GREENPOINT FINANCIAL CORP
Form 10-Q
August 12, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2003

OR

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

0-22516

Commission File Number

GreenPoint Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**06-1379001** (I.R.S. employer identification number)
90 Park Avenue, New York, New York (Address of principal executive offices)	**10016** (Zip Code)

(212) 834-1000	**Not Applicable**
(Registrant s telephone number, including area code)	(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ý **Yes** o **No**

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). ý **Yes** o **No**

As of July 31, 2003, there were 91,551,498 shares of common stock outstanding.

GreenPoint Financial Corp.

FORM 10-Q

For the Quarterly Period Ended

June 30, 2003

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GreenPoint Financial Corp. and Subsidiaries

Part I Item 1. Financial Statements

Consolidated Statements of Financial Condition

(Unaudited)

(In millions, except share amounts)		June 30, 2003		Dec. 31, 2002
ASSETS				
Cash and due from banks	$	420	$	277
Money market investments:				
Interest-bearing deposits in other banks		1		21
Federal funds sold and securities purchased under agreements to resell		13		71
Total cash and cash equivalents		434		369
Securities:				
Securities available for sale		3,007		2,006
Securities available for sale-pledged to creditors		2,095		2,087
Retained interests in securitizations available for sale		84		108
Federal Home Loan Bank of New York stock		255		300
Securities held to maturity (fair value of $3 and $3, respectively)		3		3
Total securities		5,444		4,504
Loans receivable held for sale		5,370		5,595
Loans receivable held for investment (net of allowance for loan losses of $78)		9,962		9,901
Other interest-earning assets		145		141
Accrued interest receivable		78		87
Banking premises and equipment, net		177		168
Servicing assets		120		117
Goodwill (net of accumulated amortization and impairment of $788)		395		395
Other assets		551		537
Total assets	$	22,676	$	21,814
LIABILITIES AND STOCKHOLDERS EQUITY				
Liabilities:				
Deposits:				
N.O.W. and checking	$	2,555	$	1,877
Savings		1,489		1,323
Variable rate savings		2,267		2,296
Money market		1,328		991
Total core deposits		7,639		6,487
Term certificates of deposit		4,686		5,309

Total deposits	12,325	11,796
Borrowings:		
Securities sold under agreements to repurchase	2,100	2,000
Other short term borrowings	215	285
Federal Home Loan Bank of New York advances	4,500	4,600
Senior notes	349	
Subordinated bank notes	150	150
Guaranteed preferred beneficial interest in Company s junior subordinated debentures	200	200
Total borrowings	7,514	7,235
Mortgagors escrow	67	68
Liability under recourse exposure	280	301
Other liabilities	571	490
Total liabilities	20,757	19,890
Commitments and contingencies		
Stockholders equity:		
Preferred stock ($0.01 par value; 50,000,000 shares authorized; none issued)		
Common stock ($0.01 par value; 220,000,000 shares authorized; 110,261,164 shares issued)	1	1
Additional paid-in capital	926	907
Unallocated Employee Stock Ownership Plan (ESOP) shares	(87)	(89)
Unearned stock plans shares		
Retained earnings	1,768	1,563
Accumulated other comprehensive income, net	7	24
Treasury stock, at cost (18,188,021 shares and 13,953,333 shares, respectively)	(696)	(482)
Total stockholders equity	1,919	1,924
Total liabilities and stockholders equity	$ 22,676	$ 21,814

(See accompanying notes to the unaudited consolidated financial statements)

Consolidated Statements of Income

(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions, except per share amounts)	**2003**	**2002**	**2003**	**2002**
Interest income:				
Mortgage loans held for investment	$ 157.1	$ 186.0	$ 323.8	$ 380.8
Loans held for sale	70.6	67.1	146.5	126.4
Securities	59.6	67.9	111.7	123.9
Other	4.5	7.8	8.1	15.3
Total interest income	291.8	328.8	590.1	646.4
Interest expense:				
Deposits	60.4	72.4	123.1	150.9
Other borrowed funds	54.6	54.9	107.3	104.2
Long-term debt	8.9	10.4	17.0	20.8
Total interest expense	123.9	137.7	247.4	275.9
Net interest income	167.9	191.1	342.7	370.5
Provision for loan losses	(0.6)	(0.3)	(0.9)	(0.7)
Net interest income after provision for loan losses	167.3	190.8	341.8	369.8
Non-interest income:				
Income from fees and commissions:				
Loan servicing fees	(0.4)	5.9	5.4	11.1
Banking services fees and commissions	17.2	14.4	31.7	27.0
Fees, commissions and other income	3.1	4.4	6.5	7.0
Total income from fees and commissions	19.9	24.7	43.6	45.1
Net gain on sales of loans	145.7	86.0	270.0	176.0
Change in valuation of retained interests	(0.7)	(7.1)	(1.4)	(7.1)
Net (loss) gain on sale of securities	(0.6)	2.0	0.6	3.8
Total non-interest income	164.3	105.6	312.8	217.8
Non-interest expense:				
General and administrative expenses:				
Salaries and benefits	66.5	47.4	128.1	96.7
Employee Stock Ownership and stock plans expense	6.7	7.0	12.8	13.0
Net expense of premises and equipment	20.9	17.5	41.8	35.5
Federal deposit insurance premiums	0.5	0.5	1.0	1.0
Other administrative expenses	31.8	30.3	63.3	57.2
Total general and administrative expenses	126.4	102.7	247.0	203.4
Other real estate owned operating income	(1.7)	(0.6)	(1.5)	(1.1)
Total non-interest expense	124.7	102.1	245.5	202.3
Income from continuing operations before income taxes	206.9	194.3	409.1	385.3
Income taxes related to earnings from continuing operations	77.1	71.7	152.4	142.2
Net income from continuing operations	129.8	122.6	256.7	243.1
Discontinued operations:				
Net income from disposal of discontinued business	0.1	0.2	0.4	1.7

Net income	$	129.9	$	122.8	$	257.1	$	244.8
Basic earnings per share:								
Net income from continuing operations	$	1.58	$	1.39	$	3.08	$	2.74
Net income from discontinued operations								0.02
Net income	$	1.58	$	1.39	$	3.08	$	2.76
Diluted earnings per share:								
Net income from continuing operations	$	1.54	$	1.35	$	3.02	$	2.67
Net income from discontinued operations								0.02
Net income	$	1.54	$	1.35	$	3.02	$	2.69
Dividends declared per share	$	0.31	$	0.25	$	0.62	$	0.50

(See accompanying notes to the unaudited consolidated financial statements.)

Consolidated Statements of Comprehensive Income

(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	2003	2002	2003	2002
Net income	$ 129.9	$ 122.8	$ 257.1	$ 244.8
Other comprehensive income, before tax:				
Unrealized (losses) gains on securities:				
Unrealized holding (losses) gains arising during period	(15.2)	71.9	(28.9)	39.2
Less: reclassification adjustment for losses (gains) included in net income	0.6	(2.0)	(0.6)	(3.8)
Other comprehensive (loss) income, before tax	(14.6)	69.9	(29.5)	35.4
Income tax benefit (expense) related to items of other comprehensive income	6.3	(29.7)	12.6	(15.1)
Other comprehensive (loss) income, net of tax	(8.3)	40.2	(16.9)	20.3
Total comprehensive income, net of tax	$ 121.6	$ 163.0	$ 240.2	$ 265.1

(See accompanying notes to the unaudited consolidated financial statements.)

Consolidated Statements of Changes In Stockholders Equity

(Unaudited)

	Six Months Ended June 30,	
(In millions)	**2003**	**2002**
Common stock		
Balance at beginning of period	$ 1	$ 1
Balance at end of period	1	1
Additional paid-in capital		
Balance at beginning of period	907	877
Reissuance of treasury stock	(1)	(2)
Amortization of ESOP shares committed to be released	13	12
Amortization of stock plans shares		1
Tax benefit for vested stock plans shares	7	9
Balance at end of period	926	897
Unallocated ESOP shares		
Balance at beginning of period	(89)	(95)
Amortization of ESOP shares committed to be released	2	3
Balance at end of period	(87)	(92)
Unearned stock plans shares		
Balance at beginning of period		(1)
Amortization of stock plans shares		
Balance at end of period		(1)
Retained earnings		
Balance at beginning of period	1,563	1,148
Net income	257	245
Dividends declared	(52)	(44)
Balance at end of period	1,768	1,349
Accumulated other comprehensive income, net		
Balance at beginning of period	24	11
Net change in accumulated other comprehensive income, net	(17)	20
Balance at end of period	7	31
Treasury stock, at cost		
Balance at beginning of period	(482)	(285)
Reissuance of treasury stock	24	38
Purchase of treasury stock	(238)	(85)
Balance at end of period	(696)	(332)
Total stockholders equity	$ 1,919	$ 1,853

(See accompanying notes to the unaudited consolidated financial statements)

Consolidated Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30,	
(In millions)	**2003**	**2002**
Cash flows from operating activities:		
Net income	$ 257	$ 245
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for loan losses	1	1
Depreciation and amortization	17	16
Gain of sales of loans	(270)	(176)
Gain on sale of securities	(1)	(4)
ESOP and stock plans expense	16	16
Capitalization of servicing assets	(27)	(22)
Amortization and impairment of servicing assets	24	33
(Increase) decrease in assets associated with operating activities:		
Loans receivable held for sale:		
Loan originations	(20,675)	(13,578)
Proceeds from loan sales	20,948	14,292
Other	222	39
Retained interests in securitizations	21	19
Accrued interest receivable	9	5
Other assets	4	1
Increase (decrease) in liabilities associated with operating activities:		
Liabilities under recourse exposure	(21)	(124)
Other liabilities	(19)	(68)
Other, net	10	(5)
Net cash provided by operating activities	516	690
Cash flows from investing activities:		
Net change in:		
Loans receivable held for investment	(85)	164
Premises and equipment	(26)	(20)
Available for sale securities:		
Proceeds from maturities	1,626	76
Proceeds from sales	1,946	1,193
Purchase of securities	(6,360)	(3,003)
Principal repayments	1,834	940
Proceeds from sales of Federal Home Loan Bank Stock	45	13
Other, net	29	15
Net cash used in investing activities	(991)	(622)
Cash flows from financing activities:		
Net change in:		
Domestic deposits	529	349
Mortgagors escrow accounts	(1)	(6)

Proceeds from Securities sold under agreements to repurchase and other borrowings		29,222		54,157
Repayments of Securities sold under agreements to repurchase and other borrowings		(29,192)		(54,238)
Proceeds from advances from Federal Home Loan Bank		125,230		120,710
Repayments of advances from Federal Home Loan Bank		(125,330)		(121,060)
Proceeds from Senior notes		348		
Cash dividends paid		(52)		(44)
Treasury stock purchased		(238)		(85)
Exercise of stock options		24		37
Net cash provided by (used in) financing activities		540		(180)
Net decrease in cash and cash equivalents		65		(112)
Cash and cash equivalents at beginning of period		369		357
Cash and cash equivalents at end of period	$	434	$	245
Non-cash activities:				
Additions to other real estate owned, net	$	(24)	$	(11)
Unsettled trades	$	(96)	$	
Supplemental disclosure of cash flow information:				
Cash paid for income taxes	$	172	$	112
Interest paid	$	257	$	294

(See accompanying notes to the unaudited consolidated financial statements)

Notes To The Unaudited Consolidated Financial Statements

NOTE 1 Summary of Significant Accounting Policies

Basis of Presentation

The unaudited consolidated financial statements of GreenPoint Financial Corp. and Subsidiaries (GreenPoint or the Company) are prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the Company s interim financial condition as of the dates indicated and the results of operations for the periods presented have been included. Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation. The results of operations for the interim periods shown are not necessarily indicative of results that may be expected for the entire year.

The Company adopted a plan to exit the manufactured housing lending business in December 2001. Current and comparative prior period consolidated statements of income present the results of continuing operations and discontinued operations separately.

These unaudited consolidated interim financial statements presented should be read in conjunction with the consolidated financial statements and notes included in the Company s Annual Report to shareholders for the year ended December 31, 2002.

Accounting for Loan Sales

GreenPoint sells loans both in the whole loan market and through various securitization vehicles.

When GreenPoint has sold mortgages on a whole loan basis, in some cases it has retained the servicing rights related to the loans. In instances where GreenPoint does not retain the servicing rights to the loans, the gain or loss on the sale is equal to the difference between the proceeds received and the book basis of the loans sold. In instances where GreenPoint does retain the servicing rights, the gain or loss also depends in part on the fair value attributed to the servicing rights.

GreenPoint has sold mortgages subject to various representations and warranties. Upon loan sale, GreenPoint establishes a loss reserve for estimated losses to be incurred under these agreements. Additions to the representation and warranty reserve are reported as reduction to gain on sale of loans.

When GreenPoint has securitized certain mortgages, in some cases it has retained the servicing rights and one or more retained interests. In calculating the gain or loss on the sale, GreenPoint allocates the cost basis of the loans sold between the assets sold, and the retained interests and servicing rights based on their relative fair values at the date of sale. A gain or loss is recognized as the difference between the cash proceeds from the sale and the allocated cost basis of the assets sold.

Retained Interests

Retained interests include interest-only strips, subordinated certificates, transferor interests, demand notes and the recorded liabilities for limited recourse provided on mortgage loans and recourse provided on manufactured housing loans securitized and sold.

GreenPoint classifies its retained interest assets as available for sale and carries these securities at fair value. Generally, if the fair value of retained interests declines below its amortized cost basis, the change in valuation is recognized in the consolidated statement of income and is classified as a change in valuation of retained interests. Unrealized gains are reported, net of applicable taxes, in accumulated other comprehensive income, as a separate component of stockholders equity.

GreenPoint reviews the adequacy of the liability under recourse exposure based on management s best estimate of future cash flows associated with the recourse arrangement. The change in valuation is recognized in the consolidated statement of income and is classified as discontinued operations.

To obtain fair values, quoted market prices are used, if available. Because market quotes are generally not available for retained interests, GreenPoint generally estimates fair value based upon the present value of estimated future cash flows using assumptions of prepayments, defaults, loss severity rates, and discount rates that GreenPoint believes market participants would use for similar assets and liabilities.

Servicing Assets

Servicing assets are carried at the lower of cost or fair value based on defined risk strata and are amortized in proportion to and over the expected servicing period.

GreenPoint stratifies its servicing assets based on the risk characteristics of the underlying loan pools and the assets are evaluated for impairment based on the risk characteristics. A valuation allowance is recognized through a charge to current earnings for servicing assets that have an amortized balance in excess of the current fair value.

The fair value of servicing assets is determined by calculating the present value of estimated future net servicing cash flows, using assumptions of prepayments, defaults, servicing costs and discount rates that GreenPoint believes market participants would use for similar assets.

Goodwill Amortization

Goodwill, which is attributable to the retail banking segment, is carried at its January 1, 2002 book value and is tested, at least annually, for impairment.

Stock-Based Compensation Plans

The Company adopted the disclosure approach under Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS 123), as amended by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation Transition and Disclosure . Under these standards the Company discloses in the notes to the financial statements the pro forma effects on net income and earnings per share, determined as if the fair value-based method had been applied in measuring compensation cost. The Company continues to apply APB Opinion No. 25, Accounting for Stock Issued to Employees (APB 25) in accounting for its plans. Accordingly, no compensation cost has been recognized for the Company s stock option plans.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation , to stock-based employee compensation.

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	**2003**	**2002**	**2003**	**2002**
Net income as reported	$ 129.9	$ 122.8	$ 257.1	$ 244.8
Deduct: Total stock-based employee compensation expense determined under fair value based method net of related tax effects	(2.5)	(2.2)	(4.8)	(4.3)
Proforma net income	$ 127.4	$ 120.6	$ 252.3	$ 240.5
Earnings per share:				
Basic as reported	$ 1.58	$ 1.39	$ 3.08	$ 2.76
Basic pro forma	$ 1.55	$ 1.36	$ 3.02	$ 2.71
Diluted as reported	$ 1.54	$ 1.35	$ 3.02	$ 2.69
Diluted pro forma	$ 1.52	$ 1.33	$ 2.96	$ 2.64

NOTE 2 Loans Receivable

The Company s loans receivable held for sale balances are summarized as follows:

(In millions)	June 30, 2003	Dec. 31, 2002
Conventional first mortgage loans:		
Residential one-to four-family	$ 4,427	$ 5,062
Commercial property	71	78
Second mortgage and home equity loans	811	404
Other	1	1
Total loans receivable held for sale	5,310	5,545
Net deferred loan origination costs	60	50
Loans receivable held for sale, net	$ 5,370	$ 5,595

The Company s loans receivable held for investment balances are summarized as follows:

(In millions)	June 30, 2003	Dec. 31, 2002
Conventional first mortgage loans:		
Residential one-to four-family	$ 8,460	$ 8,666
Residential multi-family	270	319
Commercial property	832	620
Second mortgage and home equity loans	348	267
Other	72	69
Total loans receivable held for investment	9,982	9,941
Net deferred loan origination costs and purchase premium	58	38
Allowance for loan losses	(78)	(78)
Loans receivable held for investment, net	$ 9,962	$ 9,901

NOTE 3 Securities Available for Sale

The amortized cost and estimated fair value of securities available for sale at June 30, 2003 and December 31, 2002 are summarized as follows:

	June 30, 2003			
(In millions)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. Government and Federal Agency Obligations:				
U.S. Treasury notes/bills	$ 6	$	$	$ 6
Agency notes	97			97
Mortgage-backed securities	355	12		367
Collateralized mortgage obligations	4,170	16	(13)	4,173
Trust certificates collateralized by GNMA securities	3			3
Corporate bonds	137		(3)	134
Municipal bonds	76	3		79
Equity securities	250	2	(9)	243
Total securities available for sale	$ 5,094	$ 33	$ (25)	$ 5,102

	December 31, 2002			
(In millions)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. Government and Federal Agency Obligations:				
U.S. Treasury notes/bills	$ 6	$	$	$ 6
Agency notes	107			107
Mortgage-backed securities	388	18		406
Collateralized mortgage obligations	3,197	29	(7)	3,219
Trust certificates collateralized by GNMA securities	4			4
Corporate bonds	122		(4)	118
Municipal bonds	56	4		60
Equity securities	177	3	(7)	173
Total securities available for sale	$ 4,057	$ 54	$ (18)	$ 4,093

NOTE 4 Recourse Arrangements, Retained Interests in Securitizations and Servicing Assets

The following describes the balances associated with recourse arrangements, the balances and activity in the corresponding retained interests, the balances and activity in servicing assets and the economic assumptions used in valuing the retained interests and servicing assets.

Recourse Arrangements

GreenPoint has established liabilities for limited recourse provided on mortgage loans and recourse provided on manufactured housing loans that have been securitized or sold. The investors and the securitization trusts have no recourse to GreenPoint s other assets for failure of debtors to pay when due, except for the retained interests related to both mortgage and manufactured housing securitizations and the liabilities under the mortgage demand notes and the corporate guarantees related to manufactured housing securitizations.

GreenPoint has loans sold with recourse with the following principal balances, maximum recourse exposures and recorded liabilities.

	June 30, 2003		
(In millions)	Principal Balance	Maximum Recourse Exposure (1)	Recorded Liability
Manufactured housing securitizations	$ 3,901	$ 576	$ 268
Manufactured housing sales	239	239	11
Mortgage securitizations *(2)*	782	86	
Mortgage sales *(3)*	231	226	1

	December 31, 2002		
(In millions)	Principal Balance	Maximum Recourse Exposure (1)	Recorded Liability
Manufactured housing securitizations	$ 4,202	$ 621	$ 295
Manufactured housing sales	258	258	5
Mortgage securitizations *(2)*	829	108	
Mortgage sales *(3)*	323	317	1

(1) Represents the maximum recourse exposure relating to recourse arrangements in the form of the retention of subordinated interests, the issuance of a corporate guarantee, or a demand note.

(2) The net present value of expected cash outflows on the mortgage securitization recourse arrangements is reflected in the valuation of the mortgage retained interests.

(3) The recourse arrangements under the mortgage sale transactions represent a risk sharing arrangement in which GreenPoint has transferred the first 2% of losses to the purchaser.

Manufactured housing securitization letter of credit exposure is as follows:

(In millions)	June 30, 2003	Dec. 31, 2002
Letters of credit outstanding	$ 575	$ 617
Projected letter of credit draws	(295)	(326)
Remaining letter of credit exposure	$ 280	$ 291

At June 30, 2003, GreenPoint has six manufactured housing securitizations with principal balances of $1.6 billion, which have cumulative (actual plus projected) letter of credit draws equal to the maximum recourse exposure for those securitizations. GreenPoint records a liability based on the net present value of the projected letter of credit draws. At June 30, 2003, the projected draws exceed the recorded liability by $28 million, representing future interest expense.

In the third quarter of 2002, GreenPoint agreed to issue additional letters of credit totaling $52 million in favor of a surety provider on four of its outstanding securitizations. Additionally, GreenPoint agreed to exercise its optional termination right and retire each transaction insured by the surety provider when the underlying loans in each securitization total 10% of the original loan balance. The exercise of this option is a standard and expected operating procedure in the securitization markets, and its projected financial statement impact is included in the projected operating results of the discontinued business. In exchange, the surety provider agreed to amend servicer termination provisions, which, prior to their amendment, would have enabled the surety provider to transfer the servicing of certain loans to a third party.

Consistent with this agreement, an additional liability under recourse exposure was recorded to recognize the additional draws that could arise from the new letters of credit. The balances and corresponding liability relating to manufactured housing securitizations included in this note reflect the impact of the agreement. Additionally, the servicing asset valuation and the projected operating results have been adjusted to reflect the amended servicing termination provisions.

The following presents quantitative information about delinquencies on loans sold with recourse:

	June 30, 2003	Dec. 31, 2002	June 30, 2003	Dec. 31, 2002
(In millions)	**Manufactured Housing**		**Mortgage**	
Principal balance of loans	$ 4,140	$ 4,460	$ 1,013	$ 1,152
Principal balance of loans 90 days or more past due *(1)*	170	220	51	62

(1) Manufactured housing past due loans include repossessed inventory.

In addition to the recourse arrangements described in the tables above, GreenPoint has established liabilities related to representations and warranties for mortgage loans of $38 million and $29 million, at June 30, 2003 and December 31, 2002, respectively.

Balances and Changes in Retained Interests

The activity in the recorded liability for manufactured housing securitizations and sales is summarized as follows:

	At and for the Quarter Ended June 30,		At and for the Six Months Ended June 30,	
(In millions)	**2003**	**2002**	**2003**	**2002**
Liability for Recourse Exposure				
Balance at beginning of period	$ 289	$ 399	$ 300	$ 467
Interest expense	4	7	9	14
Letter of credit draws and other charges	(25)	(59)	(42)	(137)
Change in valuation of retained interests	11	(4)	12	(1)
Balance at end of period	$ 279	$ 343	$ 279	$ 343

The $11 million change in valuation of retained interests recorded during the quarter ended June 30, 2003 was due to slower prepayment speeds on the securitized portfolio and an increase to the liability relating to manufactured housing sales.

The assets recognized as retained interests in securitizations include interest-only strips, transferor interests, demand notes and subordinated certificates. The activity in retained interests in securitizations is summarized as follows:

	At and for the Quarter Ended June 30,				At and for the Six Months Ended June 30,			
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
(In millions)	**Manufactured Housing**		**Mortgage**		**Manufactured Housing**		**Mortgage**	
Retained Interests in Securitizations								
Balance at beginning of period	$ 3	$	$ 75	$ 126	$ 4	$ 1	$ 104	$ 130
Additions from securitizations			8	1			8	7
Interest and other income			3	6		2	5	11
Cash received			(3)	(16)		(3)	(32)	(29)
Change in unrealized gain				(4)			(1)	(6)
Change in valuation of retained interests	(2)			(7)	(3)		(1)	(7)
Balance at end of period	$ 1	$	$ 83	$ 106	$ 1	$	$ 83	$ 106

On a quarterly basis, GreenPoint reviews retained interests for impairment based on management s best estimate of the fair value of future cash flows associated with the retained interests. GreenPoint also reviews the adequacy of the value of the recorded liability on a quarterly basis, based on management s best estimate of future cash flows associated with the corporate guarantee.

Valuation Assumptions

The key economic assumptions used in estimating the fair value of retained interests capitalized during the quarter ended June 30, 2003 and assumptions used in estimating the fair value of the entire portfolio of retained interests at June 30, 2003 and December 31, 2002 were as follows:

	Capitalized During the Quarter Ended	Estimate of Fair Value at			
	June 30, 2003	June 30, 2003	Dec. 31, 2002	June 30, 2003	Dec. 31, 2002
	Mortgage	Manufactured Housing		Mortgage	
Weighted average life (in years)	1.2	5.7	4.9	0.9	0.9
Weighted average prepayment rate *(1)*	53.4%	5.9%	8.2%	55.7%	52.6%
Weighted average default rate	N/A	5.8%	6.3%	N/A	N/A
Loss severity rate	N/A	92.3%	86.6%	N/A	N/A
Weighted average loss rate	1.25%	5.3%	5.5%	2.5%	3.3%
Cumulative loss *(2)*	1.5%	30.2%	27.0%	2.3%	3.0%
Weighted average discount rate asset	7.3%	14.0%	14.0%	8.3%	9.3%
Weighted average discount rate liability		6.6%	6.6%		

(1) Excludes weighted average default rate.

(2) Remaining net losses divided by outstanding principal balance.

Servicing Assets

On a quarterly basis, GreenPoint reviews capitalized servicing rights for impairment. This review is performed based on risk strata, which are determined on a disaggregated basis given the predominant risk characteristics of the underlying loans. For manufactured housing loans, the predominant risk characteristics are loan type and interest rate type. For mortgage loans, the predominant risk characteristics are loan type and interest rate. The asset pools underlying certain mortgage and manufactured housing servicing assets, at times do not meet agreed-upon servicing covenants. Management evaluates the impact of these covenants on the value of the servicing assets and incorporates the assessment in their quarterly impairment review.

The activity in servicing assets is summarized as follows:

At and for the Quarter Ended	At and for the Six Months Ended
June 30,	June 30,

(In millions)	2003	2002	2003	2002	2003	2002	2003	2002
	Manufactured Housing		Mortgage		Manufactured Housing		Mortgage	
Servicing Assets								
Balance at beginning of period	$ 99	$ 123	$ 105	$ 83	$ 101	$ 127	$ 112	$ 86
Additions			27	15		3	47	27
Sales				(1)			(20)	(8)
Amortization	(2)	(8)	(10)	(7)	(4)	(15)	(17)	(15)
Balance at end of period	97	115	122	90	97	115	122	90
Reserve for impairment of servicing assets								
Balance at beginning of period	(69)	(71)	(26)	(23)	(69)	(67)	(27)	(23)
Recoveries (additions)	(1)	1	(3)		(1)	(3)	(2)	
Balance at end of period	(70)	(70)	(29)	(23)	(70)	(70)	(29)	(23)
Servicing assets, net	$ 27	$ 45	$ 93	$ 67	$ 27	$ 45	$ 93	$ 67

The estimated fair values of manufactured housing servicing assets were $37 million and $45 million at June 30, 2003 and 2002, respectively, and $38 million at December 31, 2002.

The estimated fair values of mortgage servicing assets were $94 million and $71 million at June 30, 2003 and 2002, respectively, and $90 million at December 31, 2002.

Servicer advances receivable totaled $96 million and $85 million at June 30, 2003 and December 31, 2002, respectively.

The significant assumptions used in estimating the fair value of the servicing assets at June 30, 2003 and December 31, 2002 were as follows:

	June 30, 2003	**Dec. 31, 2002**	**June 30, 2003**	**Dec. 31, 2002**
	Manufactured Housing		**Mortgage**	
Weighted average prepayment rate	6.5%*(1)*	7.4%*(1)*	31.8%*(2)*	25.4%*(2)*
Weighted average life (in years)	5.4	5.1	3.9	4.6
Weighted average default rate	5.0%	5.2%	N/A	N/A
Cash flows discounted at	14.0%	14.0%	10.1%	10.2%

(1) Excludes weighted average default rate.

(2) Includes weighted average default rate.

NOTE 5 Derivative Financial Instruments

GreenPoint enters into mandatory commitments to deliver mortgage whole loans to various investors and to issue private securities and Fannie and Freddie Mac securities (forward delivery commitments). The forward delivery commitments are used to manage the interest rate risk associated with mortgage loans and interest rate lock commitments made by GreenPoint to mortgage borrowers. The notional amounts of these contracts were $4.1 billion and $3.2 billion at June 30, 2003 and December 31, 2002, respectively. The forward delivery commitments designated as fair value hedges associated with mortgage loans had notional values of $2.9 billion and $2.4 billion at June 30, 2003 and December 31, 2002, respectively. The notional amounts of forward delivery commitments used to manage the interest rate risk associated with interest rate lock commitments on mortgage loans were $1.9 billion and $833 million at June 30, 2003 and December 31, 2002, respectively. The amount of hedge ineffectiveness for the three months ended June 30, 2003 and 2002 was a gain of $5 million and $2 million, respectively, and is included in gain on sale of loans.

The notional amounts of derivatives do not represent amounts exchanged by the parties and, thus, are not a measure of the Company s exposure through its use of derivatives. The amounts exchanged are determined by reference to the notional amounts and the other terms of the derivatives.

The risks inherent in derivatives are the potential inability of a counterpart to meet the terms of its contract and the risk associated with changes in the fair values of the contracts due to movements in the underlying interest rates. The current credit exposure of derivatives is represented by the fair value of contracts with a positive fair value at the reporting date. At March 31, 2003 and December 31, 2002, the receivable on contracts with a positive fair value was $8 million and $1 million, respectively. To reduce credit risk, management may deem it necessary to obtain collateral.

NOTE 6 Stock Incentive Plans

For the six months ended June 30, 2003, the Company granted options to purchase 1,395,200 shares of the Company s common stock to certain officers and directors, at an exercise price range of between $45.78 and $51.39. These awards vest at various intervals over three years, on the anniversary dates of the awards.

NOTE 7 Discontinued Operations

The assets and liabilities from discontinued operations at June 30, 2003 and December 31, 2002 were as follows:

(In millions)	June 30, 2003	Dec. 31, 2002
Assets:		
Cash, cash equivalents and securities	$ 33	$ 34
Retained interests in securitizations	1	4
Loans receivable held for investment	45	44
Servicing assets	27	32
Other assets	246	243
Total assets	$ 352	$ 357
Liabilities:		
Liability under recourse exposure	$ 279	$ 300
Other liabilities and allocated capital	73	57
Total liabilities and equity	$ 352	$ 357

Net income from discontinued operations was $0.1 million and $0.4 million for the quarter and six months ended June 30, 2003 versus $0.2 million and $1.7 million in the year ago periods of 2002, respectively.

The notional value of swaps related to specific manufactured housing securitizations was $595 million and $639 million at June 30, 2003 and December 31, 2002, respectively.

During the quarter and six months ended June 30, 2002, GreenPoint originated manufactured housing loans totaling $12 million and $103 million. These loans related to commitments outstanding at December 31, 2001 and were recorded at their estimated fair value. These loans were sold during the second and third quarters of 2002 at a sales price, which approximated their previously estimated fair value.

NOTE 8 Business Segments

The Company consists of three domestic business segments offering unique products and services. The Mortgage Banking segment specializes in A quality loans, including agency qualifying loans and Jumbo A loans and specializes in Alternative A mortgage loan products, which are primarily obtained from the Company s network of registered mortgage brokers. The Retail Banking segment consists of 85 full service banking offices offering a variety of financial services to the Greater New York area. The Balance Sheet Management segment includes earnings from the held for investment mortgage portfolios and other corporate investment activities.

The accounting policies of the segments are the same as described in Note 1 Summary of Significant Accounting Policies . The Company evaluates the performance of its business segments based on income before income taxes. Expenses under the direct control of each business segment and the expense of premises and equipment incurred to support business operations are allocated accordingly, by segment. Credit losses are charged to the asset management segment in an amount equal to net charge-offs. The expenses relating to administrative units of the Company such as executive, finance and audit are not allocated to individual operating segments.

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Quarter Ended June 30, 2003

(In millions)	Balance Sheet Management (1)	Retail Banking	Sub-total Banking	Mortgage Banking (5)	Segment Totals	Other (4)	Consolidated Continuing Operations
Net interest income	$ 61.2	$ 60.1	$ 121.3	$ 46.6	$ 167.9	$	$ 167.9
Provision for loan losses	(0.6)		(0.6)		(0.6)		(0.6)
Net interest income after provision for loan losses	60.6	60.1	120.7	46.6	167.3		167.3
Non-interest income:							
Loan servicing fees				(0.7)	(0.7)	0.3	(0.4)
Banking fees and commissions		17.2	17.2		17.2		17.2
Other income	5.1		5.1	(2.0)	3.1		3.1
Net gain on sale of loans				162.6	162.6	(16.9)	145.7
Change in valuation of retained interests				(0.7)	(0.7)		(0.7)
Net loss on securities	(0.6)		(0.6)		(0.6)		(0.6)
Total non-interest income	4.5	17.2	21.7	159.2	180.9	(16.6)	164.3
Non-interest expense:							
Depreciation		2.2	2.2	3.9	6.1	1.4	7.5
ESOP and stock plans expense	0.1	1.5	1.6	4.2	5.8	0.9	6.7
Other expenses	0.5	30.9	31.4	59.8	91.2	19.3	110.5
Total non-interest expense	0.6	34.6	35.2	67.9	103.1	21.6	124.7
Segment income (loss) before taxes	$ 64.5	$ 42.7	$ 107.2	$ 137.9	$ 245.1	$ (38.2)	$ 206.9
Total Assets	$ 15,827	$ 490*(2)*	$ 16,317	$ 5,987	$ 22,304	$ 372*(3)*	$ 22,676

Quarter Ended June 30, 2002

(In millions)	Balance Sheet Management (1)	Retail Banking	Sub-total Banking	Mortgage Banking (5)	Segment Totals	Other (4)	Consolidated Continuing Operations
Net interest income	$ 85.3	$ 61.4	$ 146.7	$ 44.4	$ 191.1	$	$ 191.1
Provision for loan losses	(0.3)		(0.3)		(0.3)		(0.3)
Net interest income after provision for loan losses	85.0	61.4	146.4	44.4	190.8		190.8
Non-interest income:							
Loan servicing fees				5.3	5.3	0.6	5.9
Banking fees and commissions		14.4	14.4		14.4		14.4
Other income	2.9	0.2	3.1	1.3	4.4		4.4
Net gain on sale of loans				99.9	99.9	(13.9)	86.0
Change in valuation of retained interests				(7.1)	(7.1)		(7.1)
Net gain on securities	2.0		2.0		2.0		2.0

Total non-interest income	4.9	14.6	19.5	99.4	118.9	(13.3)	105.6
Non-interest expense:							
Depreciation		2.3	2.3	3.4	5.7	1.6	7.3
ESOP and stock plans expense	0.1	1.1	1.2	3.5	4.7	2.3	7.0
Other expenses	0.4	27.6	28.0	42.4	70.4	17.4	87.8
Total non-interest expense	0.5	31.0	31.5	49.3	80.8	21.3	102.1
Segment income (loss) before taxes	$ 89.4	$ 45.0	$ 134.4	$ 94.5	$ 228.9	$ (34.6)	$ 194.3
Total Assets	$ 14,589	$ 476*(2)*	$ 15,065	$ 4,587	$ 19,652	$ 451*(3)*	$ 20,103

(1) Balance Sheet Management segment largely consists of the mortgage portfolio, MBS and investment securities.

(2) Retail Banking segment excludes intercompany funds transfers. Intersegment assets and liabilities eliminated for consolidation purposes were $12.3 billion and $11.0 billion for the quarter ended June 30, 2003 and 2002, respectively.

(3) Includes the assets of the discontinued business segment.

(4) Other includes intercompany eliminations and unallocated administrative expenses.

(5) Intersegment revenues, in the mortgage banking segment, for the quarter ended June 30, 2003 and 2002 were $16.6 million and $13.3 million.

	Six Months Ended June 30, 2003						
(In millions)	Balance Sheet Management (1)	Retail Banking	Sub-total Banking	Mortgage Banking (5)	Segment Totals	Other (4)	Consolidated Continuing Operations
Net interest income	$ 128.0	$ 118.9	$ 246.9	$ 95.8	$ 342.7	$	$ 342.7
Provision for loan losses	(0.9)		(0.9)		(0.9)		(0.9)
Net interest income after provision for loan losses	127.1	118.9	246.0	95.8	341.8		341.8
Non-interest income:							
Loan servicing fees				0.8	0.8	4.6	5.4
Banking fees and commissions		31.7	31.7		31.7		31.7
Other income	9.2		9.2	(2.7)	6.5		6.5
Net gain on sale of loans				301.6	301.6	(31.6)	270.0
Change in valuation of retained interests				(1.4)	(1.4)		(1.4)
Net gain on securities	0.6		0.6		0.6		0.6
Total non-interest income	9.8	31.7	41.5	298.3	339.8	(27.0)	312.8
Non-interest expense:							
Depreciation		4.5	4.5	7.7	12.2	2.8	15.0
ESOP and stock plans expense	0.1	3.0	3.1	7.8	10.9	1.9	12.8
Other expenses	0.8	60.9	61.7	117.7	179.4	38.3	217.7
Total non-interest expense	0.9	68.4	69.3	133.2	202.5	43.0	245.5
Segment income (loss) before taxes	$ 136.0	$ 82.2	$ 218.2	$ 260.9	$ 479.1	$ (70.0)	$ 409.1
Total Assets	$ 15,827	$ 490*(2)*	$ 16,317	$ 5,987	$ 22,304	$ 372*(3)*	$ 22,676

	Six Months Ended June 30, 2002						
(In millions)	Balance Sheet Management (1)	Retail Banking	Sub-total Banking	Mortgage Banking (5)	Segment Totals	Other (4)	Consolidated Continuing Operations
Net interest income	$ 167.3	$ 118.4	$ 285.7	$ 84.8	$ 370.5	$	$ 370.5
Provision for loan losses	(0.7)		(0.7)		(0.7)		(0.7)
Net interest income after provision for loan losses	166.6	118.4	285.0	84.8	369.8		369.8
Non-interest income:							
Loan servicing fees				10.8	10.8	0.3	11.1
Banking fees and commissions		27.0	27.0		27.0		27.0
Other income	6.0	0.5	6.5	0.5	7.0		7.0
Net gain on sale of loans				201.8	201.8	(25.8)	176.0
Change in valuation of retained interests				(7.1)	(7.1)		(7.1)
Net gain on securities	3.8		3.8		3.8		3.8

Total non-interest income	9.8	27.5	37.3	206.0	243.3	(25.5)	217.8
Non-interest expense:							
Depreciation		4.6	4.6	6.9	11.5	2.7	14.2
ESOP and stock plans expense	0.1	2.2	2.3	7.0	9.3	3.7	13.0
Other expenses	0.8	50.4	51.2	90.3	141.5	33.6	175.1
Total non-interest expense	0.9	57.2	58.1	104.2	162.3	40.0	202.3
Segment income (loss) before taxes	$ 175.5	$ 88.7	$ 264.2	$ 186.6	$ 450.8	$ (65.5)	$ 385.3
Total Assets	$ 14,589	$ 476*(2)*	$ 15,065	$ 4,587	$ 19,652	$ 451*(3)*	$ 20,103

(1) Balance Sheet Management segment largely consists of the mortgage portfolio, MBS and investment securities.

(2) Retail Banking segment excludes intercompany funds transfers. Intersegment assets and liabilities eliminated for consolidation purposes were $12.3 billion and $11.0 billion for the six months ended June 30, 2003 and 2002, respectively.

(3) Includes the assets of the discontinued business segment.

(4) Other includes intercompany eliminations and unallocated administrative expenses.

(5) Intersegment revenues, in the mortgage banking segment, for the six months ended June 30, 2003 and 2002 were $27.0 million and $25.5 million.

NOTE 9 Earnings Per Share

	Quarter Ended June 30,	Six Months Ended June 30,

(In millions, except per share amounts)		**2003**		**2002**		**2003**		**2002**
Net income from continuing operations	$	129.8	$	122.6	$	256.7	$	243.1
Net income from discontinued operations		0.1		0.2		0.4		1.7
Net income	$	129.9	$	122.8	$	257.1	$	244.8
Weighted average number of common shares outstanding during each period basic		82,292,000		88,611,000		83,481,000		88,696,000
Effect of dilutive securities stock options		1,731,000		2,357,000		1,665,000		2,485,000
Weighted average number of common shares and common stock equivalents outstanding during each period diluted		84,023,000		90,968,000		85,146,000		91,181,000
Basic earnings per share:								
Net income from continuing operations	$	1.58	$	1.39	$	3.08	$	2.74
Net income from discontinued operations								0.02
Net income	$	1.58	$	1.39	$	3.08	$	2.76
Diluted earnings per share:								
Net income from continuing operations	$	1.54	$	1.35	$	3.02	$	2.67
Net income from discontinued operations								0.02
Net income	$	1.54	$	1.35	$	3.02	$	2.69

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(1) Options to purchase 42,500 shares of common stock at prices between $49.45 and $51.39 per share were outstanding at June 30, 2003, but were not included in the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the common shares for the quarter ended June 30, 2003. For the six months ended June 30, 2003, options to purchase 95,000 shares of common stock at prices between $47.13 and $51.39 where not included in the computation of diluted earnings per share because the options exercise prices were greater than the average market price of common shares.

(2) Options to purchase 37,500 shares of common stock at prices between $49.45 and $50.10 per share were outstanding at June 30, 2002, but were not included in the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the common shares for both the quarter and six months ended June 30, 2002.

NOTE 10 Subsequent Events

On July 8, 2003, GreenPoint approved a three-for-two stock split to be distributed on August 20, 2003 to shareholders of record on August 8, 2003. The stock split will require retroactive restatement of all historical per share data in the third quarter ended September 30, 2003. Presented below is the proforma per share data for the second quarter and six months ended June 30, 2003 and 2002 as well as the quarterly results for the previous five quarters and the annual results for the five years ended December 31, 2002.

	Quarter Ended		Six Months Ended June 30,	
(In millions, except per share amounts)	**June 30, 2003**	**June 30, 2002**	**2003**	**2002**
Share Data:				
Diluted earnings per share:				
Net income continuing operations as reported	$ 1.54	$ 1.35	$ 3.02	$ 2.67
Net income continuing operations as adjusted	$ 1.03	$ 0.90	$ 2.01	$ 1.78
Dividends declared per share:				
As reported	$ 0.31	$ 0.25	$ 0.62	$ 0.50
As adjusted	$ 0.21	$ 0.17	$ 0.41	$ 0.33

	Quarter Ended				
(In millions, except per share amounts)	**March 31, 2003**	**Dec. 31, 2002**	**Sept. 30, 2002**	**June 30, 2002**	**March 31, 2002**
Share Data:					
Diluted earnings per share:					
Net income continuing operations as reported	$ 1.47	$ 1.46	$ 1.41	$ 1.35	$ 1.32
Net income continuing operations as adjusted	$ 0.98	$ 0.97	$ 0.94	$ 0.90	$ 0.88
Dividends declared per share:					
As reported	$ 0.31	$ 0.25	$ 0.25	$ 0.25	$ 0.25
As adjusted	$ 0.21	$ 0.17	$ 0.17	$ 0.17	$ 0.17

	Year Ended December 31,				
(In millions, except per share amounts)	**2002**	**2001**	**2000**	**1999**	**1998**
Share Data:					
Diluted earnings per share:					
Net income continuing operations as reported	$ 5.53	$ 4.50	$ 2.80	$ 2.19	$ 1.85
Net income continuing operations as adjusted	$ 3.69	$ 3.00	$ 1.87	$ 1.46	$ 1.23
Dividends declared per share:					
As reported	$ 1.00	$ 1.00	$ 1.00	$ 0.88	$ 0.64

As adjusted	$ 0.67	$ 0.67	$ 0.67	$ 0.59	$ 0.43

GreenPoint Financial Corp. and Subsidiaries

Part I Item 2. Management s Discussion and Analysis of

Financial Condition and Results of Operations

	Quarter Ended					Six Months Ended June 30	
(Dollars in millions, except per share data)	**June 30, 2003**	**March 31, 2003**	**Dec. 31, 2002**	**Sept. 30, 2002**	**June 30, 2002**	**2003**	**2002**
Performance Ratios Continuing Operations (Annualized):							
Return on average assets	2.34%	2.40%	2.28%	2.38%	2.45%	2.37%	2.48%
Return on average equity	27.46	26.52	27.05	27.32	27.53	26.99	27.52
Net interest margin	3.23	3.51	3.64	3.85	4.06	3.37	4.05
Net interest spread	3.11	3.37	3.52	3.72	3.91	3.25	3.90
Operating expense to average assets	2.24	2.28	2.17	1.91	2.05	2.28	2.07
Total non-interest expense to operating revenue	27.3	27.0	26.4	23.2	23.5	27.2	23.4
Efficiency ratio *(1)*	37.5	37.3	37.6	33.8	34.6	37.7	34.6
Average interest-earning assets to average interest-bearing liabilities	1.05x	1.06x	1.05x	1.05x	1.06x	1.05x	1.05x
Per Share Data:							
Basic earnings per share continuing operations	$ 1.58	$ 1.50	$ 1.49	$ 1.44	$ 1.39	$ 3.08	$ 2.74
Diluted earnings per share continuing operations	1.54	1.47	1.46	1.41	1.35	3.02	2.67
Book value per common share	23.02	22.50	22.07	21.35	20.45	N/A	N/A
Tangible book value per common share	18.28	17.83	17.53	16.94	16.09	N/A	N/A
Dividends per share	0.31	0.31	0.25	0.25	0.25	0.62	0.50
Shares used in calculations (in thousands):							
Average *(2)*	84,023	86,218	88,158	89,905	90,968	85,146	91,181
Period-end *(3)*	83,341	84,586	87,177	89,415	90,609	N/A	N/A
Total shares outstanding (shares issued less treasury stock purchased)	92,073	93,694	96,308	98,362	99,402	N/A	N/A
Asset Quality Ratios continuing operations:							
Non-accruing loans held for investment to mortgage loans held for investment	1.62%	1.67%	1.61%	1.57%	1.60%		
Non-accruing loans held for sale to mortgage loans held for sale	1.60	1.87	1.18	0.99	0.95		
Non-performing assets to total assets	1.18	1.23	1.12	1.02	1.02		
Allowance for loan losses to non-performing loans held for investment	46.0	46.4	46.6	48.4	47.5		
	0.75	0.78	0.75	0.76	0.76		

Allowance for loan losses to mortgage loans held for investment							
Net loan charge-off experience (annualized) to average mortgage loans held for investment	0.03	0.01	0.04	0.02	0.01		
Ratio of allowance for loan losses to annualized net charge-offs	30.13x	64.4x	20.8x	42.8x	57.3x		
Capital Data:							
Tier I Capital (to risk weighted assets)	11.28%	11.53%	11.43%	11.66%	12.07%		
Total Risk Based Capital (to risk weighted assets)	12.79	13.08	12.96	13.25	13.77		
Tier I Capital to average assets	7.68	7.97	7.51	7.86	8.05		
Tangible equity to tangible managed assets	5.89	5.87	5.98	5.68	5.90		
Tangible equity to managed receivables	7.96	8.13	7.69	7.27	7.51		
Purchase of treasury stock	$ 113	$ 125	$ 93	$ 72	$ 72	$ 238	$ 85
Other Data:							
Mortgage loan originations	$ 11,343	$ 9,328	$ 9,985	$ 9,730	$ 7,041	$ 20,671	$ 13,475
Total managed assets *(4)*	26,135	25,856	25,595	26,456	24,620	N/A	N/A
Total managed receivables *(5)*	19,053	18,354	19,555	20,338	18,990	N/A	N/A
Earnings to combined fixed charges: *(6)*							
Excluding interest on deposits	19.66x	20.67x	20.61x	19.09x	15.92x	20.15x	16.40x
Including interest on deposits	3.89x	3.77x	3.58x	3.49x	3.28x	3.83x	3.19x
Full-service consumer bank offices	85	84	81	75	74	85	74

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(1) The efficiency ratio is calculated by dividing general and administrative expenses by the sum of net interest income and non-interest income.

(2) Used in the calculation of fully diluted earnings per share.

(3) Used in the calculation of common book value and tangible common book value ratios.

(4) Managed assets are the sum of total assets and off-balance sheet managed receivables.

(5) Managed receivables are the sum of on-balance sheet loans and off-balance sheet managed receivables.

(6) For purposes of computing the ratio of earnings to combined fixed charges, earnings represent net income plus applicable income taxes and fixed charges of a consolidated subsidiary. Fixed charges represent interest expense on long-term debt and one-third (the portion deemed to be representative of the interest factor) of rents.

Forward Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements, which are based on management s current expectations. These forward-looking statements include information concerning possible or assumed future results of operations, trends, financial results and business plans, including those relating to earnings growth; revenue growth; origination volume in the Company s mortgage business; non-interest income levels, including fees from product sales; credit performance on loans made by the Company; tangible capital generation; margins on sales or securitizations of loans; market share; expense levels; results from new business initiatives in the retail banking business; and other business operations and strategies. For these statements, GreenPoint claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 to the extent provided by applicable law. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: risks and uncertainties related to acquisitions, divestitures and terminating business segments, including related integration and restructuring activities; prevailing economic conditions; changes in interest rates, loan demand, real estate values, and competition, which can materially affect origination levels and gain on sale results in the Company s mortgage business, as well as other aspects of our financial performance; the level of defaults, losses and prepayments on loans made by the Company, whether held in portfolio, sold in the whole loan secondary markets or securitized, which can materially affect charge-off levels, required loan loss reserve levels and the Company s periodic valuation of its retained interests from securitizations; changes in accounting principles, policies, and guidelines; adverse changes or conditions in capital or financial markets, which can adversely affect the ability of the Company to sell or securitize loan originations on a timely basis or at prices which are acceptable to the Company, as well as other aspects of our financial performance; actions by rating agencies and the affects of these actions on the Company s businesses, operations and funding requirements; changes in any applicable law, rule, regulation or practice with respect to tax or legal issues, whether of general applicability or specific to the Company and its subsidiaries; other economic, competitive, governmental, regulatory, and technological factors affecting the Company s operations, pricing, products and services; and the risk factors or other uncertainties described from time to time in the Company s filings with the Securities and Exchange Commission, including the Risk Factors section included in the Company s Annual Report on Form 10-K for the year ended December 31, 2002 filed with the Securities and Exchange Commission on March 28, 2003. The forward-looking statements are made as of the date of this Report, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

The Company regularly explores opportunities for acquisitions of and holds discussions with financial institutions and related businesses, and also regularly explores opportunities for acquisitions of liabilities and assets of financial institutions and other financial services providers. The Company routinely analyzes its lines of business and from time to time may increase, decrease or terminate one or more activities.

General

GreenPoint Financial Corp. (the Corporation , Company or GreenPoint), a $22 billion asset bank holding company consists of two primary businesses a New York retail bank and a national mortgage business. The retail bank is a New York State chartered savings bank and is the second largest thrift depository in the Greater New York area with $12 billion in deposits in 85 branches serving more than 450,000 households. GreenPoint Mortgage (GPM), headquartered in Novato, California, originates a wide variety of exclusively A quality loans. This includes agency qualifying loans and Jumbo A loans, and GreenPoint s specialty Alternative A mortgages.

Overview Of Second Quarter 2003 Financial Results

Net income from continuing operations for the second quarter of 2003 was $1.54 per diluted share, or $130 million, an increase of 14% over the second quarter of 2002. The results reflect the strength and complementary nature of the Company s mortgage and retail banking businesses.

Core deposits grew to $7.6 billion, up 31% from $5.8 billion a year ago, as the Company continued to benefit from an effective sales culture, free checking programs, small business banking initiative and the *de novo* branching program. The Company opened seven new branches in 2002 and four additional branches in the first half of 2003.

The mortgage banking business achieved record levels of applications, originations and higher sale margins resulting in a substantial increase in mortgage banking revenues, all while maintaining very high credit quality. Total mortgage loan originations for the second quarter of 2003 were $11.3 billion, an increase of 61% over the $7.0 billion originated during the second quarter of 2002.

Mortgage sales and securitizations totaled $9.0 billion resulting in realized gains of $146 million, compared with sales and securitizations of $6.0 billion and a gain of $86 million in the comparative quarter a year ago.

The gain on sale of specialty loans was 306 basis points, up from 289 basis points in the first quarter of 2003 and 295 basis points in the year ago quarter.

Net interest income from continuing operations totaled $168 million, a decrease of 12% from the $191 million in the second quarter of 2002. The net interest margin was 3.23%, decreasing from 4.06% in the second quarter of 2002.

Asset quality in the mortgage portfolio remained strong. Non-accruing loans held for investment were 1.62% of mortgage loans held for investment, compared with 1.61% at the end of 2002 and 1.60% in the second quarter a year ago.

GreenPoint continues to maintain a strong capital position with a leverage ratio of 7.68%, a Tier 1 risk-based ratio of 11.28% and a total risk-based capital ratio of 12.79% at June 30, 2003.

On July 8, 2003 GreenPoint announced a 3 for 2 stock split payable on August 20, 2003 to shareholders of record on August 8, 2003 and increased the quarterly dividend distribution per share an additional 15% from $0.3125 to $0.36, which represents an annualized distribution of $1.44 per share on a pre-split basis. Since the beginning of 2003, GreenPoint has increased the annualized distribution rate 44%.

Net income from the discontinued manufactured housing business was $0.1 million, reflecting a performance consistent with management s most recent projections.

Business Segment Results

The Company consists of two primary continuing businesses a banking business and a mortgage business. The banking business includes the results of the retail banking segment and the balance sheet management segment. The retail banking segment represents the results of the activities of 85 full service banking offices operating in the greater New York area and the balance sheet management segment includes earnings from the held for investment mortgage portfolio and other corporate investment activities. The sub-total defined as the total banking business represents the results of the Company s traditional banking operations as distinguished from its mortgage banking operations. Following is an analysis of the results of the two primary businesses.

Banking Business

	Quarter Ended June 30,	
(In millions)	**2003**	**2002**
Net interest income	$ 121.3	$ 146.7
Provision for loan losses	(0.6)	(0.3)
Net interest income after provision for loan losses	120.7	146.4
Non-interest income:		
Banking fees and commissions	17.2	14.4
Other income	5.1	3.1
Net (loss) gain on securities	(0.6)	2.0
Total non-interest income	21.7	19.5
Non-interest expense	35.2	31.5
Income before income taxes	$ 107.2	$ 134.4
Total Assets	$ 16,317	$ 15,065

The banking business reported pre-tax income of $107 million for the second quarter of 2003, a decrease of 20% from the $134 million reported for the second quarter a year ago. The results included pre-tax income of $43 million from the retail banking segment, a 5% decrease from a year ago, and $65 million from the balance sheet management segment, a decrease of 28% from a year ago. The decrease from a year ago quarter was primarily the result of lower interest rates, which reduced the net interest income in the balance sheet management segment. The Company deliberately maintains an asset-sensitive balance sheet (see Market Risk Management, page 37). Since mortgage banking revenues strengthen in periods of low interest rates, and weaken when rates rise, the asset-sensitive position is designed to offset mortgage banking cyclicality, thereby adding stability to overall revenues and net income.

The increase in non-interest income reflected higher banking fees associated with the growth in deposit accounts and higher non-interest expense reflects the cost of additional branches associated with the *de novo* branching program.

Mortgage Banking

	Quarter Ended June 30,	
(In millions)	**2003**	**2002**
Net interest income	$ 46.6	$ 44.4
Non-interest income:		
Loan servicing fees	(0.7)	5.3
Other income	(2.0)	1.3
Net gain on sale of loans	162.6	99.9
Change in valuation of retained interests	(0.7)	(7.1)
Total non-interest income	159.2	99.4
Non-interest expense	67.9	49.3
Net income before income taxes	$ 137.9	$ 94.5
Total Assets	$ 5,987	$ 4,587

The mortgage banking business reported pre-tax income of $138 million, an increase of 46% from the $95 million reported in the second quarter of 2002. Net interest income increased $2 million, or 5% due to a higher average balance of loans held for sale. Net gain on sale of mortgage loans increased $63 million or 63% from the year ago period, due to an increase in origination volume and higher gain on sale margin. Non-interest expense increased $19 million to $68 million versus the second quarter a year ago, reflecting the higher level of mortgage originations.

Net Interest Income

Net interest income on a fully taxable-equivalent basis, decreased by $23 million and $30 million, or 12% and 8%, to $170 million and $346 million for the quarter and six months ended June 30, 2003. Net interest margin declined to 3.23% and 3.37% from 4.06% and 4.05% in the comparable quarter and six months periods a year ago, primarily due to the low interest rate environment.

Average earning assets increased by $2.0 billion for both the quarter and six month periods, or 11% to $21.1 billion and $20.6 billion from $19.1 billion and $18.6 billion in the year ago periods. The increase from the prior year second quarter and six month periods reflected growth in loans held for sale due to higher origination volume, and higher investment securities. The yield on interest-earning assets and rates paid on interest-bearing liabilities, in both periods, decreased due to declining market interest rates from a year ago.

The growth in average earning assets was funded in part by a substantial growth in core deposits as the average balance increased 36% and 35% over the comparable quarter and six month periods a year ago. The growth resulted from the continued success of the Company s sales culture, checking programs, *de novo* branching program and small business banking initiative.

The net interest margin decline resulted from the accelerated reduction in asset yields associated with the high level of mortgage prepayments, which negatively affected the yield on the held for investment mortgage portfolio and the mortgage-backed securities portfolio. While the rates paid on deposits and market borrowings also declined, this reduction did not fully offset the declining asset yields due to the accelerated prepayment activity and a flattening of the yield curve during the second quarter.

Average Consolidated Balance Sheet, Interest and Rates

The following table sets forth certain information relating to the continuing operations of the Company s average statements of financial condition (unaudited) and statements of income (unaudited) for the quarter and six months ended June 30, 2003 and 2002, and reflects the average yield on assets and average cost of liabilities for the periods indicated. Such annualized yields and costs are derived by dividing income or expense by the average balance of assets or liabilities, respectively, for the periods shown. Average balances are derived from average daily balances. Average balances and yields include non-accrual loans. The yields and costs include fees that are considered adjustments to yields. Interest and yields are presented on a taxable-equivalent yield basis.

	Quarter Ended					
	June 30, 2003			June 30, 2002		
(Taxable-equivalent interest and rates, in millions) (1)	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
Assets:						
Interest-earning assets:						
Mortgage loans held for investment *(2)*	$ 9,809	$ 156.7	6.39%	$ 9,936	$ 186.4	7.50%
Other loans *(2)*	22	0.4	7.62	19	0.4	8.80
Loans held for sale	5,089	70.6	5.55	4,136	67.1	6.51
Securities *(3)*	5,883	61.0	4.15	4,688	69.2	5.90
Other interest-earning assets	276	5.0	7.22	281	7.7	11.00
Total interest-earning assets	21,079	293.7	5.57	19,060	330.8	6.95
Non-interest earning assets *(4)*	1,154			957		
Total assets	$ 22,233			$ 20,017		
Liabilities and Stockholders Equity:						
Interest-bearing liabilities:						
Deposits:						
Savings	$ 1,465	2.5	0.68	$ 1,297	4.3	1.32
Demand deposits and N.O.W.	2,462	9.3	1.51	1,004	3.0	1.20
Money market and variable rate savings	3,500	12.0	1.38	3,178	14.7	1.86
Total core deposits	7,427	23.8	1.28	5,479	22.0	1.61
Term certificates of deposit	4,852	36.6	3.02	5,459	50.4	3.70
Total deposits	12,279	60.4	1.97	10,938	72.4	2.65
Mortgagors escrow	66	0.3	2.12	84	0.3	1.69
Borrowed funds	7,322	54.3	2.94	6,555	54.6	3.30
Senior notes	96	0.8	3.27			
Senior bank notes				134	2.3	6.72
Subordinated bank notes	150	3.5	9.36	150	3.5	9.36
Guaranteed preferred beneficial interest in Company s junior subordinated debentures	200	4.6	9.16	200	4.6	9.16
Total interest-bearing liabilities	20,113	123.9	2.46	18,061	137.7	3.04
Other liabilities *(5)*	229			173		
Total liabilities	20,342			18,234		
Stockholders equity	1,891			1,783		
Total liabilities and stockholders equity	$ 22,233			$ 20,017		
		$ 169.8	3.11%		$ 193.1	3.91%

Net interest income/interest rate spread *(6)*				
Net interest-earning assets/net interest margin *(7)*	$ 966	3.23%	$ 999	4.06%
Ratio of interest-earning assets to interest-earning liabilities	1.05x		1.05x	

	Six Months Ended					
	June 30, 2003			June 30, 2002		
(Taxable-equivalent interest and rates, in millions) (1)	**Average Balance**	**Interest**	**Average Yield/ Cost**	**Average Balance**	**Interest**	**Average Yield/ Cost**
Assets:						
Interest-earning assets:						
Mortgage loans held for investment *(2)*	$ 9,779	$ 323.0	6.61%	$ 10,057	$ 380.8	7.57%
Other loans *(2)*	21	0.8	7.66	19	0.8	8.64
Loans held for sale	5,091	146.5	5.80	3,847	126.4	6.63
Securities *(3)*	5,362	114.3	4.27	4,363	126.7	5.81
Other interest-earning assets	308	9.0	5.86	297	16.9	11.45
Total interest-earning assets	20,561	593.6	5.79	18,583	651.6	7.03
Non-interest earning assets *(4)*	1,143			1,021		
Total assets	$ 21,704			$ 19,604		
Liabilities and Stockholders Equity:						
Interest-bearing liabilities:						
Deposits:						
Savings	$ 1,412	5.5	0.79	$ 1,270	8.8	1.39
Demand deposits and N.O.W.	2,240	17.0	1.53	842	3.7	0.91
Money market and variable rate savings	3,440	24.9	1.46	3,137	29.9	1.92
Total core deposits	7,092	47.4	1.35	5,249	42.4	1.63
Term certificates of deposit	4,999	75.7	3.05	5,593	108.5	3.91
Total deposits	12,091	123.1	2.05	10,842	150.9	2.81
Mortgagors escrow	65	0.6	1.93	84	0.7	1.74
Borrowed funds	6,996	106.7	3.04	6,252	103.5	3.34
Senior notes	48	0.8	3.25			
Senior bank notes				134	4.6	6.72
Subordinated bank notes	150	7.0	9.36	150	7.0	9.36
Guaranteed preferred beneficial interest in Company s junior subordinated debentures	200	9.2	9.16	200	9.2	9.16
Total interest-bearing liabilities	19,550	247.4	2.54	17,662	275.9	3.13
Other liabilities *(5)*	252			175		
Total liabilities	19,802			17,837		
Stockholders equity	1,902			1,767		
Total liabilities and stockholders equity	$ 21,704			$ 19,604		
Net interest income/interest rate spread *(6)*		$ 346.2	3.25%		$ 375.7	3.90%
Net interest-earning assets/net interest margin *(7)*	$ 1,011		3.37%	$ 921		4.05%
Ratio of interest-earning assets to interest-earning liabilities	1.05x			1.05x		

(1) *Net interest income is calculated on a taxable-equivalent basis.*

(2) *In computing the average balances and average yield on loans, non-accruing loans have been included.*

(3) The average yield does not give effect to changes in fair value that are reflected as a component of stockholders equity.

(4) Includes goodwill, banking premises and equipment, servicing assets, deferred tax assets, accrued interest receivable, and other miscellaneous non-interest earning assets.

(5) Includes accrued interest payable, accounts payable and other miscellaneous non-interest bearing obligations of the Company.

(6) Net interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.

(7) Net interest margin represents net interest income divided by average interest-earning assets.

Rate/Volume Analysis

The following table presents the effects of changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities on the Company s interest income on a tax equivalent basis and interest expense during the periods indicated. Information is provided in each category on changes (i) attributable to changes in volume (changes in volume multiplied by prior rate), (ii) changes attributable to changes in rate (changes in rate multiplied by prior volume), and (iii) the net change. The changes attributable to the combined impact of volume and rate have been allocated proportionately to volume and rate.

	Quarter Ended June 30, 2003 Compared to Quarter Ended June 30, 2002 Increase/(Decrease)			Six Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002 Increase/(Decrease)		
(In millions)	**Average Volume**	**Due to Average Rate**	**Net Change**	**Average Volume**	**Due to Average Rate**	**Net Change**
Mortgage loans held for investment *(1)*	$ (2.3)	$ (27.4)	$ (29.7)	$ (10.3)	$ (47.5)	$ (57.8)
Other loans *(1)*	0.1	(0.1)		0.1	(0.1)	
Loans held for sale	14.1	(10.6)	3.5	37.2	(17.1)	20.1
Securities	15.2	(23.4)	(8.2)	25.4	(37.8)	(12.4)
Other interest-earning assets	(0.1)	(2.6)	(2.7)	0.6	(8.5)	(7.9)
Total interest earned on assets	27.0	(64.1)	(37.1)	53.0	(111.0)	(58.0)
Savings	0.5	(2.3)	(1.8)	0.9	(4.2)	(3.3)
Demand deposits and N.O.W.	5.3	1.0	6.3	9.2	4.1	13.3
Money market and variable rate savings	1.4	(4.1)	(2.7)	2.7	(7.7)	(5.0)
Term certificates of deposit	(5.2)	(8.6)	(13.8)	(10.7)	(22.1)	(32.8)
Mortgagors escrow	(0.1)	0.1		(0.2)	0.1	(0.1)
Borrowed funds	6.0	(6.3)	(0.3)	11.7	(8.5)	3.2
Senior notes	0.8		0.8	0.8		0.8
Senior bank notes	(2.3)		(2.3)	(4.6)		(4.6)
Subordinated bank notes						
Guaranteed preferred beneficial interest in Company s junior subordinated debentures						
Total interest paid on liabilities	6.4	(20.2)	(13.8)	9.8	(38.3)	(28.5)
Net change in net interest income	$ 20.6	$ (43.9)	$ (23.3)	$ 43.2	$ (72.7)	$ (29.5)

(1) *In computing the volume and rate components of net interest income for loans, non-accrual loans have been included.*

Provision for loan losses

The provision for loan losses was $0.6 million and $0.9 million for the second quarter and six months periods ended June 30, 2003, an increase of $0.3 million $0.2 million from the year ago quarter and six month periods. The provision equaled net charge-offs for all periods.

Non-Interest Income

The following table summarizes the components of non-interest income:

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	**2003**	**2002**	**2003**	**2002**
Income from fees and commissions:				
Loan servicing fees	$ (0.4)	$ 5.9	$ 5.4	$ 11.1
Banking services fees and commissions	17.2	14.4	31.7	27.0
Fees, commissions and other income	3.1	4.4	6.5	7.0
Total income from fees and commissions	19.9	24.7	43.6	45.1
Net gain on sales of mortgage loans	145.7	86.0	270.0	176.0
Change in valuation of retained interests	(0.7)	(7.1)	(1.4)	(7.1)
Net (loss) gain on securities	(0.6)	2.0	0.6	3.8
Total non-interest income	$ 164.3	$ 105.6	$ 312.8	$ 217.8

Non-interest income in the second quarter and six months ended June 30, 2003 was $164 million and $313 million, up 56% and 44% from the comparable periods a year ago. The increase versus the year ago period was due to a substantial increase in net gain on sale of mortgage loans. The gain on sale of loans is described in further detail in the following paragraphs.

Income from fees and commissions was $20 million and $44 million for the quarter and six months ended June 30, 2003, versus $25 million and $45 million in the same periods a year ago. Loan servicing fees decreased for both the current quarter and six month periods versus the year ago periods primarily due to a $3 million impairment charge recorded on the mortgage loan servicing asset due to increased prepayment speeds as a result of the low interest rate environment. The $3 million and $5 million increase in banking fees for the quarter and six months periods, versus a year ago, was due to an increase in the number of checking accounts as a result of *de novo* branch expansion along with consumer bank marketing initiatives that increased core deposit balances.

Gain on sale of loans

The following table summarizes loans sold and average margins earned:

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	**2003**	**2002**	**2003**	**2002**
Whole loan Mortgage:				
Sales	$ 8,686	$ 5,943	$ 17,488	$ 11,397
Gain on sale	$ 141	$ 84	$ 264	$ 170
Average margin	1.62%	1.41%	1.51%	1.49%
Average margin by product type:				
Specialty products *(1)*	3.06%	2.95%	2.97%	2.96%
Home equity / Seconds	1.19%	1.59%	1.22%	1.66%
Agency / Jumbo	1.02%	0.57%	0.86%	0.63%
Securitizations Mortgage:				

Sales	$ 319	$ 63	$ 353	$ 226
Gain on sale *(2)*	$ 5	$ 2	$ 6	$ 6
Average margin	1.57%	3.26%	1.58%	2.59%

(1)Specialty products include: Alt A, No Doc and A minus programs.

(2)Includes draws from prior period securitizations.

Gain on sale of mortgage loans increased for the quarter and six months ended June 30, 2003, versus the comparable periods a year ago, principally due to a higher volume of loans sold along with higher yields earned on the sales. The average sale margin was 162 basis points compared to 141 basis points for the second quarter of 2002. The higher margin in the second quarter was the result of higher margins earned on both specialty and agency / jumbo products, which increased to 306 basis points and 102 basis points from 295 basis points and 57 basis points, respectively.

In the second quarter of 2003, the Company recognized a gain of $4 million related to a new securitization of home equity lines of credit. The year ago period gain represented gains on previously securitized home equity lines.

Non-Interest Expense

The following is a summary of the components of non-interest expense:

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	**2003**	**2002**	**2003**	**2002**
Salaries and benefits	$ 66.5	$ 47.4	$ 128.1	$ 96.7
Employee Stock Ownership and stock plans expense	6.7	7.0	12.8	13.0
Net expense of premises and equipment	20.9	17.5	41.8	35.5
Advertising	4.5	5.7	8.9	8.6
Federal deposit insurance premiums	0.5	0.5	1.0	1.0
Other administrative expenses	27.3	24.6	54.4	48.6
Total general and administrative expenses	126.4	102.7	247.0	203.4
Other real estate owned operating income, net	(1.7)	(0.6)	(1.5)	(1.1)
Total non-interest expense	$ 124.7	$ 102.1	$ 245.5	$ 202.3

Total general and administrative expense increased $23 million to $126 million from $103 million for the quarter ended June 30, 2002 and increased $44 million to $247 million from $203 million for the six month periods. The non-interest expense increase versus a year ago reflected the increased mortgage origination volume and higher costs associated with the *de novo* branching program. The salaries and benefits expense increase of $19 million and $31 million for the quarter and six months ended June 30, 2003 versus a year ago related to the significant increase in mortgage production and the strong performance of both businesses.

Income Tax Expense

Income tax expense increased $5 million, or 8%, to $77 million for the second quarter of 2003 and increased $10 million, or 7%, to $152 million for the first six months of 2003, versus the comparable periods a year ago. The rise in the current quarter and six month period, compared to 2002, is due to higher pre-tax income and an increase in the effective tax rate from 36.9% to 37.3%.

Loan Originations

The following table summarizes loan origination activity for each of the reported periods:

(In millions)	Quarter Ended June 30, 2003	Quarter Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Mortgage:				
Total applications received	$ 23,189	$ 15,038	$ 41,578	$ 27,074
Loans originated:				
Specialty products *(1)*	$ 2,921	$ 2,455	$ 5,681	$ 4,646
Home equity / Seconds	614	694	1,142	1,312
Agency / Jumbo	7,808	3,892	13,848	7,517
Total loans originated *(2)*	$ 11,343	$ 7,041	$ 20,671	$ 13,475
Commitments to originate loans (end of period)	$ 12,136	$ 7,049	$ 12,136	$ 7,049
Loans held for sale (end of period)	$ 5,370	$ 4,251	$ 5,370	$ 4,251

(1) Specialty products include: Alt A, No Doc and A minus programs

(2) Total loans originated include, correspondent purchases for the held for investment portfolio, which totaled $1.1 billion and $1.5 billion the quarter and six months ended June 30, 2003.

Total loan originations during the quarter and six month periods for the mortgage business were $11.3 billion and $20.7 billion, up from $7.0 billion and $13.5 billion during the second quarter and first six months of 2002. Specialty product originations were $2.9 billion and $5.7 billion for the quarter and six month periods, up from $2.5 billion and $4.6 billion in the comparable periods a year ago. Agency / Jumbo originations increased from $3.9 billion to $7.8 billion and from $7.5 billion to $13.8 billion for the quarter and six months ended June 30, 2003 versus the same periods a year ago. The change in loan origination product mix reflects the declining interest rate environment and the continued strong demand for mortgage refinancing.

Non-Performing Assets:

Non-performing assets consist of non-accruing loans and other real estate owned. GreenPoint reports non-accruing loans separately for the held for investment and held for sale portfolios. The ratio of non-accruing loans held for investment to mortgage loans held for investment increased to 1.62% at June 30, 2003 from 1.61% at December 31, 2002 and the ratio of non-performing assets to total assets increased to 1.18% at June 30, 2003 from 1.12% at December 31, 2002. GreenPoint attempts to convert these assets to interest-earning assets as quickly as possible, while minimizing potential losses on conversion.

Non-performing loans held for sale represent delinquent loans in the mortgage warehouse that mostly have been acquired as repurchases against representations and warranties. These loans increased to $86 million at the end of the second quarter from $66 million at December 31, 2002. This increase has resulted from the substantial growth in loans sold over the past two years. GreenPoint maintains a valuation reserve through which the value of these loans is adjusted to the estimated fair value.

Non-performing assets, were as follows:

(In millions)		**June 30, 2003**		**Dec. 31, 2002**
Non-accrual loans receivable held for investment *(1)*	$	162	$	160
Non-accrual loans receivable held for sale		86		66
Total non-performing loans		248		226
Total other real estate owned, net		20		17
Total non-performing assets	$	268	$	243
Other loans 90 days or more delinquent and still accruing	$	1	$	1

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(1) *Includes $3 million $5 million of non-accrual mortgage loans under 90 days past due at June 30, 2003 and December 31, 2002.*

Loan Servicing Portfolio

The following table summarizes the dollar amount of loans serviced for GreenPoint and for others:

(In millions)	June 30, 2003	Dec. 31, 2002
Mortgage:		
Serviced for GreenPoint *(1)*	$ 12,998	$ 14,936
Serviced for others (third parties)	15,718	14,647
Total loan servicing portfolio	$ 28,716	$ 29,583

(1) Includes loans held for sale and loans held for investment at end of period.

Allowance for Possible Loan Losses:

The following is a summary of the provision and allowance for possible loan losses:

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions)	2003	2002	2003	2002
Balance at beginning of period	$ 77.7	$ 77.7	$ 77.7	$ 80.6
Provision charged to income:				
Continuing	0.6	0.3	0.9	0.7
Discontinued	(0.4)	(0.1)	(0.3)	(0.1)
Charge-offs:				
Mortgage	(0.7)	(0.4)	(1.1)	(0.8)
Manufactured housing	(1.0)	(0.3)	(2.6)	(0.3)
Manufactured housing transfer to loans receivable held for sale				(2.9)
Recoveries:				
Mortgage	0.1	0.1	0.2	0.1
Manufactured housing	1.4	0.4	2.9	0.4
Balance at end of period	$ 77.7	$ 77.7	$ 77.7	$ 77.7

Net mortgage loan charge-offs were $0.6 million and $0.9 million for the quarter and six months ended June 30, 2003, up from $0.3 million and $0.7 million in the year ago periods.

Capital Ratios

The Company and the Bank are subject to various regulatory capital requirements administered by the federal and state banking agencies. The Board of Governors of the Federal Reserve System establishes minimum capital requirements for the consolidated bank holding company, as

well as for the Bank.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. These guidelines require minimum ratios of risk-based capital to risk adjusted assets of 4% for Tier 1 capital and 8% for total capital. The Federal Reserve Board also has guidelines for a leverage ratio that is designed to complement the risk-based capital ratios in determining the overall capital adequacy of banks and bank holding companies. A minimum leverage ratio of Tier 1 capital to average total assets of 3% is required for banks and bank holding companies, with an additional 100 to 200 basis points required for all but the highest rated institutions. Management believes, as of June 30, 2003, that the Company and the Bank meet all capital adequacy requirements to which it is subject.

FDICIA, among other things, identifies five capital categories for insured depository institutions (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized) and requires federal banking regulatory agencies to implement systems for prompt corrective action for insured depository institutions that do not meet minimum capital requirements based on these categories. As of June 30, 2003, the Bank was well capitalized based on the prompt corrective action guidelines.

The most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum Tier 1 capital, total capital and leverage ratios of 6%, 10% and 5%, respectively. There have been no conditions or events since that notification that management believes have changed the Company s or Bank s category.

The Company s Total Capital and Tier 1 Capital (to risk weighted assets) declined from 12.96% and 11.43%, respectively, at December 31, 2002 to 12.79% and 11.28%, respectively at June 30, 2003. The Company s ratio of period-end stockholders equity to ending total assets at June 30, 2003 was 8.46% compared to 8.82% at December 31, 2002.

	Actual		Required for Capital Adequacy Purposes	
(In millions)	**Amount**	**Ratio**	**Amount**	**Ratio**
As of June 30, 2003				
Total Capital (to Risk Weighted Assets):				
Company	$ 1,931	12.79%	$ 1,208	8.00%
Bank	1,865	12.33	1,210	8.00
Tier 1 Capital (to Risk Weighted Assets):				
Company	$ 1,704	11.28%	$ 604	4.00%
Bank	1,638	10.83	605	4.00
Tier 1 Capital (to Average Assets):				
Company	$ 1,704	7.68%	$ 888	4.00%
Bank	1,638	7.38	888	4.00
As of December 31, 2002				
Total Capital (to Risk Weighted Assets):				
Company	$ 1,924	12.96%	$ 1,188	8.00%
Bank	1,905	12.83	1,188	8.00
Tier 1 Capital (to Risk Weighted Assets):				
Company	$ 1,696	11.43%	$ 594	4.00%
Bank	1,678	11.30	594	4.00
Tier 1 Capital (to Average Assets):				
Company	$ 1,696	7.51%	$ 904	4.00%
Bank	1,678	7.42	904	4.00

Stock Repurchase Program

In February 2003, the Company s Board of Directors authorized a new share repurchase program of up to 5%, or approximately 4.8 million, of its outstanding shares. The repurchase will be at the Company s discretion, based on ongoing assessments of the capital needs of the business and the market valuation of its stock.

The Company s previous share repurchase program was completed during the first quarter. Under this program, the Company repurchased 5 million shares, at a cost of approximately $218 million. The repurchased shares are being held in treasury.

Shares repurchased and cost for the quarters and six months ended June 30, 2003 and 2002 are summarized as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	**2003**	**2002**	**2003**	**2002**
Number of shares repurchased	2,322,300	1,476,800	5,185,100	1,771,200
Cost of repurchases	$ 113	$ 72	$ 238	$ 85

Supplemental Performance Measurements Cash Earnings

Cash earnings is a non-GAAP measurement that GreenPoint defines as net income from continuing operations less a non-cash charge related to the Employee Stock Ownership Plan (ESOP). This non-cash expense, unlike other expenses incurred by the Company, does not reduce GreenPoint s tangible capital thereby enabling the Company to increase shareholder value through the growth of earning assets, increases in cash dividends and additional repurchases of the Company s stock.

	Quarter Ended					Six Months Ended June 30,	
	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	2003	2002
Net income from continuing operations	$ 129.8	$ 126.9	$ 128.6	$ 126.5	$ 122.6	$ 256.7	$ 243.1
Add back:							
Employee Stock Ownership and stock plans expense	6.7	6.1	6.9	6.3	7.0	12.8	13.0
Cash earnings from continuing operations	$ 136.5	$ 133.0	$ 135.5	$ 132.8	$ 129.6	$ 269.5	$ 256.1
Diluted earnings per share from continuing operations	$ 1.54	$ 1.47	$ 1.46	$ 1.41	$ 1.35	$ 3.02	$ 2.67
Effect of employee stock plans expense	0.08	0.07	0.08	0.07	0.08	0.15	0.14
Cash earnings per share *(1)*	$ 1.62	$ 1.54	$ 1.54	$ 1.48	$ 1.43	$ 3.17	$ 2.81
Performance Ratios (Annualized)							
Cash earnings return on average assets	2.46%	2.51%	2.40%	2.50%	2.59%	2.48%	2.61%
Cash earnings return on average equity	28.87	27.80	28.50	28.67	29.11	28.34	28.99
Cash earnings return on tangible equity	36.95	35.58	36.89	37.43	37.75	36.27	37.70

(1) Based on the weighted average shares used to calculate diluted earnings per share.

Consolidated Statement of Financial Condition

Total assets of $22.7 billion at June 30, 2003 increased from $21.8 billion at December 31, 2002. The balance sheet reflects growth in the securities portfolio of $940 million. This was partially offset by a decrease in both loans receivable held for sale and held for investment of $164 million.

The balance of core deposits increased $1.2 billion since year-end 2002, reflecting the continued success of a variety of initiatives to attract checking accounts. This growth was offset in part by a decline of $623 million in higher-cost certificates of deposit. Market borrowings increased $279 million since year-end 2002, reflecting the net additional funding needed.

Risk Management

The Company has a Corporate Risk Oversight Committee which monitors and supervises the wide variety of risks encountered in the course of business. The Committee is chaired by the President and Chief Operating Officer and includes the heads of its two businesses, the Chief Financial Officer, the Head of Risk Management and the General Counsel. The Committee meets periodically to review credit risk, including both on-balance sheet and off-balance sheet exposure, market risk and operating and business risks which include, but are not limited to, legal and systems risks. These individual types of risks are also analyzed and monitored by separate committees comprised of experts within the business units and on the corporate staff. Liquidity and Credit Risk Management are described fully below. The Market Risk analysis is included in Part I Item 3 (page 37).

Liquidity Risk Management

The Bank s primary sources of funding from financing activities include deposit gathering, advances from the FHLB, short and long-term borrowings under repurchase agreements and overnight and term Federal Funds purchases. Cash flows related to operating activities primarily consist of cash disbursed to fund loan originations and cash received from loan sales and securitizations. Cash flows related to investing activities include purchases of securities and loans receivable held for investment, funds received from loan and securities principal repayments, and sales and maturities of mortgage-backed and other investment securities. While maturities and scheduled amortization of loans and securities are a predictable source of funds, the amount of prepayments on loans and mortgage-backed securities can only be estimated, as they tend to fluctuate with various exogenous factors including the general level, and direction, of interest rates.

Funds provided from financing activities totaled $540 million for the six months ended June 30, 2003. At June 30, 2003 total borrowings were $7.5 billion, up $279 million from $7.2 billion at December 31, 2002. Membership in the FHLB allows the Bank to secure advances in proportion to its investment in FHLB stock. At June 30, 2003 the Bank had $4.5 billion in outstanding FHLB term advances. The Bank s ability to secure further advances from the FHLB is based on the market value of the pledged loan portfolio. At June 30, 2003, based on the then current market value of the pledged portfolio, the Bank had additional FHLB borrowing capacity of $259 million. The Bank also uses its mortgage-backed and other investment securities as collateral under short and long-term repurchase agreements. As of June 30, 2003 the Bank had $2.1 billion in outstanding repurchase agreements, which was an increase of $100 million from December 31, 2002. At June 30, 2003 the company had un-pledged securities eligible as collateral for repurchase agreements of $2.1 billion. The Bank also secures overnight and term funding in the Federal Funds market. At June 30, 2003 the Bank had $215 million of overnight purchased Federal Funds.

Deposits continue to be the primary funding source for the Company. Deposit balances experienced a net $529 million increase in the first six of 2003. Lower-cost core deposits increased by $1.2 billion offset by a decrease in higher cost certificates of deposit of $623 million. The decline in certificate of deposit balances resulted from management s decision to utilize lower cost alternative funding sources rather than pay higher priced retail rates. Time deposits maturing within one year totaled $3.0 billion at June 30, 2003. Consistent with historical trends, a substantial portion of these deposits are expected to be renewed. To the extent these deposits are not renewed, funding is expected to be provided through continued growth in core deposits (checking, savings and money market deposits) and through alternative financing sources.

Credit Risk Management

During the second quarter of 2003, the Company originated mortgage loans for its own portfolio and for disposition in the secondary markets in the form of whole loan sales and securitizations. In general, whole loan sales transfer the credit risk to the purchasers. In contrast, for loans placed in the portfolio, or for loans securitized, the Company retains all or much of the credit risk. As of December 31, 2001, the Company discontinued the origination of manufactured housing loans. However, it continues to service its manufactured housing loan portfolio, including its securitized loan pools. During the fourth quarter of 2002, GreenPoint Bank began to originate small business loans through its branch system to its business banking customers for the Bank s portfolio.

GreenPoint Bank and GreenPoint Mortgage maintain underwriting policies, procedures and approval authorities appropriate to their businesses. The chief credit executive in GreenPoint Mortgage reports directly to the chief executive of the business, outside of the production organization. The chief credit executive in the small business banking group within GreenPoint Bank reports directly to the head of the small business banking group. With respect to mortgage loans originated for whole loan sale to the secondary markets, where credit risk is transferred, underwriting criteria are established to meet the investor requirements. An executive-level Risk Management Division determines the criteria required for loans which will be transferred to GreenPoint s portfolio or sold through securitizations. With respect to business loans at GreenPoint Bank, a sophisticated scoring system is one of the tools being utilized in the underwriting process.

Oversight of the appraiser approval and appraisal review process is conducted independent of the production organization. Appraisers are required to meet strict standards for approval by GreenPoint, and their performance is monitored on a regular basis. With oversight by Risk Management, a comprehensive quality control process is in place to ensure that mortgage loans being originated meet the Company s underwriting standards, and that required operating procedures are followed. Loans are selected monthly on a pre and post funding basis for review by quality control analysts and staff appraisers. A quality control process has also been established for the small business loans being originated by GreenPoint with monthly reviews on a post-funding basis.

Risk Management personnel monitor closely the performance of all loans on which the Company retains credit risk. On securitization or sale, expectations are set on the default, recovery and voluntary prepayment rates. Each pool of loans is reviewed monthly to ensure that performance is meeting those expectations. In the event performance does not meet expectations, the assumptions are revised. Final responsibility for these judgments resides with executive management, independent of the business unit.

Risk Management reviews monthly the delinquency and loss trends for all of the mortgage, manufactured housing, and small business loans serviced by the Company, whether or not it retains credit exposure. These reviews are intended to identify significant changes in credit quality which may indicate changes to the Company s exposures or to the efficacy of its underwriting of loans sold to other investors. Such changes could prompt adjustments to the Company s underwriting criteria or servicing procedures.

GreenPoint s mortgage loan origination activity is geographically diversified throughout the United States. The Company tracks economic and housing market trends to identify areas for expansion and as an early warning mechanism. The Company also closely monitors trends in delinquent and non-performing loans through cycles in the economy and in the real estate market. These economic and performance trends are analyzed in the ongoing fine-tuning of lending practices.

The Company uses various collection strategies to maintain contact with the borrowers in order to obtain repayment. Collection activities for GreenPoint Mortgage are centralized in a servicing unit in Columbus, Georgia. GreenPoint Credit s collection activities were centralized during 2002 in a servicing center in Atlanta, Georgia in order to target delinquent accounts more effectively utilizing more advanced technology. Remarketing activities for GreenPoint Credit remain decentralized among several regional offices in order to repossess and liquidate collateral more effectively, thereby minimizing the loss severity. Collection efforts for GreenPoint Bank s business banking loans are handled in a collaborative manner by the credit analysts in New York and the servicing center in Columbus, Georgia.

The Company has set forth a policy for establishment and review of the adequacy of the allowance for loan losses in order to provide for estimated costs related to the problem loans. Management believes that the allowance for loan losses is adequate. However, such determination is susceptible to the effect of future unanticipated changes in general economic and market conditions that may affect the financial circumstances of borrowers and/or residential real estate values within the Company s lending areas. The Company has also established a reserve to cover losses associated with repurchases of sold loans due to representation and warranty violations. This reserve was sized using historical loss data associated with loan sales and additional reserves are set aside as the volume of sold loans increases.

Part I Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk Management

Overview

The Company s market risk exposure is limited solely to interest rate risk. Interest rate risk is defined as the sensitivity of the Company s current and future earnings to changes in the level of market interest rates. Part of the Company s interest rate risk resides on the balance sheet, as the maturity and repricing characteristics of its assets do not match those of its liabilities. Additionally, a significant source of the Company s revenue, the proceeds from the sale of mortgage loans, depends on the volume of loan originations, which is sensitive to the level and direction of market interest rates.

Market Risk Management Process

Management of interest rate risk is conducted within policies and limits approved by the Board of Directors. These policies and limits set forth the maximum risks to earnings and market value that the Board of Directors deems prudent. In addition, they govern permissible investments and off-balance sheet transactions, and maximum counterpart exposure limits. The formulation and implementation of any Risk Management strategy involves numerous day-to-day decisions involving the acquisition or divestiture of loans and investment securities, reinvestment of cash flows, the selection of funding instruments and maturities and the use of off-balance sheet instruments. Together, these incremental decisions result in a strategy that is represented by the interest rate risk position. The performance of the positions and strategies are formally reviewed by the Asset and Liability Management Committee (ALCO) in the context of the outlook for interest rates and general business conditions, as well as for compliance with established risk tolerances and policies. The committee is chaired by the Chief Financial Officer and includes the Treasurer, the Head of Risk Management and the Company s Senior Business Unit and Financial Executives.

Interest Rate Risk Management Strategies

Interest rate risk inherent on the balance sheet is managed taking into account the risks to earnings in the Company s main businesses. Most importantly, the Company s mortgage origination business is sensitive to the level of interest rates. In a low or declining interest rate environment mortgage volumes tend to increase as demand for home purchases and mortgage refinancing increases, leading to growth in mortgage banking revenues. Conversely, high or rising rates subdue mortgage demand, leading to less revenue.

These dynamics tend to be partly offset by the sensitivity of retail banking revenues to changes in the level of interest rates. Typically in a high rate environment, spreads earned on retail deposits increase, as rates paid on those deposits increase more slowly than market rates in general. Additionally, the balance sheet is normally positioned to allow for higher net interest income and wider net interest margins as rates rise. This is known as an asset sensitive balance sheet position, and provides a further offset to the interest rate cyclically of mortgage banking revenue.

The interest rate sensitivity of the Company s balance sheet originates with the cash flow characteristics of its loan portfolios and deposit products. Management alters the overall balance sheet sensitivity through adjustments to the securities investment portfolio and the maturities of market borrowings, as well as various deposit pricing and derivatives strategies.

Interest Rate Risk Measurement

The principal tool used to measure balance sheet sensitivity at any point in time, and to assess the impact of potential business and rate risk management strategies, is a simulation of net interest income. The simulation gives effect to management assumptions concerning the repricing of assets and liabilities, as well as business volumes under a variety of hypothetical interest rate scenarios. These hypothetical scenarios incorporate parallel yield curve shifts in interest rates of plus or minus 100, 200 and 300 basis points. In addition, non-parallel yield curve

flattening and steepening scenarios are modeled.

The most crucial management assumptions concern prepayments on the Company s mortgage loan portfolio and the pricing of retail deposits in various interest rate environments. As interest rates decline, mortgage prepayments tend to increase, reducing loan portfolio growth and lowering the portfolio s average yield. Management s assumptions are guided by analyzing the prepayment performance of the Company s portfolio in past rate cycles as well as publicly available research on the prepayment behavior of similar mortgage assets.

Rates on non-maturity deposits rise and fall with market rates, but tend to move less than proportionately. Rates offered on retail certificates of deposit tend to move in close concert with market rates, though history suggests they increase less rapidly as market rates rise. Extensive historical analysis shows that the Company s deposit volumes are relatively insensitive to interest rate movements within the range encompassed by the scenarios.

The following table presents the results of the simulations under a variety of hypothetical interest rate scenarios, based on the Company s balance sheet position at June 30, 2003. The results are expressed as the percentage change in pretax net interest income from the base scenario in which interest rates are unchanged. The change in income is measured over a period of twelve months.

	Short-term Rate Changes:	
Yield Curve	**-200 bps**	**+200 bps**
-150 bps	(14.6)%	7.0%
Parallel	(8.6)%	10.7%
+150 bps	(3.2)%	14.5%

The columns represent 200 basis point changes down and up in the level of short-term interest rates over a twelve-month time span. The rows indicate changes in the shape of the yield curve over the same time period. The parallel row corresponds to changes in rate levels in which the yield curve retains its shape. In the -150 basis point scenarios, the yield curve flattens, and in the +150 basis point simulations the curve steepens. For example, a parallel downward shift of 200 basis points would reduce net interest income by 8.6% from what would be earned if rates remained constant. (As of June 30, 2003 not all rates could fall 200 basis points without reaching zero. In these scenarios rates are reduced until they reach zero. These scenarios are retained to allow for historical comparisons.) However, a decline of 200 basis points at the short end of the yield curve, accompanied by a 150 basis point steeper curve, would decrease net interest income by 3.2% over the unchanged scenario.

At June 30, 2002 a parallel 200 basis point downward movement in interest rates was estimated to reduce net interest income by 4.8% from the base case. A parallel 200 basis point rise in rates was estimated to benefit net interest income by 3.8%.

The simulations measure the exposure of net interest income to changes in interest rates at a particular point of time. The risk position is always changing. Management continuously monitors the Company s risk profile as it changes, and alters the rate sensitivity to ensure limits are adhered to, and that the resulting risk profile is appropriate to its views on the likely course of interest rates and developments in its core businesses.

In addition, the fair value of the mortgage company s servicing assets and retained interests from securitizations are directly affected by the level of prepayments associated with the underlying loans. As interest rates decline the value of these assets will decline. Conversely as interest rates rise, the value of these assets will increase.

Derivative Financial Instruments

Interest rate derivatives, such as interest rate swaps and Eurodollar futures, are periodically integrated into the Company s interest rate positions and, therefore, its simulations. The notional amount of these instruments are not included in the company s balance sheet. There were no outstanding derivative financial instruments hedging the Company s interest rate position at June 30, 2003.

The Company does currently utilize derivative instruments to manage its exposure to interest rate risk associated with mortgage loan commitments and mortgage loans held for sale.

Prior to the closing of the loan, the Company generally extends an interest rate lock commitment to the borrower. The Company is exposed to subsequent changes in the level of market interest rates, and the spread over Treasuries required by investors. An increase in market interest rates or a widening of spreads will reduce the prices paid by investors and the resultant gain on sale. To mitigate this risk, at the time the Company extends the interest rate lock commitment to the borrower, the Company will enter into mandatory commitments to deliver mortgage whole loans to various investors, or to issue private securities and/or Fannie Mae and Freddie Mac securities (forward delivery commitments.) These commitments effectively establish the price the Company will receive for the related mortgage loan thereby minimizing the risk of subsequent changes in interest rates. At June 30, 2003, the Company had mandatory forward delivery commitments outstanding amounting to $4.1 billion.

Part I Item 4. Controls and Procedures

The Company s management, including its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) as of June 30, 2003 and, based on its evaluation, has concluded that the Company s disclosure controls and procedures were effective as of June 30, 2003. In addition, there has been no change in the Company s internal control over financial reporting that occurred during the Company s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

Part II Item 1. Legal Proceedings

In the ordinary course of business, the Corporation and its subsidiaries are defendants in or parties to a number of pending and threatened legal actions and proceedings, and are also involved from time to time in investigations and administrative proceedings by governmental agencies. Certain of such actions and proceedings involve alleged violations of consumer protection laws, including claims relating to the Corporation s loan origination and collection efforts, and other federal and state banking laws. Certain of such actions and proceedings include claims for breach of contract, restitution, compensatory damages, punitive damages and other forms of relief. Due to the difficulty of predicting the outcome of such matters, the Corporation can give no assurance that it will prevail on all claims made against it; however, management believes, based on current knowledge and after consultation with counsel, that these legal matters and administrative proceedings and the losses, if any, resulting from the final outcome thereof, will not have a material adverse effect on the Corporation and its subsidiaries financial position, results of operations or liquidity, but can give no assurance that they will not have such an effect.

Part II Item 4. Submission of Matters to a Vote of Security Holders

At the Company s annual meeting of shareholders held on April 29, 2003, the following matters were voted upon with the results of the voting on such matters indicated:

1. Election of the following three Directors of the Company to three-year terms:

	For	Withheld
Peter T. Paul	79,117,377	3,653,048
Alvin N. Puryear	77,782,963	4,987,462
Robert P. Quinn	81,398,802	1,371,623

The following sets forth the names of Directors continuing in office after the annual meeting:

Bharat B. Bhatt

Dan F. Huebner

William M. Jackson

Thomas S. Johnson

Charles B. McQuade

J. Thomas Presby

Edward C. Schmults

Robert F. Vizza

2. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent auditor for the year ending December 31, 2003:

For	76,955,808
Against	5,561,600
Abstain	253,016

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Part II Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number:	
12.1	Ratios of Earnings to Combined Fixed Charges
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Thomas S. Johnson, Chairman and Chief Executive Officer
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Jeffrey R. Leeds, Executive Vice President and Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Thomas S. Johnson, Chairman and Chief Executive Officer
32.2	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Jeffrey R. Leeds, Executive Vice President and Chief Financial Officer

(b) Reports on Form 8-K

On April 15, 2003, GreenPoint Financial Corp. filed a current report on Form 8-K in connection with a press release announcing first quarter results for the period ended March 31, 2003, which press release provided detail not publicly disclosed previously.

On May 9, 2003, GreenPoint Mortgage Securities Inc. filed a current report on Form 8-K in connection with the offering of the Home Equity Loan Asset-Backed Securities, Series 2003-1, Class A Notes, of which GreenPoint Home Equity Loan Trust 2003-1 is the issuer. As described in a Prospectus Supplement to the Prospectus dated as of May 9, 2003, certain Collateral Term Sheets within the meanings of the May 20, 1994 Kidder, Peabody No-Action Letter and the February 17, 1995 Public Securities Association No-Action Letter were furnished to certain prospective investors (the Related Computational Materials).

On June 3, 2003, GreenPoint Mortgage Securities Inc. filed a current report on Form 8-K in connection with issuance of Asset-Backed Securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, by the Registration Statement on Form S-3. Pursuant to the Registration Statement, GreenPoint Home Equity Loan Trust 2003-1 (the Trust) issued Home Equity Assets-Backed Notes, Series 2002-1 (the Notes), on May 19, 2003 (the Closing Date).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GreenPoint Financial Corp.

By: /s/ Thomas S. Johnson
Thomas S. Johnson
Chairman of the Board and
Chief Executive Officer

By: /s/ Jeffrey R. Leeds
Jeffrey R. Leeds
Executive Vice President and
Chief Financial Officer

By: /s/ Joseph D. Perillo
Joseph D. Perillo
Senior Vice President and
Controller

Dated August 12, 2003