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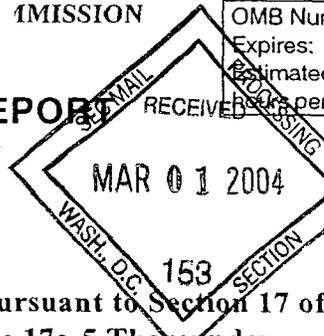


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MISSION

OMB APPROVAL	
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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
41948

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: NFB INVESTMENT SERVICES CORP.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

275 Broadhollow Road

(No. and Street)

Melville

New York

11747

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael Kelly

(631) 844-0580

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG, LLP

(Name - if individual, state last, first, middle name)

757 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 23 2004

THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Michael Kelly, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NFB Investment Services Corp., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]
Signature
Chief Financial Officer
Title

Paula Brandt
Notary Public

PAULA BRANDT
Notary Public, State of New York
No. 01BR5059230
Qualified in Suffolk County 2006
Commission Expires April 22, 2006

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



NFB INVESTMENT SERVICES CORP.
(A Wholly Owned Subsidiary Of
North Fork Bancorporation, Inc.)

Statement of Financial Condition

December 31, 2003

(With Independent Auditors' Report Thereon)



KPMG LLP
757 Third Avenue
New York, NY 10017

Independent Auditors' Report

Board of Directors
NFB Investment Services Corp.:

We have audited the accompanying statement of financial condition of NFB Investment Services Corp. ("the Company") (a wholly owned subsidiary of North Fork Bancorporation, Inc.) as of December 31, 2003 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit of a statement of financial condition includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit of a statement of financial condition also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of NFB Investment Services Corp. as of December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 26, 2004



KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

NFB INVESTMENT SERVICES CORP.
(A Wholly Owned Subsidiary Of North Fork Bancorporation, Inc.)

Statement of Financial Condition

December 31, 2003

Assets

Cash and cash equivalents	\$ 1,313,687
Cash segregated under federal regulations	32,268
Deposit with clearing broker	157,320
Commissions receivable	145,550
Furniture, fixtures, and equipment, net	16,897
Prepaid expenses	36,861
Receivable from clearing broker	1,088
Other assets	4,446
	<hr/>
Total assets	\$ <u><u>1,708,117</u></u>

Liabilities and Stockholder's Equity

Liabilities:	
Payable to investment companies	\$ 32,268
Income taxes payable	18,151
Accounts payable and accrued expenses	233,411
	<hr/>
Total liabilities	283,830
	<hr/>
Stockholder's equity	1,424,287
	<hr/>
Total liabilities and stockholder's equity	\$ <u><u>1,708,117</u></u>

See accompanying notes to statement of financial condition.

NFB INVESTMENT SERVICES CORP.
(A Wholly Owned Subsidiary Of North Fork Bancorporation, Inc.)

Notes to Statement of Financial Condition

December 31, 2003

(1) General

NFB Investment Services Corp. (the Company), a wholly owned subsidiary of North Fork Bancorporation, Inc. (North Fork), is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. The Company does not clear trades, carry customer accounts or offer margin services. The Company has entered into a clearing arrangement with an unaffiliated registered broker-dealer (the clearing broker) that is a member firm of the New York Stock Exchange and other national securities exchanges to provide these services. The clearing broker is responsible for customer billing, recordkeeping, custody of securities and securities clearance on a fully disclosed basis.

The Company's activities as an introducing broker consist of accepting customer orders for equity and fixed income securities that are executed and processed by the clearing broker. Additionally, the Company accepts customer orders for alternative investment products on a fully disclosed basis with unaffiliated third party vendors.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accounting and reporting policies of the Company are in conformity with accounting principles generally accepted in the United States of America and prevailing practices within the broker-dealer industry. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Such estimates are subject to change in the future as additional information becomes available or previously existing circumstances are modified. Actual results could differ from those estimates.

Substantially all of the Company's financial assets and liabilities are carried at market value, or fair value, or are carried at amounts which approximate current fair value due to their short term nature.

Securities Transactions

Securities transactions, on behalf of customers, are recorded on a settlement date basis.

Income Taxes

The Company uses the asset and liability method for providing for income taxes. The operations of the Company are included in the consolidated Federal and combined New York State and New York City income tax returns filed by North Fork.

Cash

Cash segregated under federal regulations represents monies received by the Company from customers for the purchase of certain alternative investment products. Pursuant to SEC Rule 15c3-3, the Company remits this cash to investment companies within one business day from receipt.

Included in cash and cash equivalents at December 31, 2003 is \$54,269 of deposits held by an affiliated bank.

NFB INVESTMENT SERVICES CORP.
(A Wholly Owned Subsidiary Of North Fork Bancorporation, Inc.)

Notes to Statement of Financial Condition

December 31, 2003

Furniture, Fixtures, and Equipment

Fixed assets are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the owned asset. Balances at December 31, 2003 are as follows:

Furniture and fixtures	\$ 6,766
Office equipment	<u>180,166</u>
	186,932
Less accumulated depreciation	<u>170,035</u>
	<u><u>\$ 16,897</u></u>

(3) Related Party Transactions

The Company's operating office is leased from an affiliated bank. In addition, in accordance with the terms of an agreement between the Company and the affiliated bank, the Company markets and sells certain nondeposit investment products to the public, including customers of the affiliated bank, from certain branch premises of the affiliated bank. This agreement provides for a specified monthly rental amount to the affiliated bank.

Pursuant to the terms of an agreement between the Company and an affiliated insurance agent, the Company markets and sells variable annuities through the affiliated agent.

(4) Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company's customer activities involve the execution and settlement of various customer securities transactions. These activities might expose the Company to off-balance sheet risk in the event the customer or the other broker is unable to fulfill its contractual obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

(5) Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1(a)(2)(iv)) which requires the maintenance of minimum net capital of not less than \$50,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, not exceed 1500% of net capital.

In addition, pursuant to an agreement between the Company and the District Committee for District No.10 of the National Association of Securities Dealers, Inc. dated February 4, 1994, the Company agreed to continue to maintain 120% (i.e. \$60,000) of its minimum net capital requirement pursuant to SEC Rule 15c3-1.

At December 31, 2003, the Company had net capital, as defined, of \$1,066,110 that is in excess of its required net capital of \$50,000 by \$1,016,110. The Company's percentage of aggregate indebtedness to net capital was 26.62%.