PENNFED FINANCIAL SERVICES INC
Form 425
January 29, 2007

Fourth Quarter 2006
Investor Presentation
January 29, 2007
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Filed by New York Community Bancorp, Inc. pursuant to Rule 425 under the Securities Act of 1933
Subject Company: PennFed
Financial Services, Inc.
Commission File No. 0-24040

2
Forward-looking Statements and Associated Risk Factors
Safe Harbor Provisions of the Private Litigation Reform Act of 1995
This presentation, like other written and oral communications presented by New York Community Bancorp, Inc. and its author
the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 193
amended. New York Community Bancorp, Inc.
intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained
and is including this statement for purposes of said safe harbor
provisions.
Forward-looking statements, which are based on certain assumptions, may be identified by their reference to future periods and
the anticipated effects of the proposed transaction between New York Community Bancorp, Inc. and PennFed Financial Servic
among others, could cause the actual results of the transaction and the expected benefits of the transaction to the combined con
shareholders, to differ
materially from the expectations stated in this presentation: the ability of the Companies to consummate the transaction; a mat
results of operations of either company; the ability of New York
Community Bancorp, Inc. to successfully integrate the assets, liabilities, customers, systems, and any management
personnel it may acquire into its operations pursuant to the transaction; and the ability to realize the related revenue synergies a
In addition, factors that could cause the actual results of the transaction to differ materially from current expectations include, b
trends, either nationally or locally in some or all of the areas
in which the Companies and their customers conduct their respective businesses; conditions in the securities markets or
the banking industry; changes in interest rates, which may affect the Companies
net income, the level of prepayment penalties and other future cash flows, or the market value of their
assets; changes in deposit flows, and in the demand for deposit,
loan, and investment products and other financial services in the Companies
local markets; changes in the financial or
operating performance of the Companies
customers
businesses; changes in real estate values, which could impact the quality of the assets securing the Companies
loans; changes in
the quality or composition of the Companies
loan or investment portfolios; changes in competitive pressures
among financial institutions or from non-financial institutions; changes
in the customer base of either company; potential exposure to unknown or contingent liabilities of companies targeted by New
Companies
timely development of new lines of business and competitive products or services within existing lines of business in a changin
products or services by the Companies
customers; any interruption or breach of security resulting in failures or disruptions in customer account management, general
loan, or other systems; the outcome of pending or threatened litigation or of other matters before regulatory agencies, or of mat
existing or commencing in the future; environmental conditions that exist or may exist on properties owned by, leased by, or m
future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; cha

insurance law, regulations, and policies, and the ability to comply with such changes in a timely manner; changes in accountin
in legislation and regulation; operational issues stemming from and/or capital spending necessitated by the potential need to ad
systems, on which the Companies are highly dependent; changes in
the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal
Reserve Board; war or terrorist activities; and other economic, competitive, governmental, regulatory, and geopolitical factors
operations, pricing, and
services. Additionally, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Co
control.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this
regulation, the Company disclaims any obligation to update any forward-looking statements.

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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
with
the
U.S.
Securities
and
Exchange
Commission
(the
SEC)
which
has
not
yet
become
effective.
The
registration
statement
contains
a
proxy
statement/prospectus,
and
other
relevant
information
concerning
the
proposed
transaction.
WE
URGE
INVESTORS
TO
READ
THE
REGISTRATION STATEMENT CONTAINING THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEV
FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION.

Investors will be able to obtain these documents free of charge at the SEC s web site (www.sec.gov). In addition, documents
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.

4
With assets of $28.5 billion at 12/31/06:
-
We operate the 5th largest thrift in the nation and the largest in New York State.
(a)
With a portfolio of $14.5 billion:
-
We are the leading producer of multi-family loans for portfolio in New York City.
(a)
With deposits of $12.6 billion:
-
We operate the 10th largest thrift depository in the nation and the 3rd largest in New York State.
(a)
-
We operate the 16th largest commercial bank in our market.
(a)
With the acquisition of PennFed on or about March 31, 2007:

-
We expect to operate the 2nd largest thrift depository in Essex County, NJ and the 3rd largest in our New Jersey market.
(a)(b)
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.

5
We are structured as a multi-bank holding company with two
bank subsidiaries operating nine divisional banks.
Community
Bank
Divisions
Commercial
Bank
Division
(a)
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.

6
With the acquisition of PFSB, we will extend our geographic footprint in New Jersey.
(a)
New York Community Bank
New York Commercial Bank
PennFed
Queens
Nassau
Suffolk
Brooklyn
Manhattan
Staten Island
Bronx

Westchester
Essex
Union
Monmouth
Ocean
Hudson
Middlesex
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.

7
With PFSB, we will have 190 branches serving consumers and
businesses throughout Metro New York.
6
5
1
--
Manhattan
36
3
10
23
Nassau
15
(b)
--
--

15
Essex, New Jersey
Commercial
Bank Branches
Community
Bank Branches
17
(b)
--
2
15
Other New Jersey
11
3
4
4
Brooklyn
190
29
48
110
Total
10
4
5
1
Bronx and Westchester
23
(a)
--
5
17
Staten Island
33
(a)
9
14
9
Suffolk
39
(a)
5
7
26
Queens
Total
Traditional
In-store
Traditional
Market Served

(a)
Includes a customer convenience center.
(b)
Pending approval of PFSB s shareholders and the customary regulatory agencies. NYB currently has 2 branches in Essex Cou
County, and 4 branches in Hudson County, NJ.

8
We compete very effectively against New York s money center banks.
100.00
$49,220,400
475
Total for Institutions in Market
2.25
1,109,590
3
Signature Bank
10
4.07
2,001,685
22
HSBC Holdings plc
9

4.69
2,306,740
20
Commerce Bancorp Inc.
8
5.18
2,551,880
51
Bank of America Corp.
7
7.30
3,592,143
35
Washington Mutual Inc.
6
10.04
4,942,587
29
Astoria Financial Corp.
5
11.20
5,512,324
38
New York Community
4
12.64
6,220,195
55
Citigroup Inc.
3
13.16
6,479,473
59
Capital One Financial Corp.
2
16.56%
$ 8,148,830
85
JPMorgan Chase & Co.
1
Market
Share
Deposits
Branches
Institution
Rank
NASSAU, NY
100.00
$37,950,155
405

Total for Institutions in Market
2.32
881,257
7
Flushing Financial Corp.
10
2.56
970,644
12
Sovereign Bancorp Inc.
9
2.81
1,064,945
26
Washington Mutual Inc.
8
3.89
1,476,714
10
Ridgewood Savings Bank
7
7.08
2,685,273
22
HSBC Holdings plc
6
7.59
2,882,128
40
New York Community
5
8.32
3,157,905
17
Astoria Financial Corp.
4
12.45
4,722,978
51
Capital One Financial Corp.
3
13.53
5,135,605
29
Citigroup Inc.
2
18.97%
$ 7,199,592
65
JPMorgan Chase & Co.

1
Market
Share
Deposits
Branches
Institution
Rank
QUEENS, NY
(dollars in thousands)
Source: SNL DataSource
(a) Pro forma for the pending acquisition of PennFed.
100.00
$8,496,029
100
Total for Institutions in Market
1.71
145,351
4
Capital One Financial Corp.
10
2.41
204,733
5
VSB Bancorp Inc.
9
3.02
256,278
2
HSBC Holdings plc
8
4.00
339,897
5
Commerce Bancorp Inc.
7
7.11
603,776
5
Washington Mutual Inc.
6
8.91
757,151
11
NSB Holding Corp.
5
11.87
1,008,144
6
Citigroup Inc.
4

12.21
1,037,444
8
JPMorgan Chase & Co.
3
17.99
1,528,359
23
New York Community
2
29.33%
$2,491,607
23
Sovereign Bancorp Inc.
1
Market
Share
Deposits
Branches
Institution
Rank
STATEN ISLAND, NY
100
33,793,788
422
Total for Institutions in Market
2.66
900,089
9
Commerce Bancorp Inc.
10
3.50
1,183,588
27
Suffolk Bancorp
9
4.48
1,512,730
33
Bank of America Corp.
8
4.59
1,550,614
33
New York Community
7
4.93
1,666,075
22
HSBC Holdings plc

6
7.24
2,445,807
28
Citigroup Inc.
5
7.82
2,642,889
36
Washington Mutual Inc.
4
9.08
3,069,546
25
Astoria Financial Corp.
3
19.16
6,473,902
80
JPMorgan Chase & Co.
2
26.03
8,795,547
63
Capital One Financial Corp.
1
Market
Share
Deposits
Branches
Institution
Rank
SUFFOLK, NY
100.00
$15,835,652
275
Total for Institutions in Market
4.47
708,081
8
Investors Bancorp Inc.
10
4.48
709,304
9
Commerce Bancorp Inc.
9
6.11
966,905
10

Hudson City Bancorp Inc.
8
6.11
967,395
15
New York Community
7
6.54
1,035,703
18
JPMorgan Chase & Co.
6
7.54
1,194,135
33
Bank of America Corp.
5
8.14
1,289,226
26
Valley National Bancorp
4
8.67
1,372,355
24
PNC Financial Services
3
10.53
1,667,929
22
Sovereign Bancorp Inc.
2
17.41%
$ 2,756,217
32
Wachovia Corp.
1
Market
Share
Deposits
Branches
Institution
Rank
ESSEX, NJ
(a)

9
4th Quarter 2006 Highlights
****
****
****
****
*
*
*
*
*
*
*

10
While the yield curve inverted over the course of 2006, our net interest margin remained stable.
3.56
4.07
4.14
2.29%
$5,305
5.62
5.85%
2Q 2006
3.45
3.72
4.13
2.28%
$10,149
5.56
5.81%
1Q 2006
64.4%
$8,746
$5,320

Prepayment penalties
4 bp
4.22
4.18
Average cost of borrowed funds
9 bp
3.83
3.74
Average cost of funds
23 bp
4.57
4.34
Average cost of CDs
3 bp
2.27%
2.24%
Net interest margin
12 bp
5.86
5.74
Average yield on assets
14 bp
6.08%
5.94%
Average yield on loans
4Q 2006
Linked-quarter
Increase
4Q 2006
3Q 2006
(dollars in thousands)

11
Our longstanding record of asset quality was extended in
4Q 2006.
(a)
SNL DataSource
0.40%
0.26%
0.08%
12/31/06
U.S. Banks & Thrifts
(a)
NY State Banks & Thrifts
(a)
NYB
NPAs
/ Total Assets

0.43%
0.39%
0.11%
12/31/06
NPLs / Total Loans
0.15%
0.15%
0.00%
2006
NCOs / Avg. Loans

12
Efficiency Ratio
We consistently rank among the most efficient bank holding companies in the nation.
(a)
SNL DataSource
(b)
Operating efficiency ratio. Please see page 29 for a reconciliation of our GAAP and operating efficiency ratios.
61.31%
58.23%
37.59%
2006
U.S. Banks & Thrifts
(a)
NY State Banks & Thrifts
(a)

NYB
(b)
61.01%
56.99%
39.12%
4Q 2006

13
Both of our bank subsidiaries are well capitalized institutions:
The strength of our tangible capital has facilitated the payment
of a strong quarterly cash dividend.
12/31/06
10.01%
7.10%
Leverage capital ratio
Commercial Bank
Community Bank
Our tangible capital measures grew on a linked-quarter basis and year-over-year:
5.41
5.19%
$1.3
12/31/05
5.66
5.63

Tangible equity/tangible assets
excluding after tax
mark-to-market
adjustment on securities
(a)
5.47%
5.43%
Tangible equity/tangible assets
(a)
$1.4
$1.4
Tangible stockholders
equity
(a)
12/31/06
9/30/06
(dollars in billions)
Our quarterly cash dividend has increased 90-fold since we initiated payments in 3Q 1994
and currently provides a yield in excess of 6%.
(a)
Please see page 30 for a reconciliation of our GAAP and non-GAAP capital measures.

14
Our Business Model
****
****
****
****
*
*
*
*
*
*
*

15
The foundation for our success is a consistent business model that has
focused on building value while, at the same time, building the Company.
(a)
Please see page 29 for a reconciliation of our GAAP and operating efficiency ratios.
(b)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
The origination of multi-family loans:
-
$18.4 billion of multi-family loans originated in the current decade, including $2.8 billion
in 2006
The maintenance of strong credit standards, resulting in a consistent record of solid asset
quality:
-
Charge-offs of $420,000 in 2006 all on acquired assets
-
No net charge-offs for 40 consecutive quarters (4Q 1994 - 3Q 2004)
The efficient operation of our Company and our branch network:
-
Operating efficiency ratio of 37.59% in 2006
(a)
The growth of our business through accretive merger transactions:
-
November 2000:

Haven Bancorp, Inc. (HAVN)
-
July 2001:
Richmond County Financial Corp. (RCBK)
-
October 2003:
Roslyn Bancorp, Inc. (RSLN)
-
December 2005:
Long Island Financial Corp. (LICB)
-
April 2006:
Atlantic Bank of New York (ABNY)
-
March 2007:
PennFed
Financial Services, Inc. (PFSB)
(b)

16
Our multi-family lending niche is profitable, efficient, and resilient.
Niche:
Primarily rent-controlled and -stabilized buildings in NYC
Borrowers:
Long-term property owners with a history of building cash flows, often on buildings that have been in their families for multiple generations
Term:
Years 1
5: Fixed at 150 bp above the 5-year CMT
Years 6
10: Monthly adjustable rate 250 bp above prime, or fixed rate 275 bp above the 5-year CMT plus 1 point
Prepayment
Range from 5 points to 1 point in years 1 through 5; recorded
penalties:
as interest income
Efficiency:
Less costly to originate and service than 1-to-4 family loans
Quality:

No losses in our niche for more than 25 years

17
% of total loans: 73.9%
Average principal balance: $3.6 million
Average loan-to-value ratio: 64.0%
Expected weighted average life: 3.8
years
2006 originations: $2.8 billion
% of total loans originated in 2006: 56.4%
At 12/31/06
$1,348
$1,946
$3,255
$4,494
$7,368
$9,839
$12,854
$14,529

12/31/99
12/31/00
12/31/01
12/31/02
12/31/03
12/31/04
12/31/05
12/31/06
Multi-family
Loan
Portfolio
(a)
(in millions)
Multi-family loans have grown at a CAGR of 40.4% since 12/31/99.
(a)
Amounts exclude net deferred loan origination fees and costs.

18
The quality of our assets reflects our strong credit and underwriting standards.
Conservative loan-to-value (LTV) ratios
Minimum debt coverage ratio: 120%
All loans approved by the Mortgage and Real Estate Committee or the Credit Committee (a majority of the Board of Directors)
Director and executive officer inspect all properties over $3 million
Board of Directors approves all loans over $10 million
All properties appraised by independent appraisers
All independent appraisals reviewed by in-house appraisal officers
Multi-family
and
commercial
real

estate
loans
based
on
the
lower
of
economic or market value
Construction loans disbursed upon receipt of signed contract of sale

19
Our efficiency has been driven by our approach to lending, product development, and branch expansion.
Multi-family and commercial real estate lending are both broker-driven, without cost to the Company.
One-to-four family loans are originated on a pass-through basis and sold shortly after closing, servicing-released, generating income for the Company.
Products and services are frequently developed by third-party providers and the sale of these products generates additional revenues.
46 of our branches are located in-store.
Franchise expansion has largely stemmed from mergers and acquisitions.

20
Acquisitions have strengthened and enhanced the quality of our balance sheet.
5.66%
5.47%
1.4
12.6
6.7
28.5
19.7
$14.5
166
w/ ABNY
12/31/06
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)
30.6
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)
14.1
12.1
10.3
5.5
3.3
1.0
Total deposits
7.3
6.9
6.0
3.0
1.4
0.4
Core deposits
21.4
17.0

10.5
5.4
3.6
1.6
Total loans
$14.6
$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)(c)
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 30 for a reconciliation of our GAAP and non-GAAP capital measures.
(b)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
(c)
Pro formas
reflect NYB data at 12/31/06 and PFSB data at 9/30/06, and do not reflect the expected post-merger balance sheet repositionin

21
In addition, our acquisitions 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.

22
(dollars in millions)
$1,611
$3,636
$5,405
$5,489
$10,499
$10,919
$13,396
$17,029
$19,653
$197
$526
$2,578
$4,652

$9,500
$12,119
$7,081
$5,637
$4,926
45.7%
41.2%
% of Total Assets:
3/31/04
12/31/04
12/31/05
29.5%
55.7%
21.4%
64.8%
17.3%
69.0%
12/31/06
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

23
$658
$1,874
$2,408
$1,949
$4,362
$3,752
$5,247
$5,945
$6,852
$378
$1,212
$2,588
$2,842
$5,247
$5,911

$6,012
$5,551
$6,071
$720
$739
$846
$1,123
$1,198
$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
12/31/06
Pro Forma
$3,257
$5,450
$5,256
$1,076
Total Deposits:
$10,329
$10,402
$12,105
$12,619
Total deposits: 44.5% CAGR
Core deposits: 50.4% CAGR
Demand deposits: 62.5% CAGR
CDs
NOW, MMAs, and Savings
Demand deposits
(in millions)
Deposits
Additional funding has stemmed from acquired deposits.
w/ HAVN
w/ RCBK
w/ RSLN
w/ ABNY
w/ LICB
$14,121
w/ PFSB
(a)(b)
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.
(b)

Pro formas
reflect NYB data at 12/31/06 and PFSB data at 9/30/06.

24
$1,348
$1,946
$3,255
$4,494
$7,368
$9,839
$12,854
$14,529
$14,554
$1,690
$2,150
$995
$3,131
$3,557
$4,175

$5,124
$6,817
$263
12/31/99
12/31/00
12/31/01
12/31/02
12/31/03
12/31/04
12/31/05
12/31/06
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)
Pro formas
reflect NYB data at 12/31/06 and PFSB data at 9/30/06, and do not reflect the expected post-merger balance sheet repositionin
$5,405
$5,489
$10,499
Loans
Outstanding
(a)
Multi-family loans: 40.5% CAGR
Total loans: 44.7% CAGR
$13,396
$17,029
$3,636
$1,611
$19,653
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:
$21,371
w/ PFSB
(b)(c)
$1,150
$2,560
$4,330
$6,041

$6,332
$616
$677
$4,971
Total Originations:

25
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

26

4Q 2006:

- New York Commercial Bank s data processing systems were upgraded.
- ABNY s data processing systems were integrated with New York Commercial Bank s.

1Q 2007:

- We have started to introduce certain Commercial Bank products in our Community Bank branches, and vice versa.
- Sales & service training initiated for all branch personnel.

-
Roll-out of sales and performance-based incentive programs throughout our branch network.
2Q 2007:
-
PennFed s data processing systems to be integrated with NYB s.
(a)
-
Commencement of sales & service training for PennFed branch personnel.
(a)
We are in the process of rolling out our sales & service initiative to enhance our revenues.
(a)
Pending approval of PFSB s shareholders and the customary regulatory agencies.

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We are committed to building value in 2007.

Our Goals

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

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

Utilize
the
cash
flows
from
the

sale
of
securities
and
1
-
4
family
loans
to
originate
higher-
yielding loans and/or reduce our higher-cost funding sources
Expand and diversify our deposit mix
Improve our net interest margin
Increase our revenues through the cross-sale of products and services
Maintain a strong level of efficiency
Grow our operating earnings
Demonstrate our capacity to execute accretive merger transactions while enhancing the value of our franchise
Maintain a high level of customer service
Maintain the strength of our tangible capital measures
Maintain our 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
1/29/2007
For More Information

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Reconciliation of GAAP and Non-GAAP Measures

The following tables present reconciliations of the Company s GAAP and operating efficiency ratios for the three and twelve

months
ended
December 31,
2006.
For
the
three
months
ended
September
30,
2006,
the
Company s
efficiency
ratio
was
the
same
on
a
GAAP
and
operating
basis.
6,071
--
rate swaps
(3,072)
--
Retirement charge
For the Year Ended
December 31, 2006
1,859
--
Loss on debt redemption
37.59%
$247,546
(5,744)
$256,362
$658,486
$650,556
Operating
39.41%
$256,362
--
$256,362
$650,556
$650,556
GAAP

Adjustments:
Adjustments:
Efficiency ratio
Adjusted operating expenses
Merger-related charge
Operating expenses
non-interest income
Adjusted total net interest income and
Loss on mark-to-market of interest
Total net interest income and
non-interest income
(dollars in thousands)
For the Three Months Ended
September 30, 2006
December 31, 2006
39.12%
$66,683
(3,072)
(5,744)
$73,499
$165,352
1,859
$163,493
Operating
44.96%
$73,499
--
--
$73,499
$163,493
--
$163,493
GAAP
--
--
Retirement charge
--
--
Loss on debt redemption
40.68%
$66,428
--
$66,428
$163,314
$163,314
Operating
40.68%
$66,428
--
$66,428

$163,314
$163,314
GAAP
Adjustments:
Adjustments:
Efficiency ratio
Adjusted operating expenses
Merger-related charge
Operating expenses
non-interest income
Adjusted total net interest income and
Total net interest income and
non-interest income
(dollars in thousands)

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Reconciliation of GAAP and Non-GAAP Capital Measures

The
following
table
presents
a
reconciliation
of
the
Company s
stockholders

equity,
tangible
stockholders
equity,
and
adjusted
tangible
stockholders
equity; total
assets,
tangible
assets,
and
adjusted
tangible
assets;
and
the
related
capital
measures
at
December
31,
1999,
2000,
2001,
2002,
2003,
2004, 2005,
and
2006:
December 31,
1999
2000
2001
2002
2003
2004
2005
2006
(dollars in thousands)
--
--
(57,500)
(51,500)
(98,993)
(87,553)
(86,533)
(106,381)

Core deposit intangibles
7.19%
4.11%
3.60%
5.78%
4.13%
5.39%
5.41%
5.66%
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
$26,280,006
Adjusted tangible assets
--
(820)
(3,715)
(34,852)
34,640
40,697
55,857
52,125
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
$26,227,881
Tangible assets
$137,141
$188,520
$307,266
$612,642
$885,951
$1,188,120

$1,313,512
$1,487,473
Adjusted
tangible
stockholders
equity
--
(820)
(3,715)
(34,852)
34,640
40,697
55,857
52,125
Add back: Net unrealized losses (gains)
on securities
$137,141
$189,340
$310,981
$647,494
$851,311
$1,147,423
$1,257,655
$1,435,348
Tangible
stockholders
equity
7.19%
4.12%
3.65%
6.09%
3.97%
5.22%
5.19%
5.47%
Tangible
stockholders
equity
to
tangible
assets
7.19%
6.53%
10.68%
11.70%
12.24%
13.26%
12.65%
12.95%
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
$26,227,881
Tangible assets
--
(118,070)
(614,653)
(624,518)
(1,918,353)
(1,951,438)
(1,980,689)
(2,148,108)
Less: Goodwill
$1,906,835
$4,710,785
$9,202,635
$11,313,092
$23,441,337
$24,037,826
$26,283,705
$28,482,370
Total assets
$137,141
$ 189,340
$ 310,981
$ 647,494
$ 851,311
$ 1,147,423
$ 1,257,655
$ 1,435,348
Tangible
stockholders
equity
--
--
(57,500)
(51,500)
(98,993)
(87,553)
(86,533)
(106,381)

Core deposit intangibles
--
(118,070)
(614,653)
(624,518)
(1,918,353)
(1,951,438)
(1,980,689)
(2,148,108)
Less: Goodwill
$137,141
$ 307,410
$ 983,134
$1,323,512
$ 2,868,657
$ 3,186,414
$ 3,324,877
$ 3,689,837
Total
stockholders
equity