NEW YORK COMMUNITY BANCORP INC
Form DEF 14A
April 26, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement	**Confidential, for Use of the Commission Only (as permitted by Rule 14-a6(e)(2))**
Definitive proxy statement	
Definitive additional materials	
Soliciting material under Rule 14a-12	

New York Community Bancorp, Inc.

(Name of Registrant as specified in its Charter)

Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rule 14a-6(i)(4), and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

Proxy Statement & Notice of Annual

Meeting of Shareholders

10:00 a.m. June 5, 2018

Sheraton LaGuardia East Hotel, Flushing, New York

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April 26, 2018

Fellow Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of New York Community Bancorp, Inc., the holding company for New York Community Bank and New York Commercial Bank. The Annual Meeting will be held on Tuesday, June 5, 2018 at 10:00 a.m., Eastern Daylight Time, at the Sheraton LaGuardia East Hotel, 135-20 39th Avenue, in Flushing, New York.

The attached Notice and Proxy Statement describe the formal business to be transacted at the Annual Meeting. Directors and officers of New York Community Bancorp, Inc., as well as representatives of KPMG LLP, the Company s independent registered public accounting firm, will be present to respond to any questions you may have.

On April 26, 2018, under rules established by the Securities and Exchange Commission, we sent the majority of those shareholders who are eligible to vote at the Annual Meeting a notice that explains how to access their proxy materials and our 2017 Annual Report online, rather than receive them in traditional printed form. The notice also explains the simple steps our eligible shareholders can follow in order to vote their shares online. If you are among the shareholders who received the notice explaining this process and would prefer to receive your proxy materials in the traditional hard copy format, the notice also explains how to arrange to have the printed materials sent to you in the mail. If you are among those who received their proxy materials in printed form, rather than the notice, you may still access these materials and vote your shares online by going to the following website: www.proxydocs.com/NYCB and following the prompts.

To cast your vote, please sign, date, and return the enclosed proxy card promptly, or vote online or by telephone as instructed on the proxy card. As the holders of a majority of the common stock entitled to vote must be represented, either in person or by proxy, to constitute a quorum at the meeting, we would appreciate your timely response.

To be admitted to the Annual Meeting of Shareholders, a shareholder must present both an admission ticket and photo identification. Procedures for shareholder admission to the meeting are described in the informational section of this Proxy Statement on page 4 and also on page 57, where you also will find information about how you can expedite the delivery of future proxy solicitation materials and help reduce our preparation and distribution costs through online delivery.

On behalf of the Board of Directors, officers, and employees of New York Community Bancorp, we thank you for your continued interest and support.

Sincerely,

Dominick Ciampa	Joseph R. Ficalora
Chairman of the Board	President and Chief Executive Officer

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MEETING NOTICE

NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

OF NEW YORK COMMUNITY BANCORP, INC.

DATE AND TIME:	Tuesday, June 5, 2018 at 10:00 a.m., Eastern Daylight Time
PLACE:	Sheraton LaGuardia East Hotel 135-20 39th Avenue Flushing, New York
ITEMS OF BUSINESS:	1) The election of four directors to three-year terms; 2) The ratification of the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2018; 3) Approval, on a non-binding advisory basis, of New York Community Bancorp, Inc. s Named Executive Officer compensation; and 4) Such other matters as may properly come before the meeting or any adjournments thereof, including whether or not to adjourn the meeting.
WHO CAN VOTE:	You are entitled to vote if you were a shareholder of record at the close of business on Tuesday, April 10, 2018.
VOTING:	We urge you to participate in the meeting, either by attending and voting in person or by voting as promptly as possible by telephone, through the Internet, or by mailing your completed proxy card (or voting instruction form, if you hold your shares through a broker, bank, or other nominee). Each share is entitled to one vote on each matter to be voted upon at the annual meeting. Your vote is important and we urge you to exercise your right to cast it.
MEETING ADMISSION:	If you plan to attend the meeting, you must provide evidence that you are eligible to do so. Please follow the instructions set forth in response to the question *What is the admission policy for the Annual Meeting*? on page 4 of the Proxy Statement.
2017 ANNUAL REPORT:	A copy of our 2017 Annual Report to Shareholders, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, accompanies this Notice and Proxy Statement.
DATE OF DISTRIBUTION:	This Notice, the Proxy Statement, and the proxy card are first being made

available or mailed to shareholders on or about April 26, 2018.

By Order of the Board of Directors,

R. Patrick Quinn
Executive Vice President,
Chief Corporate Governance Officer,

and Corporate Secretary

Westbury, New York

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 5, 2018

The Company s Notice of Annual Meeting, Proxy Statement, and 2017 Annual Report to Shareholders are available, free of charge, at www.proxydocs.com/NYCB.

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PROXY SUMMARY

PROXY STATEMENT SUMMARY

This summary highlights selected information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding our 2017 performance, please review our 2017 Annual Report on Form 10-K, which accompanies this document.

Voting Matters:		Recommendation of the Board:
Proposal 1	The election of four directors to three-year terms.	***FOR ALL***
Proposal 2	Ratification of the appointment of KPMG, LLP as our independent registered public accounting firm for 2018.	***FOR***
Proposal 3	Approval, on a non-binding advisory basis, of New York Community Bancorp, Inc. s Named Executive Officer compensation.	***FOR***

Company Profile:

New York Community Bancorp, Inc. is the largest thrift holding company in the nation and one of the leading thrift depositories in most of the markets we serve. Our roots go back to 1859, when we were chartered by the State of New York in Queens, a borough of New York City. Since then, we have grown from a single branch in Flushing to 255 branch offices in five states.

Based in Westbury, NY, New York Community Bancorp, Inc. is a leading producer of multi-family loans on non-luxury, rent-regulated apartment buildings in New York City, and the parent of New York Community Bank and New York Commercial Bank. At December 31, 2017, the Company reported assets of $49.1 billion, loans of

$38.4 billion, deposits of $29.1 billion, and shareholders equity of $6.8 billion.

Performance Highlights:

In 2017, our Company reported net income available to common shareholders of $441.6 million, or diluted earnings per common share of $0.90. This represents a return on average assets of 0.96% and a return on average common shareholders equity of 7.12%.

We paid our shareholders an annual dividend of $0.68 per common share, which translates into total cash dividends of $332.1 million for our common shareholders. As of the record date for the Annual Meeting, this reflected a 5.4% dividend yield on our stock.

In 2017, we entered into two strategic asset sales, whereby we sold our entire mortgage banking operations and we also sold those assets covered under our Loss Share Agreements with the FDIC. These sales resulted in the Company receiving cash proceeds of $1.9 billion and recording a net gain on sale of $82.0 million before taxes.

After several years of not growing our balance sheet, we resumed our organic growth strategy in the second half of 2017, led by growth in our core multi-family loan portfolio and, to a lesser extent, in our investment securities portfolio.

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PROXY SUMMARY

Performance Highlights:

Over the course of our public life, we have produced multi-family loans totaling $77.5 billion, including $5.4 billion in 2017.

Likewise, we have produced commercial real estate loans totaling $19.3 billion, including $1.0 billion in 2017 alone.

From 1993 through the end of 2017, we recorded a mere 114 basis points of losses, in contrast to an industry average of 1,389 basis points during the same time.

From 1993 through 2017, our average efficiency ratio was 41.37%, in contrast to the 57.99% industry average (as reported by S&P Global Market Intelligence).

Over the course of our public life we have expanded our balance sheet by $34.8 billion through nine mergers and acquisitions, involving seven in-market competitors and two out-of-market banks.

Reflecting our profitability and our capital position we have distributed $5.5 billion of quarterly cash dividends over the past 95 quarters and repurchased more than $937.2 million of our shares.

Executive Compensation Highlights:

We believe our compensation philosophy and programs for executives are balanced and risk appropriate based on applicable regulatory guidance, demonstrate alignment with long-term sustained performance and shareholder interests, and provide a competitive and effective program to attract, motivate, and retain the best talent. This is supported by the following leading market practices incorporated into our program:

To determine awards under the Company s 2017 incentive programs, the Compensation Committee greatly expanded the range of factors supporting the exercise of negative discretion. These factors included consideration of the Company s performance relative to peer banks over a wide range of financial metrics and, to achieve the proper alignment of pay and performance, the positioning of our named executive officers 2017 total direct compensation (base salary plus short- and long-term incentive compensation) relative to similarly situated executives at peer companies that achieved better 2017 financial results than the Company.

Based on the Compensation Committee s exercise of negative discretion, our executives received awards at the midpoint of the threshold and target opportunities under both our short- and long-term incentive programs. This decision resulted in a significant year-over-year decline in total direct compensation for each executive.

Base salaries were unchanged, reflecting the Compensation Committee s desire to maintain the current target pay mix, which links 76% of our CEO s annual compensation to Company performance.

We maintained a strong governance framework around our executive compensation programs through the use of an independent compensation committee, an independent compensation consultant, stock ownership guidelines, a robust clawback policy, and a prohibition on the hedging or pledging of our stock by our officers and directors.

Governance Highlights:

We are committed to maintaining the highest standards of corporate governance. Strong corporate governance practices help us achieve our performance goals and maintain the trust and confidence of our shareholders and other constituents. Highlights of our governance standards and policies include:

Our Board of Directors is comprised of individuals possessing a well-rounded variety of skills, knowledge, experience and perspectives and who have unique perspectives on our business.

85% of our Board members satisfy New York Stock Exchange independence standards, and each of the Compensation, Audit, and Nominating and Corporate Governance Committees are comprised wholly of independent directors.

Our Board Chairman and our Presiding Director are independent directors and our Presiding Director has significant governance responsibilities.

Our By-laws provide for proxy access, allowing eligible shareholders to include their own nominees for director in the Company s proxy materials.

Our Board and Board Committees perform annual self-evaluations and adopt action plans to implement changes when deemed necessary or appropriate.

Our Board Risk Assessment Committee meets the requirements for U.S. Bank Holding Companies under the Dodd-Frank Act s Enhanced Prudential Standards.

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INFORMATION ABOUT OUR ANNUAL MEETING AND SOLICITATION OF PROXIES

INFORMATION ABOUT OUR ANNUAL MEETING AND SOLICITATION OF PROXIES

Why am I being provided this proxy statement?

This proxy statement summarizes information you need to know in order to vote at the Annual Meeting of Shareholders to be held on Tuesday, June 5, 2018, and at any adjournments thereof, at the Sheraton LaGuardia East Hotel located at 135-20 39th Avenue, in Flushing, New York at 10:00 a.m., Eastern Daylight Time (the Annual Meeting). The proxy statement is being sent to you because the Board of Directors (the Board of Directors or Board) of New York Community Bancorp, Inc. (the Company) is soliciting your proxy to vote your shares of common stock of the Company (the Common Stock) at the Annual Meeting. On or about April 26, 2018, the proxy statement and proxy materials, or a notice advising how to access these documents online, will be sent to shareholders of record as of April 10, 2018. The 2017 Annual Report to Shareholders, which includes the Annual Report on Form 10-K featuring the Company s consolidated financial statements for the fiscal year ended December 31, 2017 accompanies this proxy statement.

What is a proxy?

A proxy is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. One or more of the Company s directors will serve as the designated proxy to cast the votes submitted by the Company s shareholders at the Annual Meeting.

What is a proxy statement?

It is a document that the Company is required to give you, or provide you with access to, in accordance with regulations of the Securities and Exchange Commission (the SEC), when asking you to designate proxies to vote your shares of the Common Stock at a meeting of shareholders. The proxy statement includes information regarding the matters to be acted upon at the meeting and certain other information required by regulations of the SEC and the rules of the New York Stock Exchange (the NYSE).

On what matters are the shareholders of record voting?

The shareholders of record will vote on the following proposals:

Proposal 1: Election of Directors. In Proposal 1, four director nominees have been recommended for election to the Board of Directors by the Nominating and Corporate Governance Committee of the Board. **Directors are elected by a majority of the votes cast,** meaning that the number of votes cast FOR a nominee must exceed the number of votes cast AGAINST that nominee, with broker non-votes and abstentions not counted as a vote cast either FOR or AGAINST that nominee. Shares not voted will have no impact on the election of directors. A properly executed proxy marked FOR ALL of the four nominees for director will be voted for each of the nominees, unless you mark the proxy card WITHHOLD ALL or FOR ALL EXCEPT. Marking the proxy card WITHHOLD ALL will withhold your vote as to all nominees for director. Marking the proxy card FOR ALL EXCEPT will direct that your shares be voted for all nominees except that your shares will be withheld as to any nominees you may specify.

Proposal 2: Ratification of Auditors. A majority of votes cast at the Annual Meeting is required to approve Proposal 2, a proposal to ratify the reappointment of KPMG LLP as the Company s independent registered public accounting firm for 2018. In connection with such proposal, shares as to which the ABSTAIN box has been selected on the proxy card will have the same effect as a vote against the proposal and shares underlying broker non-votes or in excess of the Limit (as described below) will not be counted as votes cast, and will have no effect on the vote on the matter presented.

Proposal 3: Approval, on a non-binding advisory basis, of the Company s Named Executive Officer Compensation. As to the advisory approval of the 2017 Named Executive Officer compensation, the proxy card being provided by the Board of Directors enables a shareholder to check the appropriate box on the card to (i) vote FOR the proposal, (ii) vote AGAINST the proposal, or (iii) ABSTAIN from voting on the proposal. To approve Proposal 3, a majority of the votes cast at the Annual Meeting is required. In connection with such proposal, shares as to which the ABSTAIN box has been selected on the proxy card will have the same effect as a vote against the proposal and shares underlying broker non-votes or in excess of the Limit (as described below) will not be counted as votes cast, and will have no effect on the vote on the matter presented. **Your vote on Proposal 3 is an advisory vote, which means that the Company and the Board of Directors are not required to take any action based on the outcome of the vote.**

As discussed below, under NYSE Rules, if your broker holds shares in your name and delivers this proxy statement to you, the broker is not entitled to vote your shares on any non-routine proposal (Proposals 1 and 3) without your specific instructions.

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INFORMATION ABOUT OUR ANNUAL MEETING AND SOLICITATION OF PROXIES

Who may vote and what constitutes a quorum at the meeting?

The close of business on April 10, 2018 has been fixed by the Board of Directors as the record date (the Record Date) for the determination of shareholders of record entitled to receive notice of, and to vote at, the Annual Meeting and at any adjournments thereof.

In order to conduct the Annual Meeting, shareholders of record of at least a majority of the total number of shares of Common Stock entitled to vote (after subtracting any shares in excess of the Limit pursuant to the Company s Certificate of Incorporation) must be present in person or by proxy. This is called a quorum. Shareholders who deliver valid proxies or vote in person at the meeting will be considered part of the quorum. Once a share is represented for any purpose at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjourned meeting. Abstentions will be counted as being present and entitled to vote for purposes of determining a quorum. Broker non-votes (which are explained below) are counted as being present and entitled to vote for purposes of determining a quorum only for routine matters. In the event that there are not sufficient shares present for a quorum, or votes to approve or ratify any management proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit the further solicitation of proxies.

How many votes do I have?

The securities that may be voted at the Annual Meeting consist of shares of Common Stock, with each share entitling its owner to one vote on all matters to be voted on at the Annual Meeting, except as described below. There is no cumulative voting for the election of directors (in a cumulative voting system, each shareholder would be entitled to one vote per share multiplied by the number of directors to be elected). The total number of shares of Common Stock outstanding and entitled to vote as of the Record Date was 490,373,614.

How do I vote?

A shareholder may vote in person at the Annual Meeting by filling out a ballot or may vote in advance of the Annual Meeting by using a proxy to authorize a proxy to vote on his or her behalf. There are three ways to use a proxy:

Mail: If you received your proxy materials by mail, you may vote by completing, signing, and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope. You are urged to indicate your votes in the spaces provided on the proxy card.

Internet: You may access the proxy materials on the Internet at *www.proxydocs.com/NYCB* and follow the instructions on the proxy card or on the Notice of Internet Availability.

Telephone: You may call toll free at 1-866-895-6921, and follow the instructions on the proxy card or on the Notice of Internet Availability.

The Internet and telephone voting procedures are designed to authenticate shareholders identities and allow shareholders to provide their voting instructions and confirm that the instructions have been properly recorded. Specific instructions for shareholders of record who wish to vote their proxies over the Internet or by telephone are set forth on the proxy card for the Annual Meeting.

Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for eligible shareholders of record will close at 11:59 p.m., Eastern Daylight Time, on June 4, 2018.

Your vote as a shareholder is important. Please vote as soon as possible to ensure that your vote is recorded.

The Company encourages shareholders to take advantage of the options to vote using the Internet or by telephone. Voting in this manner will result in cost savings for the Company.

How are the proxy materials delivered?

As has been the case since 2008, the Company is again reducing its costs by taking advantage of SEC rules that allow companies to furnish proxy materials to shareholders primarily through the Internet. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders who (i) own shares directly in the Company (shareholders of record) and not through a broker, bank, or intermediary directly to their mailing address

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unless they have directed the Company to provide the materials in a different manner or (ii) hold shares of Common Stock through the Company s stock-based benefit plans. See *Benefit Plan Voting* below. Shareholders whose shares are held for them by brokerage firms, banks, or other intermediaries (beneficial owners) will have the proxy materials or the Notice forwarded to them by the intermediary that holds their shares. The Notice provides instructions on how to access and review all of the important information contained in the Company s proxy statement and 2017 Annual Report to Shareholders, as well as how to cast your vote, over the Internet.

Shareholders who receive the Notice and who would still like to receive a printed copy of the Company s proxy materials, including the 2017 Annual Report to Shareholders, can find instructions for requesting these materials included in the Notice. The Company plans to mail the Notice to shareholders on April 26, 2018.

What is a broker non-vote?

If you hold your shares in street name (i.e., through a broker, bank, or other nominee), it is critical that you cast your vote if you want it to count in the election of directors. In the past (prior to 2010, when the NYSE implemented a rule prohibiting brokers holding shares in street name for their clients from voting in uncontested director elections on behalf of the clients without receiving specific voting instructions from those clients), if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your broker or nominee was allowed to vote those shares on your behalf on the election of directors as they felt appropriate. Changes in regulation were made to take away the ability of your broker or nominee to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors, or with respect to the proposal to approve, on a non-advisory basis, the Company s named executive officer compensation, no votes will be cast on your behalf with respect to these matters. These uncast votes are referred to as broker non-votes. Your bank or broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company s independent registered public accounting firm (Proposal 2).

What effect do broker non-votes and abstentions have?

A broker or other nominee may generally vote your shares without instruction on routine matters, but not on non-routine matters. A broker non-vote occurs when your broker submits a proxy for your shares, but does not indicate a vote for a particular non-routine proposal (such as Proposals 1 and 3) because your broker does not have your authority to vote on that proposal and has not received specific voting instructions from you. Broker non-votes are not counted as votes for or against the proposal in question or as abstentions, nor are they counted to determine the number of votes present for a non-routine proposal. However, when a proposal requires the affirmative vote of a percentage of the Company s outstanding shares entitled to vote in order to be approved, a broker non-vote will have the same effect as a vote against the proposal.

If you abstain from voting on Proposal 1, your vote will be counted as present for determining whether a quorum exists but will not be treated as cast for or against that matter. If you abstain from voting on Proposal 2 or Proposal 3, your vote will be counted as present for determining whether a quorum exists but will have the same effect as a vote against the proposal.

What if I sign and date my proxy but do not provide voting instructions?

Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. If you are a shareholder of record and do not provide voting directions, signed and dated proxy cards will be voted as follows:

- FOR the election of each of the nominees for director named in this proxy statement;
- FOR the ratification of the appointment of KPMG LLP as the independent registered public accounting firm of the Company; and
- FOR approval of the Named Executive Officer compensation.

Other than the matters listed on the attached Notice of 2018 Annual Meeting of Shareholders of New York Community Bancorp, Inc., the Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. **However, execution of a proxy or voting online or by telephone confers on the designated proxy holder discretionary authority to vote the shares represented by the proxy in accordance with his or her best judgment on such other business, if any, which may properly come before the Annual Meeting or any adjournments thereof, including whether or not to adjourn the meeting.**

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May I revoke my proxy?

A proxy may be revoked at any time prior to its exercise by filing a written notice of revocation with the Corporate Secretary of the Company, by delivering to the Company a duly executed proxy bearing a later date, by voting online or by telephone on a later date, or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not itself constitute revocation of your proxy.

Who pays the costs of soliciting proxies?

The cost of the solicitation of proxies on behalf of management will be borne by the Company. In addition to the solicitation of proxies by mail, Laurel Hill Advisory Group, LLC, a proxy solicitation firm, will assist the Company in soliciting proxies for the Annual Meeting and will be paid a fee of $8,500 plus out-of-pocket expenses. Proxies also may be solicited, personally or by telephone, by directors, officers, and other employees of the Company and its subsidiaries, New York Community Bank (the Community Bank) and New York Commercial Bank (the Commercial Bank) (collectively, the Banks), without receipt of additional compensation.

The Company also will request that persons, firms, and corporations holding shares in their names, or in the names of their nominees that are beneficially owned by others, send proxy materials to, and obtain proxies from, such beneficial owners. The Company will reimburse such holders for their reasonable expenses in doing so.

If your Company shares are held in street name, your broker, bank, or other nominee will provide you with instructions that must be followed in order to have your shares voted. Your broker or bank may allow you to deliver your voting instructions via the Internet or by telephone. Please see the instruction form that was provided by your broker or bank with this proxy statement. If you wish to change your voting instructions after you have returned your voting instruction form, you will need to contact your broker or bank in order to do so.

What is the admission policy for the Annual Meeting?

Attendance at the Annual Meeting is limited to:

(1) Shareholders of record of Common Stock;

(2) Beneficial holders of Common Stock; and

(3) Authorized representatives of entities who are beneficial holders of Common Stock.

In addition to a valid photo ID or other satisfactory proof of identification, a shareholder must present the following materials in order to be admitted to the Annual Meeting:

(A) Record holders must present the top portion of their proxy card, which will serve as an admission ticket.

(B) Beneficial holders must present evidence of their ownership. Materials that appropriately evidence ownership include: a notice regarding the availability of proxy materials, the top portion of a voting instruction form, or a recent proxy or letter from the bank, broker, or other intermediary that holds the beneficial holders shares and which confirms the beneficial holders ownership of those shares.

(C) In addition to any evidence required under (B) above for beneficial holders, authorized representatives of beneficial holders must present a letter from the record holder certifying as to the beneficial ownership of the entity they represent and a letter from the beneficial holder certifying as to their status as an authorized representative.

The use of cameras, recording devices and other electronic devices, and cellular phones or PDAs (including those with photographic and/or video recording capabilities) will not be permitted at the Annual Meeting. Any devices or instruments that may be potentially disruptive will not be permitted. Company representatives will be at the entrance to the Annual Meeting and these representatives will have the authority, on the Company s behalf, to determine whether the admission policy and procedures are being followed and whether you will be granted admission to the Annual Meeting.

What is the Limit on voting securities?

As provided in the Company s Certificate of Incorporation, holders of Common Stock who beneficially own in excess of 10% of the outstanding shares of Common Stock (the Limit) are not entitled to any vote with respect to the shares held in excess of the Limit. A person or entity is deemed to beneficially own shares owned by an affiliate of, as well as by, persons acting in concert with such person or entity. The Company s Certificate of Incorporation authorizes the Board of Directors (i) to make all determinations necessary to implement and apply the Limit, including determining

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whether persons or entities are acting in concert, and (ii) to demand that any person who is reasonably believed to beneficially own stock in excess of the Limit supply information to the Company to enable the Board of Directors to implement and apply the Limit.

Based solely on information in reports filed with the SEC, certain persons or entities are known by management to be the beneficial owners of more than 5% of the outstanding shares of Common Stock as of the Record Date and in some cases have indicated beneficial ownership of up to 10% of the Common Stock outstanding as of that date. If such owners were to increase their holdings above 10% or if other shareholders were to acquire beneficial ownership of shares in excess of that amount, they would not be entitled to any vote with respect to the shares held in excess of 10%.

Proxies solicited hereby will be tabulated by inspectors of election designated by the Board of Directors. The inspectors of election will not be employed by, or be directors of, the Company or any of its affiliates.

BENEFIT PLAN VOTING

Active employee-participants in the Company benefit plans who hold Common Stock will receive an e-mail that contains a link to this proxy statement, along with procedures to follow in order to vote the shares of Common Stock credited to each participant s account under the Company benefit plans and the shares of Common Stock (if any) held independent of the Company benefit plans. Retired and inactive employee-participants will receive their proxy materials via U.S. mail. Benefit plan voting instructions will be delivered to the trustee for the Company benefit plans and the shares will be voted as directed by participants. Shares for which no voting instructions are provided or are not timely received by the Company will be voted by the trustee for the Company s stock-based benefit plans in the same proportion as the voting instructions the trustee receives from other participants or, in the case of the Company s equity incentive plans, as directed by the Company. Benefit plan voting instructions must be received by 11:59 p.m., Eastern Daylight Time, on May 30, 2018.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information as to those persons or entities known by management to be beneficial owners of more than 5% of the outstanding shares of Common Stock on April 10, 2018. Other than those persons or entities listed below, the Company is not aware of any person or entity or group that beneficially owned more than 5% of the Common Stock as of that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class

BlackRock, Inc. 55 East 52nd Street New York, NY 10055	49,132,135[1]	10.00%
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	41,691,020[2]	8.52%
Barrow Hanley Mewhinney & Strauss, LLC 2200 Ross Avenue, 31st Floor Dallas, Texas 75201	27,008,065[3]	5.52%

(1) Based solely on information filed in a Schedule 13G/A with the SEC on January 19, 2018.
(2) Based solely on information filed in a Schedule 13G/A with the SEC on February 7, 2018.
(3) Based solely on information filed in a Schedule 13G with the SEC on February 13, 2018.

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CORPORATE GOVERNANCE

SHAREHOLDER OUTREACH AND RECENT INITIATIVES

In our continuing effort to increase engagement with the majority of our larger investors to better understand their specific concerns, and to provide us with a basis for further evaluation of our governance practices and executive compensation structure, we again reached out to shareholders holding a significant amount of our total outstanding shares. Three of our independent directors and certain Company officers led the outreach, which sought additional perspective on compensation and corporate governance issues. While not all investors had the same views or concerns, we listened carefully. After considering this insight and other factors, our Compensation Committee has considered and approved many changes to our executive compensation program.

CORPORATE GOVERNANCE PHILOSOPHY

Our Board, as stewards of shareholder interests, is committed to maximizing long-term shareholder value creation and to maintaining sound corporate governance principles consistent with the requirements of the NYSE, federal banking regulation, and other applicable rules. To that end, under the leadership of the Nominating and Corporate Governance Committee, we have concentrated significant efforts and resources on ensuring that our overall corporate governance practices serve the best interests of the Company and its shareholders. We have focused on the changing needs for financial institution boards in the current regulatory environment (including the corporate governance changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the (Dodd-Frank Act); we have taken into consideration the governance policies and practices of our peers; and we have also developed an active shareholder outreach program to better understand the views and concerns of our large shareholders. As a result, in recent years the Board has adopted various corporate governance policies and practices to address such views and concerns in the Company s and its shareholders best interests.

For example, since 2010, we increased the number of directors on the Board who have specific expertise in audit, regulatory oversight, and real estate investment and finance. We have a Risk Assessment Committee comprised of independent directors to assist the Board in overseeing and reviewing information regarding our enterprise risk management program, risk exposure, and risk governance policies and practices.

Certain governance policies and practices in effect during 2017 are listed in the chart below.

Board and Governance Information	2017
Size of Board	12
Number of Independent Directors	10

Staggered Election of Directors	Yes
Majority Voting for Directors	Yes
Proxy Access for Shareholders	Yes
Separation of the Chairman of the Board and Chief Executive Officer Positions	Yes
Independent Presiding Director	Yes
Code of Business Conduct and Ethics	Yes
Annual Board & Committee Evaluations	Yes
Risk Assessment Committee	Yes
Executive Compensation	Yes
Claw Back Provision	Yes
Board Member and Executive Ownership of Shares	Yes
Anti-Pledging and Hedging	Yes
No Poison Pill	Yes

The Board adopted Corporate Governance Guidelines available on the corporate governance pages of the Investor Relations portion of our Company s website, *www.myNYCB.com*, and are available in print to any shareholder who requests a copy. These guidelines address, among other matters, the qualifications and responsibilities of directors; functions of the Board and Board committees; director compensation, training, and performance evaluations; and management performance evaluations and succession.

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CORPORATE GOVERNANCE

We will continue to actively monitor, and consider additional changes to, our corporate governance practices in the future.

In 2016 we proposed to eliminate our stratified Board structure to require that all Directors be subject to election on an annual basis, instead of triennially. An insufficient number of shareholders voted to approve the proposal. In time it may be appropriate for the proposal to be reconsidered; however, we continue to believe that our triennial schedule, whereby each year one-third of our directors are elected over a three-year cycle, provides a degree of stability for our corporate structure and helps to avoid sudden or excessive changeover in board membership or management that would be detrimental to our business.

DIRECTOR INDEPENDENCE

The Board has determined that the following 10 directors are independent within the meaning of the rules of the New York Stock Exchange: Dominick Ciampa, Maureen E. Clancy, Hanif Wally Dahya, Leslie D. Dunn, Michael J. Levine, James J. O Donovan, Lawrence Rosano, Jr., Ronald A. Rosenfeld, Lawrence J. Savarese, and John M. Tsimbinos. Additionally, the Board has determined that each of the members of the Audit, Nominating and Corporate Governance, and Compensation Committees is independent in accordance with the listing standards of the NYSE and, in the case of the members of the Audit Committee, the rules of the SEC. In determining the independence of its members, the Board broadly considers all facts and circumstances it deems to be relevant and does not limit such review to a specific set of categorical independence standards. Such determinations are made not merely from the standpoint of the director, but also from that of persons or organizations with whom or which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships, among others.

In arriving at its conclusions with respect to the directors named above, the Board determined that the directors had no material relationships (as such term is defined under the listing standards of the NYSE) with the Company either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company. Directors Ciampa, Levine, O Donovan, and Rosano are principals in, or have ownership interests in, organizations that maintain lending relationships with the Community Bank, and Director Levine is a guarantor of a loan between the Community Bank and a family member. These directors have fully disclosed such relationships to the Board, and the Board has determined that the subject loans do not involve more than normal risk of collectability or present other unfavorable features, and were made on substantially the same terms (including interest rates and collateral requirements) as those prevailing at the same time for comparable transactions with unaffiliated persons. All loans to the four directors are fully performing in accordance with their terms. Accordingly, the lending relationships maintained by the Community Bank with Messrs. Ciampa, Levine, O Donovan, and Rosano would not be inconsistent with a determination that they are independent directors of the Company.

Further, Directors Ciampa, Levine, O Donovan, and Rosano possess significant knowledge of, and each is a principal in companies that actively participate in, the New York metropolitan area real estate market, where the Banks currently conduct significant portions of their lending businesses. The Board has determined that it is in the best interests of the Banks and the Company not to exclude such potential borrowers from conducting business with the Banks in accordance with the arms-length terms described above, and under circumstances that are no more favorable than those available to the Banks other borrowers.

BOARD LEADERSHIP STRUCTURE AND RISK OVERSIGHT

The Company relies on a three-part leadership structure, with Mr. Ciampa serving as Chairman of the Board of Directors, Mr. Levine serving as Presiding Director, and Mr. Ficalora serving as President and Chief Executive Officer. The Board considers this structure an effective one for enabling the Chairman, Presiding Director, and CEO to share knowledge and responsibilities, for preserving Board independence, and for carrying out other important governance principles. Generally, the structure is intended to promote synergies among the three leadership positions, with the Chairman overseeing the functioning of the Board and its stewardship of the Company, the Presiding Director assisting the Chairman and overseeing certain Board stewardship and other governance functions, including by leading the independent members of the Board, and the President and Chief Executive Officer serving as senior managing officer of the Company, overseeing day-to-day operations and carrying out its strategic goals and objectives. (See below for additional detail regarding the roles of the Independent Chairman of the Board and Presiding Director.)

The Chairman of the Board is an independent director. The Company does not have a formal policy with respect to the separation or combination of the offices of Chairman of the Board and CEO. Rather, the Board has the discretion to combine or separate these roles as it deems appropriate from time to time, which provides the Board with the necessary flexibility to adjust to changed circumstances. In light of the many challenges arising from the difficult economic and regulatory environment, the Board determined that separating the roles of Chairman and President and CEO would allow the CEO to devote the requisite significant time to, and focus on, managing our business and maintaining our financial strength.

The Company s independent Presiding Director functions as a Lead Director, but the Board prefers the term Presiding Director to emphasize that all directors share equally in their responsibilities as members of the Board. The Presiding Director presides at all Board meetings and executive sessions at which the Chairman is not present and is responsible for coordinating the annual self-evaluations of the members of the Board. Additionally, the Presiding Director is available for consultation and communication with major shareholders where appropriate, upon reasonable request, and performs such other functions as the Board directs. The Presiding Director is appointed annually by, and from among, the independent directors.

Committee Chairs. All Committee Chairs are independent and are appointed annually by the Board. They approve agendas and materials for their respective committee meetings, and serve as the liaisons between committee members and the Board and between committee members and senior management.

Risk Management. Risk is inherent in every business, and how well a business manages risk can ultimately determine its success. As a financial institution, we face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, legal/compliance risk, regulatory risk, strategic risk, market risk, and reputational risk. Management is responsible for the day-to-day management of the risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In particular, the Risk Assessment Committee coordinates the risk oversight function. The Chairman of the Risk Assessment Committee is independent and has the requisite risk experience required under the Dodd Frank Act s Enhanced Prudential Standards for large banks. Our Chief Risk Officer reports to the Risk Assessment Committee. The Chairman of the Board meets regularly with management to discuss strategies and the risks facing the Company. Senior members of management attend Board meetings and are available to address questions or concerns raised by the Board on risk management and other matters.

The Chairman of the Board and independent members of the Board work together to provide strong, independent oversight of the Company s management and affairs through its standing committees and, when necessary, through special meetings of the independent directors. See *Board Committees-The Risk Assessment Committee* on pages 15 for further information.

OTHER GOVERNANCE PRACTICES

Executive Sessions of the Board. In 2017, the Board met 12 times in executive session with only the CEO and COO present and, in keeping with the Company s Corporate Governance Guidelines, met three times in executive session with no members of management present.

Code of Business Conduct and Ethics. The Company maintains a Code of Professional Conduct, applicable to all Company, Community Bank, and Commercial Bank employees, which sets forth requirements relating to ethical conduct, conflicts of interest, and compliance with the law. The Code of Professional Conduct requires that the Banks employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner, and otherwise act with integrity and in the Company s and the Banks best interests. The CEO, Chief Operating Officer, and Chief Financial Officer are bound by the Code of Professional Conduct. In addition, the Board of Directors has adopted a Code of Business Conduct and Ethics for the CEO, Chief Operating Officer, and Chief Financial Officer of the Company. Copies of both Codes, which also apply to the directors of the Company, are available, free of charge, on the corporate governance pages of the Investor Relations portion of our website, *www.myNYCB.com*, and are available in print to any shareholder who requests a copy.

Board Diversity and Tenure. The Nominating and Corporate Governance Committee has a long-standing commitment to diversity, rather than a formal diversity policy, and is guided by the Company s diversity philosophy in its review and consideration of potential director nominees. In this regard, the Board and the Committee view diversity holistically. As set forth in the Company s Corporate Governance Guidelines, the Board and the Committee consider:

- Ø Whether the individual meets the requirements for independence;
- Ø The individual s general understanding of the various disciplines relevant to the success of a large publicly-traded company in today s global business environment;
- Ø The individual s understanding of the Company s business and markets;
- Ø The individual s professional expertise and experience;
- Ø The individual s educational and professional background; and
- Ø Other characteristics of the individual that promote diversity of views and experiences.

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CORPORATE GOVERNANCE

The Nominating and Corporate Governance Committee has not established any specific minimum qualification standards for nominees to the Board and evaluates each individual in the context of the Board as a whole, with the objective of recommending a group of directors who will best enhance the Company s success and represent shareholder interests through the exercise of sound judgment and the application of its diversity of experience. In determining whether to recommend a director for re-election, the Committee also considers the director s past attendance at meetings and participation in, and contributions, to the activities of the Board. In addition, the Committee considers whether the Board has specific needs for certain skills or attributes at a given time (for example, financial or chief executive officer experience). Other criteria for Board membership are set forth in the Company s Corporate Governance Guidelines and Nominating and Corporate Governance Committee Charter, copies of which are available, free of charge, on the corporate governance pages of the Investor Relations portion of our website, *www.myNYCB.com,* and are available in print to any shareholder who requests a copy.

Long-tenured directors can offer significant benefits in the governance of the Company due to the deep knowledge of our business and functioning they acquire through years of service. They provide continuity and stability at the highest governance level, as well as historical perspectives that are indispensable in determining the Company s strategic vision. Long-tenured directors maintain significant institutional knowledge and offer stability. In addition, due to their historical knowledge of the Company, long-tenured directors can be particularly well suited to exercise Board-level influence and to provide an effective challenge mechanism when required. Over the course of time, in addition to their stature, long-tenured directors develop important working relationships with other Board members and management, resulting in effective collaboration in carrying out the Company s objectives and management oversight. Our Board believes that director tenure, like other governance policies and structures, should be tailored to the Company s unique governance needs and challenges. While long-tenured directors bring a depth of valuable experience to our Board, the Company is also committed to fresh perspectives, having added four new independent directors to our Board in the past five years.

Our Bylaws provide that, unless otherwise determined by a majority of the disinterested members of the Board, no person may be elected, appointed, or nominated as a director after December 31 of the year in which such person attains the age of 80. Based upon, among other things, the significant experience, knowledge, and value they offer the Board, the Board has unanimously determined to exempt Mrs. Clancy from this retirement age requirement.

Board Self-Evaluations. The Board of Directors annually assesses its effectiveness, the operations of its committees, and the contributions of director nominees. The independent Presiding Director coordinates the evaluation of the Board as a whole and its committees, as well as individual evaluations of those directors who are being considered for possible re-nomination to the Board.

Proxy Access. Our amended and restated By-Laws permit a shareholder, or a group of up to 20 shareholders, that owns 3% or more of the Company s common stock continuously for at least three years, to nominate and include in the Company s proxy materials candidates for election as directors. Such shareholder(s) or group(s) of shareholders may nominate up to the greater of two individuals or 20% of the Board, provided that the shareholder(s) and the nominee(s) satisfy the eligibility, notice, and other requirements specified in the By-Laws.

Majority Election of Directors. Our Certificate of Incorporation requires that nominees for Director in uncontested elections receive a majority of the votes cast in respect of their election as directors.

Written Corporate Governance Guidelines. Our Corporate Governance Guidelines formalize certain of the Bank s and the Board of Directors existing governance policies and practices with respect to board membership; leadership; roles, procedures and practices; committees; and executive officer evaluations, compensation and succession and also address the new governance policies discussed below. These Corporate Governance Guidelines are available on the Company s website *(www.myNYCB.com)* under *Investor Relations*.

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CORPORATE GOVERNANCE

BOARD COMMITTEES

The Board conducts its business through periodic meetings and through the activities of its committees. In 2017, the Board held 12 regular monthly meetings and various standing committees of the Board met another 64 times, for an aggregate of 76 meetings. All incumbent directors of the Company attended at least 75% of the aggregate number of meetings of the Board and committees on which such directors served during fiscal year 2017. Board members are expected to make reasonable efforts to attend all Board meetings and all meetings of the Board committees on which they serve. Absences are excused only for good cause.

The Board has six standing committees as follows: (i) Audit Committee, (ii) Compensation Committee, (iii) Insurance Committee, (iv) Investment Committee, (v) Nominating and Corporate Governance Committee, and (vi) Risk Assessment Committee. Each committee has a written charter adopted by the committee and ratified by the Board. As required by NYSE Rules, charters for the Audit, Compensation, and Nominating and Corporate Governance Committees can be found on the Investor Relations portion of the Company s website at *www.myNYCB.com*, and are available in hardcopy to any shareholder who requests them. Each member of the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee has been determined by the Board to be independent for purposes of the NYSE corporate governance listing standards and within the meaning of regulations of the SEC.

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CORPORATE GOVERNANCE

The following table presents the membership of our Board members on the various Board committees in 2017[1]:

Director		
Dominick Ciampa		
Maureen Clancy		
Hanif Wally M. Dahya#		
Leslie D. Dunn*		
Michael J. Levine*@		
James J. O Donovan		
Lawrence Rosano, Jr.		
Ronald A. Rosenfeld		

Lawrence J. Savarese*#										
John M. Tsimbinos										
Joseph R. Ficalora										
Robert Wann										
Meetings Held in 2017	**13**	**7**	**3**	**12**	**12**	**4**	**12**	**1**	**51**	**51**

(1) During 2017, the Board maintained two additional committees: a Capital Assessment Committee and a Cyber Security Committee. As of January 30, 2018, these two committees were dissolved and their oversight responsibilities were generally consolidated into the Risk Assessment Committee.

(2) All Company Board Committees are replicated at the bank level. Additionally, the Community Bank Board maintains a Mortgage and Real Estate Committee, and the Commercial Bank Board maintains a Credit Committee.

Chairman of the Committee Member of the Committee
Chairman of the Board of Directors
* Designated as Audit Committee Financial Expert
@ Designated independent Presiding Director
\# Designated as Risk Committee Expert

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CORPORATE GOVERNANCE

A description of the nature and purpose of each of the Board committees follows.

The Board Committees act under written charters adopted by the Board of Directors which include detailed lists of the respective Committees functions. Copies of the charters for the Audit, Compensation, Nominating and Corporate Governance, and Risk Assessment Committees are available, free of charge, on the corporate governance pages within the Investor Relations portion of our website at *www.myNYCB.com*, and are available in print to any shareholder who requests a copy.

1. Audit Committee

Members: Lawrence J. Savarese (Chair) Hanif M. Dahya Leslie D. Dunn Michael J. Levine Ronald A. Rosenfeld	The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, including with respect to review and, as applicable, approval of (1) the integrity of the Company s financial statements; (2) the Company s compliance with applicable legal and regulatory requirements; (3) the independent registered public accounting firm s qualifications and independence; (4) the performance of the Company s internal audit function and independent auditors; (5) the system of internal controls relating to financial reporting, accounting, legal compliance, and ethics established by management and the Board; and (6) the Company s internal and external auditing processes.
The Board of Directors has determined that Messrs. Savarese and Levine and Ms. Dunn are audit committee financial experts under the rules of the SEC.	This Committee meets with the Company s and the Community and Commercial Banks internal auditors to review the performance of the internal audit function.
Meetings held in 2017: 13	A detailed list of the Committee s functions is included in its written charter adopted by the Board of Directors, a copy of which is available free of charge on the corporate governance pages within the Investor Relations portion of our website at *www.myNYCB.com*, and is available in print to any shareholder who requests a copy.

2. Compensation Committee

Members:

Maureen E. Clancy (Chair)

Dominick Ciampa

Hanif M. Dahya

Michael J. Levine

Meetings held in 2017*:* 7

This committee meets to establish compensation for the executive officers and to review the Company s incentive compensation programs when necessary. (See *Compensation Discussion and Analysis* beginning on page 20 for further information on the Company s processes and procedures for the consideration and determination of executive and director compensation.)

Consistent with SEC disclosure requirements, the Compensation Committee has assessed the Company s compensation programs and has concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

At the Committee s direction, management of the Company maintains an Incentive Compensation and Performance Management Committee responsible for overseeing and monitoring non-executive incentive compensation objectives, performance management, and incentive compensation plans. The Committee, which consists of various senior officers has assessed the Company s non-executive incentive compensation plans to determine if the programs provisions and operations create undesired or unintentional risk of a material nature. This risk assessment process includes a review of plan policies and practices; an analysis to identify risks and risk controls related to the plans; and determinations as to the sufficiency of risk identification, the balance of potential risk to potential reward, risk controls, and the consistency of the programs and their risks with regard to the Company s strategies.

Although the Compensation Committee reviews all compensation programs, it focuses on the programs with variability of payout, the ability of a participant to directly affect payout, and the controls on participant action and payout.

Based on the foregoing, we believe that our non-executive compensation policies and practices do not create inappropriate or unintended significant risk to the Company as a whole. We also believe that our incentive compensation arrangements provide incentives that do not encourage risk-taking beyond the organization s ability to effectively identify and manage significant risks; are compatible with effective internal controls and our risk management practices; and are supported by the oversight and administration of the Compensation Committee.

3. Insurance Committee

Members:

Maureen E. Clancy (Chair)

Dominick Ciampa

John M. Tsimbinos

Meetings held in 2017: 1

The Insurance Committee has been established by the Board to assist it in fulfilling its overall responsibility to determine appropriate levels of insurance coverages reasonably necessary to protect the Company; to review and approve the procurement or renewals of such insurance coverages during the course of the year; to review and approve the schedule of all maintained insurance coverages; and to present same to the Board for its review and approval on an annual basis.

The Insurance Committee ensures that senior management, brokers, and consultants are reputable and have expertise consistent with a level reasonably required to protect the Company.

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4. Investment Committee

Members:

Hanif M. Dahya (Chair)

Dominick Ciampa

Ronald A. Rosenfeld

Lawrence J. Savarese

John M. Tsimbinos

Meetings held in 2017: 4

The Investment Committee was established by the Company s Board to assist it in fulfilling its overall responsibility for the operation and administration of the Company s investment portfolios. It is the fiduciary duty of the Investment Committee to ensure that senior management and investment consultants are reputable and have expertise consistent with the level of investment activities conducted by the Company.

The Investment Committee is responsible for the oversight of investment activity and regularly reports to the Board on the performance of the Company s investments and changes in its investments. Among the Committee s responsibilities are (1) adopting procedures necessary for the achievement of the Company s investment objectives and monitoring the overall investment performance of the Company; (2) annually reviewing and updating, as necessary, investment policies, appropriate investment management procedures, strategies, and internal controls necessary to manage, to the extent possible, market, liquidity, operational, credit, and other investment and asset management risks; (3) delegating investment authority to certain of the Company s executive and other senior officers for the management of the Company s investments, including the selection of investment consultants in accordance with the Company s policies and procedures; (4) monitoring investment activities and ensuring that assets of the Company are accounted for properly in accordance with Generally Accepted Accounting Principles and other regulatory guidelines; and (5) considering and approving new investment products presented to the Committee on a case-by-case basis to address changes in the market.

5. Nominating and Corporate Governance Committee

Members:

Michael J. Levine (Chair)

Dominick Ciampa

Maureen E. Clancy

Hanif M. Dahya

James J. O Donovan

Leslie D. Dunn

Lawrence Rosano, Jr.

Ronald A. Rosenfeld

Lawrence J. Savarese

John M. Tsimbinos

Meetings held in 2017*: 3*

The Committee considers and recommends the nominees for director to stand for election at the Company s Annual Meeting of Shareholders.

The Nominating and Governance Committee is responsible for recommending to the Board the qualifications for Board membership, identifying, assessing, and recommending qualified director candidates for the Board s consideration, assisting the Board in organizing itself to discharge its duties and responsibilities, and providing oversight of the Company s corporate governance practices and policies, including an effective process for shareholders to communicate with the Board. The Committee is composed entirely of independent directors as defined by the NYSE Corporate Governance Standards and operates under a written charter. The Committee s charter is available on the corporate governance pages within the Investor Relations portion of the Company s website at *www.myNYCB.com* and is available in print upon request.

The Committee s role in, and process for, identifying and evaluating prospective director nominees is described herein and above in *Board Diversity and Tenure.* See also *Procedures for Shareholders to Recommend Directors.* In addition, the Committee makes recommendations to the Board concerning director independence, Board committee assignments, committee chairman positions, Audit Committee financial experts, the financial literacy of Audit Committee members, and Risk Assessment Committee risk management experts.

6. Risk Assessment Committee

Members:

Michael J. Levine (Chair)

Lawrence Rosano, Jr. (Vice Chair)

Dominick Ciampa

Hanif M. Dahya

Leslie D. Dunn

James J. O Donovan

Ronald A. Rosenfeld

Lawrence J. Savarese

The Board of Directors has determined that Messrs. Dahya and Savarese are risk management experts under the enhanced prudential standards of the Dodd-Frank Act.

Meetings held in 2017: 12

The Risk Assessment Committee has been appointed by the Company s Board of Directors to assist the Board in fulfilling its responsibilities with respect to oversight of the Company s risk management program, including as it relates to the risk appetite of the Company and the policies and procedures used to manage various risks, including credit, market, interest rate, liquidity, legal/compliance, regulatory, strategic, operational, reputational, and certain other risks.

As of January 30, 2018, the Company s former Capital Assessment Committee and Cyber Security Committee were dissolved and their oversight responsibilities assigned to the Risk Assessment Committee, thereby expanding the Risk Assessment Committee s responsibilities to include oversight of the Company s capital and stress testing program and oversight of the Company s exposure to cyber risk, including with respect to protection of non-public information of the Company, its customers, its employees, and others with whom the Company conducts business, and with respect to cyber security controls as an integral aspect of the Company s overall risk management strategies.

The Risk Assessment Committee s role is one of oversight, recognizing that management is responsible for designing, implementing, and maintaining an effective risk management program. The Company s departmental managers are the first line of defense for managing risk in the areas for which they are responsible. As a second line of defense, the Company s Chief Risk Officer provides overall leadership for the Company s enterprise risk management framework, including risk identification, risk measurement, risk monitoring, risk mitigation, risk reporting, and model risk.

At each regularly scheduled meeting of the Risk Assessment Committee, the Committee receives a monthly report from the Chief Risk Officer with respect to the Company s approach to the management of major risks, including the implementation of the enterprise risk management program and risk mitigation efforts. The Chief Risk Officer is responsible for an integrated effort to identify, assess, and monitor risks (including through risk measurement, risk monitoring, risk mitigation, and risk reporting) that may affect the Company s ability to execute on its corporate strategy, perform in accordance with approved risks limits and warning levels, and fulfill its business objectives. The Risk Assessment Committee enhances the Board s oversight of risk management.

As noted above, at the end of 2017 the Board determined to eliminate its Capital Assessment Committee and Cyber Security Committee, transferring the functions and authorities of these committees into the Risk Assessment Committee of the Board. The members felt that this change would provide for more efficient Board functioning and allow for the centralization of all risk issues, including capital and cyber risk issues, within a single committee of the Board that has principal responsibility for such matters.

In addition to the above described committees of the Company Board, the Banks Boards maintain committees with important oversight responsibilities for the Banks lending functions: the Mortgage and Real Estate Committee of the Board of New York Community Bank and the Credit Committee of the Board of New York Commercial Bank serve important governance functions in the lending businesses of the Company and are also described below. The multi-family, commercial real estate, commercial and industrial, and other non-residential loans we originate all are made in accordance with loan underwriting policies and procedures approved by the Committees, which maintain active oversight of management s loan origination, servicing, and collections processes. Committee members, who have significant experience in real estate businesses as well as real estate and other lending, apply their knowledge and expertise in key policy and risk-management decisions relating to these core business areas.

Mortgage and Real Estate Committee (Community Bank)

The Mortgage and Real Estate Committee is a committee of the Community Bank Board of Directors appointed by the Community Bank s Board to oversee the Community Bank s credit management policies and procedures, as more particularly described in the credit policies of the Community Bank as adopted from time to time. The authority of the Committee includes, among other things, oversight regarding the administration and implementation of loan policies, review of the risks associated with loans approved by management, and the delegation of credit authority. Each member has expertise in relevant areas of commercial and residential real estate; lending and lending risk; and the business of financial institutions.

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CORPORATE GOVERNANCE

The members of the Mortgage and Real Estate Committee are Messrs. O Donovan (Chair), Ciampa, Ficalora, Levine, Rosano, and Tsimbinos. The Mortgage and Real Estate Committee met 51 times in 2017.

Credit Committee (Commercial Bank)

The Credit Committee is a committee of the Commercial Bank Board of Directors appointed by the Commercial Bank s Board to oversee the Bank s credit management policies and procedures, as more particularly described in the credit policies of the Bank as adopted from time to time. The authority of the Committee includes, among other things, oversight regarding the administration and implementation of loan policies, review of the risks associated with loans approved by management, and the delegation of credit authority. Each member has expertise in relevant areas of commercial and industrial real estate lending, lending risk, and the business of financial institutions.

The members of the Credit Committee are Messrs. Dahya (Chair), Ciampa, Ficalora, Levine, O Donovan, Rosano, Savarese, and Tsimbinos. The Credit Committee met 51 times in 2017.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS

The Board of Directors expects all directors to attend the Annual Meeting of Shareholders. All of the then-serving Board members attended the Annual Meeting of Shareholders held on June 6, 2017.

COMMUNICATION WITH THE BOARD OF DIRECTORS

Shareholders and other parties interested in communicating directly with the Company by directing correspondence to any of the individuals listed below. Letters addressed to the Presiding Director will be opened by the Company s Corporate Secretary, who will review them and forward a summary of such correspondence to the Presiding Director and, if applicable, the Board. If the Corporate Secretary determines that an item of correspondence relates to the functions of the Board or its committees, or otherwise requires their attention, he will direct the item itself to the Presiding Director or other Board members. Directors may at any time review a log of all correspondence received by the Company that is addressed to the Presiding Director as provided above, and request copies of any correspondence.

How to contact us:

Chief Governance Officer	New York Community Bancorp, Inc. 615 Merrick Avenue, Westbury, NY 11590 Attention: Chief Governance Officer
Investor Relations	New York Community Bancorp, Inc. 615 Merrick Avenue, Westbury, NY 11590 Attention: Investor Relations *Investors@myNYCB.com*
Board of Directors	New York Community Bancorp, Inc. c/o Office of the Corporate Secretary 615 Merrick Avenue, Westbury, NY 11590
Presiding Director	New York Community Bancorp, Inc. c/o Office of the Corporate Secretary 615 Merrick Avenue, Westbury, NY 11590 Attention: Michael J. Levine, Presiding Director
Audit Committee of the Board of Directors	New York Community Bancorp, Inc. c/o Office of the Corporate Secretary 615 Merrick Avenue, Westbury, NY 11590 Attention: Lawrence J. Savarese, Audit Committee Chairman

PROCEDURES FOR SHAREHOLDERS TO RECOMMEND DIRECTORS

It is the policy of the Nominating and Corporate Governance Committee to consider director candidates who appear to be qualified to serve on the Board and who are recommended by shareholders. The Nominating and Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and if the Nominating and Corporate Governance Committee does not perceive a need to increase the size of the Board. To avoid the unnecessary use of its resources, the Nominating and Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below. To submit a recommendation of a director candidate to the Nominating and Corporate Governance Committee, a shareholder should submit the following information in writing, addressed to the Chairman of the Nominating and Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Company:

a. the name of the person recommended as a director candidate;

b. all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended;

c. the written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

d. the name and address of the shareholder making the recommendation, as they appear on the Company s books; provided, however, that if the shareholder is not a registered holder of Common Stock, the shareholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Common Stock;

e. a statement disclosing whether such shareholder is acting with, or on behalf of, any other person and, if applicable, the identity of such person; and

f. such other information as the Company may require in accordance with its established nomination procedures then in effect.

In order for a director candidate to be considered for nomination at the Company s Annual Meeting of Shareholders, the recommendation must be received at the principal executive office of the Company not less than 90 days prior to the date of the meeting; provided, however, that in the event that less than 100 days notice or prior disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made.

Under the proxy access provisions of our Bylaws, eligible shareholders and/or shareholder groups were permitted to include shareholder-nominated director candidates in our proxy materials for the 2018 annual meeting of shareholders.

For details about the process to include shareholder-nominated director candidates in our proxy materials, please see *Additional Information Proxy Access Nominations* and refer to Article I, Sections 6, 7, and 8 of our Amended and Restated Bylaws. A copy of the Amended and Restated Bylaws of the Company are available, free of charge, in print to any shareholder who requests a copy.

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BENEFICIAL OWNERSHIP

INFORMATION WITH RESPECT TO NOMINEES, CONTINUING DIRECTORS, AND EXECUTIVE OFFICERS

The following table sets forth, as of April 10, 2018, the names of the nominees, continuing directors, and executive officers of the Company, their ages and, as applicable, the year in which he or she became a director and the year in which his or her term (or in the case of the nominees, their proposed terms) as director of the Company expire. The table also sets forth the amount and percentage of Common Stock beneficially owned by each director, by each named executive officer (as defined on page 20), and by all directors and executive officers as a group as of April 10, 2018.

Name	Age	Director Since	Shares of Common Stock Beneficially Owned [1] [2]	Percent of Class
Nominees (Whose Terms Would Expire in 2021):				
Maureen E. Clancy	86	2003	135,148[3]	0.28%
Hanif Wally Dahya	62	2007	152,500[3,4]	0.031%
Joseph R. Ficalora	71	1989[7]	6,810,443[3,4,5]	1.389%
James J. O Donovan	75	2003	1,331,801[3,4,5]	0.272%
Directors Whose Terms Expire in 2020:				
Dominick Ciampa	84	1995	640,732[3,4]	0.131%
Leslie D. Dunn	73	2015	19,000[3][4]	0.004%
Lawrence Rosano, Jr.	65	2014	24,500[3,4]	0.005%
Robert Wann	63	2008	2,322,208[3,5]	0.474%
Directors Whose Terms Expire in 2019:				
Michael J. Levine	73	2004	314,860[3]	0.064%
Ronald A. Rosenfeld	79	2012	99,666[3,4]	0.02%
Lawrence J. Savarese	61	2013	89,175[3,4]	0.18%
John M. Tsimbinos	80	2003	1,200,436[3,4]	0.245%
Named Executive Officers Who Are Not Directors:				
Thomas R. Cangemi	49		1,238,506[3,4,5,6]	0.253%
James J. Carpenter	57		665,850[3,4,5]	0.136%
John J. Pinto	47		519,435[3,5]	0.106%
All directors and executive officers as a group (15 persons)			15,564,260	3.174%

(1) Includes the following shares of common stock held directly: Mr. Ciampa: 16,828; Mrs. Clancy: 106,148; Mr. Ficalora: 3,576,341; Mr. Levine: 271,360; Mr. O Donovan: 699,346; Mr. Rosano: 8,400; Mr. Savarese: 41,175; Mr. Tsimbinos: 1,002,127; Mr. Wann: 1,297,602; Mr. Cangemi: 861,230; Mr. Carpenter: 424,589; and Mr. Pinto: 328,749.

(2) Each person effectively exercises sole (or shares with spouse or other immediate family member) voting or dispositive power as to shares reported herein (except as noted). Figures include all of the shares held directly and indirectly by directors and the Company s executive officers, as well as the shares underlying stock awards that have been granted to, and are currently exercisable or exercisable within 60 days by, such directors and executive officers under the Company s various stock-based benefit plans.

(3) Includes the following shares of unvested restricted stock awards: Mr. Ciampa 72,500; Mrs. Clancy 29,000; Mr. Dahya 43,500; Ms. Dunn 13,800; Mr. Ficalora 630,669; Mr. Levine 43,500; Mr. O Donovan 39,500; Mr. Rosano 13,600; Mr. Rosenfeld 10,200; Mr. Savarese 43,500; Mr. Tsimbinos 10,200; Mr. Wann 298,434; Mr. Cangemi 185,869; Mr. Carpenter 168,775; and Mr. Pinto 126,176.

(4) Includes the following shares that are owned by spouses of the named nominees, continuing directors, and executive officers or are held in individual retirement accounts, trust accounts, custodian accounts, or foundation accounts for which the directors and the executive officers are deemed beneficial owners: Mr. Ciampa 551,404; Mr. Dahya 109,000; Ms. Dunn 5,200; Mr. Ficalora 300,863; Mr. O Donovan 5,318; Mr. Rosano 2,500; Mr. Rosenfeld 89,466; Mr. Savarese 4,500; Mr. Tsimbinos 188,109; Mr. Cangemi 60,335; and Mr. Carpenter 16,166.

(5) Includes the following shares allocated under the NYCB Employee Stock Ownership Plan (ESOP) (and in the case of Messrs. Ficalora, Cangemi and Pinto, acquired for their ESOP accounts pursuant to dividend reinvestments): Mr. Ficalora 617,579;

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BENEFICIAL OWNERSHIP

Mr. O Donovan 210,383; Mr. Wann 355,859; Mr. Cangemi 39,281; Mr. Carpenter 42,245; and Mr. Pinto 36,740. Also includes 1,042,461; 308,655; and 260,126 shares allocated under the Community Bank s Supplemental Benefits Plan (and acquired for their SERP accounts pursuant to dividend reinvestment) to the accounts of Messrs. Ficalora, O Donovan and Wann, respectively. Further includes shares held by the trustee of the New York Community Bancorp, Inc. Employee Savings Plan for the accounts of the following officers: Mr. Ficalora 642,530; Mr. Wann 110,187; Mr. O Donovan 68,599; Mr. Cangemi 91,791; Mr. Carpenter 13,805 and Mr. Pinto 27,770; which include shares acquired in Messrs. Ficalora s, Cangemi s, Carpenter s, and Pinto s accounts pursuant to dividend reinvestment.

(6) Mr. Cangemi has pledged 515,729 shares of Common Stock pursuant to margin account arrangements. The margin balances outstanding, if any, pursuant to such arrangements may vary from time to time. All pledge obligations entered into before the adoption of the new policy on pledging stock are grandfathered for the duration of the pledge commitment. See page 34 for a summary of our policy on hedging and pledging of Common Stock.

(7) Includes years of service as a trustee or director of the Community Bank.

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION AND RELATED INFORMATION

I. COMPENSATION DISCUSSION AND ANALYSIS

A. EXECUTIVE SUMMARY

We are pleased to provide our shareholders with an overview and analysis of the compensation programs in which the following executive officers (our named executive officers or NEOs) participated during 2017 and the process we use to make specific compensation decisions for our NEOs:

- **Joseph R. Ficalora**, President and Chief Executive Officer
- **Robert Wann**, Senior Executive Vice President and Chief Operating Officer
- **Thomas R. Cangemi**, Senior Executive Vice President and Chief Financial Officer
- **James J. Carpenter**, Senior Executive Vice President and Chief Lending Officer
- **John J. Pinto**, Executive Vice President and Chief Accounting Officer

Ø *Scope of the Compensation Discussion and Analysis*

The *Compensation Discussion and Analysis* provides shareholders with important information regarding our executive compensation program, including the following:

- a discussion of our compensation philosophy and the objectives of our compensation program;
- a discussion of each element of executive compensation, the purpose it serves and our targeted compensation mix for 2017;
- a review of the process by which the Compensation Committee makes compensation decisions, including an overview of the timeline, the parties involved, risk considerations and tax considerations; and

a discussion of the Compensation Committee s 2017 incentive compensation decisions and the key factors that influenced those decisions.

Ø *Our Company in 2017*

In 2017, we continued to feel the adverse effects of the termination of our agreement to acquire Astoria Financial, a transaction that would have represented a continuation of our highly successful strategy of growth through acquisition. Several years ago, we made a strategic decision to manage growth below the $50 billion threshold for classification as a systematically important financial institution or SIFI . This decision was predicated on our belief that the costs associated with the regulatory burden of SIFI status would be more manageable if they were absorbed in the context of a transaction that created a significantly larger bank. The Astoria transaction met this strategic objective, and we took a number of actions in anticipation of the closing of the transaction that we believed would, in the long run, enhance shareholder value. The Astoria transaction would have created a strong SIFI bank, poised for future growth through acquisition and the resumption of organic growth through the expansion of our core businesses. Ultimately, the path to regulatory approval proved difficult, and the deadlines built into the transaction could not be met. Moreover, these events occurred against the backdrop of a rising interest rate environment and the burden of carrying expenses attributable to the demands of meeting regulatory requirements. We acknowledge that the convergence of these circumstances has resulted in a loss of shareholder value, a loss that has been shared by the members of our executive management team.

However, shareholders should not lose focus on the fundamental soundness of our business and our future prospects. We have a strong and experienced management team with a proven track record of creating shareholder value. In 2017, we continued to operate at level of efficiency that places us at the head of our peer group. We maintained sterling asset quality and a strong capital position. We also resumed organic growth with strong demand for our loan products and we exited a business, mortgage banking, that was peripheral to our core business and which added greatly to our regulatory risks and burdens. Our business will also benefit from a reduced tax burden as a result of recently enacted tax reform legislation. With relief from the regulatory burden of SIFI status on the horizon, our core business strategy growth through acquisition remains realistic and achievable. In short, the setbacks of the last few years have been a learning experience that will be put to good use as we move back on the path to creation of shareholder value.

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EXECUTIVE COMPENSATION

Ø *Selected 2017 Financial Benchmarks*

$49.1 Billion	**$29.1 Billion**	**$441.6 Million**	**$332.1 Million**
Assets	Deposits	Net Income Available to Shareholders	Total Cash Dividends
$0.90	**0.96%**	**7.12%**	**50.69%[1]**
EPS (Fully Diluted)	ROAA	ROACE	Efficiency Ratio
$28.1 Billion	**$82 Million**	**11.36%**	**0.19%**
Multi-Family Loan Portfolio	Net Gain from Sale of Mortgage Business & FDIC Loss Share Assets	Common Equity Tier 1 Capital	Non-Performing Loans/Total Loans

Ø *Consideration of 2017 Say-on-Pay Results and Shareholder Engagement*

The results of our 2017 shareholder advisory vote on executive pay revealed a clear split among shareholders in their perception of our executive compensation program. The final vote totals showed the against votes with a narrow margin over votes for the proposal out of nearly 318 million voting shares. However, the Committee took notice of the significant vote against the proposal and the fact that, under the former triennial schedule, the Company s 2014 say on pay results were also adverse. In direct response to shareholder concerns reflected in the say-on-pay voting and voiced in the shareholder engagement process, the Committee modified its approach to award determinations under the Company s executive incentive compensation programs. Most notably, to support the exercise of negative discretion, the Committee (i) reviewed a wider range of financial metrics to better evaluate the Company s performance relative to its peers and (ii) evaluated 2017 NEO compensation at peer banks to help ensure that, for the Company s NEOs, the Committee achieved an improved alignment of pay with performance. The Committee believes that these changes, and their effect on 2017 NEO compensation, should be carefully considered by shareholders in 2018, the first year of our transition to an annual say on pay advisory vote.

At the 2017 Annual Meeting, shareholders endorsed the Board s recommendation that the advisory say-on-pay vote occur annually. We believe an annual vote will provide the Committee with more immediate feedback on shareholder consideration of our executive compensation program.

In 2017 and early 2018, we continued our board-driven outreach efforts with certain institutional investors to solicit their views on our executive compensation program and related corporate governance topics. This process has provided the Company with constructive feedback that is evaluated by the Compensation Committee and shared with the whole Board.

Ø 2017 Executive Compensation Highlights

While our CEO and each of the other NEOs continued to perform at a very high level during 2017 in their areas of functional responsibility, the Compensation Committee approached the 2017 incentive compensation decisions with a keen awareness of continuing shareholder concerns about the direction of their investment in the Company. Although the existing short- and long-term incentive plan structures rely on financial metrics that are closely linked to the factors that have traditionally contributed to the Company s creation of shareholder value, the Committee determined that a broader view of the Company s performance relative to its peers was necessary to ensure a proper alignment of pay with performance. The following provides a capsule summary of the Committee s key decisions for the 2017 performance period:

[1] Excludes $82 million net gain from the September 2017 sale of the Community Bank s mortgage business and 2017 sale of loans subject to the Bank s Shared Loss Agreements with the FDIC made in connection with the 2009 AmTrust Bank and 2010 Desert Hills Bank resolution transactions.

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EXECUTIVE COMPENSATION

No Change to Base Salary

The Compensation Committee reviewed the base salaries of our CEO and the other NEOs in March 2018 and did not authorize salary adjustments. The Committee determined that the current base salary for each executive was appropriately positioned as a percentage of the executive s target pay mix.

Reduced Short-Term Incentive Awards

Although the executives were eligible for awards at the maximum plan funding level, the Committee exercised negative discretion to reduce the actual award for each executive to the midpoint between the minimum and target award levels or, in dollar terms, to 42% of the maximum award value. This determination was based principally on two factors: (i) the Committee s evaluation of a wide range of supplemental financial metrics that provided the Committee with a broader perspective on the Company s 2017 performance relative to the peer group and (ii) the fact that the Company s average percentile ranking with respect to the 2017 short-term program metrics (ROATA and Efficiency Ratio), which determine the plan funding level, showed a significant year-over-year decline. For a detailed discussion of award determinations under the 2017 short-term incentive compensation program, see *Overview of our Incentive Compensation Program* below and the *Executive Compensation Tables* *Summary Compensation Table* and the related tables that provide specific information on awards.

Reduced Long-Term Incentive Awards

Although the executives were eligible for awards at the maximum plan funding level, the Committee exercised negative discretion to reduce the actual award for each executive to the midpoint between the minimum and target award levels or, in dollar terms, to 42% of the maximum award value. This determination was based principally on (i) the Committee s evaluation of a wide range of supplemental financial metrics (see above) that provided the Committee with a broader perspective of the Company s 2017 performance relative to the peer group and (ii) the year-over-year downward trend in the metrics used to determine awards under the long-term program. For a detailed discussion of award determinations under the 2017 long-term incentive compensation program, see *Overview of our Incentive Compensation Program* below and the *Executive Compensation Tables* *Summary Compensation Table* and the related tables that provide specific information on awards.

Aligning Pay and Performance

The Committee s decisions in 2017 were focused on the alignment of pay and 2017 Company performance, reflecting an acknowledgment of shareholder concerns while recognizing each executive s high level of individual performance. An important indicator of the impact of the Committee s actions is the effect on each executive s 2017 total direct compensation or TDC (the sum of base salary, short-term incentive compensation, and long-term incentive compensation), and the positioning of TDC for the Company s senior executives relative to executives in similar positions at peer institutions. The Committee s final determinations on incentive pay positioned CEO TDC at approximately the 31st percentile of the peer group and the average TDC for the other NEOS at approximately the 44th percentile of the peer group. The Committee believed that this positioning achieved an appropriate alignment of pay and performance after taking into account several factors that mitigated against the exercise of negative discretion. Considering 2016 vs. 2017, TDC decreased by 43% for our CEO and, on average, by 37.5% for our other NEOs. See *Overview of our Incentive Compensation Program* below for additional information.

Ø *Director Compensation Review*

Beginning in 2017 and continuing into January 2018, the Compensation Committee initiated a comprehensive review of non-employee director compensation to benchmark the Company s director pay relative to peer institutions. After careful consideration of peer data, the Committee, in January 2018, initiated a 10% across-the-board reduction in all non-employee director retainers and fees, including the premium retainers and fees received by certain Board Committee chairs, and reduced equity awards for non-employee directors by 50% relative to 2016 and 2017 award levels, subject to a 3,000 share minimum award. These modifications were endorsed by the full Board. The revised compensation structure is intended to improve the Company s alignment with director pay practices at peer institutions while ensuring that the directors are fairly compensated for their significant contributions of knowledge, experience and time to the Board and its Committees. Separately, the Board approved the consolidation of several Board committees, which is expected to improve operating efficiency and reduce aggregate Board compensation costs. Taking all of these changes into account, it is projected that aggregate Board compensation cost in 2018 will be reduced by an estimated 30-35%. For additional information, see the *Directors Compensation* section of this proxy statement.

B. THE BUSINESS CONTEXT AND GOVERNANCE FRAMEWORK FOR OUR COMPENSATION DECISIONS

Ø Our Unique Business Model and Approach to Driving Shareholder Value

We have historically built value for shareholders by executing on a unique business model that has provided consistently superior financial results over the long-term. The strength of our business model has enabled us to weather periods of economic downturn with greater success than our peers and to benefit from periods of economic expansion. The performance metrics we use to drive our incentive compensation programs encourage behavior that supports our business model.

Building shareholder value *We have built long-term value for our shareholders with our growth through acquisition strategy and by maintaining the strength of our core business over decades.*

Maintaining leadership in our core business niche We have been a leader in the New York City multi-family lending market for more than 40 years.

Maintaining exceptional asset quality Through conservative underwriting and operating standards, we have maintained exceptionally strong asset quality to ensure that our core sources of income will remain healthy through the long term. Even during challenging credit cycles, our asset quality measures remains exceptionally strong and better than those of our peers.

Holding the line on expenses We consistently rank in the top tier of bank holding companies based on efficiency.

Growing deposits in a competitive market We grow deposits with successful retail, institutional, and municipal deposit campaigns. In addition to diversifying our sources of funds, the increase in deposits enabled us to reduce our wholesale borrowings.

Maintaining our capital strength Recognizing the importance of capital strength to our regulators and investors, our efforts to ensure low credit losses have enabled us to maintain strong earnings and capital.

Ø *Our Compensation Strategy*

Our approach to executive compensation is based on four simple strategic objectives:

Strategic Objective	How our Programs Support our Strategy
We must be competitive in the marketplace for talent	Our programs are designed to be competitive in the marketplace as we seek to retain top talent for our executive ranks. We offer our executives a balanced mix of compensation with opportunities to earn significant cash and equity incentive compensation.
Pay must reflect performance and support our strategic goals	Our incentive compensation program supports key elements of our strategic plan by focusing on performance metrics tied to our business strategies. A significant portion of our NEO compensation is at risk since our executives receive the majority of their pay from variable compensation.
The interests of our executives must be aligned with the interests of our long-term shareholders	A significant portion of executive pay is provided in the form of equity, and equity is only awarded on the basis of performance. We vest equity over an extended period of continued employment. Our stock ownership guidelines encourage our executives to retain a significant equity interest in the Company. The holdings of our NEOs significantly exceed our ownership guidelines.
Incentive compensation programs must discourage excessive risk taking	Our compensation programs are designed to ensure that we do not incentivize our executives to take unnecessary or excessive risks that could undermine the value of the Company. Our review of the risk profile of our compensation program is an annual and ongoing task for management and the Compensation Committee.

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EXECUTIVE COMPENSATION

Ø *The Governance Framework for Our Executive Compensation Program*

All decisions on executive compensation are made within the context of a strong governance framework that helps ensure that the outcome is consistent with our compensation philosophy, the creation of shareholder value, and the safety and soundness of our banking operations. To that end, we use the following principles to guide the development and implementation of our executive compensation program:

Ø We make all key executive compensation decisions and all decisions affecting the compensation of our NEOs through a committee of independent directors, and we seek advice from an independent compensation consultant on key executive compensation matters.

Ø We engage in shareholder outreach to help us evaluate our governance structure and executive compensation program.

Ø We require a strong ownership commitment from our officers and directors. Our executives hold a significant number of shares of stock, reflecting levels significantly in excess of our stock ownership guidelines.

Ø We have a clawback policy that allows us to recapture amounts paid on the basis of financial results in the event that such results are found to be materially misstated. To support this policy, our long-term incentive awards are subject to a five-year vesting period after grant.

Ø We do not allow our executives to hedge or pledge Company stock. *(Certain pledge obligations that were in effect prior to our adoption of a formal no hedging/no pledging policy in April 2015 were grandfathered from this prohibition.)*

Ø We do not allow single trigger payouts under our employment and change-in-control agreements.

Ø We do not provide tax reimbursement payments to any named executive officer with respect to the income they realize from the vesting of equity awards granted for performance periods beginning after 2014. In prior years, the Company provided tax reimbursement payments to the named executive officers to encourage their retention of all stock granted under the Company s long-term incentive program. Beginning with the 2015 performance period, the Company discontinued this practice prospectively with respect to newly granted awards. Awards granted in March 2016 covering the 2015 performance period and all subsequently granted awards are ineligible to receive tax reimbursement payments. No reimbursement payments will be made after March 2020 following the vesting of the last installment of awards granted in March 2015 for the 2014 performance period.

Ø We do not allow stock option repricing without shareholder approval.

C. OUR EXECUTIVE COMPENSATION DECISION MAKING PROCESS

Ø *Key Participants*

The Compensation Committee

Our Compensation Committee, all the members of which are independent directors under current NYSE listing standards, makes decisions on the compensation of our key executives, including our NEOs. This responsibility is discharged within the framework of a formal committee charter, which delegates a wide range of strategic and administrative issues to the Committee. Key among the Committee s tasks is the development of, and monitoring of adherence to, the Company s executive compensation philosophy. In addition, the Committee is responsible for ensuring that our plans and programs comply with all regulatory directives, including consideration of the risk profile of our compensation programs to ensure that such programs do not encourage unnecessary risk taking by participants. Finally, the Committee is charged with the annual administration of our executive incentive programs, including the development of plan design, the selection of performance metrics, the designation of specific performance goals and award opportunities, and the certification of performance results. See *Board Committees-The Compensation Committee* for a detailed discussion of the Committee s responsibilities and membership. The Committee s charter is posted on the corporate governance pages within the Investor Relations portion of our website at *www.myNYCB.com.*

The Committee meets periodically throughout the year. In 2017, the Committee met seven times, each time including discussions in executive session without management present. In March of each year, the Committee meets to review individual performance assessments for each NEO and to certify performance results for the prior year s incentive programs. In addition, at the March meeting, the Committee determines the structure of the current year s incentive programs by designating performance metrics and linking financial results to specific incentive award opportunities.

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EXECUTIVE COMPENSATION

The Committee reviews the compensation of each NEO annually to evaluate whether the executive s pay level is consistent with our compensation philosophy, risk profile, and the performance of both the Company and the individual, and whether market practices dictate an adjustment in the form or level of the executive s compensation. As part of this annual review, the Committee considers the executive s individual contributions to the financial success of the Company, management of subordinates, contribution to safety and soundness objectives, and their long-term potential as a senior executive.

The Committee does not delegate any substantive responsibilities related to the determination of compensation for our NEOs, and the Committee members exercise their independent judgment when they make executive compensation decisions.

Our CEO

Although the Compensation Committee makes independent determination on all matters related to compensation of the NEOs, the CEO provides the Committee with his evaluation of the NEOs performance and makes recommendations regarding base salary and incentive compensation awards. However, the Committee has absolute discretion to accept, reject, or modify the CEO s recommendations. Our CEO plays no role in, and is not present during, discussions regarding his own compensation or final decisions of the Committee regarding compensation of the other NEOs.

The Independent Compensation Consultant

The Compensation Committee has retained Meridian Compensation Partners LLC (Meridian) as an independent compensation consultant. Meridian works with the Committee to review our executive compensation program and assess our program relative to our performance and the market. Meridian attends Committee meetings as requested and participates in general discussions regarding executive compensation matters. While the Committee considers input from Meridian, the Committee s decisions are a reflection of many factors and considerations. Management works with Meridian at the direction of the Committee to develop materials and analyses that are critical to the Committee s evaluations and determinations. Such materials include competitive market assessments of executive compensation and guidance on regulatory and legal developments. Meridian also helps the Committee to identify an appropriate peer group and annually provides the Committee with comparative financial information for the peer group to establish and approve award levels under the Company s incentive compensation program.

Meridian coordinates with the Chair of the Committee and participates with members of the Committee in executive session (without management personnel present) to discuss compensation matters. Meridian does not provide other services to the Company and has no direct or indirect business relationships with the Company or its affiliates. The Compensation Committee has considered Meridian s independence for the 2017 fiscal year and whether its work raised conflicts of interest under the NYSE listing standards. Considering these factors, the Committee determined that the work performed by Meridian did not create any conflict of interest and that Meridian is independent of the Company s management.

Ø *Benchmarking and Peer Group Analysis*

A critical element of our compensation philosophy, and a key reference point for compensation decisions for our executive team, is the analysis of our executive compensation structure and financial performance relative to a peer group of similarly sized, publicly traded financial institutions. We seek to ensure proper alignment between our performance and compensation relative to our peers, and to attract and retain top talent, by providing competitive and appropriate compensation. To monitor our programs and decisions, we benchmark our performance against that of our peers to assess the reasonableness of our compensation, ensure proper pay-for-performance alignment, and to establish total compensation opportunities for our named executive officers. Our peer group is selected with the assistance of our independent compensation consultant based on objective criteria. In selecting these companies for inclusion in our peer group, we consider factors such as their business mix, how they compare to the Company in terms of asset size, revenue, market capitalization, and their status as a competitor for customers, executive talent, and investment capital. The peer group is reviewed and updated annually, and changes periodically as a result of the Company s growth, industry consolidation, and changes in a peer company s business focus or condition. The 2017 peer group had a median asset size of approximately \$66 billion, positioning the Company at the 47th percentile.

EXECUTIVE COMPENSATION

In March 2017, after a detailed review, the Compensation Committee identified a peer group of 17 financial institutions that met the applicable criteria:

Associated Banc-Corp	***M&T Bank Corp.***
BOK Financial Corp.	***Northern Trust Corp.***
Comerica Incorporated	***Peoples United Financial, Inc.***
Citizens Financial Group, Inc.	***Popular, Inc.***
Cullen/Frost Bankers, Inc.	***Regions Financial Corporation***
Fifth Third Bancorp	***Signature Bank***
First Citizens Bancshares, Inc.	***Synovus Financial Corp.***
Huntington Bancshares Inc.	***Zions Bancorporation***
KeyCorp	

Ø *Executive Performance Assessments*

Our NEOs receive annual performance assessments following a process established by the Compensation Committee. Our CEO provides the Committee with an assessment of the other NEOs, and the Committee, in turn, provides our CEO with an assessment of his performance and considers the CEO s evaluation of his direct reports and his compensation recommendations. While the scope of the assessment may vary from year to year, the focus of the Committee s review is on whether the executive is meeting the functional responsibilities of the position, oversight of regulatory compliance, progress toward strategic objectives, leadership and management of external relationships. The annual performance assessments are integral to the Company s incentive compensation program, providing the Committee with a separate basis for considering whether to exercise negative discretion when making annual awards.

D. ELEMENTS OF COMPENSATION

Ø *Introduction*

Our NEOs participate in a competitive compensation program that emphasizes pay for performance and the creation of shareholder value. The elements of our program, the specific objectives for each element, and a summary of how we implemented each element in 2017 are summarized in the table below:

Compensation Element	Objective	Implementation
Primary Components:		
Base Salary	Provides each executive with fixed compensation that reflects the executive s position and responsibilities, market dynamics and our overall pay structure	Base salary is subject to annual review in March of each year based on the Compensation Committee s assessment of the executive s individual performance during the prior year and a review of peer group practices.
Short-Term Incentives	Provide a cash-based, market-competitive annual award opportunity linked to financial measures that are important to our business model	For 2017, the short-term incentive program considered our performance with respect to two metrics (see, *2017 Performance Measures below)* relative to the performance of our designated peer group. In 2017, target short-term incentive opportunities ranged from 70% to 125% of base salary.
Long-Term Incentives	Provide an incentive for our executives to create shareholder value over the long term through equity awards. Align the interests of our executives with shareholders by awarding equity in the Company. Provide a significant retention incentive by incorporating an extended vesting period	For 2017, the long-term incentive program considered our performance with respect to two metrics (see, *2017 Performance Measures below)* relative to the performance of our designated peer group. In 2017, target long-term incentive opportunities for our NEOs ranged from 100% to 200% of base salary.

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EXECUTIVE COMPENSATION

Compensation Element	Objective	Implementation
Additional Components:		
Retirement Benefits	Provide tax-qualified benefit plans on the same terms as our rank-and-file employees to provide our executives with additional income after retirement	Our current retirement program consists of our ESOP, which is funded with an annual Company contribution determined on a uniform basis for all employees as a percentage of eligible compensation (approximately 5.1% in 2017), and our 401(k) plan, which is funded entirely by employee contributions. We do not provide our executives with any supplemental retirement benefits that would require us to accrue an expense for such benefits on an annual basis.
Perquisites	Limit perquisites so that they represent a minor portion of the overall annual compensation of our NEOs	Perquisites are specifically targeted to items that help each executive fulfill the requirements of his position.
Employment Agreements	Help to ensure the continued availability of our NEOs in key positions. Establish market-competitive terms and conditions for the continuing employment of our NEOs, including severance benefits that reflect	Our current NEO employment agreements have been in place without amendment since 2006. The agreements contain double trigger change-in-control protection (i.e., a change in control followed by the executive s termination in specified circumstances). (See, *Other Executive Benefits* , page 33 for additional

prevailing practices among our peers Assist with an orderly transition of management if a change in control of the Company were to occur.	details on the terms of these agreements). Although our legacy agreements indemnify our executives for liabilities related to the golden parachute excise taxes, the Compensation Committee has determined that any new NEO agreements will not contain such indemnification.

Ø 2017 Executive Compensation Program and Compensation Committee Decisions

Our executive compensation process begins early in the year when the Compensation Committee, in consultation with our independent compensation consultant and other advisors, determines the specific components of executive compensation and establishes a target pay mix for each NEO for the current fiscal year. During this period, the Committee identifies and selects the applicable performance metrics for our short-term and long-term incentive programs.

Our compensation program consists of three primary components: (i) base salary, (ii) cash-based, short-term incentive awards, and (iii) equity-based, long-term incentive awards. The Committee maintained the 2017 target pay mix at the same level as the prior year. The target pay mix for 2017 is illustrated in the following charts:

Ø *Base Salary*

Our NEOs receive base salaries at levels that reflect the nature, scope, and complexity of their specific positions. The salaries of our NEOs are reviewed annually to reflect their individual performance, ongoing contributions, and competitive market practice. Base salaries reflect the fixed portion of our total compensation and provide a reference point for targeting incentive compensation opportunities.

Consistent with past practice, the Compensation Committee reviewed the base salary levels of our NEOs in March 2018 and made no adjustments to the levels in effect during 2017. (If the Committee determines to change base salaries based on such review, the new salary levels are put into effect as of January 1st of the year in which such determination is made.) Taking into account individual performance of the NEOs, peer compensation information, and other factors described herein, the Committee determined that the current base salary for each executive was appropriately positioned as a percentage of the executive s target pay mix.

Ø *Overview of our Incentive Compensation Program*

Our incentive compensation programs are maintained under applicable provisions of our 2012 Stock Incentive Plan, which was approved by shareholders in 2012. The program has two components: (i) a short-term performance-based award opportunity that is paid in cash and (ii) a long-term performance-based award opportunity that is settled in shares of restricted stock and includes a five-year vesting period. Awards under each program depend on our financial performance, as measured by reference to specific financial metrics, relative to the performance of our peer group. The Committee selected this approach, rather than relying on our performance with respect to specific financial target(s), in the belief that an evaluation of our performance relative to our peers best captures the dynamic of our business model and provides a more valid assessment of how the Company performs through business cycles. It also provides our shareholders with a comparative view of how the Company performs relative to other similarly sized institutions.

The development of both the short-term and long-term incentive programs begins with the Compensation Committee s designation of the financial metrics that would apply under each program for the current year and the applicable performance period. After identifying the applicable metrics, the Committee sets a range of annual performance targets that link our performance, expressed on a percentile ranking basis, to the performance of our peers at minimum, target, and maximum levels. Specifically, the minimum, target, and maximum levels reflect the Company s average percentile ranking across all of the selected metrics.

Each executive has a range of award opportunities, expressed as a percentage of current-year base salary, that reflect performance at threshold, target, and maximum levels. At a meeting in March of the following year, the Committee certifies the Company s level of performance relative to the performance of each peer group company with respect to each designated financial metric. The certified level of performance is then correlated to the range of award opportunities for each executive to determine actual awards, taking into account the Committee s exercise of negative discretion and interpolation between award levels. No awards are provided for performance below the threshold performance level and actual awards cannot exceed the maximum award opportunity.

The determination of actual awards is subject to the Committee s authority to exercise negative discretion to reduce an award below the otherwise established funding level. In practice, the Committee s exercise of negative discretion is based on several factors including, but not limited to, consideration of underperformance with respect to one or more designated financial metrics, individual performance assessments, an evaluation of supplemental financial metrics relating to the Company, industry trends and best practices and the Company s overall performance relative to the execution of its business plan.

Ø 2017 Performance Metrics

The Compensation Committee establishes the financial metrics, and the performance targets, we use to determine eligibility for awards under our incentive programs. In 2017, the Committee selected different metrics to establish award opportunities under the short- and long-term programs, using, in each case, metrics that relate to core business strategies and that are linked to the duration of the applicable performance period, i.e., 2017 for the short-term program and 2015-2017 for the long-term program.

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The following tables identify the financial metrics we used in 2017 for our short-term and long-term incentive programs and provides our rationale for the use of each metric in the context of our strategic plan. Please see Annex A for a reconciliation of non-GAAP measures presented below.

Short-Term Incentive Program Metrics:

Performance Metric	How We Define It	Why We Use It
Return on Average Tangible Assets (ROATA)	Net income as a percentage of average tangible assets.	Shows the profitability of our assets by measuring how effectively management is deploying our assets to generate a positive return.
Efficiency Ratio	Non-interest expense before foreclosed property expense, amortization of intangibles and goodwill impairments as a percentage of net interest income and non-interest income, excluding gains from securities sales and non-recurring items.	Shows how effectively we manage our expenses and use our resources to create revenue. We believe efficient use of our resources, particularly given our acquisition strategy, is a significant competitive advantage.

Long-Term Incentive Program Metrics:

Performance Metric	How We Define It	Why We Use It
Net Charge-offs as a Percentage of Average Loans and Leases	Loans and leases charged off, net of recoveries, as a percentage of average loans, net of average guaranteed loans and leases.	Provides a solid measure of our loan quality and the effectiveness of our risk management controls. As a highly regulated business, having a strong credit culture minimizes risk to our business and shareholder value.
Return on Average Tangible Common Equity (ROATCE)	Net income, adjusted for tax-effected amortization of intangibles, as a percent of average tangible common equity.	Provides a strong measure of the effectiveness of our capital deployment strategies over time.

Ø 2017 Incentive Program Funding and Award Opportunities

Award opportunities under our 2017 short- and long-term incentive programs were set by the Compensation Committee based on competitive market practices and were defined as a percentage of each executive s base salary at the beginning of the year. With respect to both the short- and long-term programs, the Committee calculated the Company s rank on a percentile basis relative to the peer group for each performance metric. The average of the rankings was then assessed to determine the potential funding level for the incentive awards.

The following table presents a matrix of the possible program funding levels for 2017 based on the average of the Company s percentile rankings over the designated metrics relative to the peer group:

2017 Incentive Plan Funding	
Average Percentile Ranking Relative to the Peer Group	**Plan Funding Level (2017 Short-and-Long-Term Incentive Programs)**

Less than 25th	0
25th	Threshold
Median	Target
Above 75th	Maximum

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The following tables show the award opportunities established by the Compensation Committee for our CEO and other NEOs at each funding level under the 2017 short-term and long-term incentive compensation programs. The range of award opportunities was maintained at the same level as the prior year.

2017 Short-Term Incentive Compensation Award Opportunities

(As % of 2017 Base Salary)

Executive	Threshold	Target	Maximum
Mr. Ficalora	31.25%	125%	187.5%
Mr. Wann	22.5%	90%	135%
Mr. Cangemi	17.5%	70%	105%
Mr. Carpenter	17.5%	70%	105%
Mr. Pinto	17.5%	70%	105%

2017 Long-Term Incentive Compensation Award Opportunities

(As % of 2017 Base Salary)

Executive	Threshold	Target	Maximum
Mr. Ficalora	50%	200%	300%
Mr. Wann	31.25%	125%	187.5%

Mr. Cangemi	25%	100%	150%
Mr. Carpenter	25%	100%	150%
Mr. Pinto	25%	100%	150%

Ø 2017 Performance Results

On March 26, 2017, the Committee certified the Company s percentile rankings with respect to the performance metrics and performance periods applicable to the 2017 short- and long-term incentive plans. The results are set forth in the table below. Please see Annex A for a reconciliation of the non-GAAP measures presented in the table.

Short-Term Performance Metrics	Company Performance (2017 Performance Period)	Percentile Ranking (2017 Performance Period)
Return on Average Tangible Assets	1.01%	41th
Efficiency Ratio	51.96%	94th

Long-Term Performance Metrics	Company Performance (Average over the Performance Period 2015-2017)	Percentile Ranking (Average over the Performance Period 2015-2017)
Net Charge Offs as a Percentage of Average Loan/Leases	.05%	90th
Return on Average Tangible Common Equity	13.90%	88th

In reviewing the 2017 peer group data, the Committee was advised that Signature Bank did not report 2017 ROATA and ROATCE. To ensure consistency, the Committee evaluated the peer group results by both excluding Signature Bank from the peer group analysis for both metrics and by substituting ROAA for ROATA and ROACE for ROATCE for Signature Bank. In each case, the percentile ranking for the Company remained the same. The percentile rankings shown above reflect the inclusion of Signature Bank on a modified basis.

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Ø *2017 Incentive Award Determinations*

In making decisions on executive pay in 2017, the Compensation Committee balanced a clear intent to recognize the dedication and commitment of the senior management team to the execution of the Company s business strategy and the strength of each executive s individual performance against perceived weaknesses in the Company s 2017 financial results. Under the terms of both the short- and long-term incentive programs, the NEOs were eligible to receive awards up to the maximum plan funding level based on the Company s rank above the 75th percentile with respect to the average percentile ranking of the designated financial metrics (as detailed above) relative to the peer group. Specifically, with respect to the average percentile ranking of the designated metrics, the Company was at the 76th percentile of the peer group for the short-term program and at the 100th percentile for the long-term program. However, the Committee exercised negative discretion to reduce awards under both the short- and long-term programs to a level at the mid-point between the threshold and target award levels. The effect of this decision is that the actual 2017 awards under both the short- and long-term programs were set at 42% of the dollar value of the maximum award, which, absent the Committee s exercise of negative discretion, each executive was eligible to receive under the terms of the 2017 programs. See, *2017 Incentive Program Funding and Award Opportunities,* above.

All short-term incentive awards were settled in cash. All long-term incentive awards were settled in shares of restricted stock, with the number of shares determined by reference to the closing price of our stock on the March 26, 2018 grant date. All restricted shares awarded under the long-term program vest over a five-year period at a rate of 20% per year on each anniversary of the grant date. For specific information on the actual grants, see the *Executive Compensation Tables Summary Compensation Table* and the related tables detailing the actual 2017 awards.

A number of specific factors influenced the Committee s decision to exercise significant negative discretion in the determination of actual awards:

The Committee considered the Company s 2017 percentile ranking in the designated peer group across a broad range of financial metrics to supplement the results shown by the four metrics used to determine funding and award opportunities under the short- and long-term incentive programs. These supplemental metrics included (i) ROAA, (i) ROAE, (iii) net interest margin, (iv) deposit growth, (v) net loan growth, (vi) EPS growth and (vii) one- and three-year TSR. With respect to these metrics, the Committee determined that the Company ranked, on average, below the 25th percentile of the peer group.

The year-over-year decline in the Company s average percentile ranking under the short-term incentive program from the 87th to the 76th percentile.

- The downward trend from 2016 to 2017 with respect to both of the individual metrics that are used to determine the average percentile ranking under the long-term program over the 2015-2017 performance period.

- As discussed below, the positioning of 2017 total direct compensation for the Company s senior management group relative to similarly situated executives at peer institutions, many of which outperformed the Company with respect to key financial metrics. This review assisted the Committee s determination of the proper alignment of 2017 NEO compensation relative to the Company s 2017 performance.

Although the Committee identified the factors outlined above as significant to the exercise of negative discretion, the Committee also identified a number of countervailing factors that supported awards at the level selected by the Committee:

- The strong and committed individual performance of each executive during 2017 as reflected in each executive s superior performance evaluation.

- The role of the senior management team in leading the successful sale of the Company s mortgage banking business and FDIC loss share assets, a transaction that achieved a positive financial result and eliminated the significant regulatory burdens associated with mortgage banking.

- The lingering effects in 2017 of the Company s inability to close the Astoria transaction, an outcome that was, in large part, determined by factors outside the direct control of the NEOs and which, in 2017, continued to exert an adverse effect on the Company s financial performance.

- The Company s continuing strength relative to peers as reflected in our superior efficiency ratio and superior asset quality.

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The demonstrated strength of the Company s business model over many years and through many economic cycles, and the critical contributions made by the senior management team to the development and implementation of the model. The Committee noted the long tenure of the senior management group as a team and determined that it was in the best interest of the Company and its shareholders to continue to provide the NEOs with incentives that encourage their retention and their dedication to addressing the issues that have created short-term setbacks for the Company.

Benchmarking 2017 Executive Pay Against the Peer Group

An important consideration in the Committee s deliberations on 2017 incentive pay was an evaluation of the positioning of the total direct compensation (TDC), i.e., base salary plus short- and long-term incentive compensation, for the Company s CEO and other NEOs relative to the TDC of similarly situated executives at peer banks. This evaluation was deemed integral to the Committee s analysis of the alignment of pay and performance, a critical factor in the Committee s exercise of negative discretion. **The Committee s final determinations on incentive pay placed TDC for our CEO at approximately the 31st percentile of the peer group and average TDC for the other NEOs at approximately the 44th percentile of the peer group.** The Committee believed that this positioning appropriately balanced the Company s performance relative to the peer group against the mitigating factors noted above that moderated the Committee s exercise of negative discretion.

Comparison of 2016 and 2017 Total Direct Compensation

The following table illustrates, in dollar terms and on a percentage basis, the impact of the Committee s incentive pay determinations by presenting a year-over-year comparison of total direct compensation for our CEO and each of the other NEOs:

Executive	2016 TDC ($)	2017 TDC ($)	Change (2016 vs. 2017)
Mr. Ficalora	$ 7,400,000	$ 4,244,000	-43%

Mr. Wann	$ 4,230,000	$ 2,578,996	-39%
Mr. Cangemi	$ 2,765,000	$ 1,753,999	-37%
Mr. Carpenter	$ 2,530,000	$ 1,599,006	-37%
Mr. Pinto	$ 1,880,000	$ 1,187,000	-37%

Ø *Other Executive Benefits*

Employment Agreements and Change-in-Control Benefits

All of our NEOs have entered into employment agreements that provide severance benefits and benefit continuation in the event of their termination without cause or for good reason, disability, and after a change in control. The current agreements, which are identical in form, have been in place since 2006 without modification. No severance benefits are payable if the executive is terminated for cause or upon the executive s voluntary resignation without good reason (as defined in the agreement). In the change-in-control context, the agreements are double trigger , requiring both the occurrence of a change in control and the executive s involuntary termination of employment or constructive termination for good reason. These legacy agreements also provide the executive with indemnification against tax liabilities arising under the golden parachute provisions of federal tax law. For additional information regarding the terms of these employment agreements, see the section headed *Executive Compensation Tables Potential Post-Termination Payments and Benefits* .

The Committee, with management support, has followed a policy that all new employment agreements for senior management must reflect the following terms: (i) double trigger change in control benefits and (ii) no indemnification for golden parachute excise tax liabilities. The prohibition on indemnification for golden parachute liabilities has not been applied to the legacy agreements maintained with our NEOs. Given the long duration of the agreements and the reasonable expectation of our NEOs that the agreements would remain in place, the Committee has decided to retain the agreements in their present form. In addition, the Committee believes that the retention of these agreements (i) will help retain the NEOs and facilitate an orderly transition during a change in control, (ii) will provide the NEOs with financial protection so they will continue to act in the best interests of the Company during the change-in-control process, and (iii) reflects an important element of a competitive compensation package for the NEOs.

Retirement Benefits; Employee Welfare Benefits

Our principal retirement savings vehicle is our tax-qualified Employee Stock Ownership Plan (the ESOP). Since our initial public offering in 1993, the ESOP has been the primary source of retirement savings for all our employees, including our named executive officers. The Company makes discretionary contributions to the ESOP based on a percentage of each participant s base compensation. The ESOP has also fostered a strong sense among our employees that they are owners with a vested interest in the success of the Company. We also offer our employees a 401(k) plan that enables them to supplement their retirement savings with elective deferral contributions. Certain NEOs are entitled to benefits at retirement under our tax-qualified, defined benefit pension plan and a related non-qualified excess benefits plan, both of which were frozen in 1999 and, following which, no additional benefits were accrued.

Certain of our named executive officers participate in a supplemental retirement benefit plan that was established at the time of our initial public offering in 1993 to provide benefits with respect to the ESOP that cannot be allocated as a result of applicable Internal Revenue Code limits. Although this plan was frozen as to annual contributions in 1999, the plan would provide a restoration benefit to the participants in the event of a change in control. We do not currently offer our named executive officers any active supplemental executive retirement benefits or other non-qualified deferred compensation programs. For additional information regarding the supplemental retirement benefits plan, please see the section headed *Executive Compensation Tables* *Potential Post-Termination Payments and Benefits* .

In addition to retirement programs, we provide our employees, including our named executive officers, with coverage under medical, dental, life insurance, and disability plans on the same terms as our general employee population. We also provide employees with access to a Section 125 Plan to pay their share of the cost of such coverage on a pre-tax basis.

Perquisites

We provide our named executive officers with limited perquisites to further their ability to promote the business interests of the Company in our markets and to reflect competitive practices for similarly situated officers employed by our peers. The perquisites are reviewed periodically by the Compensation Committee and adjusted as necessary.

E. OTHER CONSIDERATIONS

Ø Risk Management and Our Compensation Programs

A central tenet of our compensation philosophy is to provide incentives that are consistent with prudent risk management while recognizing that some level of risk is inherent in the operation of our business. Our approach to risk management takes as a starting point the guidelines established by federal bank regulators:

Incentive compensation should balance risk and financial results in a manner that does not provide incentives for excessive risk taking.

Risk management processes and internal controls should reinforce and support the development of balanced incentive compensation arrangements.

Banks should have strong and effective corporate governance to help ensure sound compensation practices. Our Compensation Committee monitors our incentive compensation programs on an annual basis to ensure that the programs reflect a balanced mix of incentives that discourage unnecessary or excessive risk taking by our management team and by employees throughout the organization. An important element of our risk management process is the identification of the Company s risk appetite, which establishes the baseline for the design of our incentive programs. We also maintain a comprehensive risk management process and strong internal controls to manage risk generally, an approach that limits the risk arising out of our incentive compensation program. Within the incentive programs, we incorporate performance measures that reflect an inherent sensitivity to risk. Moreover, by providing our executives with a significant portion of their compensation in the form of equity awards that have long-term vesting requirements and by imposing stock ownership requirements on our executives, we help ensure that our executives have significant value tied to long-term stock price performance, a factor that discourages imprudent risk-taking.

Based on our assessment, we do not believe that the risks arising out of our incentive compensation programs are reasonably likely to have a material adverse effect on the Company. We believe our programs are balanced and do not encourage excessive risk taking by the participants that could threaten the value of the Company. This determination is based on our consideration of (i) the Board s role in establishing the Company s risk appetite, (ii) the extensive controls we place on our business operations, and (iii) the nature of the specific incentive plans and programs we maintain for our employees.

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Ø Stock Ownership Requirements

Our executive officers have, for many years, held stock in the Company at levels that are far in excess of any stock ownership guidelines that would be considered best practice. We do, however, maintain formal share ownership guidelines for our CEO and other named executive officers to affirm our commitment to stock ownership and retention as an element of our compensation philosophy. A summary of our policy and the status of our officers under the policy is provided below:

Executive	Multiple of Salary	Compliance Status
CEO	6x Base Salary	In compliance
Other Named Executive Officers	4x Base Salary	In compliance

Under the stock ownership policy, officers have five years from the point of initial service to meet the ownership guidelines. We count awards under our equity compensation program, stock allocated through our ESOP, and shares acquired through our 401(k) plan toward the ownership guidelines. The Compensation Committee is charged with maintaining compliance with the stock ownership guidelines.

Ø Recoupment of Incentive Compensation

The Company maintains a formal recoupment or clawback policy that applies to both short- and long-term incentive awards made to our executive officers. Under our policy, the Company may recover or forfeit previously paid or awarded incentive compensation if the Compensation Committee determines that such compensation was paid on the basis of materially inaccurate financial metrics or financial statements,