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, and AXA, this statement Schedule 13G is filed on behalf of each of them.

s New Roman" SIZE="2">273,299 264,149

FDIC loss share receivable

492,674 566,479

Goodwill

2,436,131 2,436,131

Core deposit intangibles	16,240	32,024
Mortgage servicing rights	241,018	144,713
Bank-owned life insurance	893,522	867,250
Other real estate owned (includes $37,477 and $45,115, respectively, covered by loss sharing agreements)	108,869	74,415
Other assets	342,067	369,372
Total assets	$46,688,287	$44,145,100

LIABILITIES AND STOCKHOLDERS EQUITY:

Deposits:

NOW and money market accounts	$10,536,947	$8,783,795
Savings accounts	5,921,437	4,213,972
Certificates of deposit	6,932,096	9,120,914
Non-interest-bearing accounts	2,270,512	2,758,840
Total deposits	25,660,992	24,877,521
Borrowed funds:		
Wholesale borrowings:		
Federal Home Loan Bank advances	10,872,576	8,842,974
Repurchase agreements	3,425,000	4,125,000
Federal funds purchased	445,000	100,000

Total wholesale borrowings	14,742,576	13,067,974
Other borrowings	362,426	362,217
Total borrowed funds	15,105,002	13,430,191
Other liabilities	186,631	181,124

Total liabilities

40,952,625 38,488,836

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; 440,873,285 and 439,133,951 shares issued, and 440,809,365 and 439,050,966 shares outstanding, respectively)

4,409 4,391

Paid-in capital in excess of par

5,346,017 5,327,111

Retained earnings

422,761 387,534

Treasury stock, at cost (63,920 and 82,985 shares, respectively)

(1,032) (1,067)

Accumulated other comprehensive loss, net of tax:

Net unrealized gain on securities available for sale, net of tax of $171 and $8,514, respectively

277 12,614

Net unrealized loss on the non-credit portion of other-than-temporary impairment (OTTI) losses on securities, net of tax of $3,586 and $8,614, respectively

(5,604) (13,525)

Net unrealized loss on pension and post-retirement obligations, net of tax of $21,126 and $41,242, respectively

	(31,166)	(60,794)
Total accumulated other comprehensive loss, net of tax	(36,493)	(61,705)
Total stockholders equity	5,735,662	5,656,264
Total liabilities and stockholders equity	$46,688,287	$44,145,100

See accompanying notes to the consolidated financial statements.

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NEW YORK COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in thousands, except per share data)	2013	2012	2011
INTEREST INCOME:			
Mortgage and other loans	$ 1,487,662	$ 1,597,504	$ 1,638,651
Securities and money market investments	220,436	193,597	228,013
Total interest income	1,708,098	1,791,101	1,866,664
INTEREST EXPENSE:			
NOW and money market accounts	35,884	36,609	39,285
Savings accounts	21,950	13,677	15,488
Certificates of deposit	83,805	93,880	102,400
Borrowed funds	399,843	486,914	509,070
Total interest expense	541,482	631,080	666,243
Net interest income	1,166,616	1,160,021	1,200,421
Provision for losses on non-covered loans	18,000	45,000	79,000
Provision for losses on covered loans	12,758	17,988	21,420
Net interest income after provisions for loan losses	1,135,858	1,097,033	1,100,001
NON-INTEREST INCOME:			
Total loss on OTTI of securities	(612)		(18,124)
Less: Non-credit portion of OTTI recorded in other comprehensive income (before taxes)			
Net loss on OTTI recognized in earnings	(612)		(18,124)
Mortgage banking income	78,283	178,643	80,674
Fee income	38,179	38,348	44,874
Bank-owned life insurance	29,938	30,502	28,384
Net gain on sale of securities	21,036	2,041	36,608
FDIC indemnification income	10,206	14,390	17,633
Gain on business disposition			9,823
Loss on debt redemption		(2,313)	
Other	41,800	35,742	35,453
Total non-interest income	218,830	297,353	235,325
NON-INTEREST EXPENSE:			
Operating expenses:			
Compensation and benefits	313,196	296,874	293,344
Occupancy and equipment	97,252	90,738	86,903
General and administrative	181,330	206,221	194,436
Total operating expenses	591,778	593,833	574,683
Amortization of core deposit intangibles	15,784	19,644	26,066
Total non-interest expense	607,562	613,477	600,749

Income before income taxes	747,126	780,909	734,577
Income tax expense	271,579	279,803	254,540
Net income	$ 475,547	$ 501,106	$ 480,037
Other comprehensive income (loss), net of tax:			
Change in net unrealized gain/loss on securities available for sale, net of tax of $4,765; $8,473; and $366, respectively	(7,043)	12,533	(540)
Change in the non-credit portion of OTTI losses recognized in other comprehensive income, net of tax of $5,028; $65; and $4,857, respectively	7,921	102	7,251
Change in pension and post-retirement obligations, net of tax of $20,116; $807; and $14,993, respectively	29,628	(1,190)	(21,881)
Less: Reclassification adjustment for sales of available-for-sale securities and loss on OTTI of securities, net of tax of $3,578; $801; and $7,439, respectively	(5,294)	(1,240)	(11,045)
Total other comprehensive income (loss), net of tax	25,212	10,205	(26,215)
Total comprehensive income, net of tax	$ 500,759	$ 511,311	$ 453,822
Basic earnings per share	$1.08	$1.13	$1.09
Diluted earnings per share	$1.08	$1.13	$1.09

See accompanying notes to the consolidated financial statements.

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NEW YORK COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

(in thousands, except share data)	Years Ended December 31, 2013	2012	2011
COMMON STOCK (Par Value: $0.01):			
Balance at beginning of year	$ 4,391	$ 4,374	$ 4,356
Shares issued for restricted stock awards (1,729,950; 1,707,286; and 1,611,819, respectively)	18	17	16
Shares issued for exercise of stock options (9,384; 0; and 168,001, respectively)			2
Balance at end of year	4,409	4,391	4,374
PAID-IN CAPITAL IN EXCESS OF PAR:			
Balance at beginning of year	5,327,111	5,309,269	5,285,715
Shares issued for restricted stock awards, net of forfeitures	(5,093)	(3,430)	(216)
Compensation expense related to restricted stock awards	22,247	20,683	16,735
Stock options exercised	60		4,356
Tax effect of stock plans	1,692	589	2,679
Balance at end of year	5,346,017	5,327,111	5,309,269
RETAINED EARNINGS:			
Balance at beginning of year	387,534	324,967	281,844
Net income	475,547	501,106	480,037
Dividends paid on common stock ($1.00 per share in each year)	(440,308)	(438,539)	(436,914)
Exercise of stock options	(12)		
Balance at end of year	422,761	387,534	324,967
TREASURY STOCK:			
Balance at beginning of year	(1,067)	(996)	
Purchase of common stock (383,640; 272,991; and 229,712 shares, respectively)	(5,319)	(3,522)	(3,696)
Exercise of stock options (20,234; 0; and 135,162 shares, respectively)	279		2,500
Shares issued for restricted stock awards (382,471; 271,875; and 12,681 shares, respectively)	5,075	3,451	200
Balance at end of year	(1,032)	(1,067)	(996)
ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX:			
Balance at beginning of year	(61,705)	(71,910)	(45,695)
Other comprehensive income (loss), net of tax	25,212	10,205	(26,215)
Balance at end of year	(36,493)	(61,705)	(71,910)
Total stockholders equity	$ 5,735,662	$ 5,656,264	$ 5,565,704

See accompanying notes to the consolidated financial statements.

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NEW YORK COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in thousands)	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 475,547	$ 501,106	$ 480,037
Adjustments to reconcile net income to net cash provided by operating activities:			
Provisions for loan losses	30,758	62,988	100,420
Depreciation and amortization	28,092	25,471	23,535
Amortization of discounts and premiums, net	(3,600)	(2,788)	(1,337)
Amortization of core deposit intangibles	15,784	19,644	26,066
Net gain on sale of securities	(21,036)	(2,041)	(36,608)
Gain on sale of loans	(50,885)	(193,227)	(80,304)
Gain on business disposition			(9,823)
Stock plan-related compensation	22,247	20,721	16,735
Deferred tax expense	25,177	38,713	28,270
Loss on OTTI of securities recognized in earnings	612		18,124
Changes in operating assets and liabilities:			
(Increase) decrease in other assets	(92,089)	33,108	126,654
Increase (decrease) in other liabilities	49,442	6,597	(126,812)
Origination of loans held for sale	(6,213,592)	(10,925,837)	(7,151,083)
Proceeds from sale of loans originated for sale	7,109,473	10,991,561	7,416,333
Net cash provided by operating activities	1,375,930	576,016	830,207
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from repayment of securities held to maturity	680,715	2,468,377	2,799,160
Proceeds from repayment of securities available for sale	59,362	426,258	221,077
Proceeds from sale of securities held to maturity	191,142		284,406
Proceeds from sale of securities available for sale	631,802	822,618	862,755
Purchase of securities held to maturity	(4,029,981)	(3,133,279)	(2,753,777)
Purchase of securities available for sale	(554,239)	(932,997)	(1,151,639)
Net (purchase) redemption of Federal Home Loan Bank stock	(92,245)	21,083	(44,214)
Net increase in loans	(2,022,625)	(1,363,967)	(1,488,025)
Purchase of premises and equipment, net	(37,242)	(38,761)	(40,746)
Net cash acquired in business transactions			100,027
Net cash used in investing activities	(5,173,311)	(1,730,668)	(1,210,976)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in deposits	783,471	2,551,867	465,079
Net increase (decrease) in short-term borrowed funds	2,466,100	(312,000)	1,062,000
Net decrease in long-term borrowed funds	(791,289)	(218,222)	(637,703)
Tax effect of stock plans	1,692	589	2,679
Cash dividends paid on common stock	(440,308)	(438,539)	(436,914)
Treasury stock purchases	(5,319)	(3,522)	(3,696)
Net cash received from stock option exercises	326		3,519
Net cash provided by financing activities	2,014,673	1,580,173	454,964
Net (decrease) increase in cash and cash equivalents	(1,782,708)	425,521	74,195
Cash and cash equivalents at beginning of year	2,427,258	2,001,737	1,927,542

Cash and cash equivalents at end of year	$644,550	$2,427,258	$2,001,737
Supplemental information:			
Cash paid for interest	$552,501	$667,905	$686,245
Cash paid for income taxes	212,181	286,550	152,115
Non-cash investing and financing activities:			
Transfers to other real estate owned from loans	$115,215	$91,441	$230,677

See accompanying notes to the consolidated financial statements.

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NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION

Organization

Formerly known as Queens County Bancorp, Inc., New York Community Bancorp, Inc. (on a stand-alone basis, the Parent Company or, collectively with its subsidiaries, the Company) was organized under Delaware law on July 20, 1993 and is the holding company for New York Community Bank and New York Commercial Bank (hereinafter referred to as the Community Bank and the Commercial Bank, respectively, and collectively as the Banks). In addition, for the purpose of these Consolidated Financial Statements, the Community Bank and the Commercial Bank refer not only to the respective banks but also to their respective subsidiaries.

The Community Bank is the primary banking subsidiary of the Company. Founded on April 14, 1859 and formerly known as Queens County Savings Bank, the Community Bank converted from a state-chartered mutual savings bank to the capital stock form of ownership on November 23, 1993, at which date the Company issued its initial offering of common stock (par value: $0.01 per share) at a price of $25.00 per share. The Commercial Bank was established on December 30, 2005.

Reflecting nine stock splits, the Company s initial offering price adjusts to $0.93 per share. All share and per share data presented in this report have been adjusted to reflect the impact of the stock splits.

The Company changed its name to New York Community Bancorp, Inc. on November 21, 2000 in anticipation of completing the first of eight business combinations that expanded its footprint well beyond Queens County to encompass all five boroughs of New York City, Long Island, and Westchester County in New York, and seven counties in the northern and central parts of New Jersey. The Company expanded beyond this region to south Florida, northeast Ohio, and central Arizona through its FDIC-assisted acquisition of certain assets and its assumption of certain liabilities of AmTrust Bank (AmTrust) in December 2009, and extended its Arizona franchise through its FDIC-assisted acquisition of certain assets and its assumption of certain liabilities of Desert Hills Bank (Desert Hills) in March 2010. On June 28, 2012, the Company completed its 11th transaction when it assumed the deposits of Aurora Bank FSB.

Reflecting its growth through acquisitions, the Community Bank currently operates 243 branches, four of which operate directly under the Community Bank name. The remaining 239 Community Bank branches operate through seven divisional banks Queens County Savings Bank, Roslyn Savings Bank, Richmond County Savings Bank, and Roosevelt Savings Bank (in New York), Garden State Community Bank in New Jersey, AmTrust Bank in Florida and Arizona, and Ohio Savings Bank in Ohio.

The Commercial Bank currently operates 30 branches in Manhattan, Queens, Brooklyn, Westchester County, and Long Island (all in New York), including 18 branches that operate under the name Atlantic Bank.

Basis of Presentation

The following is a description of the significant accounting and reporting policies that the Company and its wholly-owned subsidiaries follow in preparing and presenting their consolidated financial statements, which conform to U.S. generally accepted accounting principles (GAAP) and to general practices within the banking industry. The preparation of financial statements in conformity with GAAP requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates that are particularly susceptible to change in the near term are used in connection with the determination of the allowances for loan losses; the valuation of mortgage servicing rights (MSRs); the evaluation of goodwill for impairment; the evaluation of other-than-temporary impairment (OTTI) on securities; and the evaluation of the need for a valuation allowance on the Company s deferred tax assets.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company accounts and transactions are eliminated in consolidation. The Company currently has unconsolidated subsidiaries in the form of four wholly-owned statutory business trusts, which were formed to issue guaranteed capital debentures (capital securities). Please see Note 8, Borrowed Funds, for additional information regarding these trusts.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For cash flow reporting purposes, cash and cash equivalents include cash on hand, amounts due from banks, and money market investments, which include federal funds sold and reverse repurchase agreements. At December 31, 2013 and 2012, the Company s cash and cash equivalents totaled $644.6 million and $2.4 billion, respectively. Included in cash and cash equivalents at those dates were $208.0 million and $1.7 billion of interest-bearing deposits in other financial institutions, primarily consisting of balances due from the Federal Reserve Bank of New York. Also included in cash and cash equivalents at December 31, 2013 and 2012 were federal funds sold of $4.8 million and $8.9 million, respectively. In addition, the Company had $250.0 million and $549.7 million in pledged reverse repurchase agreements outstanding at December 31, 2013 and 2012, respectively.

In accordance with the monetary policy of the Board of Governors of the Federal Reserve System, the Company was required to maintain total reserves with the Federal Reserve Bank of New York of $133.7 million and $134.3 million, respectively, at December 31, 2013 and 2012, in the form of deposits and vault cash. The Company was in compliance with this requirement at both dates.

Securities Held to Maturity and Available for Sale

The securities portfolio primarily consists of mortgage-related securities and, to a lesser extent, debt and equity (together, other) securities. Securities that are classified as available for sale are carried at their estimated fair value, with any unrealized gains or losses, net of taxes, reported as accumulated other comprehensive income or loss in stockholders equity. Securities that we have the intent and ability to hold to maturity are classified as held to maturity and carried at amortized cost, less the non-credit portion of OTTI recorded in AOCL.

The fair values of our securities and particularly our fixed-rate securities are affected by changes in market interest rates and credit spreads. In general, as interest rates rise and/or credit spreads widen, the fair value of fixed-rate securities will decline; as interest rates fall and/or credit spreads tighten, the fair value of fixed-rate securities will rise. We regularly conduct a review and evaluation of our securities portfolio to determine if the decline in the fair value of any security below its carrying amount is other than temporary. If we deem any decline in value to be other than temporary, the security is written down to its current fair value, creating a new cost basis, and the resultant loss (other than the OTTI on debt securities attributable to non-credit factors) is charged against earnings and recorded in non-interest income. Our assessment of a decline in fair value includes judgment as to the financial position and future prospects of the entity that issued the investment security, as well as a review of the security s underlying collateral. Broad changes in the overall market or interest rate environment generally will not lead to a write-down.

In accordance with OTTI accounting guidance, unless we have the intent to sell, or it is more likely than not that we may be required to sell a security before recovery, OTTI is recognized as a realized loss in earnings to the extent that the decline in fair value is credit-related. If there is a decline in fair value of a security below its carrying amount and we have the intent to sell it, or it is more likely than not that we may be required to sell the security before recovery, the entire amount of the decline in fair value is charged to earnings.

Premiums and discounts on securities are amortized to expense and accreted to income over the remaining period to contractual maturity, using a method that approximates the interest method, and are adjusted for anticipated prepayments. Dividend and interest income are recognized when earned. The cost of securities sold is based on the specific identification method.

Federal Home Loan Bank Stock

As a member of the Federal Home Loan Bank of New York (the FHLB-NY), the Company is required to hold shares of Federal Home Loan Bank (FHLB) stock, which is carried at cost. The Company s holding requirement varies based on certain factors, primarily including its outstanding borrowings from the FHLB-NY. In connection with the FDIC-assisted acquisitions of AmTrust and Desert Hills, the Company acquired stock in the FHLBs of Cincinnati and San Francisco, respectively. The Company conducts a periodic review and evaluation of its FHLB stock to determine if any impairment exists. The factors considered in this process include, among others, significant deterioration in earnings performance, credit rating, or asset quality; significant adverse changes in the regulatory or economic environment; and other factors that raise significant concerns about the creditworthiness and the ability of an FHLB to continue as a going concern.

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Loans

Loans, net, are carried at unpaid principal balances, including unearned discounts, purchase accounting (i.e., acquisition-date fair value) adjustments, net deferred loan origination costs or fees, and the allowance for loan losses.

One-to-four family loans held for sale are originated through our mortgage banking operation and, to a lesser extent, the Community Bank, and are sold primarily to government-sponsored enterprises (GSEs), with the servicing typically retained. The loans originated by the mortgage banking operation are carried at fair value. The fair value of held-for-sale loans is primarily based on quoted market prices for securities backed by similar types of loans. The changes in fair value of these assets are largely driven by changes in mortgage interest rates subsequent to loan funding and changes in the fair value of the servicing rights associated with the mortgage loans held for sale.

The Company recognizes interest income on non-covered loans using the interest method over the life of the loan. Accordingly, the Company defers certain loan origination and commitment fees, and certain loan origination costs, and amortizes the net fee or cost as an adjustment to the loan yield over the term of the related loan. When a loan is sold or repaid, the remaining net unamortized fee or cost is recognized in interest income.

Prepayment penalty income is recorded in interest income and only when cash is received. Accordingly, there are no assumptions involved in the recognition of prepayment penalty income.

Two factors are considered in determining the amount of prepayment penalty income: the prepayment penalty percentage set forth in the loan documents and the principal balance of the loan at the time of prepayment. The volume of loans prepaying may vary from one period to another, often in connection with actual or perceived changes in the direction of market interest rates. In a low interest rate environment, or when interest rates are declining, prepayment penalties may increase as more borrowers opt to refinance. In a rising interest rate environment, or when rates are perceived to be rising, prepayment penalties may increase as borrowers seek to lock in current rates prior to further increases.

A loan generally is classified as a non-accrual loan when it is over 90 days past due. When a loan is placed on non-accrual status, the Company ceases the accrual of interest owed, and previously accrued interest is charged against interest income. A loan is generally returned to accrual status when the loan is current and the Company has reasonable assurance that the loan will be fully collectible. Interest income on non-accrual loans is recorded when received in cash.

Allowances for Loan Losses

Allowance for Losses on Non-Covered Loans

The allowance for losses on non-covered loans is increased by provisions for non-covered loan losses that are charged against earnings, and is reduced by net charge-offs and/or reversals, if any, that are credited to earnings. Although non-covered loans are held by either the Community Bank or the Commercial Bank, and a separate loan loss allowance is established for each, the total of the two allowances is available to cover all losses incurred. In addition, except as otherwise noted below, the process for establishing the allowance for losses on non-covered loans is the same for the Community Bank and the Commercial Bank. In determining the respective allowances for loan losses, management considers the Community Bank s and the Commercial Bank s current business strategies and credit processes, including compliance with applicable regulatory guidelines and with guidelines approved by the respective Boards of Directors with regard to credit limitations, loan approvals, underwriting criteria, and loan workout procedures.

The allowance for losses on non-covered loans is established based on management s evaluation of the probable inherent losses in our portfolio in accordance with GAAP, and are comprised of both specific valuation allowances and general valuation allowances.

Specific valuation allowances are established based on management s analyses of individual loans that are considered impaired. If a non-covered loan is deemed to be impaired, management measures the extent of the impairment and establishes a specific valuation allowance for that amount. A non-covered loan is classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect both the principal and interest due under the contractual terms of the loan agreement. The Company applies this classification as necessary to non-covered loans individually evaluated for impairment in the portfolios of multi-family; commercial real estate; acquisition, development, and construction; and commercial and industrial loans. Smaller balance homogenous loans and loans carried at the lower of cost or fair value are evaluated for impairment on a collective, rather than individual, basis.

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The Company generally measures impairment on an individual loan and determines the extent to which a specific valuation allowance is necessary by comparing the loan s outstanding balance to either the fair value of the collateral, less the estimated cost to sell, or the present value of expected cash flows, discounted at the loan s effective interest rate. A specific valuation allowance is established when the fair value of the collateral, net of the estimated costs to sell, or the present value of the expected cash flows is less than the recorded investment in the loan.

The Company also follows a process to assign general valuation allowances to non-covered loan categories. General valuation allowances are established by applying its loan loss provisioning methodology, and reflect the inherent risk in outstanding held-for-investment loans. This loan loss provisioning methodology considers various factors in determining the appropriate quantified risk factors to use to determine the general valuation allowances. The factors assessed begin with the historical loan loss experience for each of the major loan categories maintained. The Company s historical loan loss experience is then adjusted by considering qualitative or environmental factors that are likely to cause estimated credit losses associated with the existing portfolio to differ from its historical loss experience, including, but not limited to:

- Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices;
- Changes in international, national, regional, and local economic and business conditions and developments that affect the collectability of the portfolio, including the condition of various market segments;
- Changes in the nature and volume of the portfolio and in the terms of loans;
- Changes in the volume and severity of past due loans, the volume of non-accrual loans, and the volume and severity of adversely classified or graded loans;
- Changes in the quality of the Company s loan review system;
- Changes in the value of the underlying collateral for collateral-dependent loans;
- The existence and effect of any concentrations of credit, and changes in the level of such concentrations;
- Changes in the experience, ability, and depth of lending management and other relevant staff; and
- The effect of other external factors, such as competition and legal and regulatory requirements, on the level of estimated credit losses in the existing portfolio.

By considering the factors discussed above, management determines quantifiable risk factors that are applied to each non-impaired loan or loan type in the loan portfolio to determine the general valuation allowances.

In recognition of prevailing macroeconomic and real estate market conditions, the time periods considered for historical loss experience continue to be the last three years and the current period. Management also evaluates the sufficiency of the overall allocations used for the allowance for losses on non-covered loans by considering the Company s loss experience in the current and prior calendar year.

The process of establishing the allowance for losses on non-covered loans also involves:

Periodic inspections of the loan collateral by qualified in-house and external property appraisers/inspectors, as applicable;

Regular meetings of executive management with the pertinent Board committee, during which observable trends in the local economy and/or the real estate market are discussed;

Assessment of the aforementioned factors by the pertinent members of the Boards of Directors and executive management when making a business judgment regarding the impact of anticipated changes on the future level of loan losses; and

Analysis of the portfolio in the aggregate, as well as on an individual loan basis, taking into consideration payment history, underwriting analyses, and internal risk ratings.

In order to determine their overall adequacy, each of the respective non-covered loan loss allowances is reviewed quarterly by management and by the Mortgage and Real Estate Committee of the Community Bank s Board of Directors (the Mortgage Committee) or the Credit Committee of the Board of Directors of the Commercial Bank (the Credit Committee), as applicable.

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The Company charges off loans, or portions of loans, in the period that such loans, or portions thereof, are deemed uncollectible. The collectability of individual loans is determined through an assessment of the financial condition and repayment capacity of the borrower and/or through an estimate of the fair value of any underlying collateral. Generally, the time period in which this assessment is made is within the same quarter that the loan is considered impaired and quarterly thereafter. For consumer credits that are not real estate-related, the following past-due time periods determine when charge-offs are typically recorded: (1) closed-end credits are charged off in the quarter that the loan becomes 120 days past due; (2) open-end credits are charged off in the quarter that the loan becomes 180 days past due; and (3) both closed-end and open-end credits are typically charged off in the quarter that the credit is 60 days past the date the Company receives notification that the borrower has filed for bankruptcy.

The level of future additions to the respective non-covered loan loss allowances is based on many factors, including certain factors that are beyond management s control. Among these are changes in economic and local market conditions, including declines in real estate values, and increases in vacancy rates and unemployment. Management uses the best available information to recognize losses on loans or to make additions to the loan loss allowances; however, the Community Bank and/or the Commercial Bank may be required to take certain charge-offs and/or recognize further additions to their loan loss allowances, based on the judgment of regulatory agencies with regard to information provided to them during their examinations of the Banks.

Allowance for Losses on Covered Loans

The Company has elected to account for the loans acquired in the AmTrust and Desert Hills acquisitions (i.e., covered loans) based on expected cash flows. This election is in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 310-30, Loans and Debt Securities Acquired with Deteriorated Credit Quality (ASC 310-30). In accordance with ASC 310-30, the Company maintains the integrity of a pool of multiple loans accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

Under the loss sharing agreements with the FDIC, covered loans are reported exclusive of the FDIC loss share receivable. The covered loans acquired in the AmTrust and Desert Hills acquisitions are, and will continue to be, reviewed for collectability based on the expectations of cash flows from these loans. Covered loans have been aggregated into pools of loans with common characteristics. In determining the allowance for losses on covered loans, management periodically performs an analysis to estimate the expected cash flows for each of the loan pools. A provision for losses on covered loans is recorded to the extent that the expected cash flows from a loan pool have decreased for credit-related items since the acquisition date. Accordingly, if there is a decrease in expected cash flows due to an increase in estimated credit losses compared to the estimates made at the respective acquisition dates, the decrease in the present value of expected cash flows will be recorded as a provision for covered loan losses charged to earnings, and the allowance for covered loan losses will be increased. A related credit to non-interest income and an increase in the FDIC loss share receivable will be recognized at the same time, and will be measured based on the loss sharing agreement percentages.

Please see Note 6, Allowances for Loan Losses for a further discussion of the allowance for losses on covered loans as well as additional information about the allowance for losses on non-covered loans.

FDIC Loss Share Receivable

The FDIC loss share receivable is initially recorded at fair value and is measured separately from the covered loans acquired in the AmTrust and Desert Hills acquisitions as it is not contractually embedded in any of the covered loans. The loss share receivable related to estimated future loan losses is not transferable should the Company sell a loan prior to foreclosure or maturity. The loss share receivable represents the present value of the estimated cash payments expected to be received from the FDIC for future losses on covered assets, based on the credit adjustment estimated for each covered asset and the loss sharing percentages. These cash flows are then discounted at a market-based rate to reflect the uncertainty of the timing and receipt of the loss sharing reimbursements from the FDIC. The amount ultimately collected for this asset is dependent upon the performance of the underlying covered assets, the passage of time, and claims submitted to the FDIC.

The FDIC loss share receivable is reduced as losses are recognized on covered loans and loss sharing payments are received from the FDIC. Realized losses in excess of acquisition-date estimates will result in an increase in the FDIC loss share receivable. Conversely, if realized losses are less than acquisition-date estimates, the FDIC loss share receivable will be reduced.

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Decreases in estimated reimbursements from the FDIC, if any, are recognized in income prospectively over the life of the related covered loans (or, if shorter, over the remaining term of the related loss sharing agreement); related additions to the accretable yield on the covered loans are recognized in income prospectively over the lives of the loans. Increases in estimated reimbursements will be recognized in interest income in the same period that they are identified and an allowance for loan losses for the related loans is recorded.

Goodwill Impairment

Goodwill is presumed to have an indefinite useful life and is tested for impairment, rather than amortized, at the reporting unit level, at least once a year. In addition to being tested annually, goodwill would be tested if there were a triggering event. During the year ended December 31, 2013, no triggering events were identified.

The goodwill impairment analysis is a two-step test. However, a company can, under Accounting Standards Update (ASU) No. 2011-08, Testing Goodwill for Impairment, first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this amendment, an entity would not be required to calculate the fair value of a reporting unit unless the entity determined, based on a qualitative assessment, that it was more likely than not that its fair value was less than its carrying amount. The Company did not elect to perform a qualitative assessment of its goodwill in 2013. The first step (Step 1) is used to identify potential impairment, and involves comparing each reporting segment s estimated fair value to its carrying amount, including goodwill. If the estimated fair value of a reporting segment exceeds its carrying amount, goodwill is not considered to be impaired. If the carrying amount exceeds the estimated fair value, there is an indication of potential impairment and the second step (Step 2) is performed to measure the amount.

Step 2 involves calculating an implied fair value of goodwill for each reporting segment for which impairment was indicated in Step 1. The implied fair value of goodwill is determined in a manner similar to the amount of goodwill calculated in a business combination, i.e., by measuring the excess of the estimated fair value of the reporting segment, as determined in Step 1, over the aggregate estimated fair values of the individual assets, liabilities, and identifiable intangibles, as if the reporting segment were being acquired in a business combination at the impairment test date. If the implied fair value of goodwill exceeds the carrying amount of goodwill assigned to the reporting segment, there is no impairment. If the carrying amount of goodwill assigned to a reporting segment exceeds the implied fair value of the goodwill, an impairment charge is recorded for the excess. An impairment loss cannot exceed the carrying amount of goodwill assigned to a reporting segment, and the loss establishes a new basis in the goodwill. Subsequent reversal of goodwill impairment losses is not permitted.

Quoted market prices in active markets are the best evidence of fair value and are used as the basis for measurement, when available. Other acceptable valuation methods include present-value measurements based on multiples of earnings or revenues, or similar performance measures. Differences in the identification of reporting units and in valuation techniques could result in materially different evaluations of impairment.

For the purpose of goodwill impairment testing, management has determined that the Company has two reporting segments: Banking Operations and Residential Mortgage Banking. All of our recorded goodwill has resulted from prior acquisitions and, accordingly, is attributed to Banking Operations. There is no goodwill associated with Residential Mortgage Banking, as this segment was acquired in our FDIC-assisted AmTrust acquisition, which resulted in a bargain purchase gain. In order to perform our annual goodwill impairment test, we determined the carrying value of the Banking Operations segment to be the carrying value of the Company and compared it to the fair value of the Company.

We performed our annual goodwill impairment test as of December 31, 2013 and found no indication of goodwill impairment at that date.

Core Deposit Intangibles

Core deposit intangible (CDI) is a measure of the value of checking and savings deposits acquired in a business combination. The fair value of the CDI stemming from any given business combination is based on the present value of the expected cost savings attributable to the core deposit funding, relative to an alternative funding source. CDI is amortized over the estimated useful lives of the existing deposit relationships acquired, but does not exceed 10 years. The Company evaluates such identifiable intangibles for impairment when an indication of impairment exists. No impairment charges were required to be recorded in 2013, 2012, or 2011. If an impairment loss is determined to exist in the future, the loss will be reflected as an expense in the Consolidated Statement of Income and Comprehensive Income for the period in which such impairment is identified.

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Premises and Equipment, Net

Premises, furniture, fixtures, and equipment are carried at cost, less the accumulated depreciation computed on a straight-line basis over the estimated useful lives of the respective assets (generally 20 years for premises and three to ten years for furniture, fixtures, and equipment). Leasehold improvements are carried at cost less the accumulated amortization computed on a straight-line basis over the shorter of the related lease term or the estimated useful life of the improvement.

Depreciation and amortization are included in Occupancy and equipment expense in the Consolidated Statements of Income and Comprehensive Income, and amounted to $28.1 million, $25.5 million, and $23.5 million, respectively, in the years ended December 31, 2013, 2012, and 2011.

Mortgage Servicing Rights

The Company recognizes the right to service mortgage loans for others as a separate asset referred to as MSRs. MSRs are generally recognized when one-to-four family loans are sold or securitized, servicing retained. The Company initially records, and subsequently carries, MSRs at fair value. At December 31, 2013, the Company had one class of MSRs, residential MSRs, for which it separately manages the economic risk.

The Company bases the fair value of its MSRs on the present value of estimated future net servicing income cash flows utilizing an internal valuation model. This model utilizes assumptions that market participants would use to estimate fair value, including estimates of prepayment speeds, discount rates, default rates, refinance rates, servicing costs, escrow account earnings, contractual servicing fee income, and ancillary income. The Company reassesses and periodically adjusts the underlying inputs and changes in the assumptions to reflect market conditions and assumptions that a market participant would consider in valuing the MSRs.

Changes in the fair value of MSRs primarily occur in connection with the collection/realization of expected cash flows, as well as changes in the valuation inputs and assumptions. Changes in the fair value of MSRs are reported in Non-interest income as mortgage banking income in the period during which such changes occur.

Prior to December 31, 2013, the Company also had securitized MSRs. (Please see Note 11, Intangible Assets, for additional information regarding securitized MSRs.)

Offsetting Derivative Positions

In accordance with the applicable accounting guidance, the Company takes into account the impact of collateral and master netting agreements that allow it to settle all derivative contracts held with a single counterparty on a net basis, and to offset the net derivative position with the related collateral when recognizing derivative assets and liabilities. As a result, the Company s Statements of Condition reflects derivative contracts with negative fair values included in derivative assets, and contracts with positive fair values that are included in derivative liabilities, on a net basis.

Bank-Owned Life Insurance

The Company has purchased life insurance policies on certain employees. These bank-owned life insurance (BOLI) policies are recorded in the Consolidated Statements of Condition at their cash surrender value. Income from these policies and changes in the cash surrender value are recorded in Non-interest income in the Consolidated Statements of Income and Comprehensive Income. At December 31, 2013 and 2012, the Company s investment in BOLI was $893.5 million and $867.3 million, respectively. There were no additional purchases of BOLI during the year ended December 31, 2013. During the year ended December 31, 2012, the Company purchased $80.0 million of BOLI. The Company s investment in BOLI generated income of $29.9 million, $30.5 million, and $28.4 million, respectively, during the years ended December 31, 2013, 2012, and 2011.

Other Real Estate Owned

Real estate properties acquired through, or in lieu of, foreclosure are to be sold or rented, and are reported at the lower of cost (i.e., the unpaid balance of the loan at the acquisition date plus the expenses incurred to bring the property to a saleable condition, when appropriate) or fair value, less the estimated selling costs, at the date of acquisition. Following foreclosure, management periodically performs a valuation of the property, and the real estate is carried at the lower of the carrying amount or fair value, less the estimated selling costs. Expenses and revenues from operations and changes in valuation, if any, are included in General and administrative expense in the Consolidated Statements of Income and Comprehensive Income. At December 31, 2013 and 2012, the Company had other real estate owned (OREO) of $108.9 million and $74.4 million, respectively. The respective amounts include OREO of $37.5 million and $45.1 million that is covered under the Company s FDIC loss

sharing agreements.

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Income Taxes

Income tax expense consists of income taxes that are currently payable and deferred income taxes. Deferred income tax expense is determined by recognizing deferred tax assets and liabilities for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. The Company assesses the deferred tax assets and establishes a valuation allowance when realization of a deferred asset is not considered to be more likely than not. The Company considers its expectation of future taxable income in evaluating the need for a valuation allowance.

The Company estimates income taxes payable based on the amount it expects to owe the various tax authorities (i.e., federal, state, and local). Income taxes represent the net estimated amount due to, or to be received from, such tax authorities. In estimating income taxes, management assesses the relative merits and risks of the appropriate tax treatment of transactions, taking into account statutory, judicial, and regulatory guidance in the context of the Company s tax position. In this process, management also relies on tax opinions, recent audits, and historical experience. Although the Company uses the best available information to record income taxes, underlying estimates and assumptions can change over time as a result of unanticipated events or circumstances such as changes in tax laws and judicial guidance influencing its overall tax position.

Stock Options and Incentives

The Company did not grant any stock options during the years ended December 31, 2013, 2012, or 2011. As all previously issued stock options had vested prior to 2008, there were no unvested stock options outstanding at any time during those years, and, accordingly, no compensation and benefits expense relating to stock options was recorded.

Under the New York Community Bancorp, Inc. 2012 Stock Incentive Plan (the 2012 Stock Incentive Plan), which was approved by the Company s shareholders at its Annual Meeting on June 7, 2012, shares are available for grant as stock options, restricted stock, or other forms of related rights.

At December 31, 2013, the Company had 16,757,551 shares available for grant under the 2012 Stock Incentive Plan, including 1,030,673 shares that were transferred from the New York Community Bancorp, Inc. 2006 Stock Incentive Plan (the 2006 Stock Incentive Plan), which was approved by the Company s shareholders at its Annual Meeting on June 7, 2006 and reapproved at its Annual Meeting on June 2, 2011. Compensation cost related to restricted stock grants is recognized on a straight-line basis over the vesting period. For a more detailed discussion of the Company s stock-based compensation, please see Note 13, Stock-Related Benefit Plans.

Retirement Plans

The Company s pension benefit obligations and post-retirement health and welfare benefit obligations, and the related costs, are calculated using actuarial concepts in accordance with GAAP. The measurement of such obligations and expenses requires that certain assumptions be made regarding several factors, most notably including the discount rate and the expected return on plan assets. The Company evaluates these critical assumptions on an annual basis. Other factors considered by the Company in its evaluation include retirement patterns, mortality, turnover, and the rate of compensation increase.

Under GAAP, actuarial gains and losses, prior service costs or credits, and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in AOCL until they are amortized as a component of net periodic benefit cost.

Earnings per Share (Basic and Diluted)

Basic earnings per share (EPS) is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS is computed using the same method as basic EPS, however, the computation reflects the potential dilution that would occur if outstanding in-the-money stock options were exercised and converted into common stock.

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Unvested stock-based compensation awards containing non-forfeitable rights to dividends are considered participating securities, and therefore are included in the two-class method for calculating EPS. Under the two-class method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. The Company grants restricted stock to certain employees under its stock-based compensation plans. Recipients receive cash dividends during the vesting periods of these awards, including on the unvested portion of such awards. Since these dividends are non-forfeitable, the unvested awards are considered participating securities and therefore have earnings allocated to them. The following table presents the Company s computation of basic and diluted EPS for the years ended December 31, 2013, 2012, and 2011:

	Years Ended December 31,		
(in thousands, except share and per share amounts)	2013	2012	2011
Net income	$475,547	$501,106	$480,037
Less: Dividends paid on and earnings allocated to participating securities	(3,008)	(4,702)	(3,614)
Earnings applicable to common stock	$472,539	$496,404	$476,423
Weighted average common shares outstanding	439,251,238	437,706,702	436,018,938
Basic earnings per common share	$1.08	$1.13	$1.09
Earnings applicable to common stock	$472,539	$496,404	$476,423
Weighted average common shares outstanding	439,251,238	437,706,702	436,018,938
Potential dilutive common shares (1)		5,540	124,196
Total shares for diluted earnings per share computation	439,251,238	437,712,242	436,143,134
Diluted earnings per common share and common share equivalents	$1.08	$1.13	$1.09

(1) Options to purchase 60,300 shares, 2,542,277 shares, and 6,302,302 shares, respectively, of the Company s common stock that were outstanding as of December 31, 2013, 2012, and 2011, at respective weighted average exercise prices of $17.99, $16.86, and $16.30, were excluded from the respective computations of diluted EPS because their inclusion would have had an antidilutive effect.

Impact of Recent Accounting Pronouncements

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-01, Investments Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Qualified Affordable Housing Projects. The amendments in ASU No. 2014-01 provide guidance on accounting for investments by a reporting entity in flow-through limited liability entities that manage or invest in affordable housing projects that qualify for the low-income housing tax credit. The amendments permit reporting entities to make an accounting policy election to account for their investments in qualified affordable housing projects using the proportional amortization method if certain conditions are met. ASU No. 2014-01 is effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. ASU No. 2014-01 should be applied retrospectively to all periods presented. The adoption of ASU No. 2014-01 is not expected to have a material effect on the Company s consolidated statement of condition or results of operations.

In January 2014, the FASB issued ASU No. 2014-04, Receivables Troubled Debt Restructurings by Creditors (Subtopic 310-40), Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure. The amendments in ASU No. 2014-04 clarify when an in-substance repossession or foreclosure occurs, that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized. ASU No. 2014-04 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. The adoption of ASU No. 2014-04 is not expected to have a material effect on the Company s consolidated statement of condition or results of operations.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. ASU 2013-02 does not change the current requirements for reporting net income or other comprehensive income in financial statements; however, the amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. ASU No. 2013-02 is effective prospectively for reporting periods beginning after December 15, 2012. The Company adopted ASU 2013-02 on January 1, 2013. Please see Note 3, Reclassifications out of Accumulated Other Comprehensive Loss, for the presentation of such disclosures.

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In January 2013, the FASB issued ASU No. 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. ASU No. 2013-01 clarifies that ordinary trade receivables and receivables are not in the scope of ASU No. 2011-11, Disclosures about Offsetting Assets and Liabilities, and that ASU 2011-11 applies only to derivatives, repurchase agreements, and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in the ASC or subject to a master netting arrangement or similar agreement. ASU 2013-01 is effective for fiscal years beginning on or after January 1, 2013 and for interim periods within those annual periods. An entity should provide the required disclosures retrospectively for all comparative periods presented. The Company adopted ASU 2013-01 on January 1, 2013. Please see Note 15, Derivative Financial Instruments, for the presentation of such disclosures.

In October 2012, the FASB issued ASU No. 2012-06, Business Combinations (Topic 805): Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution (a consensus of the FASB Emerging Issues Task Force). ASU No. 2012-06 amends FASB ASC 805-20, Business Combinations Identifiable Assets and Liabilities, and Any Non-controlling Interest, formerly, SFAS No. 141(R), by adding guidance specifically related to accounting for the support the Federal Deposit Insurance Corp. or the National Credit Union Administration provides to buyers of failed banks. When a reporting entity recognizes an indemnification asset (in accordance with Subtopic 805-20) as a result of a government-assisted acquisition of a financial institution, and a change in the cash flows expected to be collected on the indemnification asset subsequently occurs (as a result of a change in cash flows expected to be collected on the assets subject to indemnification), the reporting entity should subsequently account for the change in the measurement of the indemnification asset on the same basis as the change in the assets subject to indemnification. Any amortization of changes in value should be limited to the contractual term of the indemnification agreement (that is, the lesser of the term of the indemnification agreement or the remaining life of the indemnified assets).

The amendments in ASU No. 2012-06 are effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2012. The amendments should be applied prospectively to any new indemnification assets acquired after the date of adoption and to indemnification assets existing as of the date of adoption arising from a government-assisted acquisition of a financial institution. The adoption of ASU 2012-06 on January 1, 2013 has not had an effect on the Company s consolidated statement of condition or results of operations.

NOTE 3: RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE LOSS

(in thousands)	**For the Twelve Months Ended December 31, 2013**	
Details about Accumulated Other Comprehensive Loss (AOCL)	Amount Reclassified from Accumulated Other Comprehensive Loss [1]	Affected Line Item in the Consolidated Statement of Income and Comprehensive Income
Unrealized gains on available-for-sale securities	$ 9,484	Net gain on sales of securities
	(3,825)	Tax expense
	$ 5,659	Net gain on sales of securities, net of tax
Loss on OTTI of securities	$ (612)	Loss on OTTI of securities
	247	Tax benefit
	$ (365)	Loss on OTTI of securities, net of tax
Amortization of defined benefit pension items:		
Prior-service costs	$ 249	(2)
Actuarial losses	(10,063)	(2)
	(9,814)	Total before tax
	3,969	Tax benefit
	$ (5,845)	Amortization of defined benefit pension items, net of tax
Total reclassifications for the period	$ (551)	

(1) *Amounts in parentheses indicate expense items.*
(2) *These components of AOCL are included in the computation of net periodic (credit) expense. (Please see Note 12, Employee Benefits, for additional information).*

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NOTE 4: SECURITIES

The following table summarizes the Company s portfolio of securities available for sale at December 31, 2013:

	December 31, 2013			
(in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Mortgage-Related Securities:				
GSE[1] certificates	$ 23,759	$ 1,442	$ 1	$ 25,200
GSE CMOs[2]	62,082	598	1,861	60,819
Private label CMOs	10,214		12	10,202
Total mortgage-related securities	$ 96,055	$ 2,040	$ 1,874	$ 96,221
Other Securities:				
Municipal bonds	$ 957	$ 69	$	$ 1,026
Capital trust notes	13,419	60	1,681	11,798
Preferred stock	118,205	1,936	3,902	116,239
Common stock	51,654	4,093	293	55,454
Total other securities	$ 184,235	$ 6,158	$ 5,876	$ 184,517
Total securities available for sale	$ 280,290	$ 8,198	$ 7,750	$ 280,738

(1) Government-sponsored enterprise
(2) Collateralized mortgage obligations

As of December 31, 2013, the fair value of marketable equity securities included corporate preferred stock of $116.2 million and common stock of $55.5 million, with the latter primarily consisting of an investment in a large cap equity fund and certain other funds that are Community Reinvestment Act (CRA) eligible.

The following table summarizes the Company s portfolio of securities available for sale at December 31, 2012:

	December 31, 2012			
(in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Mortgage-Related Securities:				
GSE certificates	$ 85,488	$ 7,197	$ 6	$ 92,679
GSE CMOs	62,236	4,924		67,160
Private label CMOs	17,276	140		17,416
Total mortgage-related securities	$ 165,000	$ 12,261	$ 6	$ 177,255
Other Securities:				
Municipal bonds	$ 46,288	$ 128	$ 120	$ 46,296
Capital trust notes	35,231	7,363	4,159	38,435
Preferred stock	118,205	6,843	30	125,018
Common stock	43,984	1,191	2,913	42,262

Total other securities	$ 243,708	$ 15,525	$ 7,222	$ 252,011
Total securities available for sale [1]	$ 408,708	$ 27,786	$ 7,228	$ 429,266

(1) At December 31, 2012, the non-credit portion of OTTI recorded in AOCL was $570,000 (before taxes).

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The following tables summarize the Company s portfolio of securities held to maturity at December 31, 2013 and 2012:

(in thousands)	Amortized Cost	Carrying Amount	December 31, 2013 Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Mortgage-Related Securities:					
GSE certificates	$ 2,529,102	$ 2,529,102	$ 30,145	$ 61,280	$ 2,497,967
GSE CMOs	1,878,885	1,878,885	29,330	22,520	1,885,695
Total mortgage-related securities	$ 4,407,987	$ 4,407,987	$ 59,475	$ 83,800	$ 4,383,662
Other Securities:					
GSE debentures	$ 3,053,253	$ 3,053,253	$ 6,512	$ 208,506	$ 2,851,259
Corporate bonds	72,899	72,899	11,063		83,962
Municipal bonds	60,462	60,462	19	3,849	56,632
Capital trust notes	84,871	75,681	3,134	9,086	69,729
Total other securities	$ 3,271,485	$ 3,262,295	$ 20,728	$ 221,441	$ 3,061,582
Total securities held to maturity [(1)]	$ 7,679,472	$ 7,670,282	$ 80,203	$ 305,241	$ 7,445,244

(1) Held-to-maturity securities are reported at a carrying amount equal to amortized cost less the non-credit portion of OTTI recorded in AOCL. At December 31, 2013, the non-credit portion of OTTI recorded in AOCL was $9.2 million (before taxes).

(in thousands)	Amortized Cost	Carrying Amount	December 31, 2012 Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Mortgage-Related Securities:					
GSE certificates	$ 1,253,769	$ 1,253,769	$ 87,860	$ 5	$ 1,341,624
GSE CMOs	1,898,228	1,898,228	104,764		2,002,992
Other mortgage-related securities	3,220	3,220			3,220
Total mortgage-related securities	$ 3,155,217	$ 3,155,217	$ 192,624	$ 5	$ 3,347,836
Other Securities:					
GSE debentures	$ 1,129,618	$ 1,129,618	$ 15,739	$	$ 1,145,357
Corporate bonds	72,501	72,501	12,504		85,005
Municipal bonds	16,982	16,982	245		17,227
Capital trust notes	131,513	109,944	14,588	13,997	110,535
Total other securities	$ 1,350,614	$ 1,329,045	$ 43,076	$ 13,997	$ 1,358,124
Total securities held to maturity [(1)]	$ 4,505,831	$ 4,484,262	$ 235,700	$ 14,002	$ 4,705,960

(1) At December 31, 2012, the non-credit portion of OTTI recorded in AOCL was $21.6 million (before taxes).

The Company had $561.4 million and $469.1 million of FHLB stock, at cost, at December 31, 2013 and 2012, respectively. The Company is required to maintain this investment in order to have access to the funding resources provided by the FHLB.

The following table summarizes the gross proceeds, gross realized gains, and gross realized losses from the sale of available-for-sale securities during the years ended December 31, 2013, 2012 and 2011:

		December 31,	
(in thousands)	2013	2012	2011
Gross proceeds	$ 631,802	$ 822,618	$ 862,755
Gross realized gains	9,529	2,041	28,116
Gross realized losses	45		11

In addition, during the twelve months ended December 31, 2013, the Company sold held-to-maturity securities with gross proceeds of $191.1 million and gross realized gains of $11.6 million. These sales occurred because the Company had collected a substantial portion (at least 85%) of the initial principal balance.

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In the following table, the beginning balance represents the credit loss component for debt securities for which OTTI occurred prior to January 1, 2013. For credit-impaired debt securities, OTTI recognized in earnings after that date is presented as an addition in two components, based upon whether the current period is the first time a debt security was credit-impaired (initial credit impairment) or is not the first time a debt security was credit-impaired (subsequent credit impairment).

(in thousands)	For the Twelve Months Ended December 31, 2013
Beginning credit loss amount as of December 31, 2012	$ 219,978
Add: Initial other-than-temporary credit losses	612
Subsequent other-than-temporary credit losses	
Amount previously recognized in AOCL	
Less: Realized losses for securities sold	
Securities intended or required to be sold	
Increases in expected cash flows on debt securities	4,256
Ending credit loss amount as of December 31, 2013	$ 216,334

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The following table summarizes the carrying amounts and estimated fair values of held-to-maturity debt securities, and the amortized costs and estimated fair values of available-for-sale debt securities, at December 31, 2013, by contractual maturity. Mortgage-related securities held to maturity and available for sale, all of which have prepayment provisions, are distributed to a maturity category based on the ends of the estimated average lives of such securities. Principal and amortization prepayments are not shown in maturity categories as they occur, but are considered in the determination of estimated average life.

	At December 31, 2013								
(dollars in thousands)	Mortgage-Related Securities	Average Yield	U.S. Treasury and GSE Obligations	Average Yield	State, County, and Municipal	Average Yield [(1)]	Other Debt Securities [(2)]	Average Yield	Fair Value
Held-to-Maturity Securities:									
Due within one year	$	%	$	%	$	%	$	%	$
Due from one to five years			60,379	4.17	1,280	2.96			67,940
Due from five to ten years	3,222,498	3.24	2,632,125	2.72			46,996	3.14	5,679,202
Due after ten years	1,185,489	3.34	360,749	3.48	59,182	2.86	101,584	5.80	1,698,102
Total debt securities held to maturity	$ 4,407,987	3.27%	$ 3,053,253	2.84%	$ 60,462	2.86%	$ 148,580	4.96%	$ 7,445,244
Available-for-Sale Securities: [(3)]									
Due within one year	$ 5	1.20%	$	%	$ 124	6.09%	$	%	$ 134
Due from one to five years	6,418	6.88			554	6.45			7,455
Due from five to ten years	18,961	3.72			279	6.63			20,018
Due after ten years	70,671	3.87					13,419	5.70	81,438
Total debt securities available for sale	$ 96,055	4.04%	$	%	$ 957	6.46%	$ 13,419	5.70%	$ 109,045

(1) Not presented on a tax-equivalent basis.

(2) Includes corporate bonds and capital trust notes. Included in capital trust notes are $410,000 of pooled trust preferred securities held to maturity, all of which are due after ten years. The remaining capital trust notes consist of single-issue trust preferred securities.

(3) As equity securities have no contractual maturity, they have been excluded from this table.

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The following table presents held-to-maturity and available-for-sale securities having a continuous unrealized loss position for less than twelve months and for twelve months or longer as of December 31, 2013:

At December 31, 2013	Less than Twelve Months		Twelve Months or Longer		Total	
(in thousands)	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Temporarily Impaired Held-to-Maturity Debt Securities:						
GSE debentures	$ 2,777,417	$ 208,506	$	$	$ 2,777,417	$ 208,506
GSE Certificates	1,684,793	61,280			1,684,793	61,280
GSE CMOs	936,691	22,520			936,691	22,520
Municipal notes/bonds	55,333	3,849			55,333	3,849
Capital trust notes	24,900	100	37,181	8,986	62,081	9,086
Total temporarily impaired held-to-maturity debt securities	$ 5,479,134	$ 296,255	$ 37,181	$ 8,986	$ 5,516,315	$ 305,241
Temporarily Impaired Available-for-Sale Securities:						
Debt Securities:						
GSE certificates	$	$	$ 110	$ 1	$ 110	$ 1
Private label CMOs	10,202	12			10,202	12
GSE CMOs	44,725	1,861			44,725	1,861
Capital trust notes	1,992	8	5,746	1,673	7,738	1,681
Total temporarily impaired available-for-sale debt securities	$ 56,919	$ 1,881	$ 5,856	$ 1,674	$ 62,775	$ 3,555
Equity securities	75,886	4,195			75,886	4,195
Total temporarily impaired available-for-sale securities	$ 132,805	$ 6,076	$ 5,856	$ 1,674	$ 138,661	$ 7,750

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The following table presents held-to-maturity and available-for-sale securities having a continuous unrealized loss position for less than twelve months and for twelve months or longer as of December 31, 2012:

At December 31, 2012	Less than Twelve Months		Twelve Months or Longer		Total	
(in thousands)	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Temporarily Impaired Held-to-Maturity Debt Securities:						
GSE debentures	$	$	$	$	$	$
GSE certificates	2,238	5			2,238	5
Capital trust notes			32,148	13,997	32,148	13,997
Total temporarily impaired held-to-maturity debt securities	$ 2,238	$ 5	$ 32,148	$ 13,997	$ 34,386	$ 14,002
Temporarily Impaired Available-for-Sale Securities:						
Debt Securities:						
GSE certificates	$ 297	$ 5	$ 53	$ 1	$ 350	$ 6
State, county, and municipal	45,096	120			45,096	120
Capital trust notes			4,371	4,159	4,371	4,159
Total temporarily impaired available-for-sale debt securities	$ 45,393	$ 125	$ 4,424	$ 4,160	$ 49,817	$ 4,285
Equity securities	15,262	30	28,989	2,913[(1)]	44,251	2,943
Total temporarily impaired available-for-sale securities	$ 60,655	$ 155	$ 33,413	$ 7,073	$ 94,068	$ 7,228

(1) *The twelve months or longer unrealized losses on equity securities of $2.9 million at December 31, 2012 relate to available-for-sale equity securities that consisted of a large cap equity fund and investments in certain financial institutions. The principal balance of the large cap equity fund was $30.2 million and the twelve months or longer unrealized loss was $2.2 million at that date. The principal balance of investments in financial institutions totaled $1.7 million and the twelve months or longer unrealized loss was $709,000 at that date.*

An OTTI loss on impaired securities must be fully recognized in earnings if an investor has the intent to sell the debt security, or if it is more likely than not that the investor will be required to sell the debt security before recovery of its amortized cost. However, even if an investor does not expect to sell a debt security, it must evaluate the expected cash flows to be received and determine if a credit loss has occurred. In the event that a credit loss occurs, only the amount of impairment associated with the credit loss is recognized in earnings. Amounts relating to factors other than credit losses are recorded in AOCL. FASB guidance also requires additional disclosures regarding the calculation of credit losses, as well as factors considered by the investor in reaching a conclusion that an investment is not other-than-temporarily impaired.

Securities in unrealized loss positions are analyzed as part of the Company s ongoing assessment of OTTI. When the Company intends to sell such securities, the Company recognizes an impairment loss equal to the full difference between the amortized cost basis and the fair value of those securities. When the Company does not intend to sell equity or debt securities in an unrealized loss position, potential OTTI is considered based on a variety of factors, including the length of time and extent to which the fair value has been less than the cost; adverse conditions specifically related to the industry, the geographic area, or financial condition of the issuer, or the underlying collateral of a security; the payment structure of the security; changes to the rating of the security by a rating agency; the volatility of the fair value changes; and changes in fair value of the security after the balance sheet date. For debt securities, the Company estimates cash flows over the remaining life of the underlying collateral to assess whether credit losses exist and, where applicable, to determine if any adverse changes in cash flows have occurred. The Company s cash flow estimates take into account expectations of relevant market and economic data as of the end of the reporting period. As of December 31, 2013, the Company did not intend to sell its securities with an unrealized loss position, and it was more likely than not that the Company would not be required to sell these securities before recovery of their amortized cost basis. The Company believes that the securities with an unrealized loss position were not other-than-temporarily impaired as of December 31, 2013.

Other factors considered in determining whether or not an impairment is temporary include the length of time and the extent to which fair value has been below cost; the severity of the impairment; the cause of the impairment; the financial condition and near-term prospects of the issuer; activity in the market of the issuer that may indicate adverse credit conditions; and the forecasted recovery period using current estimates of volatility in market interest rates (including liquidity and risk premiums).

Management s assertion regarding its intent not to sell, or that it is not more likely than not that the Company will be required to sell a security before its anticipated recovery, is based on a number of factors, including a quantitative estimate of the expected recovery period (which may extend to maturity), and management s intended strategy with respect to the identified security or portfolio. If management does have the intent to sell, or believes it is more likely than not that the Company will be required to sell the security before its anticipated recovery, the unrealized loss is charged directly to earnings in the Consolidated Statement of Income and Comprehensive Income.

The unrealized losses on the Company s GSE mortgage-related securities and GSE debentures at December 31, 2013 were primarily caused by movements in market interest rates and spread volatility, rather than credit risk. The Company purchased these investments either at par or at a discount or premium relative to their face amount, and the contractual cash flows of these investments are guaranteed by the GSEs. Accordingly, it is expected that these securities will not be settled at a price that is less than the amortized cost of the Company s investment. Because the Company does not have the intent to sell the investments, and it is not more likely than not that the Company will be required to sell them before the anticipated recovery of fair value, which may be at maturity, the Company did not consider these investments to be other than temporarily impaired at December 31, 2013.

The Company reviews quarterly financial information related to its investments in municipal bonds and capital trust notes, as well as other information that is released by each of the issuers of such bonds and notes, to determine their continued creditworthiness. The contractual terms of these investments do not permit settling the securities at prices that are less than the amortized costs of the investments; therefore, the Company expects that these investments will not be settled at prices that are less than their amortized costs. The Company continues to monitor these investments and currently estimates that the present value of expected cash flows is not less than the amortized cost of the securities. Because the Company does not have the intent to sell the investments, and it is not more likely than not that the Company will be required to sell them before the anticipated recovery of fair value, which may be at maturity, it did not consider these investments to be other-than-temporarily impaired at December 31, 2013. It is possible that these securities will perform worse than is currently expected, which could lead to adverse changes in cash flows from these securities and potential OTTI losses in the future. Future events that could trigger material unrecoverable declines in the fair values of the Company s investments, and result in potential OTTI losses, include, but are not limited to, government intervention; deteriorating asset quality and credit metrics; significantly higher levels of default and loan loss provisions; losses in value on the underlying collateral; deteriorating credit enhancement; net operating losses; and further illiquidity in the financial markets.

At December 31, 2013, the Company s equity securities portfolio consisted of perpetual preferred stock, common stock, and mutual funds. The Company considers a decline in the fair value of available-for-sale equity securities to be other than temporary if the Company does not expect to recover the entire amortized cost basis of the security. The unrealized losses on the Company s equity securities at the end of December 2013 were primarily caused by market volatility. The Company evaluated the near-term prospects of a recovery of fair value for each security in the portfolio, together with the severity and duration of impairment to date. Based on this evaluation, and the Company s ability and intent to hold these investments for a reasonably sufficient period of time to realize a near-term forecasted recovery of fair value, the Company did not consider these investments to be other-than-temporarily impaired at December 31, 2013. Nonetheless, it is possible that these equity securities will perform worse than is currently expected, which could lead to adverse changes in their fair values, or the failure of the securities to fully recover in value as presently forecasted by management. This potentially would cause the Company to record OTTI losses in future periods. Events that could trigger material declines in the fair values of these securities include, but are not limited to, deterioration in the equity markets; a decline in the quality of the loan portfolios of the issuers in which the Company has invested; and the recording of higher loan loss provisions and net operating losses by such issuers.

The investment securities designated as having a continuous loss position for twelve months or more at December 31, 2013 consisted of six capital trust notes and one mortgage-backed security. At December 31, 2012, the investment securities designated as having a continuous loss position for twelve months or more consisted of seven capital trust notes, three equity securities, and one mortgage-backed security. At December 31, 2013 and December 31, 2012, the combined market value of the respective securities represented unrealized losses of $10.7 million and $21.1 million. At December 31, 2013, the fair value of securities having a continuous loss position for twelve months or more was 19.9% below the collective amortized cost of $53.7 million. At December 31, 2012, the fair value of such securities was 24.5% below the collective amortized cost of $86.1 million.

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NOTE 5: LOANS

The following table sets forth the composition of the loan portfolio at December 31, 2013 and 2012:

	December 31,			
	2013		2012	
(dollars in thousands)	Amount	Percent of Non-Covered Loans Held for Investment	Amount	Percent of Non-Covered Loans Held for Investment
Non-Covered Loans Held for Investment:				
Mortgage Loans:				
Multi-family	$ 20,699,927	69.41%	$ 18,595,833	68.18%
Commercial real estate	7,364,231	24.70	7,436,598	27.27
One-to-four family	560,730	1.88	203,435	0.75
Acquisition, development, and construction	344,100	1.15	397,917	1.46
Total mortgage loans held for investment	28,968,988	97.14	26,633,783	97.66
Other Loans:				
Commercial and industrial	712,260	2.39	590,044	2.16
Lease financing, net of unearned income of $5,723	101,431	0.34		
Total commercial and industrial loans	813,691	2.73	590,044	2.16
Other	39,036	0.13	49,880	0.18
Total other loans held for investment	852,727	2.86	639,924	2.34
Total non-covered loans held for investment	$ 29,821,715	100.00%	$ 27,273,707	100.00%
Net deferred loan origination costs	16,274		10,757	
Allowance for losses on non-covered loans	(141,946)		(140,948)	
Non-covered loans held for investment, net	$ 29,696,043		$ 27,143,516	
Covered loans	2,788,618		3,284,061	
Allowance for losses on covered loans	(64,069)		(51,311)	
Total covered loans, net	$ 2,724,549		$ 3,232,750	
Loans held for sale	306,915		1,204,370	
Total loans, net	$ 32,727,507		$ 31,580,636	

Non-Covered Loans

Non-Covered Loans Held for Investment

The vast majority of the loans the Company originates for investment are multi-family loans, most of which are collateralized by non-luxury apartment buildings in New York City that are rent-regulated and feature below-market rents. In addition, the Company originates commercial real estate (CRE) loans, most of which are collateralized by properties located in New York City and, to a lesser extent, on Long Island and in New Jersey.

The Company also originates one-to-four family loans, acquisition, development, and construction (ADC) loans and commercial and industrial (C&I) loans for investment. ADC loans are primarily originated for multi-family and residential tract projects in New York City and on Long Island, while one-to-four family loans are originated both within and beyond the markets served by its branch offices. C&I loans consist of asset-based loans, equipment financing, and dealer floor plan loans (together, specialty finance loans) that are made to nationally recognized borrowers throughout the U.S. and are senior debt-secured; and other C&I loans, both secured and unsecured, that are made to small and mid-size businesses in New York City, on Long Island, in New Jersey, and, to a lesser extent, Arizona. Such C&I loans are typically made for working capital, business expansion, and the purchase of machinery and equipment.

Payments on multi-family and CRE loans generally depend on the income produced by the underlying properties which, in turn, depends on their successful operation and management. Accordingly, the ability of the Company s borrowers to repay these loans may be impacted by adverse conditions in the local real estate market and the local economy. While the Company generally requires that such loans be qualified on the basis of the collateral property s current cash flows, appraised value, and debt service coverage ratio, among other factors, there can be no assurance that its underwriting policies will protect the Company from credit-related losses or delinquencies.

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The one-to-four family loans that are held for investment consist primarily of hybrid loans (both jumbo and agency-conforming) that have been made at conservative loan-to-value ratios to borrowers with a documented history of repaying their debts.

ADC loans typically involve a higher degree of credit risk than loans secured by improved or owner-occupied real estate. Accordingly, borrowers are required to provide a guarantee of repayment and completion, and loan proceeds are disbursed as construction progresses, as certified by in-house or third-party engineers. The risk of loss on an ADC loan is largely dependent upon the accuracy of the initial appraisal of the property s value upon completion of construction or development; the estimated cost of construction, including interest; and the estimated time to complete and/or sell or lease such property. The Company seeks to minimize these risks by maintaining conservative lending policies and rigorous underwriting standards. However, if the estimate of value proves to be inaccurate, the cost of completion is greater than expected, the length of time to complete and/or sell or lease the collateral property is greater than anticipated, or if there is a downturn in the local economy or real estate market, the property could have a value upon completion that is insufficient to assure full repayment of the loan. This could have a material adverse effect on the quality of the ADC loan portfolio, and could result in significant losses or delinquencies.

To minimize the risk involved in specialty finance C&I lending, the Company participates in broadly syndicated asset-based loans, equipment loan and lease financing, and dealer floor plan loans that are presented by an approved list of select, nationally recognized sources with which its lending officers have established long-term funding relationships. The loans and leases, which are secured by a perfected first security interest in the underlying collateral and structured as senior debt, are made to large corporate obligors, the majority of which are publicly traded, carry investment grade or near-investment grade ratings, participate in stable industries, and are located nationwide. To further minimize the risk involved in specialty finance lending, the Company re-underwrites each transaction; in addition, it retains outside counsel to conduct a further review of the underlying documentation.

To minimize the risks involved in other C&I lending, the Company underwrites such loans on the basis of the cash flows produced by the business; requires that such loans be collateralized by various business assets, including inventory, equipment, and accounts receivable, among others; and requires personal guarantees. However, the capacity of a borrower to repay such a C&I loan is substantially dependent on the degree to which his or her business is successful. In addition, the collateral underlying such loans may depreciate over time, may not be conducive to appraisal, or may fluctuate in value, based upon the results of operations of the business.

The ability of the Company s borrowers to repay their loans, and the value of the collateral securing such loans, could be adversely impacted by economic weakness in its local markets as a result of higher unemployment, declining real estate values, or increased residential and office vacancies. This not only could result in the Company experiencing an increase in charge-offs and/or non-performing assets, but also could necessitate an increase in the provision for losses on non-covered loans. These events, if they were to occur, would have an adverse impact on the Company s results of operations and its capital.

Included in non-covered loans held for investment at December 31, 2013 and 2012 were loans to non-officer directors of $149.4 million and $128.0 million, respectively.

Loans Held for Sale

Established in January 2010, the Community Bank s mortgage banking operation ranks among the 20 largest aggregators of one-to-four family loans for sale in the nation. Community banks, credit unions, mortgage companies, and mortgage brokers use its proprietary web-accessible mortgage banking platform to originate and close one-to-four family loans throughout the U.S. These loans are generally sold, servicing retained, to GSEs. To a much lesser extent, the Community Bank uses its mortgage banking platform to originate fixed-rate jumbo loans under contract for sale to other financial institutions. The volume of jumbo loan originations has been insignificant to date, and the Company does not expect such loans to represent a material portion of the held-for-sale loans it produces. The Company also services mortgage loans for various third parties, primarily including those it sells to GSEs. The unpaid principal balance of serviced loans was $21.5 billion at December 31, 2013 and $17.6 billion at December 31, 2012.

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Asset Quality

The following table presents information regarding the quality of the Company s non-covered loans held for investment at December 31, 2013:

(in thousands)	Loans 30-89 Days Past Due	Non-Accrual Loans	Loans 90 Days or More Delinquent and Still Accruing Interest	Total Past Due Loans	Current Loans	Total Loans Receivable
Multi-family	$ 33,678	$ 58,395	$	$ 92,073	$ 20,607,854	$ 20,699,927
Commercial real estate	1,854	24,550		26,404	7,337,827	7,364,231
One-to-four family	1,076	10,937		12,013	548,717	560,730
Acquisition, development, and construction		2,571		2,571	341,529	344,100
Commercial and industrial[(1)]	1	5,735		5,736	807,955	813,691
Other	480	1,349		1,829	37,207	39,036
Total	$ 37,089	$ 103,537	$	$ 140,626	$ 29,681,089	$ 29,821,715

(1) Includes lease financing receivables, all of which were current loans.

The following table presents information regarding the quality of the Company s non-covered loans held for investment at December 31, 2012:

(in thousands)	Loans 30-89 Days Past Due	Non-Accrual Loans	Loans 90 Days or More Delinquent and Still Accruing Interest	Total Past Due Loans	Current Loans	Total Loans Receivable
Multi-family	$ 19,945	$ 163,460	$	$ 183,405	$ 18,412,428	$ 18,595,833
Commercial real estate	1,679	56,863		58,542	7,378,056	7,436,598
One-to-four family	2,645	10,945		13,590	189,845	203,435
Acquisition, development, and construction	1,178	12,091		13,269	384,648	397,917
Commercial and industrial	262	17,372		17,634	572,410	590,044
Other	1,876	599		2,475	47,405	49,880
Total	$ 27,585	$ 261,330	$	$ 288,915	$ 26,984,792	$ 27,273,707

The following table summarizes the Company s portfolio of non-covered held-for-investment loans by credit quality indicator at December 31, 2013:

(in thousands)	Multi-Family	Commercial Real Estate	One-to-Four Family	Acquisition, Development, and Construction	Total Mortgage Loans	Commercial and Industrial[(1)]	Other	Total Other Loan Segment
Credit Quality Indicator:								
Pass	$ 20,527,460	$ 7,304,502	$ 554,132	$ 333,805	$ 28,719,899	$ 793,693	$ 37,688	$ 831,381
Special mention	73,549	25,407		7,400	106,356	13,036		13,036
Substandard	98,918	33,822	6,598	2,895	142,233	6,808	1,348	8,156
Doubtful		500			500	154		154

Total	$ 20,699,927	$ 7,364,231	$ 560,730	$ 344,100	$ 28,968,988	$ 813,691	$ 39,036	$ 852,727

(1) Includes lease financing receivables, all of which were classified as pass.

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The following table summarizes the Company s portfolio of non-covered held-for-investment loans by credit quality indicator at December 31, 2012:

(in thousands)	Multi-Family	Commercial Real Estate	One-to-Four Family	Acquisition, Development, and Construction	Total Mortgage Loans	Commercial and Industrial	Other	Total Other Loan Segment
Credit Quality Indicator:								
Pass	$ 18,285,333	$ 7,337,315	$ 195,232	$ 383,557	$ 26,201,437	$ 561,541	$ 49,281	$ 610,822
Special mention	55,280	26,523	294		82,097	10,211		10,211
Substandard	253,794	72,260	7,909	11,277	345,240	18,292	599	18,891
Doubtful	1,426	500		3,083	5,009			
Total	$ 18,595,833	$ 7,436,598	$ 203,435	$ 397,917	$ 26,633,783	$ 590,044	$ 49,880	$ 639,924

The preceding classifications follow regulatory guidelines and can be generally described as follows: pass loans are of satisfactory quality; special mention loans have a potential weakness or risk that may result in the deterioration of future repayment; substandard loans are inadequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged (these loans have a well-defined weakness and there is a distinct possibility that the Company will sustain some loss); and doubtful loans, based on existing circumstances, have weaknesses that make collection or liquidation in full highly questionable and improbable. In addition, one-to-four family residential loans are classified utilizing an inter-regulatory agency methodology that incorporates the extent of delinquency and the loan-to-value ratios. These classifications are the most current available and generally have been updated within the last twelve months.

The interest income that would have been recorded under the original terms of non-accrual loans at the respective year-ends, and the interest income actually recorded on these loans in the respective years is summarized below:

	December 31,		
(in thousands)	2013	2012	2011
Interest income that would have been recorded	$ 5,156	$ 11,814	$ 14,072
Interest income actually recorded	(2,721)	(5,506)	(6,484)
Interest income foregone	$ 2,435	$ 6,308	$ 7,588

Troubled Debt Restructurings

The Company is required to account for certain held-for-investment loan modifications or restructurings as Troubled Debt Restructurings (TDRs). In general, a modification or restructuring of a loan constitutes a TDR if the Company grants a concession to a borrower experiencing financial difficulty. Loans modified as TDRs are placed on non-accrual status until the Company determines that future collection of principal and interest is reasonably assured, which generally requires that the borrower demonstrate performance according to the restructured terms for a period of at least six consecutive months.

In an effort to proactively manage delinquent loans, the Company has selectively extended to certain borrowers concessions such as rate reductions, extension of maturity dates, and forbearance agreements. As of December 31, 2013, loans on which concessions were made with respect to rate reductions and/or extension of maturity dates amounted to $72.9 million; loans on which forbearance agreements were reached amounted to $7.4 million.

The following table presents information regarding the Company s TDRs as of December 31, 2013 and 2012:

December 31,	
2013	2012

(in thousands)	Accruing	Non-Accrual	Total	Accruing	Non-Accrual	Total
Loan Category:						
Multi-family	$ 10,083	$ 50,548	$ 60,631	$ 66,092	$ 114,556	$ 180,648
Commercial real estate	2,198	15,626	17,824	37,457	39,127	76,584
One-to-four family					1,101	1,101
Acquisition, development, and construction					510	510
Commercial and industrial	1,129	758	1,887	1,463		1,463
Total	$ 13,410	$ 66,932	$ 80,342	$ 105,012	$ 155,294	$ 260,306

The $56.0 million decline in accruing multi-family loans noted in the preceding table was primarily due to a $49.6 million loan that was transferred to non-accrual status in the second quarter of 2013. The $35.3 million decline in accruing CRE loans noted in the preceding table was primarily due to the pay-off of a single CRE loan in the first quarter of 2013.

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The $64.0 million decline in non-accrual multi-family loans primarily reflects two loan relationships totaling $50.6 million that were repaid during the second and third quarters of 2013, and a $41.6 million transfer to OREO during the first quarter of 2013. These decreases were partially offset by the aforementioned $49.6 million loan that was transferred from accruing TDR to non-accrual TDR. The $23.5 million decline in non-accrual CRE loans was primarily due to the pay-off of a $22.0 million loan relationship during the second quarter of 2013.

The eligibility of a borrower for work-out concessions of any nature depends upon the facts and circumstances of each transaction, which may change from period to period, and involves judgment by Company personnel regarding the likelihood that the concession will result in the maximum recovery for the Company.

In the twelve months ended December 31, 2013, the Company classified one CRE loan in the amount of $1.1 million, two C&I loans totaling $758,000, and one multi-family loan in the amount of $3.9 million as non-accrual TDRs . While other concessions were granted to the borrowers, the interest rates on the loans were maintained. As a result, these TDRs did not have a financial impact on the Company s results of operations during the year.

There were no payment defaults on any loans that had been modified as TDRs during the preceding twelve months. A loan is considered to be in payment default once it is 30 days contractually past due under the modified terms.

The Company does not consider a payment to be in default when the loan is in forbearance, or otherwise granted a delay of payment, when the agreement to forebear or allow a delay of payment is part of a modification. Subsequent to the modification, the loan is not considered to be in default until payment is contractually past due in accordance with the modified terms. However, the Company does consider a loan with multiple modifications or forbearance periods to be in default, and would also consider a loan to be in default if it was in bankruptcy or was partially charged off subsequent to modification.

Covered Loans

The following table presents the carrying value of covered loans acquired in the AmTrust and Desert Hills acquisitions as of December 31, 2013:

(dollars in thousands)	Amount	Percent of Covered Loans
Loan Category:		
One-to-four family	$ 2,529,200	90.7%
All other loans	259,418	9.3
Total covered loans	$ 2,788,618	100.0%

The Company refers to the loans acquired in the AmTrust and Desert Hills transactions as covered loans because the Company is being reimbursed for a substantial portion of losses on these loans under the terms of the FDIC loss sharing agreements. Covered loans are accounted for under ASC Topic 310-30 and are initially measured at fair value, which includes estimated future credit losses expected to be incurred over the lives of the loans. Under ASC 310-30, purchasers are permitted to aggregate acquired loans into one or more pools, provided that the loans have common risk characteristics. A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

At December 31, 2013 and 2012, the unpaid principal balances of covered loans were $3.3 billion and $3.9 billion, respectively. The carrying values of such loans were $2.8 billion and $3.3 billion, respectively, at the corresponding dates.

At the respective acquisition dates, the Company estimated the fair values of the AmTrust and Desert Hills loan portfolios, which represented the expected cash flows from the portfolios, discounted at market-based rates. In estimating such fair value, the Company (a) calculated the contractual amount and timing of undiscounted principal and interest payments (the undiscounted contractual cash flows); and (b) estimated the expected amount and timing of undiscounted principal and interest payments (the undiscounted expected cash flows). The amount by which the undiscounted expected cash flows exceed the estimated fair value (the accretable yield) is accreted into

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interest income over the lives of the loans. The amount by which the undiscounted contractual cash flows exceed the undiscounted expected cash flows is referred to as the non-accretable difference. The non-accretable difference represents an estimate of the credit risk in the loan portfolios at the respective acquisition dates.

The accretable yield is affected by changes in interest rate indices for variable rate loans, changes in prepayment assumptions, and changes in expected principal and interest payments over the estimated lives of the loans. Changes in interest rate indices for variable rate loans increase or decrease the amount of interest income expected to be collected, depending on the direction of interest rates. Prepayments affect the estimated lives of covered loans and could change the amount of interest income and principal expected to be collected. Changes in expected principal and interest payments over the estimated lives of covered loans are driven by the credit outlook and by actions that may be taken with borrowers.

The Company periodically evaluates the estimates of the cash flows it expects to collect. Expected future cash flows from interest payments are based on variable rates at the time of the periodic evaluation. Estimates of expected cash flows that are impacted by changes in interest rate indices for variable rate loans and prepayment assumptions are treated as prospective yield adjustments and included in interest income.

Changes in the accretable yield for covered loans in the twelve months ended December 31, 2013 were as follows:

(in thousands)	Accretable Yield
Balance at beginning of period	$ 1,201,172
Reclassification to non-accretable difference	(248,918)
Accretion	(155,261)
Balance at end of period	$ 796,993

In the preceding table, the line item reclassification to non-accretable difference includes changes in cash flows that the Company expects to collect due to changes in prepayment assumptions, changes in interest rates on variable rate loans, and changes in loss assumptions. As of the Company s most recent periodic evaluation, prepayment assumptions increased and coupon rates on variable rate loans reset lower, both of which resulted in a decline in future expected interest cash flows and, consequently, a reduction in the accretable yield. Partially offsetting the effect of these decreases was an improvement in underlying credit assumptions. As the underlying credit assumptions improved, the projected loss assumptions on defaulting loans decreased which, in turn, resulted in an increase in the accretable yield.

In connection with the AmTrust and Desert Hills acquisitions, the Company also acquired OREO, all of which is covered under FDIC loss sharing agreements. Covered OREO was initially recorded at its estimated fair value on the acquisition date, based on independent appraisals, less the estimated selling costs. Any subsequent write-downs due to declines in fair value have been charged to non-interest expense, and partially offset by loss reimbursements under the FDIC loss sharing agreements. Any recoveries of previous write-downs have been credited to non-interest expense and partially offset by the portion of the recovery that was due to the FDIC.

The FDIC loss share receivable represents the present value of the estimated losses to be reimbursed by the FDIC. The estimated losses were based on the same cash flow estimates used in determining the fair value of the covered loans. The FDIC loss share receivable is reduced as losses on covered loans are recognized and as loss sharing payments are received from the FDIC. Realized losses in excess of acquisition-date estimates will result in an increase in the FDIC loss share receivable. Conversely, if realized losses are lower than the acquisition-date estimates, the FDIC loss share receivable will be reduced by amortization to interest income.

The following table presents information regarding the Company s covered loans that were 90 days or more past due at December 31, 2013 and 2012:

	December 31,	
(in thousands)	2013	2012
Covered Loans 90 Days or More Past Due:		
One-to-four family	$ 201,425	$ 297,265
Other loans	10,060	15,308

Total covered loans 90 days or more past due	$ 211,485	$ 312,573

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The following table presents information regarding the Company s covered loans that were 30 to 89 days past due at December 31, 2013 and 2012:

(in thousands)	December 31, 2013	2012
Covered Loans 30-89 Days Past Due:		
One-to-four family	$ 52,250	$ 75,129
Other loans	5,679	6,057
Total covered loans 30-89 days past due	$ 57,929	$ 81,186

At December 31, 2013, the Company had $57.9 million of covered loans that were 30 to 89 days past due, and covered loans of $211.5 million that were 90 days or more past due but considered to be performing due to the application of the yield accretion method under ASC 310-30. The remaining portion of the Company s covered loan portfolio totaled $2.5 billion at December 31, 2013 and was considered current at that date. ASC 310-30 allows the Company to aggregate credit-impaired loans acquired in the same fiscal quarter into one or more pools, provided that the loans have common risk characteristics. A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

Loans that may have been classified as non-performing loans by AmTrust or Desert Hills were no longer classified as non-performing because, at the respective dates of acquisition, the Company believed that it would fully collect the new carrying value of these loans. The new carrying value represents the contractual balance, reduced by the portion that is expected to be uncollectible (i.e., the non-accretable difference) and by an accretable yield (discount) that is recognized as interest income. It is important to note that management s judgment is required in reclassifying loans subject to ASC 310-30 as performing loans, and such judgment is dependent on having a reasonable expectation about the timing and amount of the cash flows to be collected, even if the loan is contractually past due.

The primary credit quality indicator for covered loans is the expectation of underlying cash flows. The Company recorded provisions for losses on covered loans of $12.8 million and $18.0 million during the twelve months ended December 31, 2013 and 2012, respectively. These provisions were largely due to credit deterioration in the acquired portfolios of one-to-four family and home equity loans, and were largely offset by FDIC indemnification income of $10.2 million and $14.4 million, that was recorded in non-interest income during the respective periods.

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NOTE 6: ALLOWANCES FOR LOAN LOSSES

The following table provides additional information regarding the Company s allowances for losses on non-covered loans and covered loans, based upon the method of evaluating loan impairment:

(in thousands)	Mortgage	Other	Total
Allowances for Loan Losses at December 31, 2013:			
Loans individually evaluated for impairment	$	$	$
Loans collectively evaluated for impairment	127,840	14,106	141,946
Acquired loans with deteriorated credit quality	56,705	7,364	64,069
Total	$ 184,545	$ 21,470	$ 206,015

(in thousands)	Mortgage	Other	Total
Allowances for Loan Losses at December 31, 2012:			
Loans individually evaluated for impairment	$ 1,486	$ 1,199	$ 2,685
Loans collectively evaluated for impairment	126,448	11,815	138,263
Acquired loans with deteriorated credit quality	32,593	18,718	51,311
Total	$ 160,527	$ 31,732	$ 192,259

The following table provides additional information regarding the methods used to evaluate the Company s loan portfolio for impairment:

(in thousands)	Mortgage	Other	Total
Loans Receivable at December 31, 2013:			
Loans individually evaluated for impairment	$ 109,389	$ 6,996	$ 116,385
Loans collectively evaluated for impairment	28,859,599	845,731	29,705,330
Acquired loans with deteriorated credit quality	2,529,200	259,418	2,788,618
Total	$ 31,498,188	$ 1,112,145	$ 32,610,333

(in thousands)	Mortgage	Other	Total
Loans Receivable at December 31, 2012:			
Loans individually evaluated for impairment	$ 309,694	$ 17,702	$ 327,396
Loans collectively evaluated for impairment	26,324,088	622,223	26,946,311
Acquired loans with deteriorated credit quality	2,976,067	307,994	3,284,061
Total	$ 29,609,849	$ 947,919	$ 30,557,768

Non-Covered Loans

The following table summarizes activity in the allowance for losses on non-covered loans for the twelve months ended December 31, 2013 and 2012:

	December 31,					
		2013			2012	
(in thousands)	Mortgage	Other	Total	Mortgage	Other	Total
Balance, beginning of period	$ 127,934	$ 13,014	$ 140,948	$ 121,995	$ 15,295	$ 137,290
Charge-offs	(18,265)	(7,092)	(25,357)	(39,533)	(6,685)	(46,218)
Recoveries	6,413	1,942	8,355	2,012	2,864	4,876
Provision for loan losses	11,758	6,242	18,000	43,460	1,540	45,000
Balance, end of period	$ 127,840	$ 14,106	$ 141,946	$ 127,934	$ 13,014	$ 140,948

Please see Note 2, Summary of Significant Accounting Polices for additional information regarding the Company s allowance for losses on non-covered loans.

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The following table presents additional information about the Company s impaired non-covered loans at December 31, 2013:

(in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Impaired loans with no related allowance:					
Multi-family	$ 78,771	$ 94,265	$	$ 117,208	$ 1,991
Commercial real estate	30,619	32,474		43,566	1,604
One-to-four family				3,611	89
Acquisition, development, and construction				275	
Commercial and industrial	6,995	34,199		6,890	366
Total impaired loans with no related allowance	$ 116,385	$ 160,938	$	$ 171,550	$ 4,050
Impaired loans with an allowance recorded:					
Multi-family	$	$	$	$ 2,442	$
Commercial real estate				900	
One-to-four family					
Acquisition, development, and construction					
Commercial and industrial					
Total impaired loans with an allowance recorded	$	$	$	$ 3,342	$
Total impaired loans:					
Multi-family	$ 78,771	$ 94,265	$	$ 119,650	$ 1,991
Commercial real estate	30,619	32,474		44,466	1,604
One-to-four family				3,611	89
Acquisition, development, and construction				275	
Commercial and industrial	6,995	34,199		6,890	366
Total impaired loans	$ 116,385	$ 160,938	$	$ 174,892	$ 4,050

The following table presents additional information about the Company s impaired non-covered loans at December 31, 2012:

(in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Impaired loans with no related allowance:					
Multi-family	$ 193,500	$ 211,329	$	$ 189,510	$ 4,929
Commercial real estate	80,453	81,134		72,271	1,705
One-to-four family	1,101	1,147		1,114	
Acquisition, development, and construction	10,203	14,297		20,954	790
Commercial and industrial	10,564	14,679		10,021	380
Total impaired loans with no related allowance	$ 295,821	$ 322,586	$	$ 293,870	$ 7,804
Impaired loans with an allowance recorded:					
Multi-family	$ 20,307	$ 21,620	$ 1,055	$ 27,894	$ 802
Commercial real estate	2,914	2,940	402	3,693	98
One-to-four family					
Acquisition, development, and construction	1,216	1,494	29	1,877	
Commercial and industrial	7,138	10,252	1,199	1,785	1,405

Total impaired loans with an allowance recorded	$ 31,575	$ 36,306	$ 2,685	$ 35,249	$ 2,305
Total impaired loans:					
Multi-family	$ 213,807	$ 232,949	$ 1,055	$ 217,404	$ 5,731
Commercial real estate	83,367	84,074	402	75,964	1,803
One-to-four family	1,101	1,147		1,114	
Acquisition, development, and construction	11,419	15,791	29	22,831	790
Commercial and industrial	17,702	24,931	1,199	11,806	1,785
Total impaired loans	$ 327,396	$ 358,892	$ 2,685	$ 329,119	$ 10,109

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Allowance for Losses on Covered Loans

Under the loss sharing agreements with the FDIC, covered loans are reported exclusive of the FDIC loss share receivable. The covered loans acquired in the AmTrust and Desert Hills acquisitions are, and will continue to be, reviewed for collectability based on the expectations of cash flows from these loans. Covered loans have been aggregated into pools of loans with common characteristics. In determining the allowance for losses on covered loans, the Company periodically performs an analysis to estimate the expected cash flows for each of the loan pools. The Company records a provision for losses on covered loans to the extent that the expected cash flows from a loan pool have decreased since the acquisition date. Accordingly, if there is a decrease in expected cash flows due to an increase in estimated credit losses, as compared to the estimates made at the respective acquisition dates, the decrease in the present value of expected cash flows is recorded as a provision for covered loan losses charged to earnings, and an allowance for covered loan losses is established. A related credit to non-interest income and an increase in the FDIC loss share receivable is recognized at the same time, and measured based on the applicable loss sharing agreement percentage.

The following table summarizes activity in the allowance for losses on covered loans for the years ended December 31, 2013 and 2012:

	December 31,	
(in thousands)	2013	2012
Balance, beginning of period	$ 51,311	$ 33,323
Provision for losses on covered loans	12,758	17,988
Balance, end of period	$ 64,069	$ 51,311

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NOTE 7: DEPOSITS

The following table sets forth a summary of the weighted average interest rates for each type of deposit at December 31, 2013 and 2012:

	December 31,					
	2013			2012		
(dollars in thousands)	Amount	Percent of Total	Weighted Average Interest Rate (1)	Amount	Percent of Total	Weighted Average Interest Rate (1)
NOW and money market accounts	$ 10,536,947	41.06%	0.32%	$ 8,783,795	35.31%	0.41%
Savings accounts	5,921,437	23.08	0.44	4,213,972	16.94	0.31
Certificates of deposit	6,932,096	27.01	1.16	9,120,914	36.66	1.18
Non-interest-bearing accounts	2,270,512	8.85		2,758,840	11.09	
Total deposits	$ 25,660,992	100.00%	0.54%	$ 24,877,521	100.00%	0.63%

(1) Excludes the effect of purchase accounting adjustments for certificates of deposits (CDs).

At December 31, 2013 and 2012, the aggregate amounts of deposits that had been reclassified as loan balances (i.e., overdrafts) were $4.7 million and $5.2 million, respectively.

The scheduled maturities of CDs at December 31, 2013 were as follows:

(in thousands)	
1 year or less	$ 4,031,954
More than 1 year through 2 years	1,952,304
More than 2 years through 3 years	529,219
More than 3 years through 4 years	275,947
More than 4 years through 5 years	88,858
Over 5 years	53,814
Total CDs	$ 6,932,096

The following table presents a summary of CDs in amounts of $100,000 or more, by remaining term to maturity, at December 31, 2013:

	CDs of $100,000 or More Maturing Within				
(in thousands)	0 3 Months	Over 3 to 6 Months	Over 6 to 12 Months	Over 12 Months	Total
Total	$ 571,035	$ 664,375	$ 748,888	$ 1,419,644	$ 3,403,942

At December 31, 2013 and 2012, the aggregate amounts of CDs of $100,000 or more were $3.4 billion and $4.7 billion, respectively.

Included in total deposits at December 31, 2013 and 2012 were brokered deposits of $4.1 billion and $4.7 billion, respectively. Excluding purchase accounting adjustments, brokered deposits had weighted average interest rates of 0.24% and 0.39% at the respective year-ends. Brokered money market accounts represented $3.6 billion and $3.7 billion, respectively, of the year-end 2013 and 2012 totals and brokered non-interest-bearing accounts represented $260.5 million and $189.2 million, respectively. Brokered CDs represented $212.1 million and $793.8 million, respectively, of brokered deposits at December 31, 2013 and 2012.

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NOTE 8: BORROWED FUNDS

The following table summarizes the Company s borrowed funds at December 31, 2013 and 2012:

(in thousands)	December 31, 2013	2012
Wholesale borrowings:		
FHLB advances	$ 10,872,576	$ 8,842,974
Repurchase agreements	3,425,000	4,125,000
Federal funds purchased	445,000	100,000
Total wholesale borrowings	$ 14,742,576	$ 13,067,974
Other borrowings:		
Junior subordinated debentures	358,126	357,917
Preferred stock of subsidiaries	4,300	4,300
Total other borrowings	362,426	362,217
Total borrowed funds	$ 15,105,002	$ 13,430,191

FHLB advances at December 31, 2013 include acquisition accounting adjustments of $18.8 million.

Accrued interest on borrowed funds is included in Other liabilities in the Consolidated Statements of Condition, and amounted to $38.8 million and $28.8 million, respectively, at December 31, 2013 and 2012.

FHLB Advances

The contractual maturities and the next call dates of FHLB advances outstanding at December 31, 2013 were as follows:

(dollars in thousands)	Contractual Maturity		Earlier of Contractual Maturity or Next Call Date	
Year of Maturity	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
2014	$ 3,373,117	0.43%	$ 5,135,317	1.32%
2015	200,719	2.92	1,315,719	3.12
2016			900,000	3.01
2017	630,521	3.02	3,520,312	3.35
2018	932,676	3.03	997	2.92
2019	1,865,000	3.15		
2020	650,000	2.90		
2022	1,410,000	3.41		
2023	1,810,312	3.34		
2025	231	7.82	231	7.82
Total FHLB advances	$ 10,872,576	2.33%	$ 10,872,576	2.33%

FHLB advances include both straight fixed-rate advances and advances under the FHLB convertible advance program, which gives the FHLB the option of either calling the advance after an initial lock-out period of up to five years and quarterly thereafter until maturity, or a one-time call at the initial call date.

At December 31, 2013, the Company had $3.1 billion in short-term FHLB advances with a weighted average interest rate of 0.38%. During 2013, the average balance of short-term FHLB advances was $1.4 billion, with a weighted average interest rate of 0.38%, generating interest expense of $5.2 million. At December 31, 2012, the Company had $1.2 billion in short-term FHLB advances with a weighted average interest rate of 0.32%. During 2012, the average balance of short-term FHLB advances was $382.4 million with a weighted average interest rate of 0.36%, generating interest expense of $1.4 million. At December 31, 2011, the Company had $1.6 billion in short-term FHLB advances with a weighted average interest rate of 0.31%. During 2011, the average balance of short-term FHLB advances was $164.8 million with a weighted average interest rate of 0.39%, generating interest expense of $650,000.

At December 31, 2013 and 2012, respectively, the Banks had combined unused lines of available credit with the FHLB-NY of up to $5.4 billion and $5.8 billion. At December 31, 2013, the Company had $146.1 million outstanding in overnight advances with the FHLB-NY. During 2013, the average balance of overnight advances amounted to $106.3 million and had a weighted average interest rate of 0.38%, generating interest expense of

$400,000. There were no overnight advances outstanding at December 31, 2012 or 2011. During 2012, the average balance of overnight advances amounted to $29.2 million and had a weighted average interest rate of 0.38%, generating interest expense of $111,000. During 2011, the average balance of overnight advances amounted to $4.6 million and had a weighted average interest rate of 0.40%, generating interest expense of $18,000.

Total FHLB advances generated interest expense of $252.6 million, $311.8 million, and $313.4 million, respectively, in the years ended December 31, 2013, 2012, and 2011.

Repurchase Agreements

The following table presents an analysis of the contractual maturities and the next call dates of the Company s outstanding repurchase agreements at December 31, 2013:

(dollars in thousands)	Contractual Maturity		Earlier of Contractual Maturity or Next Call Date	
Year of Maturity	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
2014	$	%	$ 2,100,000	3.55%
2015	100,000	2.17	100,000	2.17
2016	182,000	3.25	595,000	3.54
2017	450,000	4.04	380,000	3.14
2018	1,600,000	3.48	250,000	3.23
2020	513,000	3.32		
2023	580,000	3.24		
	$ 3,425,000	3.44%	$ 3,425,000	3.44%

The following table provides the contractual maturity and weighted average interest rate of repurchase agreements, and the amortized cost and fair value (including accrued interest) of the securities collateralizing the repurchase agreements, at December 31, 2013:

(dollars in thousands)			Mortgage-Related and Other Securities		GSE Debentures and U.S. Treasury Obligations	
Contractual Maturity	Amount	Weighted Average Interest Rate	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Over 90 days	$ 3,425,000	3.44%	$ 2,791,591	$ 2,798,199	$ 1,366,895	$ 1,270,525

The Company had no short-term repurchase agreements outstanding at or during the years ended December 31, 2013, 2012, or 2011.

At December 31, 2013 and 2012, the accrued interest on repurchase agreements amounted to $11.9 million and $13.9 million, respectively. The interest expense on repurchase agreements was $129.6 million, $148.3 million, and $147.1 million, respectively, in the years ended December 31, 2013, 2012, and 2011.

Federal Funds Purchased

At December 31, 2013 and 2012, the balances of federal funds purchased were $445.0 million and $100.0 million, respectively.

In 2013 and 2012, the average balances of federal funds purchased amounted to $85.8 million and $21.6 million, respectively, with each having a weighted average interest rate of 0.27%. The interest expense produced by federal funds purchased was $230,000 and $58,000, respectively, for the years ended December 31, 2013 and 2012. There were no federal funds purchased outstanding during the twelve months ending December 31, 2011.

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Junior Subordinated Debentures

At December 31, 2013 and 2012, the Company had $358.1 million and $357.9 million, respectively, of outstanding junior subordinated deferrable interest debentures (junior subordinated debentures) held by statutory business trusts (the Trusts) that issued guaranteed capital securities. The capital securities qualified as Tier 1 capital of the Company at that date. However, with the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the qualification of capital securities as Tier 1 capital is expected to be phased out by January 1, 2016.

The Trusts are accounted for as unconsolidated subsidiaries in accordance with GAAP. The proceeds of each issuance were invested in a series of junior subordinated debentures of the Company and the underlying assets of each statutory business trust are the relevant debentures. The Company has fully and unconditionally guaranteed the obligations under each trust s capital securities to the extent set forth in a guarantee by the Company to each trust. The Trusts capital securities are each subject to mandatory redemption, in whole or in part, upon repayment of the debentures at their stated maturity or earlier redemption.

The following junior subordinated debentures were outstanding at December 31, 2013:

Issuer *(dollars in thousands)*	Interest Rate of Capital Securities and Debentures	Junior Subordinated Debentures Amount Outstanding	Capital Securities Amount Outstanding	Date of Original Issue	Stated Maturity	First Optional Redemption Date
New York Community Capital Trust V (BONUSES[SM] Units)	6.000%	$ 144,200	$ 137,849	November 4, 2002	November 1, 2051	November 4, 2007 (1)
New York Community Capital Trust X	1.843	123,712	120,000	December 14, 2006	December 15, 2036	December 15, 2011 (2)
PennFed Capital Trust III	3.493	30,928	30,000	June 2, 2003	June 15, 2033	June 15, 2008 (2)
New York Community Capital Trust XI	1.897	59,286	57,500	April 16, 2007	June 30, 2037	June 30, 2012 (2)
Total junior subordinated debentures		$ 358,126	$ 345,349			

(1) Callable subject to certain conditions as described in the prospectus filed with the SEC on November 4, 2002.

(2) Callable from this date forward.

On December 31, 2012, the Company redeemed the following junior subordinated debentures, totaling $69.2 million: Haven Capital Trust II, Queens County Capital Trust I, Queens Statutory Trust I, LIF Statutory Trust I, and PennFed Capital Trust II. A $2.3 million loss on debt redemptions was recorded in non-interest income in the fourth quarter of 2012.

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On November 4, 2002, the Company completed a public offering of 5,500,000 Bifurcated Option Note Unit SecuritiES[SM] (BONUSES units), including 700,000 that were sold pursuant to the exercise of the underwriters over-allotment option, at a public offering price of $50.00 per share. The Company realized net proceeds from the offering of approximately $267.3 million. Each BONUSES unit consists of a capital security issued by New York Community Capital Trust V, a trust formed by the Company, and a warrant to purchase 2.4953 shares of the common stock of the Company (for a total of approximately 13.7 million common shares) at an effective exercise price of $20.04 per share. Each capital security has a maturity of 49 years, with a coupon, or distribution rate, of 6.00% on the $50.00 per share liquidation amount. The warrants and capital securities were non-callable for five years from the date of issuance and were not called by the Company when the five-year period passed on November 4, 2007.

The gross proceeds of the BONUSES units totaled $275.0 million and were allocated between the capital security and the warrant comprising such units in proportion to their relative values at the time of issuance. The value assigned to the warrants, $92.4 million, was recorded as a component of additional paid-in capital in the Company s Consolidated Statement of Condition. The value assigned to the capital security component was $182.6 million. The $92.4 million difference between the assigned value and the stated liquidation amount of the capital securities was treated as an original issue discount, and amortized to interest expense over the 49-year life of the capital securities on a level-yield basis. At December 31, 2013, this discount totaled $67.5 million, reflecting the exchange offer described below.

On July 29, 2009, the Company announced the commencement of an offer to exchange shares of its common stock for any and all of the 5,498,544 outstanding BONUSES units (the Offer to Exchange). All holders of BONUSES units were eligible to participate in the exchange offer. A total of 1,393,063 BONUSES units were validly tendered, not withdrawn, and accepted in the exchange offer, representing 25.3% of the 5,498,544 BONUSES units outstanding at the exchange offer s expiration date. As a result, trust preferred securities totaling $48.6 million were extinguished in August 2009. In accordance with the terms of the Offer to Exchange, the Company issued 3.4144 shares (the Exchange Ratio) of its common stock for each BONUSES unit that was tendered, not withdrawn, and accepted. The Exchange Ratio was determined by adding (i) 2.4953 common shares to (ii) 0.9191 common shares. The latter number was determined by dividing $10.00 by $10.88, the average of the daily volume-weighted average price of the Company s common stock during the five consecutive trading days ending on August 21, 2009. The Company issued 4.8 million shares of its common stock as a result of the Offer to Exchange.

In addition to the trust established in connection with the issuance of the BONUSES units, the Company has three business trusts of which it owns all of the common securities: New York Community Capital Trust X, PennFed Capital Trust III, and New York Community Capital Trust XI (the Trusts). The Trusts were formed for the purpose of issuing Company Obligated Mandatorily Redeemable Capital Securities of Subsidiary Trusts Holding Solely Junior Subordinated Debentures (collectively, the Capital Securities), and are described in the table on the preceding page. Dividends on the Capital Securities are payable either quarterly or semi-annually and are deferrable, at the Company s option, for up to five years. As of December 31, 2013, all dividends were current. As each of the Capital Securities was issued, the Trusts used the offering proceeds to purchase a like amount of Junior Subordinated Deferrable Interest Debentures (the Debentures) of the Company. The Debentures bear the same terms and interest rates as the related Capital Securities. The Company has fully and unconditionally guaranteed all of the obligations of the Trusts. Under current applicable regulatory guidelines, a portion of the Capital Securities qualifies as Tier I capital, and the remainder qualifies as Tier II capital.

Interest expense on junior subordinated debentures was $17.3 million, $25.0 million, and $24.4 million, respectively, for the years ended December 31, 2013, 2012, and 2011.

Preferred Stock of Subsidiaries

On April 7, 2003, the Company, through its then second-tier subsidiary, CFS Investments New Jersey, Inc., completed the sale of $60.0 million of capital securities of Richmond County Capital Corporation (RCCC), a wholly-owned real estate investment trust (REIT) of the Company, in a private placement transaction. The private placement was made to Qualified Institutional Buyers, as defined in Rule 144A of the Rules and Regulations promulgated under the Securities Act of 1933, as amended (the 33 Act). The capital securities included $50.0 million, or 500 shares, of Richmond County Capital Corporation Series C Non-Cumulative Exchangeable Floating-Rate Preferred Stock, stated value of $100,000 per share (the Series C Preferred Stock). Dividends on the Series C Preferred Stock are payable quarterly at an annual rate equal to LIBOR plus 3.25% of its stated value. The Series C Preferred Stock may be redeemed by the Company on or after July 15, 2008. The dividend rate on the Series C Preferred Stock resets quarterly. As of December 31, 2013, there were 43 shares, or $4.3 million, of Series C Preferred Stock outstanding.

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Dividends on preferred stock of subsidiaries are recorded as interest expense and amounted to $153,000; $164,000; and $223,000, respectively, for the years ended December 31, 2013, 2012, and 2011.

NOTE 9: FEDERAL, STATE, AND LOCAL TAXES

The following table summarizes the components of the Company s net deferred tax (liability) asset at December 31, 2013 and 2012:

	December 31,	
(in thousands)	2013	2012
Deferred Tax Assets:		
Allowance for loan losses	$ 82,872	$ 97,844
Compensation and related benefit obligations	24,585	22,946
Acquisition accounting and fair value adjustments on securities (including OTTI)	30,356	29,645
Acquisition accounting adjustments on borrowed funds	7,609	10,055
Non-accrual interest	11,550	17,553
Acquisition-related costs	746	861
Other	9,482	15,603
Gross deferred tax assets	167,200	194,507
Valuation allowance		
Deferred tax asset after valuation allowance	$ 167,200	$ 194,507
Deferred Tax Liabilities:		
Amortizable intangibles	(3,753)	(8,554)
Acquisition accounting and fair value adjustments on loans (including the FDIC loss share receivable)	(35,459)	(43,116)
Mortgage servicing rights	(61,694)	(52,049)
Premises and equipment	(24,015)	(27,868)
Prepaid pension cost	(33,551)	(13,345)
Restructuring and retirement of borrowed funds	(3,883)	(3,871)
Leases	(5,217)	
Other	(5,439)	(9,537)
Gross deferred tax liabilities	(173,011)	(158,340)
Net deferred tax (liability) asset	$ (5,811)	$ 36,167

The net deferred tax liability (which is included in Other liabilities) or the net deferred tax asset (which is included in Other assets) in the Consolidated Statements of Condition at December 31, 2013 and 2012, represents the anticipated federal, state, and local tax expenses or benefits that are expected to be realized in future years upon the utilization of the underlying tax attributes comprising this balance.

The Company has determined that at December 31, 2013, all deductible temporary differences are more likely than not to provide a benefit in reducing future federal, state, and local tax liabilities, as applicable.

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The following table summarizes the Company s income tax expense (benefit) for the years ended December 31, 2013, 2012, and 2011:

		December 31,	
(in thousands)	2013	2012	2011
Federal current	$ 205,985	$ 206,748	$ 186,936
State and local current	40,417	30,070	41,000
Total current	246,402	236,818	227,936
Federal deferred	20,734	34,275	28,672
State and local deferred	4,443	8,710	(2,068)
Total deferred	25,177	42,985	26,604
Income tax expense reported in net income	$ 271,579	$ 279,803	$ 254,540
Income tax expense (benefit) reported in stockholders equity related to:			
Securities available-for-sale	(8,343)	7,672	7,805
Employee stock plans	(1,692)	(589)	(2,679)
Pension liability adjustments	20,116	(807)	(14,993)
Non-credit portion of OTTI losses	5,028	65	4,857
Total income taxes	$ 286,688	$ 286,144	$ 249,530

The following table presents a reconciliation of statutory federal income tax expense reported in net income to combined actual income tax expense for the years ended December 31, 2013, 2012, and 2011:

		December 31,	
(in thousands)	2013	2012	2011
Statutory federal income tax expense at 35%	$ 261,494	$ 273,318	$ 257,102
State and local income taxes, net of federal income tax effect	29,159	25,207	25,306
Effect of tax deductibility of ESOP	(7,153)	(6,910)	(6,739)
Non-taxable income and expense of BOLI	(10,381)	(10,578)	(9,848)
Federal tax credits	(3,111)	(2,083)	(6,194)
Adjustments relating to prior tax years	150	86	(5,152)
Other, net	1,421	763	65
Total income tax expense reported in net income	$ 271,579	$ 279,803	$ 254,540

GAAP prescribes a recognition threshold and measurement attribute for use in connection with the obligation of a company to recognize, measure, present, and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return.

As of December 31, 2013, the Company had $20.3 million of unrecognized gross tax benefits. Gross tax benefits do not reflect the federal tax effect associated with state tax amounts.

The total amount of net unrecognized tax benefits at December 31, 2013 that would affect the effective tax rate, if recognized, was $13.2 million.

Interest and penalties (if any) related to the underpayment of income taxes are classified as a component of income tax expense in the Consolidated Statements of Income and Comprehensive Income. During the years ended December 31, 2013, 2012, and 2011, the Company recognized income tax expense (benefit) attributed to interest and penalties of $900,000, $1.0 million, and $(2.5) million, respectively. Accrued interest and penalties on tax liabilities were $2.2 million and $2.5 million, respectively, at December 31, 2013 and 2012.

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The following table summarizes changes in the liability for unrecognized gross tax benefits for the years ended December 31, 2013, 2012, and 2011:

		December 31,	
(in thousands)	2013	2012	2011
Uncertain tax positions at beginning of year	$ 24,220	$ 8,922	$ 13,068
Additions for tax positions relating to current-year operations	2,436	4,365	457
Additions for tax positions relating to prior tax years	6,218	11,890	
Subtractions for tax positions relating to prior tax years	(3,641)	(457)	(4,603)
Reductions in balance due to settlements	(8,983)	(500)	
Uncertain tax positions at end of year	$ 20,250	$ 24,220	$ 8,922

The Company and its acquired companies have filed tax returns in many states. The following are the more significant tax filings that are open for examination:

Federal tax filings of the Company for tax years 2011 through the present;

New York State tax filings of the Company for tax years 2010 through the present;

New York City tax filings of the Company for tax years 2011 through the present; and

New Jersey tax filings of the Company and certain acquired companies for tax years 2009 through the present.

It is reasonably possible that there will be developments within the next twelve months that would necessitate an adjustment to the balance of unrecognized tax benefits. The Company does not expect that such settlements will have a material impact on tax expense. In addition, the Company does not believe that the ranges of possible adjustments for each federal, state, and local tax position would be material.

As a savings institution, the Community Bank is subject to a special federal tax provision regarding its frozen tax bad debt reserve. At December 31, 2013, the Community Bank s federal tax bad debt base-year reserve was $61.5 million, with a related net deferred tax liability of $21.5 million, which has not been recognized since the Community Bank does not expect that this reserve will become taxable in the foreseeable future. Events that would result in taxation of this reserve include redemptions of the Community Bank s stock or certain excess distributions by the Community Bank to the Company.

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NOTE 10: COMMITMENTS AND CONTINGENCIES

Pledged Assets

At December 31, 2013 and 2012, the Company had pledged mortgage-related securities held to maturity with carrying values of $2.9 billion and $3.1 billion, respectively. The Company also had pledged other securities held to maturity with carrying values of $2.1 billion and $946.8 million at the respective dates. In addition, at December 31, 2013, the Company had pledged available-for-sale mortgage-related securities with a carrying value of $79.9 million. There were no pledged other securities at year-end 2013. At December 31, 2012, the respective carrying values of pledged available-for-sale mortgage-related securities and other securities were $151.2 million and $45.1 million. The pledged securities primarily serve as collateral for the Company s repurchase agreements.

Loan Commitments and Letters of Credit

At December 31, 2013 and 2012, the Company had commitments to originate loans, including unused lines of credit, of $2.1 billion and $3.0 billion, respectively. The majority of the outstanding loan commitments at December 31, 2013 and 2012 had adjustable interest rates, and were expected to close within 90 days of the respective dates.

The following table sets forth the Company s off-balance-sheet commitments relating to outstanding loan commitments and letters of credit at December 31, 2013:

(in thousands)	
Mortgage Loan Commitments:	
Multi-family and commercial real estate	$ 1,117,974
One-to-four family	289,847
Acquisition, development, and construction	171,763
Total mortgage loan commitments	$ 1,579,584
Other loan commitments	529,625
Total loan commitments	$ 2,109,209
Commercial, performance stand-by, and financial stand-by letters of credit	213,722
Total commitments	$ 2,322,931

Lease and License Commitments

At December 31, 2013, the Company was obligated under various non-cancelable operating lease and license agreements with renewal options on properties used primarily for branch operations. The Company currently expects to renew such agreements upon their expiration in the normal course of business. The agreements contain periodic escalation clauses that provide for increases in the annual rent, commencing at various times during the lives of the agreements, which are primarily based on increases in real estate taxes and cost-of-living indices.

The projected minimum annual rental commitments under these agreements, exclusive of taxes and other charges, are summarized as follows:

(in thousands)	
2014	$ 29,702
2015	25,817
2016	29,298
2017	20,930
2018	16,403
2019 and thereafter	56,560

Total minimum future rentals	$ 178,710

The rental expense under these leases is included in Occupancy and equipment expense in the Consolidated Statements of Income and Comprehensive Income, and amounted to $33.7 million, $32.5 million, and $28.1 million, respectively, in the years ended December 31, 2013, 2012, and 2011. Rental income on bank-owned properties, netted in occupancy and equipment expense, was approximately $3.9 million, $3.4 million, and $3.8 million in the corresponding periods. There was no minimum future rental income under non-cancelable sublease agreements at December 31, 2013.

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Financial Guarantees

The Company provides guarantees and indemnifications to its customers to enable them to complete a variety of business transactions and to enhance their credit standings. These guarantees are recorded at their respective fair values in Other liabilities in the Consolidated Statements of Condition. The Company deems the fair value of the guarantees to equal the consideration received.

The following table summarizes the Company s guarantees and indemnifications at December 31, 2013:

(in thousands)	Expires Within One Year	Expires After One Year	Total Outstanding Amount	Maximum Potential Amount of Future Payments
Financial stand-by letters of credit	$ 39,983	$	$ 39,983	$ 99,100
Performance stand-by letters of credit	12,200		12,200	12,951
Commercial letters of credit	15,226		15,226	101,671
Total letters of credit	$ 67,409	$	$ 67,409	$ 213,722

The maximum potential amount of future payments represents the notional amounts that could be funded and lost under the guarantees and indemnifications if there were a total default by the guaranteed parties or indemnification provisions were triggered, as applicable, without consideration of possible recoveries under recourse provisions or from collateral held or pledged.

The Company collects a fee upon the issuance of letters of credit. These fees are initially recorded by the Company as a liability and are recognized as income at the expiration date of the respective guarantees. In addition, the Company requires adequate collateral, typically in the form of real property or personal guarantees, upon its issuance of performance stand-by, financial stand-by, and commercial letters of credit. In the event that a borrower defaults, loans with recourse or indemnification obligate the Company to purchase loans that it has sold or otherwise transferred to a third party. Also outstanding at December 31, 2013 were $187,000 of bankers acceptances.

In October 2007, Visa U.S.A., a subsidiary of Visa Inc. (Visa) completed a reorganization in contemplation of its initial public offering, which was subsequently completed in March 2008. As part of that reorganization, the Community Bank and the former Synergy Bank, along with many other banks across the nation, received shares of common stock of Visa. In accordance with GAAP, the Company did not recognize any value for this common stock ownership interest.

Visa claims that all Visa U.S.A. member banks are obligated to share with it in losses stemming from certain litigation against it and certain other named member banks (the Covered Litigation). Visa continues to set aside amounts in an escrow account to fund any judgments or settlements that may arise from the Covered Litigation, and reduced the amount of shares allocated to the Visa U.S.A. member banks by amounts necessary to cover such liability. Nevertheless, Visa U.S.A. member banks were required to record a liability for the fair value of their related contingent obligation to Visa U.S.A., based on the percentage of their membership interest. The Company has a $1.9 million liability based on its best estimate of the combined membership interest of the Community Bank and the former Synergy Bank with regard to both settled and pending litigation in which Visa is involved. Depending on the outcome of the Covered Litigation, the Company could incur an increase or a reduction in the value of its membership interest in Visa, the amount of which is not expected to be material.

Derivative Financial Instruments

The Company uses various financial instruments, including derivatives, in connection with its strategies to mitigate or reduce price risk resulting from changes in interest rates. The Company s derivative financial instruments consist of financial forward and futures contracts, interest rate lock commitments (IRLCs), swaps, and options, and relate to mortgage banking operations, MSRs, and other risk management activities. These activities vary in scope based on the level and volatility of interest rates, the type of assets held, and other changing market conditions. Please see Note 15, Derivative Financial Instruments.

Legal Proceedings

The Company is involved in various legal actions arising in the ordinary course of its business. All such actions, in the aggregate, involve amounts that are believed by management to be immaterial to the financial condition and results of operations of the Company.

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NOTE 11: INTANGIBLE ASSETS

Goodwill

Goodwill is presumed to have an indefinite useful life and is tested for impairment, rather than amortized, at the reporting unit level, at least once a year. There were no changes in the carrying amount of goodwill during the years ended December 31, 2013 and 2012. Goodwill totaled $2.4 billion at both December 31, 2013 and 2012.

Core Deposit Intangibles

As previously noted, the Company has CDI stemming from its various business combinations with other banks and thrifts. CDI is a measure of the value of checking and savings deposits acquired in a business combination. The fair value of the CDI stemming from any given business combination is based on the present value of the expected cost savings attributable to the core deposit funding, relative to an alternative source of funding. CDI is amortized over the estimated useful lives of the existing deposit relationships acquired, but does not exceed 10 years. The Company evaluates such identifiable intangibles for impairment when an indication of impairment exists. No impairment charges were required to be recorded in 2013, 2012, or 2011. If an impairment loss is determined to exist in the future, the loss will be recorded in Non-interest expense in the Consolidated Statement of Income and Comprehensive Income for the period in which such impairment is identified.

Analysis of Core Deposit Intangibles

The following table summarizes the gross carrying and accumulated amortization amounts of the Company s CDI as of December 31, 2013:

(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core deposit intangibles	$ 234,364	$ (218,124)	$ 16,240

For the year ended December 31, 2013, amortization expenses related to CDI totaled $15.8 million. The Company assessed the useful lives of its intangible assets at December 31, 2013 and deemed them to be appropriate. There were no impairment losses recorded for the years ended December 31, 2013, 2012, or 2011.

The following table summarizes the estimated future expense stemming from the amortization of the Company s CDI:

(in thousands)	Core Deposit Intangibles
2014	$ 8,297
2015	5,345
2016	2,391
2017	207
Total remaining intangible assets	$ 16,240

Mortgage Servicing Rights

The Company had MSRs of $241.0 million and $144.7 million, respectively, at December 31, 2013 and 2012. The December 31, 2013 balance consisted entirely of residential MSRs, whereas the 2012 year-end balance consisted of both residential MSRs and securitized MSRs, for which the economic risk was separately managed.

Residential MSRs are carried at fair value, with changes in fair value recorded as a component of non-interest income in each period. The Company uses various derivative instruments to mitigate the income statement-effect of changes in fair value due to changes in valuation inputs and assumptions regarding its residential MSRs. The effects of changes in the fair value of the derivatives are recorded in Non-interest income. MSRs do not trade in an active open market with readily observable prices. Accordingly, the Company bases the fair value of its MSRs on the present value of estimated future net servicing income cash flows utilizing an internal valuation model. The Company estimates future net

servicing income cash flows with assumptions that market participants would use to estimate fair value, including estimates of prepayment speeds, discount rates, default rates, refinance rates, servicing costs, escrow account earnings, contractual servicing fee income, and ancillary income. The Company reassesses, and periodically adjusts, the underlying inputs and assumptions to reflect market conditions and assumptions that a market participant would consider in valuing the MSR asset.

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The value of residential MSRs at any given time is significantly affected by the mortgage interest rates that are then currently available in the marketplace which, in turn, influence mortgage loan prepayment speeds. During periods of declining interest rates, the value of MSRs generally declines as an increase in mortgage refinancing activity results in an increase in prepayments. Conversely, during periods of rising interest rates, the value of MSRs generally increases as mortgage refinancing activity declines.

Securitized MSRs were carried at the lower of the initial carrying value, adjusted for amortization, or fair value, and were amortized in proportion to, and over the period of, estimated net servicing income. Such MSRs were periodically evaluated for impairment, based on the difference between their carrying amount and their current fair value. If it was determined that impairment existed, the resultant loss was charged to earnings.

The following table sets forth the changes in the balances of residential and securitized MSRs for the years ended December 31, 2013 and 2012:

	For the Years Ended December 31,			
	2013		2012	
(in thousands)	Residential	Securitized	Residential	Securitized
Carrying value, beginning of year	$ 144,520	$ 193	$ 116,416	$ 596
Additions	80,799		116,407	
Increase (decrease) in fair value:				
Due to changes in interest rates and valuation assumptions	70,218		(20,938)	
Due to other changes [1]	(54,519)		(67,365)	
Amortization		(193)		(403)
Carrying value, end of period	$ 241,018	$	$ 144,520	$ 193

(1) Net servicing cash flows, including loan payoffs, and the passage of time.

The following table presents the key assumptions used in calculating the fair value of the Company s residential MSRs at the dates indicated:

	December 31,	
	2013	2012
Expected Weighted Average Life	93 months	64 months
Constant Prepayment Speed	8.3%	15.4%
Discount Rate	10.5	10.5
Primary Mortgage Rate to Refinance	4.5	3.6
Cost to Service (per loan per year):		
Current	$ 53	$ 53
30-59 days or less delinquent	103	103
60-89 days delinquent	203	203
90-119 days delinquent	303	303
120 days or more delinquent	553	553

As indicated in the preceding table, there were no changes in servicing costs from December 31, 2012 to December 31, 2013.

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NOTE 12: EMPLOYEE BENEFITS

Retirement Plans

On April 1, 2002, three separate pension plans for employees of the former Queens County Savings Bank, the former CFS Bank, and the former Richmond County Savings Bank were merged together and renamed the New York Community Bancorp Retirement Plan (the New York Community Plan). The pension plan for employees of the former Roslyn Savings Bank was merged into the New York Community Plan on September 30, 2004. The pension plan for employees of the former Atlantic Bank of New York was merged into the New York Community Plan on March 31, 2008. The New York Community Plan covers substantially all employees who had attained minimum age, service, and employment status requirements prior to the date when the individual plans were frozen by the banks of origin. Once frozen, the plans ceased to accrue additional benefits, service, and compensation factors, and became closed to employees who would otherwise have met eligibility requirements after the freeze date. The New York Community Plan is subject to the provisions of ERISA.

The following table sets forth certain information regarding the New York Community Plan as of the dates indicated:

	December 31,	
(in thousands)	2013	2012
Change in Benefit Obligation:		
Benefit obligation at beginning of year	$ 142,614	$ 134,159
Interest cost	5,455	5,885
Actuarial (gain) loss	(13,393)	11,865
Annuity payments	(6,300)	(6,252)
Settlements	(1,535)	(3,043)
Benefit obligation at end of year	$ 126,841	$ 142,614
Change in Plan Assets:		
Fair value of assets at beginning of year	$ 187,623	$ 150,671
Actual return on plan assets	39,542	16,247
Contributions		30,000
Annuity payments	(6,300)	(6,252)
Settlements	(1,535)	(3,043)
Fair value of assets at end of year	$ 219,330	$ 187,623
Funded status (included in other assets)	$ 92,489	$ 45,009
Changes recognized in other comprehensive income for the year ended December 31:		
Amortization of prior service cost	$	$
Amortization of actuarial loss	(9,406)	(9,737)
Net actuarial (gain) loss arising during the year	(36,346)	8,874
Total recognized in other comprehensive loss for the year (pre-tax)	$ (45,752)	$ (863)
Accumulated other comprehensive loss (pre-tax) not yet recognized in net periodic benefit cost at December 31:		
Prior service cost	$	$
Actuarial loss, net	47,127	92,879
Total accumulated other comprehensive loss (pre-tax)	$ 47,127	$ 92,879

In 2014, an estimated $3.3 million of unrecognized net actuarial loss for the defined benefit pension plan will be amortized from AOCL into net periodic benefit cost. The comparable amount recognized as net periodic benefit cost in 2013 was $9.4 million. No prior service cost will be amortized in 2014 and none was amortized in 2013. The discount rates used to determine the benefit obligation at December 31, 2013 and 2012 were 4.8% and 3.9%, respectively.

The discount rate reflects rates at which the benefit obligation could be effectively settled. To determine this rate, the Company considers rates of return on high-quality fixed-income investments that are currently available and are expected to be available during the period until payment of the pension benefits. The expected future payments are discounted based on a portfolio of high-quality rated bonds (above-median AA curve) for which the Company relies on the Citigroup Pension Liability Index published as of the measurement date.

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The components of net periodic pension (credit) expense were as follows for the years indicated:

	Years Ended December 31,		
(in thousands)	2013	2012	2011
Components of net periodic pension (credit) expense:			
Interest cost	$ 5,455	$ 5,885	$ 5,964
Expected return on plan assets	(16,588)	(13,256)	(12,531)
Amortization of prior-service loss			
Amortization of net actuarial loss	9,406	9,737	4,758
Net periodic pension (credit) expense	$ (1,727)	$ 2,366	$ (1,809)

The following table indicates the weighted average assumptions used in determining the net periodic benefit cost for the years indicated:

	Years Ended December 31,		
	2013	2012	2011
Discount rate	3.9%	4.5%	5.3%
Expected rate of return on plan assets	9.0	9.0	9.0

New York Community Plan assets are invested in diversified investment funds of the RSI Retirement Trust (the Trust), a private placement fund, and in the Company s common stock. At December 31, 2013 and 2012, the amounts of New York Community Plan assets invested in the Company s common stock were $25.4 million and $18.9 million, respectively. The investment funds include a series of equity and bond mutual funds or comingled trust funds, each with its own investment objectives, strategies, and risks, as detailed in the Trust s Statement of Investment Objectives and Guidelines (the Guidelines). The Trust has been given discretion by the Plan Sponsor to determine the appropriate strategic asset allocation versus plan liabilities, as governed by the Guidelines.

The long-term investment objectives are to maintain plan assets at a level that will sufficiently cover long-term obligations and to generate a return on plan assets that will meet or exceed the rate at which long-term obligations will grow. A broadly diversified combination of equity and fixed income portfolios and various risk management techniques are used to help achieve these objectives.

The Plan s targeted asset allocation was 60% to equities and 40% to fixed income securities. The Trustee has responsibility for the asset allocation, and for the selection of the investment strategies and managers utilized within the equity and fixed-income segments, as well as for setting and implementing the rebalancing policy. Asset rebalancing normally occurs when the allocations vary by more than 10% from their respective targets (i.e., the policy range guideline is target +/- 10%.)

The investment goal is to achieve investment results that will contribute to the proper funding of the pension plan by exceeding the rate of inflation over the long-term. In addition, investment managers for the Trust are expected to provide above average performance when compared to their peer managers. Performance volatility is also monitored, and risk and volatility are further managed by the distinct investment objectives of each of the Trust funds and the diversification within each fund.

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The following table presents information about the investments held by the New York Community Plan as of December 31, 2013:

(in thousands)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds Equity:				
Large-cap value [1]	$ 20,248	$ 20,248	$	$
Small-cap core [2]	25,326	25,326		
Large-cap growth [3]	30,129	30,129		
International core [4]	23,432	23,432		
Common/Collective Trusts Equity:				
Large-cap core [5]	22,040		22,040	
Large-cap value [6]	11,401		11,401	
Common/Collective Trusts Fixed Income:				
Market duration fixed [7]				
Mutual Funds Fixed Income:	20,347		20,347	
Intermediate duration [8]	41,010	41,010		
Equity Securities:				
Company common stock	25,392	25,392		
Cash Equivalents:				
Money market	5	5		
	$ 219,330	$ 165,542	$ 53,788	$

(1) This category consists of investments whose sector and industry exposures are maintained within a narrow band around the Russell 1000 Index. The portfolio holds approximately 150 stocks.
(2) This category contains stocks whose sector weightings are maintained within a narrow band around those of the Russell 2000 Index. The portfolio typically holds more than 300 stocks.
(3) This category consists of a pair of mutual funds, one that invests in fast growing large-cap companies with sustainable franchises and positive price momentum, and the other that primarily invests in large-cap growth companies based in the U.S.
(4) This category has investments in medium to large non-U.S. companies, including high quality, durable growth companies and companies based in countries with stable economic and political systems.
(5) This fund tracks the performance of the S&P 500 Index by purchasing the securities represented in the Index in approximately the same weightings as the Index.
(6) This category contains large-cap stocks with above-average yields. The portfolio typically holds between 60 and 70 stocks.
(7) This category consists of an index fund that tracks the Barclays Capital U. S. Aggregate Bond Index. The fund invests in treasury, agency, corporate, mortgage-backed, and asset-backed securities.
(8) This category consists of two funds, one containing a diversified portfolio of high-quality bonds and other fixed income securities, including U.S. government obligations, mortgage-related and asset-backed securities, corporate and municipal bonds, CMOs, and other securities rated Baa or better. The second fund emphasizes a more globally diversified portfolio of higher-quality, intermediate bonds.

Current Asset Allocation

The weighted average asset allocations for the New York Community Plan as of December 31, 2013 and 2012 were as follows:

	At December 31,	
	2013	2012

Equity securities	72%	65%
Debt securities	28	35
Total	100%	100%

Determination of Long-Term Rate of Return

The long-term rate of return on assets assumption was set based on historical returns earned by equities and fixed income securities, and adjusted to reflect expectations of future returns as applied to the New York Community Plan s target allocation of asset classes. Equity securities and fixed income securities were assumed to earn real rates of return in the ranges of 5% to 9% and 2% to 6%, respectively. The long-term inflation rate was estimated to be 3%. When these overall return expectations are applied to the New York Community Plan s target allocation, the result is an expected rate of return of 7% to 11%.

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Expected Contributions

The Company does not expect to contribute to the New York Community Plan in 2014.

Expected Future Annuity Payments

The following annuity payments, which reflect expected future service, as appropriate, are expected to be paid by the New York Community Plan during the years indicated:

(in thousands)	
2014	$ 7,016
2015	7,074
2016	7,069
2017	7,141
2018	7,187
2019 and thereafter	37,293
Total	$ 72,780

Qualified Savings Plan

The Company maintains a defined contribution qualified savings plan (the New York Community Bank Employee Savings Plan) in which all full-time employees are able to participate after one year of service and having attained age 21. No matching contributions are made by the Company to this plan.

Post-Retirement Health and Welfare Benefits

The Company offers certain post-retirement benefits, including medical, dental, and life insurance (the Health & Welfare Plan) to retired employees, depending on age and years of service at the time of retirement. The costs of such benefits are accrued during the years that an employee renders the necessary service.

The following table sets forth certain information regarding the Health & Welfare Plan as of the dates indicated:

	December 31,	
(in thousands)	2013	2012
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 20,319	$ 17,155
Service cost	4	7
Interest cost	683	641
Actuarial (gain) loss	(1,972)	3,293
Premiums and claims paid	(712)	(777)
Benefit obligation at end of year	$ 18,322	$ 20,319
Change in plan assets:		
Fair value of assets at beginning of year	$	$
Employer contribution	712	777
Premiums/claims paid	(712)	(777)
Fair value of assets at end of year	$	$

Funded status (included in Other liabilities)	$ (18,322)	$ (20,319)
Changes recognized in other comprehensive income for the year ended December 31:		
Amortization of prior service cost	$ 249	$ 249
Amortization of actuarial gain	(657)	(505)
Net actuarial (gain) loss arising during the year	(1,972)	3,293
Total recognized in other comprehensive loss for the year (pre-tax)	$ (2,380)	$ 3,037
Accumulated other comprehensive loss (pre-tax) not yet recognized in net periodic benefit cost at December 31:		
Prior service cost	$ (2,031)	$ (2,280)
Actuarial loss, net	7,636	10,265
Total accumulated other comprehensive loss (pre-tax)	$ 5,605	$ 7,985

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The discount rates used in the preceding table were 4.3% and 3.5%, respectively, at December 31, 2013 and 2012.

The estimated net actuarial loss and the prior service liability that will be amortized from AOCL into net periodic benefit cost over the next fiscal year are $474,000 and $249,000, respectively.

The following table indicates the components of net periodic benefit cost for the years indicated:

	Years Ended December 31,		
(in thousands)	2013	2012	2011
Components of Net Periodic Benefit Cost:			
Service cost	$ 4	$ 7	$ 5
Interest cost	683	641	720
Amortization of prior-service loss	(249)	(249)	(249)
Amortization of net actuarial loss	657	505	411
Net periodic benefit cost	$ 1,095	$ 904	$ 887

The following table indicates the weighted average assumptions used in determining the net periodic benefit cost for the years indicated:

	Years Ended December 31,		
	2013	2012	2011
Discount rate	3.5%	3.9%	4.7%
Current medical trend rate	7.5	8.0	9.0
Ultimate trend rate	5.0	5.0	5.0
Year when ultimate trend rate will be reached	2018	2018	2015

Had the assumed medical trend rate at December 31, 2013 increased by 1% for each future year, the accumulated post-retirement benefit obligation at that date would have increased by $754,000, and the aggregate of the benefits earned and the interest components of 2013 net post-retirement benefit cost would each have increased by $33,000. Had the assumed medical trend rate decreased by 1% for each future year, the accumulated post-retirement benefit obligation at December 31, 2013 would have declined by $644,000, and the aggregate of the benefits earned and the interest components of 2013 net post-retirement benefit cost would each have declined by $28,000.

Investment Policies and Strategies

The Health & Welfare Plan is an unfunded non-qualified pension plan and is not expected to hold assets for investment at any time. Any contributions made to the Health & Welfare Plan are used to immediately pay plan premiums and claims as they come due.

Expected Contributions

The Company expects to contribute $1.5 million to the Health & Welfare Plan to pay premiums and claims for the fiscal year ending December 31, 2014.

Expected Future Payments for Premiums and Claims

The following amounts are currently expected to be paid for premiums and claims during the years indicated under the Health & Welfare Plan:

(in thousands)	
2014	$ 1,532
2015	1,504
2016	1,479

2017	1,443
2018	1,402
2019 and thereafter	6,309
Total	$ 13,669

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NOTE 13: STOCK-RELATED BENEFIT PLANS

New York Community Bank Employee Stock Ownership Plan

All full-time employees who have attained 21 years of age and who have completed twelve consecutive months of credited service are eligible to participate in the Employee Stock Ownership Plan (ESOP), with benefits vesting on a seven-year basis, starting with 20% in the third year of employment and continuing in 20% increments in each successive year. Benefits are payable upon death, retirement, disability, or separation from service, and may be paid in stock. However, in the event of a change in control, as defined in the ESOP, any unvested portion of benefits shall vest immediately.

At the time of the Community Bank s conversion to stock form, the Company loaned $19.4 million to the ESOP to purchase 18,583,440 shares of the Company s common stock. In the second quarter of 2002, the Company loaned an additional $14.8 million to the ESOP for the purchase of 906,667 shares of the common stock that were sold in a secondary offering on May 14, 2002. In 2002, the two loans were consolidated into a single loan which was being repaid at a fixed interest rate of 4.75% over a period of time not to exceed 30 years. In 2010, the loan was fully repaid and all the remaining shares were released from the suspense account and allocated to participants.

In 2013, 2012, and 2011, the Company allocated 505,354; 644,007; and 526,800 shares, respectively, to participants in the ESOP. For the years ended December 31, 2013, 2012, and 2011, the Company recorded ESOP-related compensation expense of $8.5 million, $8.4 million, and $7.0 million, respectively.

Supplemental Executive Retirement Plan

In 1993, the Community Bank established a Supplemental Executive Retirement Plan (SERP), which provided additional unfunded, non-qualified benefits to certain participants in the ESOP in the form of Company common stock. The SERP was frozen in 1999. Trust-held assets, consisting entirely of Company common stock, amounted to 1,464,641 and 1,369,311 shares at December 31, 2013 and 2012, respectively. The cost of these shares is reflected as a reduction of paid-in capital in excess of par in the Consolidated Statements of Condition. The Company recorded no SERP-related compensation expense in 2013, 2012, or 2011.

Stock Incentive and Stock Option Plans

At December 31, 2013, the Company had a total of 16,757,551 shares available for grants as options, restricted stock, or other forms of related rights under the New York Community Bancorp, Inc. 2012 Stock Incentive Plan (the 2012 Stock Incentive Plan), which was approved by the Company s shareholders at its Annual Meeting on June 7, 2012. Included in this amount were 1,030,673 shares that were transferred from the New York Community Bancorp, Inc. 2006 Stock Incentive Plan (the 2006 Stock Incentive Plan), which was approved by the Company s shareholders at its Annual Meeting on June 7, 2006 and reapproved at its Annual Meeting on June 2, 2011. The Company granted 2,327,522 shares of restricted stock during the twelve months ended December 31, 2013, with an average fair value of $13.64 per share on the date of grant. During 2012 and 2011, the Company granted 2,040,425, shares and 1,693,000 shares, respectively, of restricted stock. The respective shares had average fair values of $12.78, and $18.30 per share on the respective grant dates. The shares of restricted stock that were granted during the years ended December 31, 2013, 2012, and 2011 vest over a period of five years. Compensation and benefits expense related to the restricted stock grants is recognized on a straight-line basis over the vesting period, and totaled $22.2 million, $20.7 million, and $16.7 million, respectively, for the years ended December 31, 2013, 2012, and 2011.

The following table provides a summary of activity with regard to restricted stock awards in the year ended December 31, 2013:

	For the Year Ended December 31, 2013	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at beginning of year	4,386,245	$14.73
Granted	2,327,522	13.64
Vested	(1,369,505)	14.71
Cancelled	(300,620)	14.07

Unvested at end of year	5,043,642	14.27

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As of December 31, 2013, unrecognized compensation cost relating to unvested restricted stock totaled $55.3 million. This amount will be recognized over a remaining weighted average period of 3.2 years.

In addition, the Company had the following stock option plans at December 31, 2013: the 1998 Richmond County Financial Corp. Stock Compensation Plan; the 1998 Long Island Financial Corp. Stock Option Plan; and the 2004 Synergy Financial Group Stock Option Plans (all plans collectively referred to as the Stock Option Plans). All stock options granted under the Stock Option Plans expire ten years from the date of grant.

The Company uses the modified prospective approach to recognize compensation costs related to share-based payments at fair value on the date of grant, and recognizes such costs in the financial statements over the vesting period during which the employee provides service in exchange for the award. As there were no unvested options at any time during 2013, 2012, or 2011, the Company did not record any compensation and benefits expense relating to stock options during those years.

To satisfy the exercise of options, the Company either issues new shares of common stock or uses common stock held in Treasury. In the event that Treasury stock is used, the difference between the average cost of Treasury shares and the exercise price is recorded as an adjustment to retained earnings or paid-in capital on the date of exercise. At December 31, 2013, 2012, and 2011, respectively, there were 126,821; 2,641,344; and 9,006,944 stock options outstanding. The number of shares available for future issuance under the Stock Option Plans was 11,453 at December 31, 2013.

The status of the Stock Option Plans at December 31, 2013, and the changes that occurred during the year ended at that date, are summarized below:

	For the Year Ended December 31, 2013	
	Number of Stock Options	Weighted Average Exercise Price
Stock options outstanding, beginning of year	2,641,344	$16.68
Granted		
Exercised	(31,358)	11.35
Expired/forfeited	(2,483,165)	16.82
Stock options outstanding, end of year	126,821	15.21
Options exercisable at year-end	126,821	15.21

The intrinsic value of stock options outstanding and exercisable at December 31, 2013 was $277,000. The intrinsic value of options exercised during the twelve months ended December 31, 2013 was $106,000 There were no stock options exercised during the twelve months ended December 31, 2012. The intrinsic values of options exercised during the year ended December 31, 2011 was $1.9 million.

NOTE 14: FAIR VALUE MEASUREMENTS

GAAP set forth a definition of fair value, established a consistent framework for measuring fair value, and expanded disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. GAAP also clarified that fair value is an exit price, representing the amount that would be received when selling an asset, or paid when transferring a liability, in an orderly transaction between market participants. Fair value is thus a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are significant unobservable inputs that reflect a company s own assumptions about the assumptions that market participants use in pricing an asset or liability.

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A financial instrument s categorization within this valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following tables present assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2013 and 2012, and that were included in the Company s Consolidated Statements of Condition at those dates:

	Fair Value Measurements at December 31, 2013 Using				
(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustments[1]	Total Fair Value
Assets:					
Mortgage-Related Securities Available for Sale:					
GSE certificates	$	$ 25,200	$	$	$ 25,200
GSE CMOs		60,819			60,819
Private label CMOs		10,202			10,202
Total mortgage-related securities	$	$ 96,221	$	$	$ 96,221
Other Securities Available for Sale:					
Municipal bonds	$	$ 1,026	$	$	$ 1,026
Capital trust notes		11,798			11,798
Preferred stock	89,942	26,297			116,239
Common stock	52,740	2,714			55,454
Total other securities	$ 142,682	$ 41,835	$	$	$ 184,517
Total securities available for sale	$ 142,682	$ 138,056	$	$	$ 280,738
Other Assets:					
Loans held for sale	$	$ 306,915	$	$	$ 306,915
Mortgage servicing rights			241,018		241,018
Interest rate lock commitments			258		258
Derivative assets-other[2]	1,267	5,155		(4,848)	1,574
Liabilities:					
Derivative liabilities	$ (590)	$ (7,422)	$	$ 7,624	$ (388)

(1) Includes cash collateral received and pledged.
(2) Includes $1.3 million to purchase Treasury options.

(in thousands)	Fair Value Measurements at December 31, 2012 Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustments	Total Fair Value
Assets:					
Mortgage-Related Securities Available for Sale:					
GSE certificates	$	$ 92,679	$	$	$ 92,679
GSE CMOs		67,160			67,160
Private label CMOs		17,416			17,416
Total mortgage-related securities	$	$ 177,255	$	$	$ 177,255
Other Securities Available for Sale:					
Municipal bonds	$	$ 46,296	$	$	$ 46,296
Capital trust notes		19,866	18,569		38,435
Preferred stock	124,734	284			125,018
Common stock	39,682	2,580			42,262
Total other securities	$ 164,416	$ 69,026	$ 18,569	$	$ 252,011
Total securities available for sale	$ 164,416	$ 246,281	$ 18,569	$	$ 429,266
Other Assets:					
Loans held for sale	$	$ 1,204,370	$	$	$ 1,204,370
Mortgage servicing rights			144,520		144,520
Interest rate lock commitments			21,446		21,446
Derivative assets-other[1]	5,939	2,910		(4,730)	4,119
Liabilities:					
Derivative liabilities	$ (2,303)	$ (5,808)	$	$ 4,730	$ (3,381)

(1) Includes $5.3 million to purchase Treasury options.

The Company reviews and updates the fair value hierarchy classifications for its assets on a quarterly basis. Changes from one quarter to the next that are related to the observability of inputs for a fair value measurement may result in a reclassification from one hierarchy level to another.

A description of the methods and significant assumptions utilized in estimating the fair values of available-for-sale securities follows:

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government securities, exchange-traded securities, and derivatives.

If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models. These pricing models primarily use market-based or independently sourced market parameters as inputs, including, but not limited to, yield curves, interest rates, equity or debt prices, and credit spreads. In addition to observable market information, models incorporate transaction details such as maturity and cash flow assumptions. Securities valued in this manner would generally be classified within Level 2 of the valuation hierarchy, and primarily include such instruments as mortgage-related and corporate debt securities.

In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. In valuing capital trust notes, which may include pooled trust preferred securities, collateralized debt obligations (CDOs), and certain single-issue capital trust notes, the determination of fair value may require benchmarking to similar instruments or analyzing default and recovery rates. Therefore, capital trust notes are valued using a model based on the specific collateral composition and cash flow structure of the securities. Key inputs to the model consist of market spread data for each credit rating, collateral type, and other relevant contractual features. In instances where quoted price information is available, the price is considered when arriving at a security s fair value. Where there is

limited activity or less transparency around the inputs to the valuation of preferred stock, the valuation is based on a discounted cash flow model.

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Periodically, the Company uses fair values supplied by independent pricing services to corroborate the fair values derived from the pricing models. In addition, the Company reviews the fair values supplied by independent pricing services, as well as their underlying pricing methodologies, for reasonableness. The Company challenges pricing services valuations that appear to be unusual or unexpected.

The Company carries loans held for sale originated by the Residential Mortgage Banking segment at fair value, in accordance with ASC Topic 825, Financial Instruments. The fair value of held-for-sale loans is primarily based on quoted market prices for securities backed by similar types of loans. Changes in the fair value of these assets are largely driven by changes in interest rates subsequent to loan funding, and changes in the fair value of servicing associated with the mortgage loans held for sale. Loans held for sale are classified within Level 2 of the valuation hierarchy.

MSRs do not trade in an active open market with readily observable prices. The Company bases the fair value of its MSRs on the present value of estimated future net servicing income cash flows, utilizing an internal valuation model. The Company estimates future net servicing income cash flows with assumptions that market participants would use to estimate fair value, including estimates of prepayment speeds, discount rates, default rates, refinance rates, servicing costs, escrow account earnings, contractual servicing fee income, and ancillary income. The Company reassesses and periodically adjusts the underlying inputs and assumptions to reflect market conditions and assumptions that a market participant would consider in valuing the MSR asset. MSR fair value measurements use significant unobservable inputs and, accordingly, are classified within Level 3.

Exchange-traded derivatives that are valued using quoted prices are classified within Level 1 of the valuation hierarchy. The majority of the Company s derivative positions are valued using internally developed models that use readily observable market parameters as their basis. These are parameters that are actively quoted and can be validated by external sources, including industry pricing services. Where the types of derivative products have been in existence for some time, the Company uses models that are widely accepted in the financial services industry. These models reflect the contractual terms of the derivatives, including the period to maturity, and market-based parameters such as interest rates, volatility, and the credit quality of the counterparty. Furthermore, many of these models do not contain a high level of subjectivity, as the methodologies used in the models do not require significant judgment, and inputs to the models are readily observable from actively quoted markets, as is the case for plain vanilla interest rate swaps and option contracts. Such instruments are generally classified within Level 2 of the valuation hierarchy. Derivatives that are valued based on models with significant unobservable market parameters, and that are normally traded less actively, have trade activity that is one-way, and/or are traded in less-developed markets, are classified within Level 3 of the valuation hierarchy.

The fair value of IRLCs for residential mortgage loans that the Company intends to sell is based on internally developed models. The key model inputs primarily include the sum of the value of the forward commitment based on the loans expected settlement dates and the projected values of the MSRs, loan level price adjustment factors, and historical IRLC closing ratios. The closing ratio is computed by the Company s mortgage banking operation and is periodically reviewed by management for reasonableness. Such derivatives are classified as Level 3.

While the Company believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in different estimates of fair values at the reporting date.

Fair Value Option

Loans Held for Sale

The Company has elected the fair value option for its loans held for sale. The Company s loans held for sale consist of one-to-four family mortgage loans, none of which was more than 90 days past due at December 31, 2013. Management believes the mortgage banking business operates on a short-term cycle. Therefore, in order to reflect the most relevant valuations for the key components of this business, and to reduce timing differences in amounts recognized in earnings, the Company has elected to record loans held for sale at fair value to match the recognition of IRLCs, MSRs, and derivatives, all of which are recorded at fair value in earnings. Fair value is based on independent quoted market prices of mortgage-backed securities comprised of loans with similar features to those of loans held for sale, where available, and adjusted as necessary for such items as servicing value, guaranty fee premiums, and credit spread adjustments.

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The following table reflects the difference between the fair value carrying amount of loans held for sale for which the Company has elected the fair value option, and the unpaid principal balance:

	December 31,					
	2013			2012		
(in thousands)	Fair Value Carrying Amount	Aggregate Unpaid Principal	Fair Value Carrying Amount Less Aggregate Unpaid Principal	Fair Value Carrying Amount	Aggregate Unpaid Principal	Fair Value Carrying Amount Less Aggregate Unpaid Principal
Loans held for sale	$ 306,915	$ 303,805	$3,110	$ 1,204,370	$ 1,159,071	$45,299

Gains and Losses Included in Income for Assets Where the Fair Value Option Has Been Elected

The assets accounted for under the fair value option are initially measured at fair value. Gains and losses from the initial measurement and subsequent changes in fair value are recognized in earnings. For loans held for sale and MSRs, the changes in fair value related to initial measurement, and the subsequent changes in fair value included in earnings, are shown for the periods indicated below:

	Gain (Loss) Included in Mortgage Banking Income from Changes in Fair Value[(1)] For the Twelve Months Ended December 31,		
(in thousands)	2013	2012	2011
Loans held for sale	$ (10,260)	$ 102,642	$ 83,202
Mortgage servicing rights	15,699	(88,303)	(71,830)
Total gain	$ 5,439	$ 14,339	$ 11,372

(1) Does not include the effect of hedging activities.

The Company has determined that there is no instrument-specific credit risk related to its loans held for sale, due to the short duration of such assets.

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Changes in Level 3 Fair Value Measurements

The following tables present, for the twelve months ended December 31, 2013 and 2012, a roll-forward of the balance sheet amounts (including changes in fair value) for financial instruments classified in Level 3 of the valuation hierarchy:

		Total Realized/Unrealized Gains/(Losses) Recorded in						
(in thousands)	Fair Value January 1, 2013	Income/ Loss	Comprehensive (Loss) Income	Issuances	Settlements	Transfers to/(from) Level 3	Fair Value at Dec. 31, 2013	Change in Unrealized Gains/ (Losses) Related to Instruments Held at December 31, 2013
Available-for-sale capital securities	$ 18,569	$	$	$	$ (18,569)	$	$	$
Mortgage servicing rights	144,520	15,699		80,799			241,018	70,218
Interest rate lock commitments	21,446	(21,188)					258	258

		Total Realized/Unrealized Gains/(Losses) Recorded in						
(in thousands)	Fair Value January 1, 2012	Income/ Loss	Comprehensive (Loss) Income	Issuances	Settlements	Transfers to/(from) Level 3	Fair Value at Dec. 31, 2012	Change in Unrealized Gains/ (Losses) Related to Instruments Held at December 31, 2012
Available-for-sale capital securities and preferred stock	$ 18,078	$	$ 3,545	$	$	$ (3,054)	$ 18,569	$ 3,415
Mortgage servicing rights	116,416	(88,303)		116,407			144,520	(20,938)
Interest rate lock commitments	15,633	5,813					21,446	21,446

The Company s policy is to recognize transfers in and out of Levels 1, 2, and 3 at the end of the reporting period. There were no transfers in or out of Level 3 during the twelve months ended December 31, 2013. During the twelve months ended December 31, 2013, the Company transferred certain preferred stock to Level 2 from Level 1 as a result of decreased observable market activity for these securities. During the twelve months ended December 31, 2012, the Company transferred certain trust preferred securities from Level 3 to Level 2 as a result of increased observable market activity for these securities. There were no gains or losses recognized as a result of the transfer of securities during the twelve months ended December 31, 2013 or 2012. There were no transfers of securities between Levels 1 and 2 for the twelve months ended December 31, 2012.

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For Level 3 assets and liabilities measured at fair value on a recurring basis as of December 31, 2013, the significant unobservable inputs used in the fair value measurements were as follows:

(dollars in thousands)	Fair Value at Dec. 31, 2013	Valuation Technique	Significant Unobservable Inputs	Significant Unobservable Input Value
Mortgage Servicing Rights	$ 241,018	Discounted Cash Flow	Weighted Average Constant Prepayment Rate [1]	8.30%
			Weighted Average Discount Rate	10.50
Interest Rate Lock Commitments	258	Pricing Model	Weighted Average Closing Ratio	67.43

(1) Represents annualized loan repayment rate assumptions.

The significant unobservable inputs used in the fair value measurement of the Company s MSRs are the weighted average constant prepayment rate and the weighted average discount rate. Significant increases or decreases in any of those inputs in isolation could result in significantly lower or higher fair value measurements. Although the constant prepayment rate and the discount rate are not directly interrelated, they generally move in opposite directions.

The significant unobservable input used in the fair value measurement of the Company s IRLCs is the closing ratio, which represents the percentage of loans currently in an interest rate lock position that management estimates will ultimately close. Generally, the fair value of an IRLC is positive if the prevailing interest rate is lower than the IRLC rate, and the fair value of an IRLC is negative if the prevailing interest rate is higher than the IRLC rate. Therefore, an increase in the closing ratio (i.e., a higher percentage of loans estimated to close) will result in the fair value of the IRLC increasing if in a gain position, or decreasing if in a loss position. The closing ratio is largely dependent on the stage of processing that a loan is currently in, and the change in prevailing interest rates from the time of the interest rate lock.

Assets Measured at Fair Value on a Non-Recurring Basis

Certain assets are measured at fair value on a non-recurring basis. Such instruments are subject to fair value adjustments under certain circumstances (e.g., when there is evidence of impairment). The following tables present assets and liabilities that were measured at fair value on a non-recurring basis as of December 31, 2013 and December 31, 2012, and that were included in the Company s Consolidated Statements of Condition at those dates:

	Fair Value Measurements at December 31, 2013 Using			
(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Certain impaired loans	$	$	$ 47,535	$ 47,535
Other assets [1]		19,810		19,810
Total	$	$ 19,810	$ 47,535	$ 67,345

(1) Represents the fair value of OREO, based on the appraised value of the collateral subsequent to its initial classification as OREO.

	Fair Value Measurements at December 31, 2012 Using			
(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Certain impaired loans	$	$	$ 76,704	$ 76,704
Other assets [(1)]		22,664		22,664
Total	$	$ 22,664	$ 76,704	$ 99,368

(1) Represents the fair value of OREO, based on the appraised value of the collateral subsequent to its initial classification as OREO.

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The fair values of collateral-dependent impaired loans are determined using various valuation techniques, including consideration of appraised values and other pertinent real estate market data.

Other Fair Value Disclosures

FASB guidance also requires the disclosure of fair value information about the Company s on- and off-balance sheet financial instruments. When available, quoted market prices are used as the measure of fair value. In cases where quoted market prices are not available, fair values are based on present-value estimates or other valuation techniques. Such fair values are significantly affected by the assumptions used, the timing of future cash flows, and the discount rate.

Because assumptions are inherently subjective in nature, estimated fair values cannot be substantiated by comparison to independent market quotes. Furthermore, in many cases, the estimated fair values provided would not necessarily be realized in an immediate sale or settlement of such instruments.

The following tables summarize the carrying values, estimated fair values, and fair value measurement levels of financial instruments that were not carried at fair value on the Company s Consolidated Statements of Condition at December 31, 2013 and December 31, 2012:

			December 31, 2013		
			Fair Value Measurement Using		
(in thousands)	Carrying Value	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:					
Cash and cash equivalents	$ 644,550	$ 644,550	$ 644,550	$	$
Securities held to maturity	7,670,282	7,445,244		7,438,091	7,153
FHLB stock[(1)]	561,390	561,390		561,390	
Loans, net	32,727,507	32,628,361			32,628,361
Financial Liabilities:					
Deposits	$ 25,660,992	$ 25,712,388	$ 18,728,896[(2)]	$ 6,983,492[(3)]	$
Borrowed funds	15,105,002	16,058,931		16,058,931	

(1) Carrying value and estimated fair value are at cost.
(2) NOW and money market accounts, savings accounts, and non-interest-bearing accounts.
(3) Certificates of deposit.

			December 31, 2012		
			Fair Value Measurement Using		
(in thousands)	Carrying Value	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:					
Cash and cash equivalents	$ 2,427,258	$ 2,427,258	$ 2,427,258	$	$
Securities held to maturity	4,484,262	4,705,960		4,648,766	57,194
FHLB stock[(1)]	469,145	469,145		469,145	
Loans, net	31,580,636	31,977,472			31,977,472
Mortgage servicing rights	193	193			193
Financial Liabilities:					

Deposits	$ 24,877,521	$ 24,909,496	$ 15,756,607[2]	$ 9,152,889[3]	$
Borrowed funds	13,430,191	14,935,580		14,935,580	

(1) Carrying value and estimated fair value are at cost.
(2) NOW and money market accounts, savings accounts, and non-interest-bearing accounts.
(3) Certificates of deposit.

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The methods and significant assumptions used to estimate fair values for the Company s financial instruments follow:

Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks and federal funds sold. The estimated fair values of cash and cash equivalents are assumed to equal their carrying values, as these financial instruments are either due on demand or have short-term maturities.

Securities

If quoted market prices are not available for a specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These pricing models primarily use market-based or independently sourced market parameters as inputs, including, but not limited to, yield curves, interest rates, equity or debt prices, and credit spreads. In addition to observable market information, pricing models also incorporate transaction details such as maturity and cash flow assumptions.

Federal Home Loan Bank Stock

Ownership in equity securities of the FHLB is restricted and there is no established market for their resale. The carrying amount approximates the fair value.

Loans

The loan portfolio is segregated into various components for valuation purposes in order to group loans based on their significant financial characteristics, such as loan type (mortgage or other) and payment status (performing or non-performing). The estimated fair values of mortgage and other loans are computed by discounting the anticipated cash flows from the respective portfolios. The discount rates reflect current market rates for loans with similar terms to borrowers of similar credit quality. The estimated fair values of non-performing mortgage and other loans are based on recent collateral appraisals.

The methods used to estimate the fair value of loans are extremely sensitive to the assumptions and estimates used. While management has attempted to use assumptions and estimates that best reflect the Company s loan portfolio and current market conditions, a greater degree of subjectivity is inherent in these values than in those determined in active markets. Accordingly, readers are cautioned in using this information for purposes of evaluating the financial condition and/or value of the Company in and of itself or in comparison with any other company.

Mortgage Servicing Rights

MSRs do not trade in an active market with readily observable prices. Accordingly, the Company utilizes a valuation model that calculates the present value of estimated future cash flows. The model incorporates various assumptions, including estimates of prepayment speeds, discount rates, refinance rates, servicing costs, and ancillary income. The Company reassesses and periodically adjusts the underlying inputs and assumptions to reflect current market conditions and assumptions that a market participant would consider in valuing the MSR asset.

Derivative Financial Instruments

For exchange-traded futures and exchange-traded options, fair value is based on observable quoted market prices in an active market. For forward commitments to buy and sell loans and mortgage-backed securities, fair value is based on observable market prices for similar loans and securities in an active market. The fair value of IRLCs for one-to-four family mortgage loans that the Company intends to sell is based on internally developed models. The key model inputs primarily include the sum of the value of the forward commitment based on the loans expected settlement dates, the value of MSRs arrived at by an independent MSR broker, government agency price adjustment factors, and historical IRLC fall-out factors.

Deposits

The fair values of deposit liabilities with no stated maturity (i.e., NOW and money market accounts, savings accounts, and non-interest-bearing accounts) are equal to the carrying amounts payable on demand. The fair values of CDs represent contractual cash flows, discounted using interest rates currently offered on deposits with similar characteristics and remaining maturities. These estimated fair values do not include the intangible value of core deposit relationships, which comprise a significant portion of the Company s deposit base.

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Borrowed Funds

The estimated fair value of borrowed funds is based either on bid quotations received from securities dealers or the discounted value of contractual cash flows with interest rates currently in effect for borrowed funds with similar maturities and structures.

Off-Balance-Sheet Financial Instruments

The fair values of commitments to extend credit and unadvanced lines of credit are estimated based on an analysis of the interest rates and fees currently charged to enter into similar transactions, considering the remaining terms of the commitments and the creditworthiness of the potential borrowers. The estimated fair values of such off-balance-sheet financial instruments were insignificant at December 31, 2013 and 2012.

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

The Company s derivative financial instruments consist of financial forward and futures contracts, IRLCs, and options. These derivatives relate to mortgage banking operations, MSRs, and other risk management activities, and seek to mitigate or reduce the Company s exposure to losses from adverse changes in interest rates. These activities will vary in scope based on the level and volatility of interest rates, the type of assets held, and other changing market conditions.

In accordance with the applicable accounting guidance, the Company takes into account the impact of collateral and master netting agreements that allow it to settle all derivative contracts held with a single counterparty on a net basis, and to offset the net derivative position with the related collateral when recognizing derivative assets and liabilities. As a result, the Company s Statements of Financial Condition could reflect derivative contracts with negative fair values included in derivative assets, and contracts with positive fair values included in derivative liabilities.

The Company held derivatives with a notional amount of $1.5 billion at December 31, 2013. Changes in the fair value of these derivatives are reflected in current-period earnings. None of these derivatives are designated as hedges for accounting purposes.

The following table sets forth information regarding the Company s derivative financial instruments at December 31, 2013:

	December 31, 2013		
	Notional	Unrealized [(1)]	
(in thousands)	Amount	Gain	Loss
Treasury options	$ 175,000	$	$ 548
Eurodollar futures	20,000		42
Forward commitments to sell loans/mortgage-backed securities	522,987	5,155	34
Forward commitments to buy loans/mortgage-backed securities	515,000		7,388
Interest rate lock commitments	231,556	258	
Total derivatives	$ 1,464,543	$ 5,413	$ 8,012

(1) *Derivatives in a net gain position are recorded as Other assets and derivatives in a net loss position are recorded as Other liabilities in the Consolidated Statements of Condition.*

The Company uses various financial instruments, including derivatives, in connection with its strategies to reduce pricing risk resulting from changes in interest rates. Derivative instruments may include IRLCs entered into with borrowers or correspondents/brokers to acquire agency-conforming fixed and adjustable rate residential mortgage loans that will be held for sale. Other derivative instruments include Treasury options and Eurodollar futures.

The Company enters into forward contracts to sell fixed rate mortgage-backed securities to protect against changes in the prices of agency-conforming fixed rate loans held for sale. Forward contracts are entered into with securities dealers in an amount related to the portion of IRLCs that is expected to close. The value of these forward sales contracts moves inversely with the value of the loans in response to changes in

interest rates.

To manage the price risk associated with fixed rate non-conforming mortgage loans, the Company generally enters into forward contracts on mortgage-backed securities or forward commitments to sell loans to approved investors. Short positions in Eurodollar futures contracts are used to manage price risk on adjustable rate mortgage loans held for sale.

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The Company also purchases put and call options to manage the risk associated with variations in the amount of IRLCs that ultimately close.

In addition, the Company mitigates a portion of the risk associated with changes in the value of MSRs. The general strategy for mitigating this risk is to purchase derivative instruments, the value of which changes in the opposite direction of interest rates, thus partially offsetting changes in the value of our servicing assets, which tends to move in the same direction as interest rates. Accordingly, the Company purchases Eurodollar futures and call options on Treasury securities, and enters into forward contracts to purchase mortgage-backed securities.

The following table sets forth the effect of derivative instruments on the Consolidated Statements of Income and Comprehensive Income for the periods indicated:

	Gain (Loss) Included in Mortgage Banking Income For the Twelve Months Ended December 31,	
(in thousands)	2013	2012
Treasury options	$ (10,224)	$ (120)
Eurodollar futures	(38)	(1,468)
Forward commitments to buy/sell loans/mortgage-backed securities	17,727	3,026
Total gain	$ 7,465	$ 1,438

The Company has in place an enforceable master netting arrangement with every counterparty. All master netting arrangements include rights to offset associated with the Company s recognized derivative assets, derivative liabilities, and cash collateral received and pledged. Accordingly, the Company, where appropriate, offsets all derivative asset and liability positions with the cash collateral received and pledged.

The following tables present the effect the master netting arrangements have on the presentation of the derivative assets in the Consolidated Statements of Financial Condition as of the dates indicated:

	December 31, 2013					
				Gross Amounts Not Offset in the Consolidated Statement of Condition		
(in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Condition	Net Amounts of Assets Presented in the Statement of Condition	Financial Instruments	Cash Collateral Received	Net Amount
Derivatives	$ 6,680	$ 4,848	$ 1,832	$	$	$ 1,832

	December 31, 2012					
				Gross Amounts Not Offset in the Consolidated Statement of Condition		
(in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Condition	Net Amounts of Assets Presented in the Statement of Condition	Financial Instruments	Cash Collateral Received	Net Amount
Derivatives	$ 30,295	$ 4,730	$ 25,565	$	$ 41	$ 25,524

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The following tables present the effect the master netting arrangements have on the presentation of the derivative liabilities in the Consolidated Statements of Financial Condition as of the dates indicated:

	December 31, 2013					
				Gross Amounts Not Offset in the Consolidated Statement of Condition		
(in thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Condition	Net Amounts of Liabilities Presented in the Statement of Condition	Financial Instruments	Cash Collateral Pledged	Net Amount
Derivatives	$ 8,012	$ 7,624	$ 388	$	$	$ 388

	December 31, 2012					
				Gross Amounts Not Offset in the Consolidated Statement of Condition		
(in thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Condition	Net Amounts of Liabilities Presented in the Statement of Condition	Financial Instruments	Cash Collateral Pledged	Net Amount
Derivatives	$ 8,111	$ 4,730	$ 3,381	$	$ 2,795	$ 586

NOTE 16: DIVIDEND RESTRICTIONS ON SUBSIDIARY BANKS

Various legal restrictions limit the extent to which the Company s subsidiary banks can supply funds to the Parent Company and its non-bank subsidiaries. The Company s subsidiary banks would require the approval of the Superintendent of the New York State Department of Financial Services (the NYDFS) if the dividends they declared in any calendar year were to exceed the total of their respective net profits for that year combined with their respective retained net profits for the preceding two calendar years, less any required transfer to paid-in capital. The term net profits is defined as the remainder of all earnings from current operations plus actual recoveries on loans, investments, and other assets, after deducting from the total thereof all current operating expenses, actual losses, if any, and all federal, state, and local taxes. In 2013, dividends of $450.0 million were paid by the Banks to the Parent Company; at December 31, 2013, the Banks could have paid additional dividends of $126.3 million to the Parent Company without regulatory approval.

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NOTE 17: PARENT COMPANY-ONLY FINANCIAL INFORMATION

The following tables present the condensed financial statements for New York Community Bancorp, Inc. (parent company only):

Condensed Statements of Condition

	December 31,	
(in thousands)	2013	2012
ASSETS:		
Cash and cash equivalents	$ 126,165	$ 113,745
Securities available for sale	2,545	2,662
Investments in subsidiaries	5,961,367	5,890,134
Receivables from subsidiaries	5,152	6,580
Other assets	32,458	28,617
Total assets	$ 6,127,687	$ 6,041,738
LIABILITIES AND STOCKHOLDERS EQUITY:		
Junior subordinated debentures	$ 358,126	$ 357,917
Other liabilities	33,899	27,557
Total liabilities	392,025	385,474
Stockholders equity	5,735,662	5,656,264
Total liabilities and stockholders equity	$ 6,127,687	$ 6,041,738

Condensed Statements of Income

	Years Ended December 31,		
(in thousands)	2013	2012	2011
Interest income	$ 702	$ 1,121	$ 1,064
Dividends received from subsidiaries	450,000	485,000	555,000
Loss on debt redemption		(2,313)	
Other income	525	1,174	753
Gross income	451,227	484,982	556,817
Operating expenses	38,268	44,651	42,185
Income before income tax benefit and equity in undistributed (overdistributed) earnings of subsidiaries	412,959	440,331	514,632
Income tax benefit	16,547	20,029	16,445
Income before equity in undistributed (overdistributed) earnings of subsidiaries	429,506	460,360	531,077
Equity in undistributed (overdistributed) earnings of subsidiaries	46,041	40,746	(51,040)
Net income	$ 475,547	$ 501,106	$ 480,037

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Condensed Statements of Cash Flows

(in thousands)	Years Ended December 31, 2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 475,547	$ 501,106	$ 480,037
Change in other assets	(3,841)	(154)	23,990
Change in other liabilities	6,342	(8,799)	15,352
Other, net	24,135	21,474	21,530
Equity in (undistributed) overdistributed earnings of subsidiaries	(46,041)	(40,746)	51,040
Net cash provided by operating activities	456,142	472,881	591,949
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and repayments of securities	151	1,276	2,459
Change in receivable from subsidiaries, net	1,428	(409)	1,870
Net cash provided by investing activities	1,579	867	4,329
CASH FLOWS FROM FINANCING ACTIVITIES:			
Treasury stock purchases	(5,319)	(3,522)	(3,696)
Cash dividends paid on common stock	(440,308)	(438,539)	(436,914)
Net cash received from exercise of stock options	326		3,519
Payments for debt redemptions		(159,210)	
Net cash used in financing activities	(445,301)	(601,271)	(437,091)
Net increase (decrease) in cash and cash equivalents	12,420	(127,523)	159,187
Cash and cash equivalents at beginning of year	113,745	241,268	82,081
Cash and cash equivalents at end of year	$ 126,165	$ 113,745	$ 241,268

NOTE 18: REGULATORY MATTERS

The Company is subject to examination, regulation, and periodic reporting under the Bank Holding Company Act of 1956, as amended, which is administered by the Federal Reserve Board of Governors (the FRB). The FRB has adopted capital adequacy guidelines for bank holding companies (on a consolidated basis) that are substantially similar to those of the FDIC for the Banks.

The following tables present the regulatory capital ratios for the Company at December 31, 2013 and 2012, in comparison with the minimum amounts and ratios required by the FRB for capital adequacy purposes:

At December 31, 2013	Leverage Capital		Risk-Based Capital Tier 1		Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 3,664,082	8.39%	$ 3,664,082	12.84%	$ 3,870,921	13.56%
Minimum for capital adequacy purposes	1,745,857	4.00	1,141,644	4.00	2,283,287	8.00
Excess	$ 1,918,225	4.39%	$ 2,522,438	8.84%	$ 1,587,634	5.56%

At December 31, 2012	Leverage Capital		Risk-Based Capital Tier 1		Risk-Based Capital Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 3,605,671	8.84%	$ 3,605,671	13.38%	$ 3,800,221	14.11%
Minimum for capital adequacy purposes	1,631,267	4.00	1,077,615	4.00	2,155,230	8.00
Excess	$ 1,974,404	4.84%	$ 2,528,056	9.38%	$ 1,644,991	6.11%

The Banks are subject to regulation, examination, and supervision by the NYDFS and the FDIC (the Regulators). The Banks are also governed by numerous federal and state laws and regulations, including the FDIC Improvement Act of 1991, which established five categories of capital adequacy ranging from well capitalized to critically undercapitalized. Such classifications are used by the FDIC to determine various matters, including prompt corrective action and each institution s FDIC deposit insurance premium assessments. Capital amounts and classifications are also subject to the Regulators qualitative judgments about the components of capital and risk weightings, among other factors.

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The quantitative measures established to ensure capital adequacy require that banks maintain minimum amounts and ratios of leverage capital to average assets, and of Tier 1 and total risk-based capital to risk-weighted assets (as such measures are defined in the regulations). At December 31, 2013, the Banks exceeded all the capital adequacy requirements to which they were subject.

As of December 31, 2013, the most recent notifications from the FDIC categorized the Community Bank and the Commercial Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, a bank must maintain a minimum leverage capital ratio of 5.00%; a minimum Tier 1 risk-based capital ratio of 6.00%; and a minimum total risk-based capital ratio of 10.00%. In the opinion of management, no conditions or events have transpired since said notification to change these capital adequacy classifications.

The following tables present the actual capital amounts and ratios for the Community Bank at December 31, 2013 and 2012 in comparison to the minimum amounts and ratios required for capital adequacy purposes:

			Risk-Based Capital			
At December 31, 2013	Leverage Capital		Tier 1		Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 3,196,870	7.86%	$ 3,196,870	12.22%	$ 3,391,944	12.96%
Minimum for capital adequacy purposes	1,627,696	4.00	1,046,793	4.00	2,093,586	8.00
Excess	$ 1,569,174	3.86%	$ 2,150,077	8.22%	$ 1,298,358	4.96%

			Risk-Based Capital			
At December 31, 2012	Leverage Capital		Tier 1		Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 3,156,127	8.33%	$ 3,156,127	12.50%	$ 3,338,196	13.22%
Minimum for capital adequacy purposes	1,514,709	4.00	1,010,199	4.00	2,020,397	8.00
Excess	$ 1,641,418	4.33%	$ 2,145,928	8.50%	$ 1,317,799	5.22%

The following tables present the actual capital amounts and ratios for the Commercial Bank at December 31, 2013 and 2012 in comparison to the minimum amounts and ratios required for capital adequacy purposes:

			Risk-Based Capital			
At December 31, 2013	Leverage Capital		Tier 1		Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 354,423	11.49%	$ 354,423	14.84%	$ 366,076	15.33%
Minimum for capital adequacy purposes	123,393	4.00	95,517	4.00	191,033	8.00
Excess	$ 231,030	7.49%	$ 258,906	10.84%	$ 175,043	7.33%

			Risk-Based Capital			
At December 31, 2012	Leverage Capital		Tier 1		Total	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total regulatory capital	$ 345,111	11.59%	$ 345,111	16.64%	$ 357,504	17.24%
Minimum for capital adequacy purposes	119,132	4.00	82,966	4.00	165,932	8.00
Excess	$ 225,979	7.59%	$ 262,145	12.64%	$ 191,572	9.24%

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NOTE 19: SEGMENT REPORTING

The Company s operations are divided into two reportable business segments: Banking Operations and Residential Mortgage Banking. These operating segments have been identified based on the Company s organizational structure. The segments require unique technology and marketing strategies, and offer different products and services. While the Company is managed as an integrated organization, individual executive managers are held accountable for the operations of these business segments.

The Company measures and presents information for internal reporting purposes in a variety of ways. The internal reporting system presently used by management in the planning and measurement of operating activities, and to which most managers are held accountable, is based on organizational structure.

The management accounting process uses various estimates and allocation methodologies to measure the performance of the operating segments. To determine financial performance for each segment, the Company allocates capital, funding charges and credits, certain non-interest expenses, and income tax provisions to each segment, as applicable. Allocation methodologies are subject to periodic adjustment as the internal management accounting system is revised and/or as business or product lines within the segments change. In addition, because the development and application of these methodologies is a dynamic process, the financial results presented may be periodically revised.

The Company seeks to maximize shareholder value by, among other means, optimizing the return on stockholders equity and managing risk. Capital is assigned to each segment, the combination of which is equivalent to the Company s consolidated total, on an economic basis, using management s assessment of the inherent risks associated with the segment. Capital allocations are made to cover the following risk categories: credit risk, liquidity risk, interest rate risk, option risk, basis risk, market risk, and operational risk.

The Company allocates expenses to the reportable segments based on various factors, including the volume and amount of loans produced and the number of full-time equivalent employees. Income taxes are allocated to the various segments based on taxable income and statutory rates applicable to the segment.

Banking Operations Segment

The Banking Operations Segment serves consumers and businesses by offering and servicing a variety of loan and deposit products and other financial services.

Residential Mortgage Banking Segment

The Residential Mortgage Banking segment originates, sells, aggregates, and services one-to-four family mortgage loans. Mortgage loan products consist primarily of agency-conforming fixed- and adjustable-rate loans and, to a lesser extent, jumbo hybrid loans, for the purpose of purchasing or refinancing one-to-four family homes. The Residential Mortgage Banking segment earns interest on loans held in the warehouse and non-interest income from the origination and servicing of loans. It also recognizes gains or losses from the sale of such loans.

The following tables provide a summary of the Company s segment results for the years ended December 31, 2013 and 2012, on an internally managed accounting basis:

	For the Twelve Months Ended December 31, 2013		
(in thousands)	Banking Operations	Residential Mortgage Banking	Total Company
Net interest income	$ 1,144,820	$ 21,796	$ 1,166,616
Provisions for loan losses	30,758		30,758
Non-Interest Income:			
Third party[1]	137,534	81,296	218,830
Inter-segment	(16,607)	16,607	
Total non-interest income	120,927	97,903	218,830

Non-interest expense[2]	533,951	73,611	607,562
Income before income tax expense	701,038	46,088	747,126
Income tax expense	254,738	16,841	271,579
Net income	$ 446,300	$ 29,247	$ 475,547
Identifiable segment assets (period-end)	$ 46,015,332	$ 672,955	$ 46,688,287

(1) Includes ancillary fee income.
(2) Includes both direct and indirect expenses.

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The following table provides a summary of the Company s segment results for the twelve months ended December 31, 2012, on an internally managed accounting basis:

	For the Twelve Months Ended December 31, 2012		
(in thousands)	Banking Operations	Residential Mortgage Banking	Total Company
Net interest income	$ 1,128,591	$ 31,430	$ 1,160,021
Provisions for loan losses	62,988		62,988
Non-Interest Income:			
Third party[(1)]	116,063	181,290	297,353
Inter-segment	(14,795)	14,795	
Total non-interest income	101,268	196,085	297,353
Non-interest expense[(2)]	533,911	79,566	613,477
Income before income tax expense	632,960	147,949	780,909
Income tax expense	222,325	57,478	279,803
Net income	$ 410,635	$ 90,471	$ 501,106
Identifiable segment assets (period-end)	$ 42,680,290	$ 1,464,810	$ 44,145,100

(1) Includes ancillary fee income.
(2) Includes both direct and indirect expenses.

NOTE 20: SUBSEQUENT EVENTS

The Company evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and notes thereto took place through the date these financial statements were issued (February 28, 2014) and determined that no such subsequent events occurred during this time.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

New York Community Bancorp, Inc.:

We have audited the accompanying consolidated statements of condition of New York Community Bancorp, Inc. and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income and comprehensive income, changes in stockholders equity, and cash flows for each of the years in the three-year period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New York Community Bancorp, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 28, 2014 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

New York, New York

February 28, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

New York Community Bancorp, Inc.:

We have audited New York Community Bancorp, Inc. and subsidiaries (the Company) internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of condition of the Company as of December 31, 2013 and 2012, and the related consolidated statements of income and comprehensive income, changes in stockholders equity, and cash flows for each of the years in the three-year period ended December 31, 2013, and our report dated February 28, 2014 expressed an unqualified opinion on those consolidated financial statements.

New York, New York

February 28, 2014

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE
None.

ITEM 9A. CONTROLS AND PROCEDURES
(a) Evaluation of Disclosure Controls and Procedures

Under the supervision, and with the participation, of our Chief Executive Officer and Chief Financial Officer, our management evaluated the effectiveness of the design and operation of the Company s disclosure controls and procedures pursuant to Rule 13a-15(b), as adopted by the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934 (the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Disclosure controls and procedures are the controls and other procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Management s Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Our system of internal control is designed under the supervision of management, including our Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of the Company s financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles (GAAP).

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are made only in accordance with the authorization of management and the Boards of Directors of the Company and the Banks; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company s assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with policies and procedures may deteriorate.

As of December 31, 2013, management assessed the effectiveness of the Company s internal control over financial reporting based upon the framework established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, management concluded that the Company s internal control over financial reporting as of December 31, 2013 was effective using this criteria.

The effectiveness of the Company s internal control over financial reporting as of December 31, 2013 has been audited by KPMG LLP, an independent registered public accounting firm that audited the Company s consolidated financial statements as of and for the year ended December 31, 2013, as stated in their report, included in Item 8 on the preceding page, which expresses an unqualified opinion on the effectiveness of the Company s internal control over financial reporting as of December 31, 2013.

(c) Changes in Internal Control over Financial Reporting

There have not been any changes in the Company s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

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ITEM 9B. OTHER INFORMATION
None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE
Information regarding our directors, executive officers, and corporate governance appears in our Proxy Statement for the Annual Meeting of Shareholders to be held on June 4, 2014 (hereafter referred to as our 2014 Proxy Statement) under the captions Information with Respect to Nominees, Continuing Directors, and Executive Officers, Section 16(a) Beneficial Ownership Reporting Compliance, Meetings and Committees of the Board of Directors, and Corporate Governance, and is incorporated herein by this reference.

A copy of our Code of Business Conduct and Ethics, which applies to our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Chief Accounting Officer as officers of the Company, and all other senior financial officers of the Company designated by the Chief Executive Officer from time to time, is available at the Investor Relations portion of our websites, www.myNYCB.com, www.NewYorkCommercialBank.com, and www.NYCBfamily.com, and will be provided, without charge, upon written request to the Corporate Secretary at 615 Merrick Avenue, Westbury, NY 11590.

ITEM 11. EXECUTIVE COMPENSATION
Information regarding executive compensation appears in our 2014 Proxy Statement under the captions Compensation Committee Report, Compensation Committee Interlocks and Insider Participation, Compensation Discussion and Analysis, Executive Compensation and Related Information, and Director Compensation, and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS
The following table provides information regarding the Company s equity compensation plans at December 31, 2013:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights *(a)*	Weighted-average exercise price of outstanding options, warrants, and rights *(b)*	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) *(c)*
Equity compensation plans approved by security holders	126,821	$15.21	16,769,004
Equity compensation plans not approved by security holders			
Total	126,821	$15.21	16,769,004

Information relating to the security ownership of certain beneficial owners and management appears in our 2014 Proxy Statement under the captions Security Ownership of Certain Beneficial Owners and Information with Respect to Nominees, Continuing Directors, and Executive Officers.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions appears in our 2014 Proxy Statement under the captions Transactions with Certain Related Persons and Corporate Governance, and is incorporated herein by this reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding principal accountant fees and services appears in our 2014 Proxy Statement under the caption Audit and Non-Audit Fees, and is incorporated herein by this reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES
(a) Documents Filed As Part of This Report

1. Financial Statements

The following are incorporated by reference from Item 8 hereof:

Reports of Independent Registered Public Accounting Firm;

Consolidated Statements of Condition at December 31, 2013 and 2012;

Consolidated Statements of Income and Comprehensive Income for each of the years in the three-year period ended December 31, 2013;

Consolidated Statements of Changes in Stockholders Equity for each of the years in the three-year period ended December 31, 2013;

Consolidated Statements of Cash Flows for each of the years in the three-year period ended December 31, 2013; and

Notes to the Consolidated Financial Statements.

The following are incorporated by reference from Item 9A hereof:

Management s Report on Internal Control over Financial Reporting; and

Changes in Internal Control over Financial Reporting.

2. Financial Statement Schedules

Financial statement schedules have been omitted because they are not applicable or because the required information is provided in the Consolidated Financial Statements or Notes thereto.

3. Exhibits Required by Securities and Exchange Commission Regulation S-K

The following exhibits are filed as part of this Form 10-K and this list includes the Exhibit Index.

Exhibit No.	
3.1	Amended and Restated Certificate of Incorporation (1)
3.2	Certificates of Amendment of Amended and Restated Certificate of Incorporation (2)
3.3	Amended and Restated Bylaws (3)
4.1	Specimen Stock Certificate (4)
4.2	Registrant will furnish, upon request, copies of all instruments defining the rights of holders of long-term debt instruments of the registrant and its consolidated subsidiaries.

10.1	Form of Employment Agreement between New York Community Bancorp, Inc. and Joseph R. Ficalora, Robert Wann, Thomas R. Cangemi, James J. Carpenter, and John J. Pinto [(5)]
10.2	Retirement Agreement between New York Community Bancorp, Inc. and Michael F. Manzulli [(6)]
10.3	Retirement Agreement between New York Community Bancorp, Inc. and James J. O Donovan[(6)]

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10.4	Synergy Financial Group, Inc. 2004 Stock Option Plan (as assumed by New York Community Bancorp, Inc. effective October 1, 2007) [(7)]
10.5	Form of Change in Control Agreements among the Company, the Bank, and Certain Officers [(8)]
10.6	Form of Queens County Savings Bank Employee Severance Compensation Plan [(8)]
10.7	Form of Queens County Savings Bank Outside Directors Consultation and Retirement Plan[(8)]
10.8	Form of Queens County Bancorp, Inc. Employee Stock Ownership Plan and Trust [(8)]
10.9	Incentive Savings Plan of Queens County Savings Bank [(9)]
10.10	Retirement Plan of Queens County Savings Bank [(8)]
10.11	Supplemental Benefit Plan of Queens County Savings Bank [(10)]
10.12	Excess Retirement Benefits Plan of Queens County Savings Bank [(8)]
10.13	Queens County Savings Bank Directors Deferred Fee Stock Unit Plan[(8)]
10.14	Richmond County Financial Corp. 1998 Stock Compensation Plan [(11)]
10.15	Long Island Financial Corp. 1998 Stock Option Plan, as amended [(12)]
10.16	New York Community Bancorp, Inc. Management Incentive Compensation Plan [(13)]
10.17	New York Community Bancorp, Inc. 2006 Stock Incentive Plan [(13)]
10.18	New York Community Bancorp, Inc. 2012 Stock Incentive Plan [(14)]
11.0	Statement Re: Computation of Per Share Earnings (See Note 2 to the Consolidated Financial Statements.)
12.0	Statement Re: Ratio of Earnings to Fixed Charges (attached hereto)
21.0	Subsidiaries information incorporated herein by reference to Part I, Subsidiaries
23.0	Consent of KPMG LLP, dated February 28, 2014 (attached hereto)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (attached hereto)

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31.2	Rule 13a-14(a) Certification of Chief Financial Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (attached hereto)
32.0	Section 1350 Certifications of the Chief Executive Officer and Chief Financial Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002 (attached hereto)
101	The following materials from the Company s Annual Report on Form 10-K for the year ended December 31, 2013, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Condition, (ii) the Consolidated Statements of Income and Comprehensive Income, (iii) the Consolidated Statements of Changes in Stockholders Equity, (iv) the Consolidated Statements of Cash Flows, and (v) the Notes to Consolidated Financial Statements.

(1) Incorporated by reference to Exhibits filed with the Company s Form 10-Q for the quarterly period ended March 31, 2001 (File No. 0-22278)
(2) Incorporated by reference to Exhibits filed with the Company s Form 10-K for the year ended December 31, 2003 (File No. 1-31565)
(3) Incorporated by reference to Exhibits to the Company s Form 8-K filed with the Securities and Exchange Commission on August 27, 2012
(4) Incorporated by reference to Exhibits filed with the Company s Registration Statement on Form S-1, Registration No. 33-66852
(5) Incorporated by reference to Exhibits filed with the Company s Form 8-K filed with the Securities and Exchange Commission on March 9, 2006
(6) Incorporated by reference to Exhibits filed with the Company s Form 10-Q for the quarterly period ended March 31, 2007 (File No. 001-31565)
(7) Incorporated by reference to Exhibits to Form S-8, Registration Statement filed on October 4, 2007, Registration No. 333-146512
(8) Incorporated by reference to Exhibits filed with the Company s Registration Statement on Form S-1, Registration No. 33-66852
(9) Incorporated by reference to Exhibits to Form S-8, Registration Statement filed on October 27, 1994, Registration No. 33-85682
(10) Incorporated by reference to Exhibits filed with the 1995 Proxy Statement for the Annual Meeting of Shareholders held on April 19, 1995
(11) Incorporated by reference to Exhibits to Form S-8, Registration Statement filed on July 31, 2001, Registration No. 333-66366
(12) Incorporated by reference to Exhibits to Form S-8, Registration Statement filed on January 9, 2006, Registration No. 333-130908
(13) Incorporated by reference to Exhibits filed with the 2006 Proxy Statement for the Annual Meeting of Shareholders held on June 7, 2006
(14) Incorporated by reference to Exhibits filed with the 2012 Proxy Statement for the Annual Meeting of Shareholders held on June 7, 2012

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 28, 2014

New York Community Bancorp, Inc.
(Registrant)

/s/ Joseph R. Ficalora
Joseph R. Ficalora
President and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Joseph R. Ficalora **Joseph R. Ficalora** President, Chief Executive Officer, and Director (Principal Executive Officer)	2/28/14	/s/ Thomas R. Cangemi **Thomas R. Cangemi** Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)	2/28/14
/s/ John J. Pinto **John J. Pinto** Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	2/28/14		
/s/ Dominick Ciampa **Dominick Ciampa** Chairman of the Board of Directors	2/28/14	/s/ Maureen E. Clancy **Maureen E. Clancy** Director	2/28/14
/s/ Hanif W. Dahya **Hanif W. Dahya** Director	2/28/14	/s/ Max L. Kupferberg **Max L. Kupferberg** Director	2/28/14
/s/ Michael J. Levine **Michael J. Levine** Director	2/28/14	/s/ James J. O Donovan **James J. O Donovan** Director	2/28/14
/s/ Ronald A. Rosenfeld **Ronald A. Rosenfeld** Director	2/28/14	/s/ Lawrence J. Savarese **Lawrence J. Savarese** Director	2/28/14
/s/ John M. Tsimbinos **John M. Tsimbinos** Director	2/28/14	/s/ Spiros J. Voutsinas **Spiros J. Voutsinas** Director	2/28/14
/s/ Robert Wann **Robert Wann**	2/28/14		

Senior Executive Vice President, Chief
Operating Officer, and Director