PENNFED FINANCIAL SERVICES INC
Form 425
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Financial Institutions
Investor Conference
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A Successful Growth-through-Acquisition Strategy
Filed by New York Community Bancorp. Inc. pursuant to Rule 425 under the Securities Act of 1933
Subject Company:
PennFed
Financial
Services,
Inc.
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Other Required Legal Disclosures

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities. New York Community F
registration statement containing a proxy statement/prospectus, and other relevant documents concerning the proposed transact
Securities and Exchange Commission (the SEC). WE URGE INVESTORS TO READ THE REGISTRATION STATEME
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Investors will be able to obtain these documents free of charge at the SEC s web site (www.sec.gov). In addition, documents
New York Community Bancorp, Inc. will be available free of charge from the Investor Relations Department, New York Com
Merrick Avenue, Westbury, New York 11590.

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We are a leading financial institution in the competitive New York metropolitan region.
(a)
SNL DataSource
(b)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
With total assets of $28.9 billion at 9/30/06:
We operate the fourth largest thrift in the nation and the largest in New York State.
(a)
With multi-family loans totaling $14.7 billion at 9/30/06:
We are the leading producer of multi-family loans for portfolio in New York City.
(a)

With total deposits of $13.8 billion at 9/30/06:
We operate the tenth largest thrift depository in the nation and
the third largest in New
York State.
(a)
With the acquisitions of Long Island Financial Corp. in December
2005 and Atlantic
Bank of New York in April 2006:
We now operate 29 commercial bank branches in Manhattan, Queens,
Brooklyn,
Westchester County, and Long Island.
With our proposed acquisition of PennFed Financial Services, Inc.:
We expect to operate the seventh largest depository in Essex County, New Jersey and
the 12th largest in our New Jersey marketplace.
(a)(b)
We will have a network of 190 branches serving the New York metropolitan region.
(b)

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Acquisitions have strengthened and enhanced the quality of our balance sheet
5.63%
5.43%
1.4
13.8
7.1
28.9
19.8
$14.7
166
w/ ABNY
9/30/06
5.19%
3.97%
3.65%
4.12%

7.19%
Tangible equity
/
tangible
assets
(a)
1.3
0.9
0.3
0.2
0.1
Tangible stockholders
equity
(a)
31.2
(c)
26.3
23.4
9.2
4.7
1.9
Total assets
5.41%
4.13%
3.60%
4.11%
7.19%
Tangible equity / tangible assets
excluding after-tax mark-to-market
adjustment on
securities
(a)
15.3
12.1
10.3
5.5
3.3
1.0
Total deposits
7.7
6.9
6.0
3.0
1.4
0.4
Core deposits
21.5
(c)
17.0
10.5

5.4
3.6
1.6
Total loans
$14.7
(c)
$12.9
$ 7.4
$3.3
$1.9
$1.3
Multi-family loans
190
152
139
120
86
14
Number of branches
Pro Forma
w/ PFSB
(b)
w/ LICB
12/31/05
w/ RSLN
12/31/03
w/ RCBK
12/31/01
w/ HAVN
12/31/00
12/31/99
(dollars in billions)
(a)
Please see page 22 for a reconciliation of our GAAP and non-GAAP capital measures.
(b)
Pending approval of PFSB   s shareholders and the customary regulatory agencies.
(c)
Prior to post-merger balance sheet repositioning.

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and have contributed to the achievement of several key goals.

Provides opportunities for profitable post-merger balance sheet repositioning

ABNY

Provides cost-effective deposits to fund loan growth

Extends our geographic footprint within the Metro New York region

Strengthens our deposit market share in existing markets

Immediately accretive to GAAP and cash earnings

PFSB

(a)

LICB

RSLN

RCBK

HAVN

(a)

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

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(dollars
in
millions)
$1,611
$3,636
$5,405
$5,489
$10,499
$10,919
$13,396
$17,029
$19,757
$197
$526

$2,578
$4,652
$9,500
$12,119
$7,081
$5,637
$5,209
45.7%
41.2%
% of Total Assets:
3/31/04
12/31/04
12/31/05
29.5%
55.7%
21.4%
64.8%
18.0%
68.3%
9/30/06
Cash flows from the sale of acquired assets have been converted
into securities and then into loans...
12/31/00
12/31/01
12/31/02
12/31/03
12/31/99
Loans
Securities
10.4%
84.3%
11.2%
77.2%
28.0%
58.7%
41.1%
48.5%
40.5%
44.8%
w/ HAVN
w/ RCBK
w/ RSLN
w/ ABNY
w/ LICB

9
$658
$1,874
$2,408
$1,949
$4,362
$3,752
$5,247
$6,639
$7,546
$378
$1,212
$2,588
$2,842
$5,247
$5,911

$6,012
$5,943
$6,463
$720
$739
$846
$1,170
$1,245
$465
$455
$171
$40
12/31/99
12/31/00
12/31/01
12/31/02
12/31/03
12/31/04
12/31/05
9/30/06
Pro Forma
$3,257
$5,450
$5,256
$1,076
Total Deposits:
$10,329
$10,402
$12,105
$13,752
Total deposits: 48.1% CAGR
Core deposits: 54.0% CAGR
Demand deposits: 66.4% CAGR
CDs
NOW, MMAs, and Savings
Demand deposits
(in millions)
Deposits
with additional funding stemming from acquired deposits.
w/ HAVN
w/ RCBK
w/ RSLN
w/ ABNY
w/ LICB
$15,254
w/ PFSB
(a)
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.

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$1,348
$1,946
$3,255
$4,494
$7,368
$9,839
$12,854
$14,700
$14,725
$1,690
$2,150
$995
$3,131
$3,557
$4,175

$5,057
$6,750
$263
12/31/99
12/31/00
12/31/01
12/31/02
12/31/03
12/31/04
12/31/05
9/30/06
Pro Forma
(in millions)
Multi-family Loans Outstanding
All Other Loans Outstanding
(a)
Amounts exclude net deferred loan origination fees and costs.
(b)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
(c)
Prior to post-merger balance sheet repositioning.
$5,405
$5,489
$10,499
Loans
Outstanding
(a)
Multi-family loans: 42.5% CAGR
Total loans: 46.8% CAGR
$13,396
$17,029
$3,636
$1,611
$19,757
While acquisitions have contributed to the growth of our loan
portfolio, the bulk of our growth has been organic.
w/ HAVN
w/ RCBK
w/ RSLN
w/ ABNY
w/ LICB
Total Loans:
$21,475
w/ PFSB
(b)(c)
$1,150
$2,560
$4,330
$6,041
$6,332

$616
$677
$3,988
Total Originations:

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We expect to complete the acquisition of PFSB on or about
March 31, 2007.
(a)
Purchase Price per Share
Transaction Value
Form of Consideration
Exchange Ratio
Transaction Structure
Estimated Cost Savings
Revenue Synergies
Estimated Transaction Costs
Estimated Core Deposit Intangible
Termination Fee
Due Diligence
$19.50
(b)
$260 million

100% NYB Common Stock
Fixed at 1.222 NYB shares for each PFSB share
Tax-free exchange
$9.0 million pre-tax (represents 40% of PFSB s pre-tax operating expenses); 100% realized in 2007
None assumed
$18.6 million after-tax
3% of PFSB s non-CDs amortized over 10 years (sum-of-the-years digits)
$10 million (3.8% of transaction value)
Completed
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
(b)
Based on our closing price of $15.96 on November 2, 2006.

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The PFSB acquisition is expected to enhance our franchise, our balance sheet, and our earnings
Strengthens our market share in New Jersey

Improves our
position
from
26
th
to
7
th
in
Essex
County

Solidifies our position in Hudson and Union Counties
Expands our footprint into Ocean, Middlesex, and Monmouth Counties
Provides cost-effective retail deposits to fund loan growth
Franchise Enhancing
Expected to be immediately accretive to our GAAP and cash earnings
Double-digit internal rate of return without assumed revenue enhancements from balance sheet repositioning
Low core deposit premium of 10.8% (a)
Attractive Transaction Pricing
(a) Calculated as transaction value less tangible book value divided by total deposits less CDs > $100,000.

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while providing opportunities for future revenue growth.
Significant
Cost Savings &
Revenue
Enhancement
Opportunities
PFSB s operating efficiency ratio = 62.21%, compared to 37.08% for NYB
(a)
Estimated cost savings of approximately 40% of PFSB s pre-tax operating expenses to be fully realized in 2007
Expected sale of PFSB s 1 4 family loans and securities to provide liquidity for the production of multi-family and other higher-yielding loans
$9.0 million in potential additional earnings from proposed post-merger balance sheet repositioning
(b)

Low
Execution
Risk
We have a strong integration track record
five transactions completed
since 11/2000
PFSB s assets = approximately 8% of NYB s current assets
PFSB is well capitalized, with a total risk-based capital ratio of 13.43%
(c)
Low credit risk
PFSB has a strong record of asset quality
(c)

NPAs/Total Assets = 0.09%

NPLs/Total Loans = 0.12%

Net Charge-offs/Avg. Loans = 0.01%
No social issues
a common focus on community banking
Pro formas reflect conservative cost savings assumptions and no revenue
enhancement
(a)
PFSB s
GAAP
and
operating
efficiency
ratios
are
the
same.
Please
see
page
21
for
a
reconciliation
of
our
GAAP
and
operating
efficiency
ratios.
(b)
Assumes PFSB s 1-4 family loans and securities are replaced by multi-family and other higher-yielding loans.
(c)
Data at or for the nine months ended September 30, 2006.

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With the acquisition of PFSB, we will extend our geographic footprint in New Jersey and strengthen our market share.
NYB
PFSB
Bronx
Manhattan
Richmond
Kings
Queens
Nassau
Suffolk
Westchester
Essex

Union
Middlesex
Monmouth
Ocean
Hudson
Essex
13
$0.90
Ocean
3
0.14
Monmouth
3
0.13
Middlesex
2
0.13
Hudson
2
0.08
Union
1
0.04
Total
24
$1.43
PFSB
Deposits
by
County
(a)
County
Branches
Deposits ($B)
Source: SNL Financial
(a)
At June 30, 2006.

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Our acquisitions of LICB and ABNY provided us with an established commercial bank platform
Diversified our depositor/borrower base
Enhanced our interest rate risk profile by replacing higher-cost funding with lower-cost core and non-interest-bearing deposits
Provided opportunities to cross-sell commercial bank products in savings bank branches
Added commercial lending expertise to our management team
Enhanced our asset mix with C&I loans to small and mid-size businesses
78%
(b)
82%
(a)
-
Core deposits/total deposits
28%
(b)
23%
(a)

-
Non-interest-bearing/total deposits
ABNY
LICB
(a)
Percentage as of 12/31/05
(b)
Percentage as of 4/28/06

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and have supported our net interest margin in a challenging yield curve environment.

The acquisition of LICB:

-

Added $347 million of low-cost core deposits, including $100 million of non-interest-bearing accounts on 12/30/05

The acquisition of ABNY:

-

Added $1.4 billion of low-cost core deposits, including $496 million of non-interest-bearing accounts on 4/28/06

The post-merger repositioning of our liabilities:

-

Used the proceeds from the post-merger sale of securities to prepay $886 million of wholesale borrowings with a weighted average cost of 5.93% in 2Q 06

-

Reduced higher-cost brokered deposits

-

Extended $1.2 billion of wholesale borrowings to an average call date of 2.4 years
($2.5 billion year-to-date to an average call date of 2.6 years in 1H 06)
Our net interest margin:

- 1Q 06: 2.28%
- 2Q 06: 2.29%
- 3Q 06: 2.24%

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2Q 2006:

-

Sold $1.2 billion of securities acquired in the LICB and ABNY transactions and used the proceeds to reduce our higher-cost sources of funds

-

Completed the consolidation of our back-office operations

3Q 2006:

-

Established new executive-level position to emphasize our focus on building a sales and service culture throughout our branch network

-

Retained key personnel to maintain lending / depository relationships with major business customers

-

Combined our community and commercial bank Premier Banking Groups to enhance

service to existing clients and build new relationships both here and overseas
4Q 2006:
-
Upgraded New York Commercial Bank s data processing systems
-
Integrated ABNY s data processing systems with New York Commercial Bank s
-
Launch cross-sales training initiative throughout the branch network
-
Roll out performance-driven incentive program for branch personnel
1Q 2007:
-
Initiate sale
of
New
York
Commercial
Bank
products
throughout
the
New
York
Community
Bank franchise, while providing superior small and mid-size business solutions
The integration of Atlantic Bank has been progressing
on schedule.

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We are committed to building value by building our business.

We are focused on:

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

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

Utilizing the cash flows from the sale of securities and 1-4 family loans to originate higher-yielding loans and reduce our higher-cost funding sources

Expanding and diversifying our deposit mix

Improving our net interest margin by replacing our higher-cost wholesale sources

of funds with lower-cost retail deposits
Demonstrating our capacity to execute accretive merger transactions while
maintaining our efficiency and making our franchise more valuable
Maintaining a high level of customer service
Maintaining the strength of our tangible capital measures
Maintaining the payment of a strong dividend

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Log onto our web site: www.myNYCB.com
E-mail requests to: ir@myNYCB.com
Call Investor Relations at: (516) 683-4420
Write to:
New York Community Bancorp, Inc.
615 Merrick Avenue
Westbury, NY 11590
12/7/2006
For More Information

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The following
table
presents
a
reconciliation
of
the
Company s
GAAP
and
operating
efficiency
ratios
for
the
nine
months
ended

September
30,
2006
and for the year ended December 31, 2005:
Reconciliation of GAAP and Operating Efficiency Ratios
For the Year Ended
For the Nine Months Ended
December 31, 2005
September 30, 2006
(dollars in thousands)
(36,588)
--
--
--
Merger-related charge
$200,033
$236,621
$182,863
$182,863
Adjusted operating expenses
Adjustment:
37.08%
$182,863
$493,134
6,071
$487,063
37.54%
$182,863
$487,063
--
$487,063
Adjustment:
28.86%
34.14%
Efficiency ratio
$236,621
$236,621
Operating expenses
$693,068
$693,068
non-interest income
Adjusted total net-interest income and
--
--
rate swaps
Loss on mark-to-market of interest
$693,068
$693,068
Total net interest income and non-interest income

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The following
table
presents
a
reconciliation
of
the
Company s
stockholders
equity,
tangible

stockholders
equity,
and
adjusted
stockholders
equity;
total assets,
tangible
assets,
and
adjusted
tangible
assets;
and
the
related
capital
measures
at
December
31,
1999,
2000,
2001,
2002,
2003,
2004,
and
2005 and at September 30, 2006:
Reconciliation of GAAP and Non-GAAP Capital Measures
December 31,
September 30,
1999
2000
2001
2002
2003
2004
2005
2006
(dollars in thousands)
--
--
(57,500)
(51,500)
(98,993)
(87,553)
(86,533)
(111,430)
Core deposit intangibles

7.19%
4.11%
3.60%
5.78%
4.13%
5.39%
5.41%
5.63%
Adjusted tangible stockholders
equity to adjusted
tangible assets
$1,906,835
$4,591,895
$8,526,767
$10,602,222
$21,458,631
$22,039,532
$24,272,340
$26,716,531
Adjusted tangible assets
--
(820)
(3,715)
(34,852)
34,640
40,697
55,857
55,626
Add back: Net unrealized losses (gains)
on securities
$1,906,835
$4,592,715
$8,530,482
$10,637,074
$21,423,991
$21,998,835
$24,216,483
$26,660,905
Tangible assets
$137,141
$188,520
$307,266
$612,642
$885,951
$1,188,120
$1,313,512
$1,504,255
Adjusted tangible stockholders
equity
--

(820)
(3,715)
(34,852)
34,640
40,697
55,857
55,626
Add back: Net unrealized losses (gains)
on securities
$137,141
$189,340
$310,981
$647,494
$851,311
$1,147,423
$1,257,655
$1,448,629
Tangible stockholders
equity
7.19%
4.12%
3.65%
6.09%
3.97%
5.22%
5.19%
5.43%
Tangible stockholders
equity to tangible assets
7.19%
6.53%
10.68%
11.70%
12.24%
13.26%
12.65%
12.83%
Stockholders
equity to total assets
$1,906,835
$4,592,715
$8,530,482
$10,637,074
$21,423,991
$21,998,835
$24,216,483
$26,660,905
Tangible assets
--
(118,070)

(614,653)
(624,518)
(1,918,353)
(1,951,438)
(1,980,689)
(2,151,951)
Less: Goodwill
$1,906,835
$4,710,785
$9,202,635
$11,313,092
$23,441,337
$24,037,826
$26,283,705
$28,924,286
Total assets
$137,141
$ 189,340
$ 310,981
$ 647,494
$ 851,311
$ 1,147,423
$ 1,257,655
$ 1,448,629
Tangible stockholders
equity
--
--
(57,500)
(51,500)
(98,993)
(87,553)
(86,533)
(111,430)
Core deposit intangibles
--
(118,070)
(614,653)
(624,518)
(1,918,353)
(1,951,438)
(1,980,689)
(2,151,951)
Less: Goodwill
$137,141
$ 307,410
$ 983,134
$1,323,512
$ 2,868,657
$ 3,186,414

$ 3,324,877
$ 3,712,010
Total stockholders
equity