



**Fourth Quarter 2017  
Investor Presentation**



# Cautionary Statements

## **Forward-Looking Information**

This presentation may include forward-looking statements by the Company and our authorized officers pertaining to such matters as our goals, intentions, and expectations regarding revenues, earnings, loan production, asset quality, capital levels, and acquisitions, among other matters; our estimates of future costs and benefits of the actions we may take; our assessments of probable losses on loans; our assessments of interest rate and other market risks; and our ability to achieve our financial and other strategic goals.

Forward-looking statements are typically identified by such words as “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Additionally, forward-looking statements speak only as of the date they are made; the Company does not assume any duty, and does not undertake, to update our forward-looking statements. Furthermore, because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those anticipated in our statements, and our future performance could differ materially from our historical results.

Our forward-looking statements are subject to the following principal risks and uncertainties: general economic conditions and trends, either nationally or locally; conditions in the securities markets; changes in interest rates; changes in deposit flows, and in the demand for deposit, loan, and investment products and other financial services; changes in real estate values; changes in the quality or composition of our loan or investment portfolios; changes in competitive pressures among financial institutions or from non-financial institutions; our ability to obtain the necessary shareholder and regulatory approvals of any acquisitions we may propose, our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may acquire into our operations, and our ability to realize related revenue synergies and cost savings within expected time frames; changes in legislation, regulations, and policies; and a variety of other matters which, by their nature, are subject to significant uncertainties and/or are beyond our control.

More information regarding some of these factors is provided in the Risk Factors section of our Form 10-K for the year ended December 31, 2017 and in other SEC reports we file. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this presentation, or in our SEC filings, which are accessible on our website and at the SEC’s website, [www.sec.gov](http://www.sec.gov).

## **Our Supplemental Use of Non-GAAP Financial Measures**

This presentation may contain certain non-GAAP financial measures which management believes to be useful to investors in understanding the Company’s performance and financial condition, and in comparing our performance and financial condition with those of other banks. Such non-GAAP financial measures are supplemental to, and are not to be considered in isolation or as a substitute for, measures calculated in accordance with GAAP.



# We rank among the largest U.S. bank holding companies.

## ASSETS

**\$49.1 billion**

We recorded assets of **\$49.1 billion** at 12/31/17.

## DEPOSITS

**\$29.1 billion**

With **255 branches** in Metro New York, New Jersey, Ohio, Florida, and Arizona, our deposits at 12/31/17 totaled **\$29.1 billion**.

## MULTI-FAMILY LOANS

**\$28.1 billion**

With a portfolio of **\$28.1 billion** at the end of December, we are a leading producer of multi-family loans in New York City.

## TOTAL STOCKHOLDERS' EQUITY

**\$6.8 billion**

- Common stockholders' equity of \$6.3 billion at 12/31/17.
- Preferred equity of \$0.5 billion at 12/31/17.

## MARKET CAP

**\$6.4 billion**

Our market cap was **\$6.4 billion** at 12/31/17.

## TOTAL RETURN

**4,106%**

From 11/23/93 through 12/31/17, we provided our charter investors with a total return on investment of **4,106%**.<sup>(a)</sup>

(a) Bloomberg

Note: Except as otherwise indicated, all industry data was provided by S&P Global Market Intelligence as of 3/2/18.

**4Q 2017**  
**PERFORMANCE**  
**HIGHLIGHTS**



# Income Statement Highlights

*(dollars in thousands, except per share data)*

	<b>4Q 2017</b>
<b>Strong Profitability Measures:</b>	
Net income available to common shareholders	\$128,314
Diluted earnings per common share	\$0.26
Return on average assets	1.13%
Return on average common stockholders' equity	8.21
Return on average tangible assets <sup>(a)</sup>	1.19
Return on average tangible common stockholders' equity <sup>(a)</sup>	13.45
Net interest margin	2.48
Efficiency ratio	50.11

*(a) ROTA and ROTCE are non-GAAP financial measures. Please see page 31 for a discussion and reconciliation of these measures to our ROA and ROCE.*



# Balance Sheet Highlights

## BALANCE SHEET

12/31/17

Loans, net / total assets	77.9%
Securities / total assets	7.2
Deposits / total assets	59.2
Wholesale borrowings / total assets	25.6

## COMPANY CAPITAL

12/31/17

Common stockholders' equity / total assets	12.81%
Common equity tier 1 capital ratio	11.36
Tier 1 risk-based capital ratio	12.84
Total risk-based capital ratio	14.32
Leverage capital ratio	9.58

## ASSET QUALITY

At or for the Three Months Ended 12/31/17

Non-performing loans / total loans	0.19%
Non-performing assets / total assets	0.18
Net charge-offs / average loans (non-annualized)	0.01

## BANK CAPITAL

12/31/17

### Community Bank:

Common equity tier 1 capital ratio	13.43%
Total risk-based capital ratio	13.88

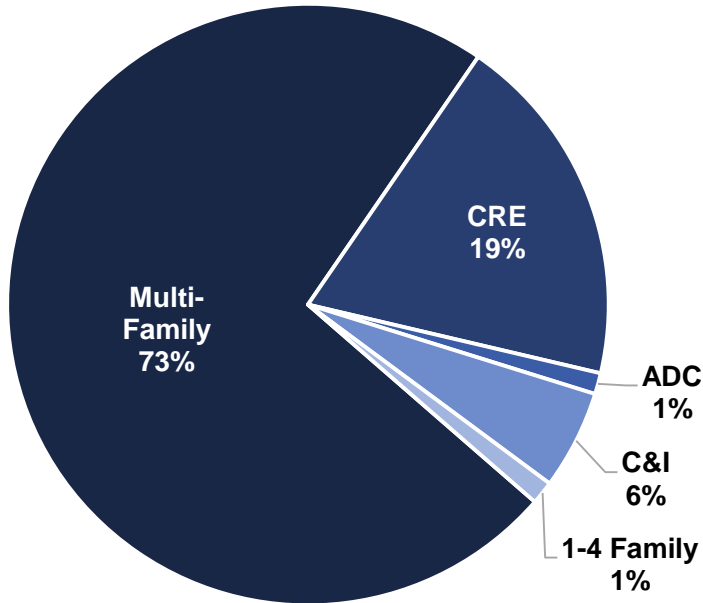
### Commercial Bank:

Common equity tier 1 capital ratio	15.95%
Total risk-based capital ratio	16.97



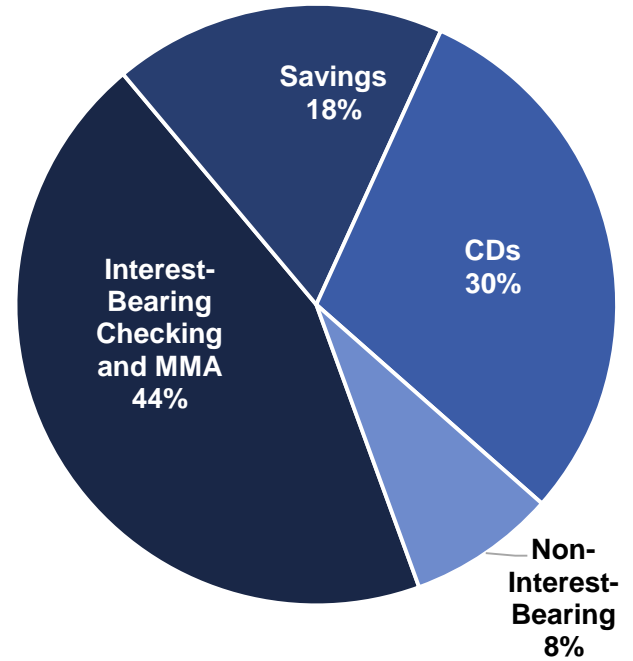
# Loans and Deposits

## LOANS AT 12/31/17



TOTAL HFI LOANS: \$38.4 BN  
AVERAGE YIELD ON LOANS: 3.68%

## DEPOSITS AT 12/31/17



TOTAL DEPOSITS: \$29.1 BN  
AVERAGE COST OF INTEREST-BEARING DEPOSITS: 0.97%



# Our regulatory capital ratios exceed those of our peers.

<b>RATIO</b>	<b>NYCB</b> <i>AT 12/31/17</i>	<b>PEERS</b> <i>(MEDIAN AT 12/31/17)</i>
Tier 1 Risk-Based Capital	12.84%	11.71%
Total Risk-Based Capital	14.32	13.40
Tier 1 Leverage	9.58	9.40
Common Equity Tier 1	11.36	10.99



**LOOKING  
FORWARD**



# Levers for Future Earnings Growth

## **STRONG LOAN GROWTH IN Q4 2017 SHOULD CARRY OVER INTO 2018**

- Total non-covered loans grew 9% on an annualized basis, and we expect loan growth to continue throughout 2018.
- Held-for-investment loan originations rose 34% from the previous quarter, including 42% growth in multi-family originations and 39% growth in CRE originations.
- Multi-family loans increased \$930 million or 14% on an annualized basis.
- We have ample room to grow on a trailing quarterly average basis without breaking the SIFI threshold.

## **SIGNIFICANT REINVESTMENT OPPORTUNITIES AHEAD**

- As a result of the sale of our mortgage banking operations, we have \$2.5 billion of excess cash earning 1.35%.
- We will continue to primarily utilize cash to fund loan and securities growth.
- Current coupons on our traditional 5 year multi-family product are about 3.75%, compared to portfolio yield of 3.42%

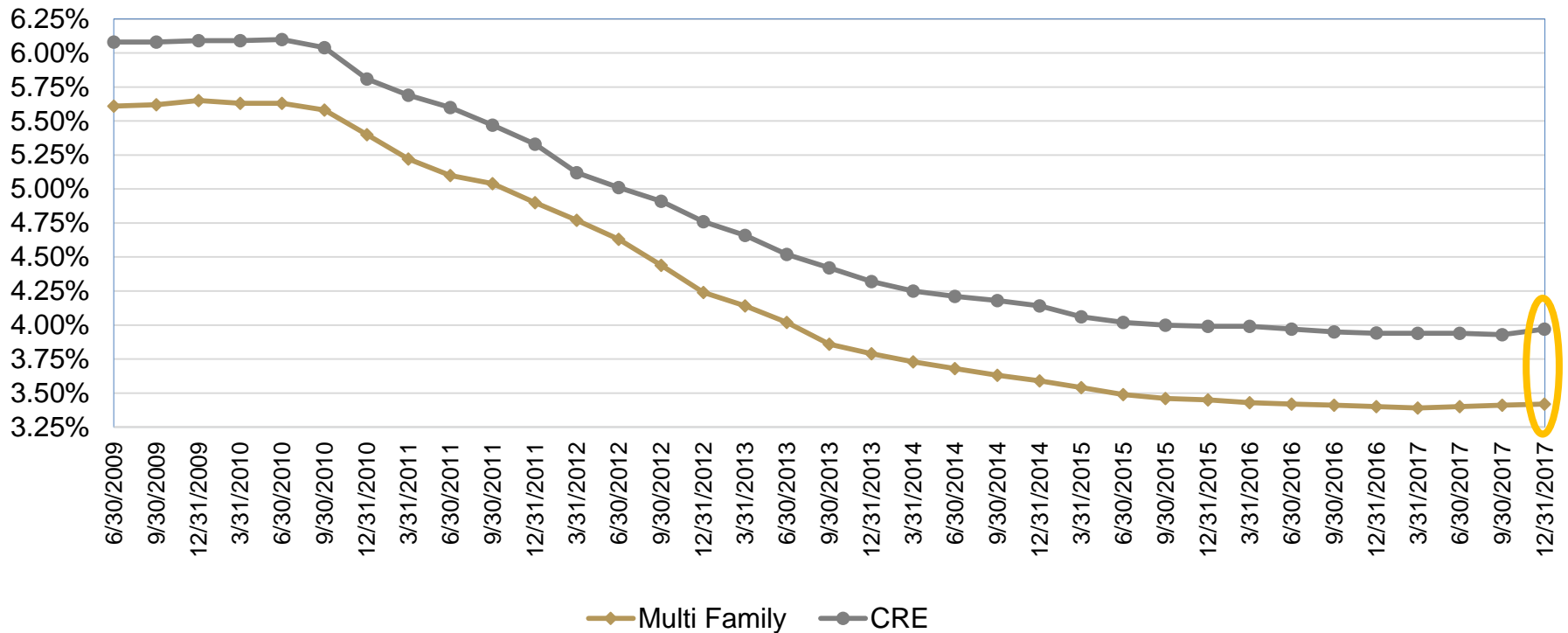
## **EXPECT OPERATING EXPENSES TO DECLINE**

- Annual cost savings from the sale of our mortgage banking operations are estimated at \$60 million.
- We anticipate additional cost save opportunities from lower SIFI-readiness expenses.
- Q1 2018 operating expenses are expected to be about \$145 million.



# With market interest rates on the rise, portfolio coupons may have bottomed

## HISTORICAL WEIGHTED AVERAGE PORTFOLIO COUPONS





# We continue to be encouraged by recent signs of regulatory easing.



The Senate Banking Committee passed a bipartisan regulatory reform bill (S.2155) which should go to the full Senate for a vote later in Q1 2018.



Raising the SIFI threshold would:

- facilitate our ability to engage in mergers with institutions, regardless of size;
- enable us to grow our loan portfolio organically, as well as through acquisitions; and
- enable us to grow our deposits and our market share through acquisitions.



Qualitative stress testing for financial institutions with assets greater than \$50 billion and less than \$250 billion has been eliminated.



The regulatory approval process for mergers resulting in the creation of a bank holding company with assets below \$100 billion has been eased; the threshold was previously \$25 billion.



## The Tax Cuts and Jobs Act provides two benefits:



A one-time \$42 million net tax benefit arising from the impact of the Act, including the re-measurement of the Company's deferred tax liability; and



A lower effective income tax rate - on an on-going basis, we expect that our effective tax rate in 2018 will be about 26.5%.

# **OUR BUSINESS MODEL**

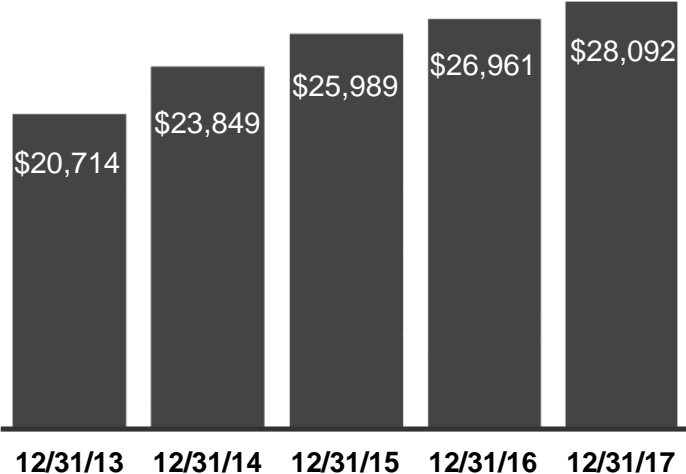
**Strategic Loan  
Production**



We are a leading producer of multi-family loans on non-luxury apartment buildings in NYC with rent-regulated units.

**MULTI-FAMILY  
LOAN PORTFOLIO**

(in millions)



Originations:	\$7,417	\$7,584	\$9,214	\$5,685	\$5,378
Net Charge-Offs (Recoveries):	\$11	\$0	\$(4)	\$0	\$0

**PORTFOLIO STATISTICS  
AT OR FOR THE 3 MONTHS ENDED  
12/31/17**

- % of non-covered loans held for investment = 73.1%
- Average principal balance = \$5.8 million
- Weighted average life = 2.6 years
- % of our multi-family loans located in Metro New York = 75.9%
- % of HFI loan originations = 66.0%



## The way we lend in this market niche has distinguished our performance from that of other multi-family lenders.



Of the loans in our portfolio that are collateralized by multi-family buildings in the five boroughs of New York City, 88% are collateralized by buildings with rent-regulated units featuring below-market rents.



Rent-regulated buildings are more likely to retain their tenants – and, therefore, their revenue stream – in downward credit cycles.



Together with our conservative underwriting standards, our focus on multi-family lending in this niche market has resulted in our record of superior asset quality.



Over the course of our public life, losses on multi-family loans have amounted to a mere \$145.5 million, representing 0.19% of the \$77 billion of multi-family loans we have originated since 1993. Losses on commercial real estate loans totaled \$18.5 million, or 0.10%, of the \$19.3 billion of CRE loans we originated during the same time.



Multi-family loans are less costly to produce and service than other types of loans, and therefore contribute to our superior efficiency.

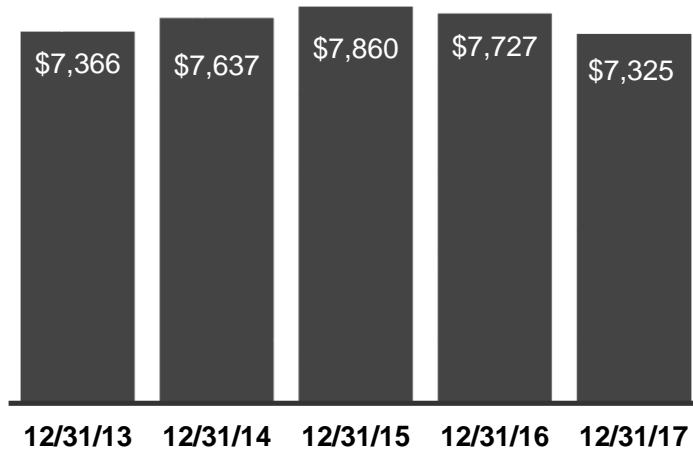




# Commercial real estate lending has been a logical extension of our emphasis on multi-family loans.

## COMMERCIAL REAL ESTATE LOAN PORTFOLIO

(in millions)



Originations:	\$2,168	\$1,661	\$1,842	\$1,180	\$1,039
Net Charge-Offs (Recoveries):	\$0	\$1	\$(1)	\$(1)	\$0

## PORTFOLIO STATISTICS AT OR FOR THE 3 MONTHS ENDED 12/31/17

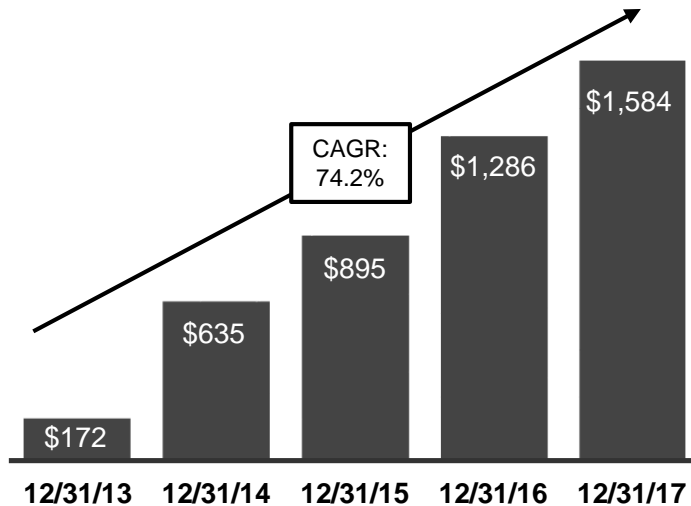
- % of non-covered loans held for investment = 19.1%
- Average principal balance = \$5.7 million
- Weighted average life = 3.0 years
- % of our CRE loans located in Metro New York = 88.7%
- % of HFI loan originations = 11.2%



# The launch of our specialty finance business provided us with another high-quality lending niche.

## SPECIALTY FINANCE LOAN AND LEASE PORTFOLIO

(in millions)



Originations:	\$258	\$848	\$1,068	\$1,266	\$1,784
Net charge-Offs:	\$0	\$0	\$0	\$0	\$0

### LOAN TYPES

- Syndicated asset-based (ABLs) and dealer floor-plan (DFPLs) loans
- Equipment loan and lease financing (EF)

### CLIENT CHARACTERISTICS

- Large corporate obligors
- Investment grade or near-investment grade ratings
- Mostly publicly traded
- Participants in stable, nationwide industries

### PRICING

- Floating rates tied to LIBOR (ABLs and DFPLs)
- Fixed rates at a spread over treasuries (EF)

### RISK-AVERSE CREDIT & UNDERWRITING STANDARDS

- We require a perfected first-security interest in or outright ownership of the underlying collateral
- Loans are structured as senior debt or as non-cancellable leases
- Transactions are re-underwritten in-house
- Underlying documentation reviewed by counsel

# **OUR BUSINESS MODEL**

**Asset Quality**



# The quality of our assets reflects the nature of our lending niche and our strong underwriting standards.

## CONSERVATIVE UNDERWRITING

- Conservative loan-to-value ratios
- Conservative debt service coverage ratios: 120% for multi-family loans and 130% for CRE loans
- Multi-family and CRE loans are based on the lower of economic or market value.

## ACTIVE BOARD INVOLVEMENT

- The Mortgage Committee and the Credit Committee approve all mortgage loans >\$50 million and all “other C&I” loans >\$5 million; the Credit Committee also approves all specialty finance loans >\$15 million.
- A member of the Mortgage or Credit Committee participates in inspections on multi-family loans in excess of \$7.5 million, and CRE and ADC loans in excess of \$4.0 million.
- All loans of \$20 million or more originated by the Community Bank and all loans of \$10 million or more originated by the Commercial Bank are reported to the Board.

## MULTIPLE APPRAISALS

- All properties are appraised by independent appraisers.
- All independent appraisals are reviewed by in-house appraisal officers.
- A second independent appraisal review is performed on loans that are large and complex.

## RISK-AVERSE MIX OF NON-COVERED LOANS HELD FOR INVESTMENT (AT 12/31/17)

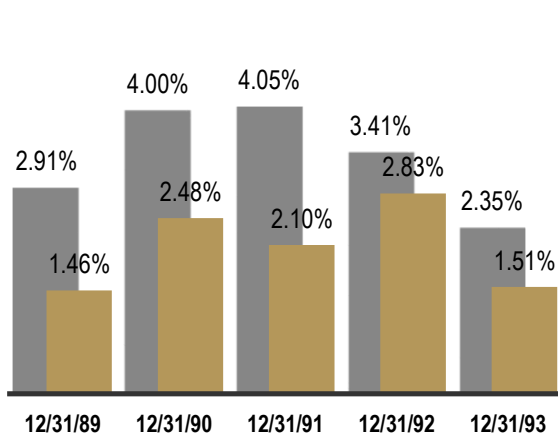
- Multi-Family: 73.2%
- CRE: 19.1%
- Commercial & Industrial: 5.4%
- One-to-Four Family: 1.2%
- ADC: 1.1%



# Our asset quality in down credit cycles has consistently distinguished us from our industry peers.

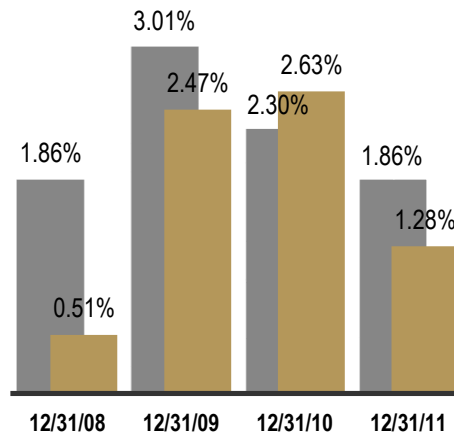
## NON-PERFORMING LOANS<sup>(a)(b)</sup> / TOTAL LOANS<sup>(a)</sup>

### S & L CRISIS<sup>(c)</sup>



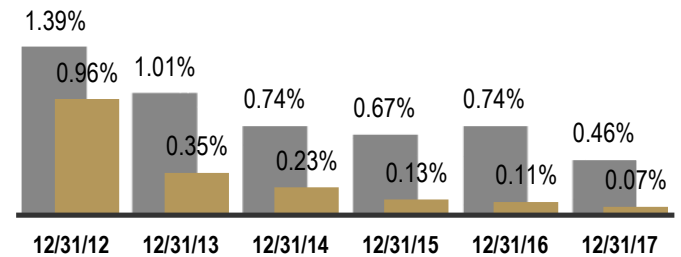
**Average NPLs/Total Loans**  
 NYCB: 2.08%  
 SNL U.S. Bank and Thrift Index: 3.34%

### GREAT RECESSION



**Average NPLs/Total Loans**  
 NYCB: 1.72%  
 Peer Group: 2.26%

### CURRENT CREDIT CYCLE



**Average NPLs/Total Loans**  
 NYCB: 0.31%  
 Peer Group: 0.84%

■ SNL U.S. Bank and Thrift Index ■ NYCB

■ Peer Group ■ NYCB

- (a) Non-performing loans and total loans exclude covered loans and non-covered purchased credit-impaired ("PCI") loans.
- (b) Non-performing loans are defined as non-accrual loans and loans 90 days or more past due but still accruing interest. Our non-performing loans at 12/31/16 and 12/31/17 exclude taxi medallion-related loans.
- (c) The SNL U.S. Bank and Thrift Index is used for this period only.



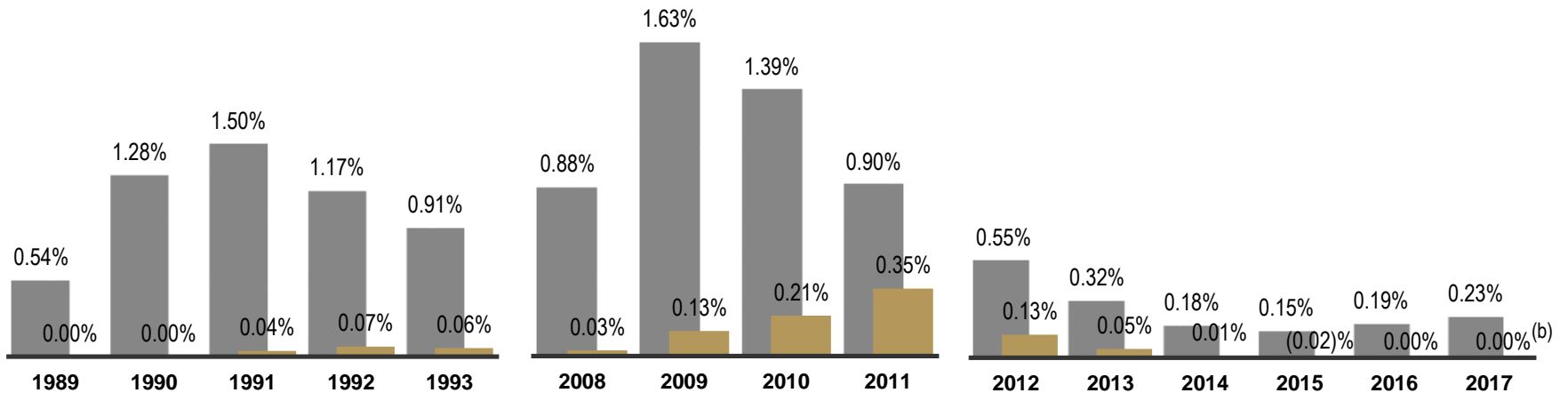
# Few of our non-performing loans have resulted in actual losses.

## NET CHARGE-OFFS / AVERAGE LOANS

### S & L CRISIS<sup>(a)</sup>

### GREAT RECESSION

### CURRENT CREDIT CYCLE



#### 5-Year Total

NYCB: 17 bp  
SNL U.S. Bank and Thrift Index: 540 bp

#### 4-Year Total

NYCB: 72 bp  
Peer Group: 480 bp

#### 6-Year Total

NYCB: 17 bp  
Peer Group: 162 bp

■ SNL U.S. Bank and Thrift Index ■ NYCB

■ Peer Group ■ NYCB

(a) The SNL U.S. Bank and Thrift Index is used for this period only.

(b) The calculation of our net charge-offs to average loans for 2017 excludes charge-offs of \$59.6 million on taxi medallion-related loans.

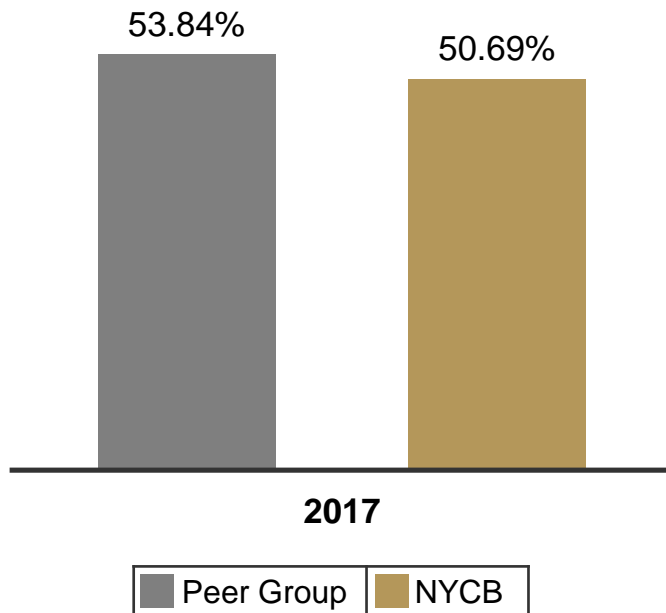
# **OUR BUSINESS MODEL**

**Efficiency**



# Efficiency has been another Company hallmark.

## EFFICIENCY RATIO (a)



## HISTORICAL DRIVERS OF OUR EFFICIENCY

- Multi-family and CRE lending are both broker-driven, with the borrower paying fees to the mortgage brokerage firm.
- Products and services are typically developed by third-party providers; their sales are a complementary source of revenues.
- Franchise expansion has largely stemmed from mergers and acquisitions; we rarely engage in de novo branch development.
- Going forward, our efficiency ratio should continue to benefit from the approximately \$60 million in annual cost savings from the sale of our mortgage banking operations and anticipated lower SIFI-readiness expenses.

(a) We calculate our efficiency ratio by dividing our operating expenses by the sum of our net interest income and our non-interest income; our 2017 measure excludes from non-interest income an \$82 million gain on sale of covered loans and mortgage banking operations.



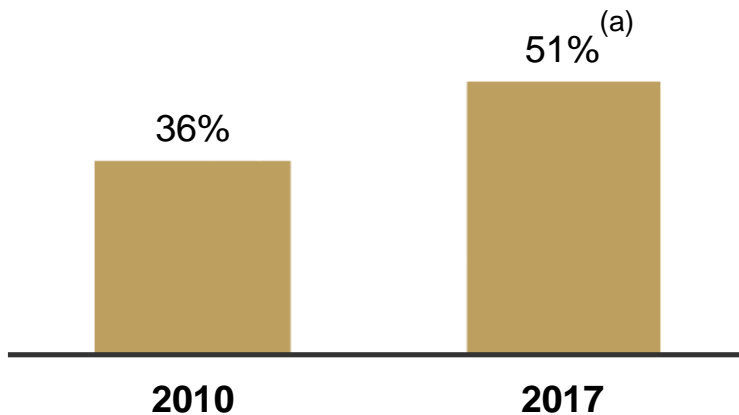


# Our efficiency ratio has increased significantly since the enactment of Dodd-Frank.

## PREPARING FOR SIFI STATUS

- Following the enactment of the Dodd-Frank Act, we began allocating significant resources towards SIFI preparedness.
- The degree to which we have already leveraged the cost of SIFI compliance is reflected in the ~ 1,500-basis point increase in our efficiency ratio since the enactment of Dodd-Frank.

### NYCB EFFICIENCY RATIO PRIOR TO AND SINCE DODD-FRANK



(a) We calculate our efficiency ratio by dividing our operating expenses by the sum of our net interest income and our non-interest income; our 2017 measure excludes from non-interest income an \$82 million gain on sale of covered loans and mortgage banking operations.

### SIFI COMPLIANCE

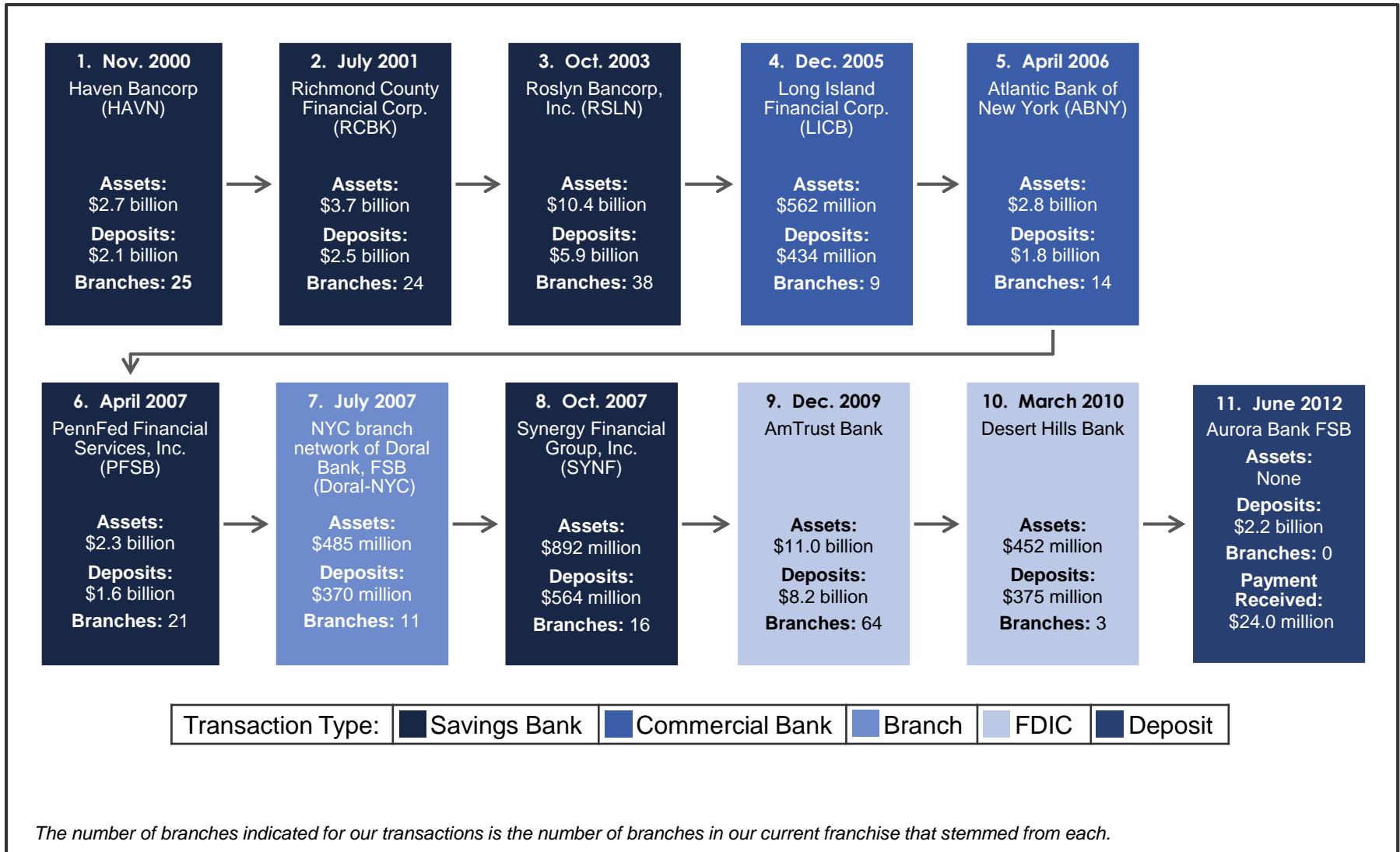
- At this juncture, the majority of the SIFI-related investments have been made.
- Key infrastructure investments to date include:
  - Enhanced ERM and corporate governance frameworks
  - Bottom-up capital planning and stress testing capabilities
  - Substantial expansion of regulatory compliance staff

# **OUR BUSINESS MODEL**

**Growth through  
Acquisitions**



# We have a long history of earnings-accretive transactions.

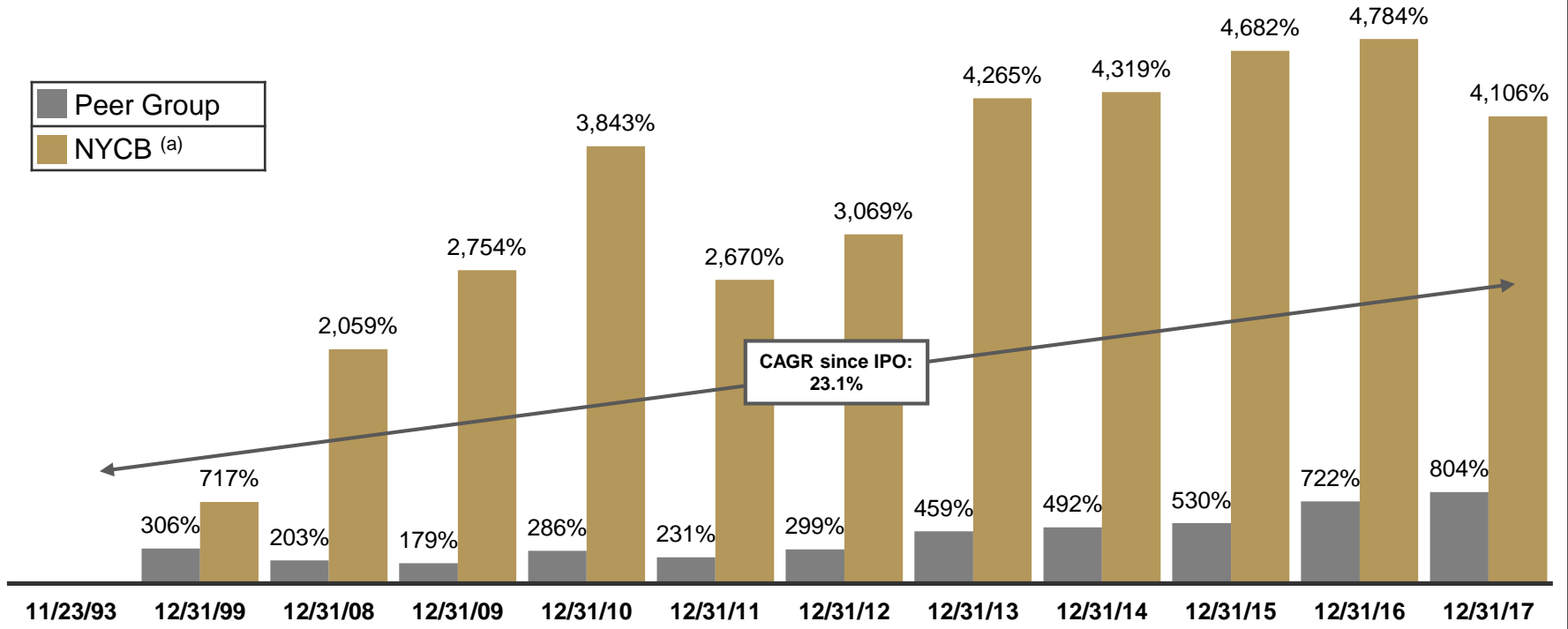




# The benefits of our business model are reflected in our total return over the course of our public life.

## TOTAL RETURN ON INVESTMENT

Peer Group  
NYCB (a)



CAGR since IPO:  
23.1%

➔ As a result of nine stock splits between 1994 and 2004, our charter shareholders have 2,700 shares of NYCB stock for each 100 shares originally purchased.

(a) Bloomberg



## For More Information

**VISIT OUR WEBSITE:**

[ir.myNYCB.com](http://ir.myNYCB.com)

**E-MAIL REQUESTS TO:**

[ir@myNYCB.com](mailto:ir@myNYCB.com)

**CALL INVESTOR RELATIONS AT:**

(516) 683-4420

**WRITE TO:**

Investor Relations  
New York Community Bancorp, Inc.  
615 Merrick Avenue  
Westbury, NY 11590

# APPENDIX



# Reconciliations of GAAP and Non-GAAP Measures

While average stockholders' equity, average assets, return on average assets, and return on average stockholders' equity are financial measures that are recorded in accordance with U.S. generally accepted accounting principles ("GAAP"), average tangible stockholders' equity, average tangible assets, return on average tangible assets, and return on average tangible stockholders' equity are not. Nevertheless, it is management's belief that these non-GAAP measures should be disclosed in our SEC filings, earnings releases, and other investor communications, for the following reasons:

1. Average tangible stockholders' equity is an important indication of the Company's ability to grow organically and through business combinations, as well as our ability to pay dividends and to engage in various capital management strategies.
2. Returns on average tangible assets and average tangible stockholders' equity are among the profitability measures considered by current and prospective investors, both independent of, and in comparison with, our peers.

We calculate average tangible stockholders' equity by subtracting from average stockholders' equity the sum of our average goodwill and core deposit intangibles ("CDI"), and calculate average tangible assets by subtracting the same sum from our average assets.

Average tangible stockholders' equity, average tangible assets, and the related non-GAAP profitability measures should not be considered in isolation or as a substitute for average stockholders' equity, average assets, or any other profitability or capital measure calculated in accordance with GAAP. Moreover, the manner in which we calculate these non-GAAP measures may differ from that of other companies reporting non-GAAP measures with similar names.

The following table presents reconciliations of our average common stockholders' equity and average tangible common stockholders' equity, our average assets and average tangible assets, and the related GAAP and non-GAAP profitability measures for the three and twelve months ended December 31, 2017:

(dollars in thousands)	<b>For the Three Months Ended December 31, 2017</b>	<b>For the Twelve Months Ended December 31, 2017</b>
Average common stockholders' equity	\$ 6,253,482	\$ 6,204,142
Less: Average goodwill and core deposit intangibles	<u>(2,436,131)</u>	<u>(2,436,184)</u>
Average tangible common stockholders' equity	<u>\$ 3,817,351</u>	<u>\$ 3,767,958</u>
 Average assets	 \$48,175,046	 \$48,324,882
Less: Average goodwill and core deposit intangibles	<u>(2,436,131)</u>	<u>(2,436,184)</u>
Average tangible assets	<u>\$45,738,915</u>	<u>\$46,188,698</u>
Net income available to common shareholders <sup>(1)</sup>	\$128,314	\$441,580
Add back: Amortization of core deposit intangibles, net of tax	<u>--</u>	<u>125</u>
Adjusted net income <sup>(2)</sup>	<u>\$128,314</u>	<u>\$441,705</u>
<b>GAAP:</b>		
Return on average assets	1.13%	0.96%
Return on average common stockholders' equity	8.21	7.12
<b>Non-GAAP:</b>		
Return on average tangible assets	1.19	1.01
Return on average tangible common stockholders' equity	13.45	11.72

(1) To calculate our returns on average assets and average common stockholders' equity for a period, we divide the net income available to common shareholders generated during that period by the average assets and the average common stockholders' equity recorded during that time.

(2) To calculate our returns on average tangible assets and average tangible common stockholders' equity for a period, we adjust the net income available to common shareholders generated during that period by adding back the amortization of CDI, net of tax, and then divide that adjusted net income by the average tangible assets and the average tangible common stockholders' equity recorded during that time.



# Peer Group

PEER	TICKER
BankUnited, Inc.	BKU
Comerica Incorporated	CMA
F.N.B. Corporation	FITB
Fifth Third Bancorp	FNB
Huntington Bancshares Incorporated	HBAN
Investors Bancorp, Inc.	ISBC
M&T Bank Corporation	MTB
Bank of the Ozarks	OZRK
People's United Financial, Inc.	PBCT
Signature Bank	SBNY
Sterling Bancorp	STL
Synovus Financial Corp.	SNV
Valley National Bancorp	VLV
Webster Financial Corporation	WBS
Zions Bancorporation	ZION