



DCOM was included in the FSB 100 List of America's fastest-growing small companies in 2002.

We believe that these measures, when viewed in aggregate, compare favorably to any of our peers. Since our inception as a public company, we have emphasized measured balance sheet growth and a steady growth in earnings. We have always been careful not to over-emphasize one particular financial measure at the expense of others. What you see in the measures shown above is a direct reflection of this philosophy. While many in our peer group may outperform DCOM in one of the above measures, few, if any, outperform DCOM when all of these measures are viewed together.

As we mentioned in our previous report six months ago, our continually improving financial performance resulted in recognition by highly regarded financial and investment reporting indices. DCOM is included in the Russell 2000, Nasdaq Financial 100 and S&P Small Cap 600 Indices. DCOM also continues to be ranked among the Top 20 thrifts nationally in separate peer financial performance surveys conducted by both The American Banker and SNL Securities.

Making Continued Strides in Our Consumer Banking Franchise

We have always taken great pride in being a true community savings bank that offers personal interaction and the highest quality service to our deposit customers. We certainly continued this trend during 2002. During the first six months of the calendar year 2002, we added new retail banking offices in Bay Ridge, Brooklyn and Glen Oaks, Queens. We are proud to say that both branches currently operate profitably, and have gathered \$82.5 million in deposits, in aggregate, as of December 31, 2002.

In addition, one of the great successes experienced by DCOM during both the six-month and twelve-month periods ended December 31, 2002 has been the development and strengthening of our Customer Relationship Management ("CRM") database marketing system. The CRM, now fully functional, provides critical data to our marketing program, and has helped us achieve impressive results.

From left to right: Kenneth J. Mahon, Vincent F. Palagiano, and Michael P. Devine, DCOM's senior executives, have over 85 years of combined experience with the Company.



Deposits totaled \$1.93 billion at December 31, 2002, and have increased 21% during the 12 months ended December 31, 2002, and 17%, on an annualized basis, during the six months ended December 31, 2002. At December 31, 2002, the average services per household stood at 2.6. This number measured only 2.1 at December 31, 1999, prior to the establishment of the