FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

GREENPOINT FINANCIAL CORP

CIK:**911935**| IRS No.: **061379001** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-22516** | Film No.: **96664027**
SIC: **6036** Savings institutions, not federally chartered

Business Address
41-60 MAIN ST
FLUSHING NY 11355
7186704355

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarter Ended
September 30, 1996

OR

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

0-22516

Securities and Exchange Commission File Number

GreenPoint Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware	06-1379001
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
90 Park Avenue, New York, New York	10016
(Address of principal executive offices)	(Zip Code)
(212) 834-1711	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.

X Yes ___ No ___

As of November 11, 1996 there were 47,569,000 shares of common stock outstanding.

GreenPoint Financial Corp.

FORM 10-Q

For the Quarter Ended
September 30, 1996

INDEX

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

<TABLE>
<CAPTION>

	September 30, 1996	December 31, 1995
ASSETS	(In thousands, except share amounts)	
<S>	<C>	<C>
Cash and due from banks	$ 67,408	$ 153,679
Money market investments	1,032,366	1,550,700
Loans receivable held for sale	6,780	175,052
Securities available for sale	4,486,671	5,896,505
Securities held to maturity (estimated fair value of $4,158 and $4,361 respectively)	4,160	4,307
Loans receivable held for investment:		
Mortgage loans	6,909,062	5,992,776
Other loans	24,779	29,669
Deferred loan fees and unearned discount	(51,298)	(58,297)
Allowance for possible loan losses	(105,000)	(105,500)
Loans receivable held for investment, net	6,777,543	5,858,648
Accrued interest receivable, net	91,426	72,944
Banking premises and equipment, net	124,550	113,673
Deferred income taxes, net	101,570	70,134
Other real estate owned, net	28,753	29,245
Excess of cost over fair value of net assets acquired, net	635,230	670,201
Other assets	53,834	75,375
Total assets	$ 13,410,291	$ 14,670,463
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
N.O.W. and checking	$ 487,834	$ 501,842
Savings and club	1,946,446	2,034,669
Variable rate savings	1,905,229	1,995,292
Money market	579,286	635,696
Term certificates of deposit	6,774,357	7,730,824
Total deposits	11,693,152	12,898,323
Mortgagors' escrow	80,733	58,935
Accrued interest payable	6,888	2,353
Accrued income taxes payable	26,956	7,618
Other liabilities	180,602	151,917
Total liabilities	11,988,331	13,119,146
Commitments and Contingencies		
Preferred shares of subsidiary	3,500	--
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; 55,115,582 and 54,965,582 shares issued, respectively)	551	550
Additional paid-in capital	808,682	801,382
Unallocated Employee Stock Ownership Plan (ESOP) shares	(119,860)	(123,987)

Unearned stock plans shares	(9,452)	(9,838)
Retained earnings	1,012,928	942,137
Net unrealized (loss) gain on securities available for sale, net	(45,762)	14,862
Treasury stock, at cost (7,459,481 and 2,748,200 shares, respectively)	(228,627)	(73,789)
Total stockholders' equity	1,418,460	1,551,317
Total liabilities and stockholders' equity	$ 13,410,291	$ 14,670,463

</TABLE>

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

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<TABLE>
<CAPTION>

	Quarter Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
	(In thousands, except per share amounts)			
<S>	<C>	<C>	<C>	<C>
Interest income:				
Mortgages	$ 147,763	$ 133,605	$ 433,678	$ 393,086
Money market investments	15,685	8,937	60,431	21,040
Securities	74,966	12,841	240,549	28,824
Other loans	617	386	1,958	1,183
Total interest income	239,031	155,769	736,616	444,133
Interest expense:				
Deposits	126,779	72,788	402,954	194,817
Short-term and other borrowing	127	--	1,731	--
Total interest expense	126,906	72,788	404,685	194,817
Net interest income	112,125	82,981	331,931	249,316
Provision for possible loan losses	(3,435)	(3,789)	(10,782)	(11,964)
Net interest income after provision for possible loan losses	108,690	79,192	321,149	237,352
Non-interest income:				
Income from fees and commissions:				
Mortgage loan operations fee income	3,687	3,897	11,229	9,545
Mortgage servicing fees	1,993	2,385	6,375	7,639
Banking services fees and commissions	4,463	1,137	12,522	2,618
Securities lending fees	537	48	1,654	249
Other income	8	1,073	1,857	2,749
Net gain (loss) on securities	397	--	751	(610)
Net gain on sales of loans	104	843	2,884	895
Gain on sale of branches	--	--	8,876	--
Total non-interest income	11,189	9,383	46,148	23,085
Non-interest expense:				
Salaries and benefits	21,801	16,713	64,878	44,727
Employee Stock Ownership and stock plans expense	2,872	3,916	11,814	11,205
Net expense of premises and equipment	11,179	4,759	34,767	12,090
Advertising	1,799	1,152	5,998	3,434
Federal deposit insurance premiums (refund)	1,748	(155)	5,183	6,013
Charitable and educational foundation	1,882	576	4,294	1,726
Other administrative expenses	12,538	6,723	38,608	20,071
Operating expense	53,819	33,684	165,542	99,266
Other real estate owned operating income, net	(501)	(1,625)	(451)	(3,220)
Goodwill amortization	11,623	1,660	34,881	1,753
Total non-interest expense	64,941	33,719	199,972	97,799
Income before income taxes	54,938	54,856	167,325	162,638

Income taxes	20,891	24,652	68,771	74,579
Net income	$ 34,047	$ 30,204	$ 98,554	$ 88,059
Earnings per share	$ 0.79	$ 0.64	$ 2.22	$ 1.86

</TABLE>

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

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 1996	1995
<S>	<C>	<C>
Common stock		
Balance at beginning of period	$ 550	$ 549
Issuance of common stock to stock plans	1	--
Balance at end of period	551	549
Additional paid-in capital		
Balance at beginning of period	801,382	794,615
Issuance of common stock to stock plans	3,693	--
Amortization of ESOP shares committed to be released	3,205	2,300
Amortization of stock plans shares during the period	402	113
Tax benefit for vested RRP shares	--	900
Exercise of stock options	--	804
Adjustment to initial public offering issuance costs	--	1,226
Balance at end of period	808,682	799,958
Unallocated ESOP shares		
Balance at beginning of period	(123,987)	(131,039)
Amortization of ESOP shares committed to be released	4,127	5,289
Balance at end of period	(119,860)	(125,750)
Unearned stock plans shares		
Balance at beginning of period	(9,838)	(14,307)
Issuance of common stock to stock plans	(3,694)	--
Amortization of stock plans shares during the period	4,080	3,503
Balance at end of period	(9,452)	(10,804)
Retained earnings		
Balance at beginning of period	942,137	871,374
Net income for the period	98,554	88,059
Dividends declared	(26,056)	(27,888)
Exercise of stock options from treasury stock	(1,707)	--
Balance at end of period	1,012,928	931,545
Net unrealized gain (loss) on securities available for sale, net		
Balance at beginning of period	14,862	--
Net unrealized loss on securities available for sale	(60,624)	(1,486)
Balance at end of period	(45,762)	(1,486)
Treasury stock, at cost		
Balance at beginning of period	(73,789)	--
Exercise of stock options from treasury stock	3,929	--
Purchase of treasury stock	(158,767)	(15,169)
Balance at end of period	(228,627)	(15,169)

Total stockholders' equity	$ 1,418,460	$ 1,578,843

</TABLE>

(See accompanying notes to the unaudited consolidated financial statements)

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	For the Nine Months Ended September 30, 1996	1995
	(In thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 98,554	$ 88,059
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for possible loan losses	10,782	11,964
Provision for potential declines in value of other real estate	1,213	33
Depreciation and amortization of premises and equipment	12,255	5,750
Accretion of discount, net of amortization of premium	(56,117)	(13,021)
ESOP and stock plans expense	11,814	11,205
Net (gain) loss on securities	(751)	610
Net gain on sales of loans	(2,884)	(895)
Net gain on sales of other real estate owned	(4,999)	(6,000)
Net gain on sale of branches	(8,876)	--
Foreclosure expenses on other real estate	(1,307)	(1,589)
Goodwill amortization	34,881	1,753
Net change in loans held for sale	168,272	(169,368)
Decrease (increase) in other assets	21,452	(7,046)
Increase (decrease) in other liabilities	52,558	(35,434)
Other, net	10,650	(2,180)
Net cash provided by (used in) operating activities	347,497	(116,159)
Cash flows from investing activities:		
Mortgage loan originations, net of principal repayments	(1,181,079)	(4,221)
Proceeds from sales of mortgages	247,078	1,124
Proceeds from sales of other real estate owned	12,648	19,920
Purchases of mortgage loans held for investment	--	(116,866)
Repurchases of loans sold with recourse	(2,079)	(11,075)
Other loan originations, net of principal repayments	4,890	(3,092)
Purchases of securities available for sale	(5,444,177)	--
Purchase of securities held to maturity	(931)	(1,276)
Proceeds from maturities of securities available for sale	3,898,250	150,165
Proceeds from maturities of securities held to maturity	--	479,000
Sales of securities available for sale	2,707,838	--
Principal repayments on securities available for sale	194,566	3,264
Purchases of premises and equipment	(23,132)	(5,630)
Net cash received in branch transactions	--	453,977
Net cash provided by investing activities	413,872	965,290

</TABLE>

(See accompanying notes to the unaudited consolidated financial statements)

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>

<S>	<C>	<C>
Cash flows from financing activities:		

Net withdrawals from depositors' accounts	(1,052,437)	(73,437)
Deposits sold	(152,734)	--
Payments for cash dividends	(26,056)	(27,888)
Net increase in mortgagors' escrow	21,798	17,625
Exercise of stock options	2,222	804
Purchase of treasury stock	(158,767)	(15,169)
Net cash used in financing activities	(1,365,974)	(98,065)
Net (decrease) increase in cash and cash equivalents	(604,605)	751,066
Cash and cash equivalents at beginning of period	1,704,379	293,270
Cash and cash equivalents at end of period	$ 1,099,774	$ 1,044,336
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 21,512	$ 9,612
Non-cash investing and financing activities:		
Additions to other real estate owned, net	$ (492)	$ 19,111
Loans to facilitate sales of other real estate	$ 13,216	$ 23,092
Interest credited on deposits	$ 407,489	$ 211,468

</TABLE>

In addition to the non-cash investing and financing activities previously stated, during the quarter ended September 30, 1995, GreenPoint Bank purchased selected assets and assumed selected liabilities of Barclays/American Mortgage Corp. (BAM) for $7.09 million, and also acquired approximately $8.14 billion of deposits and 60 New York branches of Home Savings of America, FSB ("HSA").

<TABLE>

<S>	<C>
Fair value of net assets acquired, principally cash, cash equivalents and securities	$ 7,462,380
Excess of cost over fair value of net assets acquired	685,039
Cash paid in BAM transaction	(7,088)
Liabilities assumed, principally deposits	$ 8,140,331

</TABLE>

(See accompanying notes to the unaudited consolidated financial statements)

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. 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. The results of operations for the interim periods shown are not necessarily indicative of results that may be expected for the entire year.

The unaudited consolidated interim financial statements presented herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report to shareholders for the period ended December 31, 1995.

2. Stock Incentive Plan

During the nine months ended September 30, 1996, GreenPoint granted 375,000 shares of the Company's common stock to certain executive officers pursuant to plans approved by the Company's shareholders in 1994. These shares vest ratably over five years on the anniversary dates of the awards. The market price at the grant date was $24.63.

For the nine month period ended September 30, 1996, the Company granted options of 215,000 shares of the Company's common stock to certain officers, at an average exercise price of $31.07. These awards vest ratably over five years on the anniversary dates of the awards.

3. Common Stock Repurchase Program

Under the second 1996 5% stock repurchase announced in July, the Company has used $82.0 million to repurchase shares of GreenPoint common stock. The current program has not yet been completed. The repurchase is at the Company's discretion, based on ongoing assessments of the capital needs of the business and the market valuation of its stock.

4. Securities Available for Sale and Held to Maturity

Securities held at September 30, 1996 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Securities Available for Sale				
U.S. Government and Federal Agency Obligations:				
U.S. Treasury notes/bills	$1,738,626	$100	$(23,268)	$1,715,458
Agency discount notes	51,551	3	--	51,554
Mortgage-backed securities	2,298,606	27	(53,716)	2,244,917
Trust certificates collateralized by GNMA securities	416,891	--	(5,343)	411,548
Other	64,052	--	(858)	63,194
Total securities available for sale	$4,569,726	$130	$(83,185)	$4,486,671
Securities Held to Maturity				
Tax exempt municipals	$ 660	$--	$ (2)	$ 658
Other	3,500	--	--	3,500
Total securities held to maturity	$ 4,160	$--	$ (2)	$ 4,158

Securities held at December 31, 1995 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Securities Available for Sale				
U.S. Government and Federal Agency Obligations:				
U.S. Treasury notes/bills	$1,352,276	$ 4,004	$ --	$1,356,280
Agency discount notes	2,417,009	55	(88)	2,416,976
Mortgage-backed securities	1,668,847	24,979	--	1,693,826
Trust certificates collateralized by GNMA securities	430,340	285	(1,753)	428,872
Other	550	1	--	551
Total securities available for sale	$5,869,022	$29,324	$(1,841)	$5,896,505
Securities Held to Maturity				
Tax exempt municipals	$ 675	$ 54	$ --	$ 729
Other	3,632	--	--	3,632
Total securities held to maturity	$ 4,307	$ 54	$ --	$ 4,361

Estimated fair values for securities are based on published market or securities dealers' estimated prices.

During the quarter ended September 30, 1996, the Company sold available-for-sale securities aggregating $1.4 billion, resulting in gross realized gains of $0.2 million and no realized losses.

The average maturities of the securities available for sale and held to maturity at September 30, 1996 are approximately 10.8 years and 11.3 years, respectively. Mortgage-backed securities, almost all of which have contractual maturities of more than 10 years, are subject to scheduled and non-scheduled principal payments which shorten the average life to an estimated 6.5 years. The estimated average life for all securities available for sale is approximately 4.6 years.

5. Restructuring Reserve

In December 1995, the Company recorded a pre-tax restructuring charge of $8.0 million that reflects actions taken during the fourth quarter of 1995 and taken and to be taken during 1996 to improve operating efficiency. The charge included employee severance benefits, costs associated with planned branch consolidations and fixed asset write downs. At September 30, 1996 the reserve balance associated with this charge was approximately $3.0 million of which $0.6 million related to severance and $2.4 million related to the disposition of certain facilities, premises and equipment and termination of leases.

Management's Discussion and Analysis of
Financial Condition and Results of Operations

<TABLE>
<CAPTION>

	Quarter Ended				
	Sept. 30, 1996	Jun. 30, 1996	Mar. 31, 1996	Dec. 31, 1995	Sept. 30, 1995
<S>	<C>	<C>	<C>	<C>	<C>
Performance Ratios (Annualized):					
Core cash earnings return on average assets	1.42%	1.36%(1)	1.18%	0.95%	1.88%
Core cash earnings return on average equity	13.55	13.04(1)	11.12	9.11	9.17
Return on average assets	1.00	0.90(1)	0.75	0.52	1.59
Return on average equity	9.51	8.64(1)	7.04	5.00	7.74
Return on average tangible equity (2)	16.08	14.62(1)	12.42	8.95	8.08
Net interest margin	3.61	3.45	3.16	2.96	4.53
Net interest spread during period	3.34	3.20	2.87	2.68	3.59
Operating expense to average assets (3)	1.58	1.56	1.53	1.64	1.77
Efficiency ratio (4)	43.6	43.7(5)	47.3	53.4	36.5
Average interest-earning assets to average interest-bearing liabilities	1.07 x	1.06 x	1.07 x	1.07 x	1.24 x
Capital Ratios:					
Company:					
Period-end stockholders' equity to ending total assets	10.58%	10.36%	10.58%	10.57%	10.48%
Period-end stockholders' equity less intangible assets To tangible Assets	6.13	6.07	6.31	6.29	6.21
Bank Regulatory Capital Ratios:					
Leverage capital (6)	6.26	6.31	6.33	6.11	12.30
Risk-based capital ratios (6):					
Tier 1	15.42	16.35	16.73	16.05	15.40
Total capital	16.67	17.60	17.98	17.30	16.65
Per Share Data:					
Core cash earnings*	$1.13	$1.09(1)	$0.95	$0.77	$0.75
Book value**	$33.89	$33.65	$33.35	$34.25	$33.28
Tangible book value**	$18.72	$18.80	$18.99	$19.44	$18.82
*Average shares used in calculation	43,138,000	44,664,000	45,653,000	46,171,000	47,428,000
**Period-end shares used in calculation	41,849,000	43,573,000	45,898,000	45,298,000	47,445,000
Total shares issued and outstanding	47,656,000	49,924,000	52,457,000	52,217,000	54,337,000
Asset Quality Ratios:					
Non-performing loans to total loans	5.21%	5.77%	6.25%	6.49%	6.50%

Non-performing assets to total assets	2.91	2.86	2.94	2.94	2.84
Allowance for possible loans losses to:					
Non-performing loans	29.05	28.07	26.49	26.24	26.62
Loans held for investment	1.51	1.63	1.73	1.75	1.78

<CAPTION>

	Nine Months Ended	
	Sept. 30, 1996	Sept. 30, 1995
<S>	<C>	<C>
Performance Ratios (Annualized):		
Core cash earnings return on average assets	1.32%(1)	1.88%
Core cash earnings return on average equity	12.54(1)	8.73
Return on average assets	0.88(1)	1.64
Return on average equity	8.36(1)	7.61
Return on average tangible equity (2)	14.35(1)	7.72
Net interest margin	3.41	4.79
Net interest spread during period	3.14	3.82
Operating expense to average assets (3)	1.56	1.85
Efficiency ratio (4)	44.8(5)	36.4
Average interest-earning assets to average interest-bearing liabilities	1.07 x	1.26 x

</TABLE>

(1) Excludes $5.1 million after tax gain on branch sale.
(2) Average tangible equity has been calculated in accordance with regulatory guidelines.
(3) Excludes goodwill expense and OREO (income) or expense.
(4) The efficiency ratio is calculated by dividing the Company's operating expense excluding goodwill expense and OREO (income) or expense by the sum of net interest income and non-interest income.
(5) Excludes $8.9 million pre-tax gain on branch sale.
(6) These ratios are calculated using regulatory guidelines which exclude the impact on stockholders' equity resulting from the adoption of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115").

1. General

The Bank has historically operated as a traditional consumer-oriented institution serving the markets in which its branches are located. Management's objective has been to become a major niche loan originator in the national residential mortgage market and to become a major consumer banking force within the attractive, rapidly consolidating New York metropolitan consumer banking market.

GreenPoint 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 service providers. The Company routinely analyzes its lines of business and from time to time may increase, decrease or terminate one or more of its activities.

2. Operating Results

Third quarter's results include the following:

o GreenPoint Mortgage Corp. (GPMC) opened regional mortgage production offices in Washington, D.C., Boston and Miami.

o The Company's loan originations continued on their upward track, rising to $707 million for the quarter. The rise in loan originations resulted in a $478 million net increase in the loan portfolio.

o Asset quality improved as non-performing loans and non-performing assets continued to decline. The ratio of non-performing loans to total loans fell to the lowest level in more than seven years during the quarter.

o Net interest margin increased to 3.61%, primarily from a decrease in cost of deposits, and reinvestment of funds from the investment portfolio into higher yielding mortgage loans.

Net income for the quarter ended September 30, 1996 was $34.0 million, or $0.79 per share, a 12.7% increase over the $30.2 million, or $0.64 per share, for the comparable 1995 period. Net income in the first nine months of 1996 was $98.6 million, or $2.22 per share, compared to $88.1 million, or $1.86 per share, for the 1995 period. The nine months results include an after-tax gain of $5.1 million on the sale of the Company's two banking offices in Rockland County, New York. Excluding the branch sale gain, the nine months ended results were $93.5 million, or $2.10 per share, a 6.1% increase over the comparable 1995 period.

Net Interest Income

Net interest income increased by $29.1 million, or 35.1%, in the third quarter of 1996, and $82.6 million, or 33.1%, in the first nine months of 1996, versus the comparable periods in 1995. The improvements in both 1996 periods from the prior year were primarily due to an increase in average interest earning assets, partially offset by the increase in average interest bearing liabilities.

Interest income increased by $83.2 million, or 53.5%, to $239.0 million in the third quarter of 1996, and $292.5 million, or 65.9%, to $736.6 million in the first nine months of 1996, from $155.8 million and $444.1 million, respectively for the 1995 periods. The primary reason for the increases was the deployment of funds received in the HSA branch acquisition into money market investments and securities.

Interest income on money market investments increased by $6.8 million to $15.7 million in the third quarter of 1996, and $39.4 million to $60.4 million in the first nine months of 1996, from $8.9 million and $21.0 million, respectively, for the comparable 1995 periods. The increase was partially offset by lower short-term interest rates during 1996 that caused a 57 basis point decrease in the average yield in the first nine months of 1996, compared to 1995.

Interest income on securities rose by $62.1 million to $74.9 million for the quarter ended September 30, 1996, and $211.7 million to $240.5 million in the first nine months of 1996, from $12.8 million and $28.8 million, respectively, for the comparable periods of 1995. The increases are primarily the result of investing the majority of the funds received in the HSA branch acquisition into various types of securities which increased the average balance by $3.91 billion in the third quarter of 1996, and $4.58 billion in the first nine months of 1996, versus the same periods in 1995. A greater investment in higher yielding securities resulted in a 64 basis point increase in the average yield for the current quarter, and a 55 basis point increase in the first nine months of 1996, compared to 1995.

Interest income on mortgages increased by $14.2 million to $147.8 million in the third quarter of 1996, and $40.6 million to $433.7 million in the first nine months of 1996, from $133.6 million and $393.1 million, respectively, for the comparable 1995 periods. The increase reflects higher average balances of $766.1 million, or 13.1%, in the third quarter of 1996, and $584.5 million, or 10.2%, in the first nine months of 1996, principally as a result of retained no-doc loan origination volume generated by GPMC. The higher volume in loan originations during the first nine months of 1996 out paced scheduled amortizations and prepayments.

Interest expense increased by $54.1 million to $126.9 million in the third quarter of 1996, and $209.9 million to $404.7 million in the first nine months of 1996, from $72.8 million and $194.8 million, respectively, for the comparable 1995 periods. The higher interest expense is primarily the result of the inclusion of the deposits assumed in the HSA branch acquisition in the quarterly and nine month ended average balances.

Interest expense on time deposits increased by $34.3 million to $89.9 million in the third quarter of 1996, and $145.4 million to $291.0 million in the first nine months of 1996, from $55.6 million and $145.6 million, respectively, for the comparable 1995 periods. The rise in interest expense reflects an increase in the average balances of $3.20 billion in the third quarter of 1996, and $3.93 billion in the first nine months of 1996, resulting from the HSA branch acquisition.

Interest expense on savings accounts increased by $8.6 million to $13.8 million in the third quarter of 1996, and $27.7 million to $41.7 million in the first nine months of 1996, from $5.2 million and $14.0 million, respectively, for the comparable 1995 periods. The rise in interest expense reflects an increase in the average balances of $1.28 billion in the third quarter of 1996, and $1.39 billion in the first nine months of 1996, versus the same periods in 1995.

Average Balance Sheets and Interest Yield/Cost

The following table sets forth certain information relating to the Company's average statements of financial condition (unaudited) and statements of income (unaudited) for the quarters ended September 30, 1996 and 1995, 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 which are considered adjustments to yields.

<TABLE>
<CAPTION>

	Quarter Ended					
	September 30, 1996			September 30, 1995		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
	(Dollars in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Assets:						
Interest-earning assets:						
Mortgage loans (1)	$ 6,604,355	$ 147,763	8.95	$ 5,838,270	$ 133,605	9.15%
Other loans (1)	29,710	617	8.31	22,363	386	6.90
Money market investments (2)	1,163,117	15,685	5.39	603,773	8,937	5.87
Securities	4,809,348	76,296	6.32	896,704	12,841	5.68
Total interest-earning assets	12,606,530	240,361	7.62	7,361,110	155,769	8.46
Non-interest earning assets (3)	1,040,635			259,099		
Total assets	$13,647,165			$ 7,620,209		
Liabilities & Stockholders' Equity:						
Interest-bearing liabilities:						
Savings	$ 1,967,639	13,840	2.80	$ 683,754	5,212	3.02%
NOW	330,572	1,523	1.83	128,807	680	2.09
Money market and variable rate savings	2,520,898	21,256	3.35	1,340,498	10,960	3.24
Term certificates of deposit	6,903,661	89,916	5.18	3,702,188	55,605	5.96
Mortgagors' escrow	75,869	244	1.28	74,145	331	1.77
Repurchase agreements	9,292	127	5.44	--	--	--
Total interest-bearing liabilities	11,807,931	126,906	4.28	5,929,392	72,788	4.87
Other liabilities (4)	405,841			129,676		
Total liabilities	12,213,772			6,059,068		
Preferred shares of subsidiary	685			--		
Stockholders' equity	1,432,708			1,561,141		
Total liabilities & stockholders' equity	$13,647,165			$ 7,620,209		
Net interest income/interest rate spread (5)		$ 113,455	3.34%		$ 82,981	3.59%
Net interest-earning assets/net interest margin (6)	$ 798,599		3.61%	$ 1,431,718		4.53%
Ratio of interest-earning assets to interest-bearing liabilities			1.07x			1.24x

</TABLE>

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(1) In computing the average balances and average yield on loans, non-accruing loans and loans held for sale have been included.

(2) Includes overnight federal funds sold and securities purchased under resale agreements.
(3) Includes banking premises and equipment - net, net deferred tax assets, accrued interest receivable, and other miscellaneous non-interest earning assets.
(4) Includes accrued interest payable, accounts payable, official checks drawn against the bank, accrued expenses, and other miscellaneous non-interest-bearing obligations of the Company.
(5) Net interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(6) Net interest margin represents net interest income on a tax equivalent basis before the provision for possible loan losses divided by average interest-earning assets.

Average Balance Sheets and Interest Yield/Cost

The following table sets forth certain information relating to the Company's average statements of financial condition (unaudited) and statements of income (unaudited) for the nine months ended September 30, 1996 and 1995, 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 which are considered adjustments to yields.
<TABLE>
<CAPTION>

	Nine Months Ended					
	September 30, 1996			September 30, 1995		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
	(Dollars in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Assets:						
Interest-earning assets:						
Mortgage loans (1)	$ 6,335,371	$ 433,678	9.13%	$ 5,750,873	$ 393,086	9.11%
Other loans (1)	32,521	1,958	8.03	21,900	1,183	7.20
Money market investments (2)	1,496,022	60,431	5.40	471,376	21,040	5.97
Securities	5,256,504	244,336	6.22	679,284	28,824	5.67
Total interest-earning assets	13,120,418	740,403	7.53	6,923,433	444,133	8.56
Non-interest earning assets (3)	1,047,857			234,844		
Total assets	$ 14,168,275			$ 7,158,277		
Liabilities & Stockholders' Equity:						
Interest-bearing liabilities:						
Savings	$ 1,994,870	41,692	2.79%	$ 604,331	13,981	3.09%
NOW	334,295	4,593	1.84	114,979	1,809	2.10
Money market and variable rate savings	2,574,198	64,947	3.37	1,351,292	32,442	3.21
Term certificates of deposit	7,275,109	290,974	5.34	3,347,033	145,611	5.82
Mortgagors' escrow	77,938	748	1.28	77,303	974	1.68
Repurchase agreements	61,087	1,731	3.79	---	---	---
Total interest-bearing liabilities	12,317,497	404,685	4.39	5,494,938	194,817	4.74
Other liabilities (4)	360,376			120,994		
Total liabilities	12,677,873			5,615,932		
Preferred shares of subsidiary	344			---		
Stockholders' equity	1,490,058			1,542,345		
Total liabilities & stockholders' equity	$ 14,168,275			$ 7,158,277		
Net interest income/interest rate spread (5)		$ 335,718	3.14%		$ 249,316	3.82%
Net interest-earning assets/net interest margin (6)	$ 802,921		3.41%	$ 1,428,495		4.79%
Ratio of interest-earning assets to						

interest-bearing liabilities	1.07x	1.26x

</TABLE>

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(1) In computing the average balances and average yield on loans, non-accruing loans and loans held for sale have been included.
(2) Includes overnight federal funds sold and securities purchased under resale agreements.
(3) Includes banking premises and equipment - net, net deferred tax assets, accrued interest receivable, and other miscellaneous non-interest earning assets.
(4) Includes accrued interest payable, accounts payable, official checks drawn against the bank, accrued expenses, and other miscellaneous non-interest-bearing obligations of the Company.
(5) Net interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(6) Net interest margin represents net interest income on a tax equivalent basis before the provision for possible loan losses 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.

<TABLE>
<CAPTION>

	Quarter Ended September 30, 1996 Compared to Quarter Ended September 30, 1995 Increase/(Decrease)			Nine Months Ended September 30, 1996 Compared to Nine Months Ended September 30, 1995 Increase/(Decrease)		
	Due to			Due to		
	Average Volume	Average Rate	Net Change	Average Volume	Average Rate	Net Change
		(In thousands)			(In thousands)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets:						
Mortgage loans (1)	$ 17,197	$ (3,039)	$ 14,158	$ 40,010	$ 582	$ 40,592
Other loans (1)	142	89	231	625	150	775
Money market investments (2)	7,607	(859)	6,748	41,573	(2,182)	39,391
Securities	63,194	261	63,455	215,208	304	215,512
Total interest-earning assets	88,140	(3,548)	84,592	297,416	(1,146)	296,270
Interest-bearing liabilities:						
Savings	9,060	(432)	8,628	29,187	(1,476)	27,711
NOW	940	(97)	843	3,040	(256)	2,784
Money market and variable rate savings	9,943	353	10,296	30,774	1,731	32,505
Term certificates of deposit	42,548	(8,237)	34,311	157,993	(12,630)	145,363
Mortgagors' escrow	8	(95)	(87)	8	(234)	(226)
Repurchase agreements	127	---	127	1,731	---	1,731
Total interest-bearing liabilities	62,626	(8,508)	54,118	222,733	(12,865)	209,868
Net change in net interest income	$ 25,514	$ 4,960	$ 30,474	$ 74,683	$ 11,719	$ 86,402

</TABLE>

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(1) In computing the volume and rate components of net interest income for loans, non-accrual loans and loans held for sale have been included.
(2) Includes overnight federal funds and securities purchased under resale agreements.

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
Management's Discussion and Analysis of
Financial Condition and Results of Operations - (Continued)

Provision for Possible Loan Losses

The provision for possible loan losses decreased by $0.4 million, or 9.3%, to $3.4 million in the third quarter of 1996, from $3.8 million, in the same period in 1995. For the first nine months of 1996, the provision for possible loan losses decreased by $1.2 million, or 9.9%, to $10.8 million as compared to $12.0 million during the same period in 1995. The provision is the result of management's assessment of the loan portfolio in view of the state of the regional and national economies, trends in the real estate market of the Company's primary lending areas and trends in the level of the Company's non-performing loans and assets.

Non-Interest Income

Non-interest income increased by $1.8 million in the third quarter of 1996 and $23.1 million in the first nine months of 1996, as compared to the same periods in 1995. Banking services fees and commissions increased by $3.3 million in the third quarter of 1996, and $9.9 million in the first nine months of 1996, versus comparable periods in 1995. This increase is primarily due to additional fee income generated from the operations of the 60 former HSA branches. Net gain on the sale of securities rose $0.4 million in the third quarter of 1996, and $1.4 million in the first nine months of 1996, versus comparable periods in 1995. Mortgage loan operations fee income increased by $1.7 million in the first nine months of 1996, as compared to the same period in 1995. The increase in mortgage loan operations fee income reflects a rise in loan originations which was partially offset by an increase of $4.3 million, for loan origination fee and expense deferrals required under FAS 91. The nine months ended results include a pre-tax gain of $8.9 million on the sale of the Company's two banking offices in Rockland County, New York.

Non-Interest Expense

Non-interest expense increased by $31.2 million to $64.9 million in the third quarter of 1996, and $102.2 million to $199.9 million, in the first nine months of 1996, as compared to the same periods in 1995. The 1995 BAM and HSA acquisitions resulted in increases to operating expenses for the first nine months of 1996. Amortization of goodwill increased by $10.0 million in the third quarter of 1996, and $33.1 million in the first nine months of 1996, as compared to the same periods in 1995. Salaries and benefits increased by $5.1 million in the third quarter of 1996, and $20.2 million, in the first nine months of 1996, as compared to the same periods in 1995, which was partially offset by a $4.2 million reduction due to expense deferrals required by FAS 91. For the 1996 period net expense of premises and equipment increased by $6.4 million and $22.7 million, respectively. Other administrative expenses increased by $5.8 million to $12.5 million in the third quarter of 1996, and $18.5 million to $38.6 million, in the first nine months of 1996 as compared to the same periods in 1995.

GREENPOINT FINANCIAL CORP. AND SUBSIDIARIES
Management's Discussion and Analysis of
Financial Condition and Results of Operations - (Continued)

Income Tax Expense

Income tax expense decreased by $3.8 million, or 15.3%, to $20.9 million in the third quarter of 1996, from $24.7 million for the same period of 1995. For the nine months ended September 30, 1996, income tax expense decreased by $5.8 million, or 7.8%, to $68.8 million from $74.6 million for the comparable 1995 period. The decline in income tax expense includes a cumulative reduction in the overall income tax rate from 45.9% in the 1995 period to 41.1% for the 1996 period, reflecting a revision of management's estimate of the Company's ongoing effective tax rate. This revision reflects a series of business initiatives implemented during 1996.

3. Financial Condition

Total assets decreased by $1.26 billion to $13.41 billion at September 30, 1996 from $14.67 billion at December 31, 1995. Total loans held for investment, net, rose $918.9 million to $6.78 billion at September 30, 1996 from $5.86 billion at December 31, 1995. The Company's loans held for sale portfolio decreased $168.3

million during the nine months ended September 30, 1996, as a result of the Company retaining its GPMC loans in portfolio rather than holding them for sale to third parties. Securities available for sale decreased $1.41 billion to $4.49 billion at September 30, 1996 from $5.90 billion at December 31, 1995, primarily as a result of the usage of proceeds from the maturities and sales of securities to fund deposit outflows and loan originations.

Core Cash Earnings

GreenPoint's operating results include significant amortization of goodwill and employee stock compensation plans expense. These non-cash expenditures, unlike all other expenses reported by the Company, result in net increases in GreenPoint's tangible capital and related core cash earnings. Additional core cash earnings enable the Company to pursue increases in shareholder value through growth of earning assets, increases of cash dividends, and additional repurchases of the Company's stock.

<TABLE>
<CAPTION>

	Quarter Ended			Nine Months Ended	
	September 30, 1996	June 30, 1996	September 30, 1995	September 30, 1996	September 30, 1995
	(In thousands, except per share amounts)				
<S>	<C>	<C>	<C>	<C>	<C>
Net Income	$ 34,047	$ 37,155	$ 30,204	$ 98,554	$ 88,059
Less: Gain on sale of branches, net of tax	--	5,095	--	5,095	--
Core net income	34,047	32,060	30,204	93,459	88,059
Add back:					
Goodwill expense	11,623	11,630	1,660	34,881	1,753
Employee stock plans expense	2,872	4,699	3,916	11,814	11,205
Core cash earnings	$ 48,542	$ 48,389	$ 35,780	$140,154	$101,017
Core cash earnings per share (*)	$ 1.13	$ 1.09	$ 0.75	$ 3.15	$ 2.14

</TABLE>

* Based on the average shares used to calculate earnings per share.

Interest Rate Sensitivity Gap Analysis

The table below depicts the Company's interest rate sensitivity as of September 30, 1996. Allocations of assets and liabilities, including non interest-bearing sources of funds, to specific periods are based upon management's assessment of contractual or anticipated repricing characteristics, adjusted periodically to reflect actual experience. Those gaps are then adjusted for the net effect of off-balance sheet financial instruments such as interest rate swaps.

<TABLE>
<CAPTION>

	Repricing Periods					
	Three months or less	More than three months to six months	More than six months to one year	More than one year to three years	More than three years	Total
			(in millions)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total loans, net	$ 981	$ 689	$ 1,050	$ 1,112	$ 2,953	$ 6,785
Money market investments (1)	1,032	--	--	--	--	1,032
Securities - held for maturity	--	--	--	--	4	4
Securities - available for sale	815	166	565	1,004	1,936	4,486
Total interest - earning assets	2,828	855	1,615	2,116	4,893	12,307
Cash and due from banks	67	--	--	--	--	67

Excess of cost over fair value of net assets acquired, net	--	--	--	--	635	635
Other non-interest earning assets	401	--	--	--	--	401
Total assets	$ 3,296	$ 855	$ 1,615	$ 2,116	$ 5,528	$13,410
Term certificates	$ 1,605	$ 1,498	$ 1,949	$ 1,455	$ 267	$ 6,774
Core deposits	259	259	518	1,866	2,017	4,919
Total interest-bearing liabilities	1,864	1,757	2,467	3,321	2,284	11,693
Other liabilities	295	--	--	--	--	295
Preferred shares of subsidiary	--	--	--	--	4	4
Stockholders' equity	--	--	--	--	1,418	1,418
Total liabilities and stockholders' equity	$ 2,159	$ 1,757	$ 2,467	$ 3,321	$ 3,706	$13,410
Off balance sheet financial instrument	$ 300	$---	$---	$---	$ (300)	$---
Interest rate sensitivity gap	$ 1,437	$ (902)	$ (852)	$(1,205)	$ 1,522	
Cumulative gap	$ 1,437	$ 535	$ (317)	$(1,522)	$--	
Interest rate sensitivity gap as a percentage of total assets	10.71%	-6.73%	-6.35%	-8.99%	--	
Cumulative gap as a percentage of total assets	10.71%	3.99%	-2.36%	-11.35%	--	

</TABLE>

(1) Consists of overnight federal funds sold and securities purchased under agreements to resell.

Interest Rate Risk Management

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. It arises in the ordinary course of the Company's business, as the repricing characteristics of its mortgage loans do not match those of its deposit liabilities. The resulting interest rate risk is managed by adjustments to the Company's investment portfolio and through the use of off balance sheet instruments such as interest rate swaps and options.

Management responsibility for interest rate risk resides with the Asset and Liability Management Committee ("ALCO"). The committee is comprised of the Chairman and Chief Executive Officer, the Vice Chairman and the Company's senior business-unit and financial executives. Interest rate risk management strategies are formulated and monitored by ALCO within policies and limits approved by the Board of Directors. These policies and limits set forth the maximum risk which the Board of Directors deems prudent, govern permissible investment securities and off balance sheet instruments and identify acceptable counter parties to securities and off balance sheet transactions.

ALCO risk management strategies allow for the assumption of interest rate risk within the Board approved limits. The strategies are formulated based upon ALCO's assessments of likely market developments and trends in the Company's mortgage and consumer banking businesses. Strategies are developed with the aim of enhancing the Company's net income and capital, while ensuring the risks to income and capital from adverse movements in interest rates are acceptable.

In assessing various interest rate risk strategies, ALCO makes use of a variety of risk measures. One such measure is the consolidated gap analysis reported above as of September 30, 1996. Assets and liabilities are allocated to the various maturities in accordance with the earlier of their contractual maturity or repricing dates. For mortgage loans and mortgage-backed securities, estimates of scheduled amortization plus prepayments are used, rather than contractual maturity. For assets and liabilities with indefinite repricing schedules, notably core deposits, the gap analysis reflects ALCO's judgements of likely repricing behavior.

As indicated in the gap analysis, the twelve-month cumulative gap, representing the total net assets and liabilities that are projected to reprice over the next twelve months, was liability sensitive $317.0 million at September 30, 1996. A liability sensitive interest rate gap would tend to decrease earnings over a period of rising interest rates, where declining rates would increase earnings. The cumulative one-year sensitivity gap was negative 2.4% of total assets at September 30, 1996, compared to positive 6.4% at December 31, 1995.

The use of interest rate instruments such as interest rate swaps are integrated into the Company's interest rate risk management. The notional amounts of these instruments are not reflected in the Company's balance sheet. However, these instruments are included in the interest rate sensitivity table for purposes of analyzing interest rate risk.

During the quarter ended September 30, 1996, the Company entered into interest rate swaps, with a total notional amount of $300 million, to reduce the Company's overall interest rate risk arising from its origination of fixed rate mortgages. These instruments are considered derivative financial instruments held for purposes other than trading and the effects of these instruments are reported as an adjustment to mortgage loan income. The unrealized gains or losses on these instruments are not recorded on the balance sheet, since they are used as a hedge against held-to-maturity loans. For the quarter ended September 30, 1996, the interest rate swaps had negative $0.2 million impact on mortgage loan income. The interest rate swaps require the Company to pay a weighted average fixed rate of 6.33% and receive three month LIBOR. As of September 30, 1996, the weighted average LIBOR rate that the Company will receive is 5.55%. The agreements will expire in the third quarter of 1999. As of the quarter ended September 30, 1996 the interest rate swaps had a gross positive market value of $0.5 million, and a gross negative market value of $0.1 million. The Company has a policy to enter into mutual collateral agreements with each counter party, which requires either party to submit U.S. Government or U.S. Government Agency collateral when the market value of the instrument reaches a predetermined threshold.

Non-Performing Assets

The Company improved its asset quality during the nine months ended September 30, 1996, as non-performing loans decreased by $40.7 million, or 10.1%, while non-performing assets decreased by $41.2 million, or 9.5%. The ratio of non-performing loans to total loans fell to 5.21% at September 30, 1996 from 6.49% at December 31, 1995. The ratio of non-performing assets to total assets fell to 2.91% at September 30, 1996 from 2.94% at December 31, 1995.

Non-performing assets, net of related specific reserves, were as follows:

	September 30, 1996	December 31, 1995
	(In thousands)	
Mortgage loans secured by:		
Residential one-to-four family mortgages	$269,048	$291,589
Residential multi-family mortgages	52,717	61,594
Commercial property mortgages	39,659	48,911
Other loans	10	4
Total non-performing loans (1)	361,434	402,098
Total other real estate owned, net	28,753	29,245
Total non-performing assets	$390,187	$431,343

(1) Includes $35.4 million and $42.3 million of non-accrual mortgage loans under 90 days past due at September 30, 1996 and December 31, 1995, respectively.

Allowance for Possible Loan Losses

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
	(In thousands)			
Balance beginning of period	$ 105,000	$ 105,500	$ 105,500	$ 103,000
Provision charged to income	3,435	3,789	10,782	11,964
Charge-offs	(3,759)	(4,179)	(12,391)	(11,517)
Recoveries	324	390	1,109	2,053
Balance end of period	$ 105,000	$ 105,500	$ 105,000	$ 105,500

Loans Sold with Recourse

GreenPoint is subject to an agreement with the Federal National Mortgage Association ("FNMA") whereby the Company will repurchase, through 1996, mortgages sold to FNMA during the period January 1, 1990 through March 31, 1991, which become 90 days delinquent during 1995 and 1996. In addition, the Company will be obligated to repurchase, until the later of December 1997 or five years from the date of delivery, certain mortgages sold to FNMA which become 90 days delinquent during that period. Serviced loans repurchased from FNMA by GreenPoint are included within the Company's loan portfolio.

At September 30, 1996, the aggregate amount of loans sold to FNMA which were still subject to the repurchase agreement was $124.4 million. During the quarter ended September 30, 1996 a total of $0.6 million of loans was repurchased by the Bank from FNMA pursuant to the repurchase agreement. At September 30, 1996, $0.3 million of the FNMA servicing portfolio of loans sold with recourse were delinquent 90 days or more.

Capital Ratios

The Company's ratio of period-end stockholders' equity to ending total assets at September 30, 1996 was 10.58% compared to 10.57% at December 31, 1995.

In accordance with the requirements of the Federal Deposit Insurance Corporation ("FDIC") and the New York State Banking Department ("Banking Department"), the Bank must meet certain measures of capital adequacy with respect to leverage and risk-based capital. An insured institution is required to maintain core capital of not less than 3.0% of total assets and a ratio of total capital to risk-based assets of 8.0%. As of both September 30, 1996 and December 31, 1995, the Bank exceeded those requirements. The Bank's leverage capital ratios were 6.26% and 6.11% at September 30, 1996 and December 31, 1995, respectively. The Bank's Tier-1 risk-based capital ratios were 15.42% and 16.05% at September 30, 1996 and December 31, 1995, respectively. The Bank's total risk-based capital ratios were 16.67% and 17.30% at September 30, 1996 and December 31, 1995, respectively.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

With the exception of the matters set forth below, the Company is not involved in any pending legal proceedings other than routine legal proceedings occurring in the ordinary course of business which, in the aggregate, involve amounts which are believed by management to be immaterial to the consolidated financial statements of the Company. The Bank or one of its subsidiaries has been named as a defendant in thirteen unrelated legal complaints which assert that infant plaintiffs sustained personal injuries from the ingestion of lead based paint, chips or dust. Additionally there are ten other instances of threatened litigation. The injuries are alleged to have occurred in residential properties for which the Bank was a first mortgagee and for which the Bank may be or may have been an owner, through foreclosure proceedings. The complaints are in various early stages of discovery. The defense of three of the claims has been assumed by an insurer. Defense of four claims was (or is anticipated to be) rejected by an insurer on the basis of pollution coverage exclusions. The remaining claims are awaiting a determination by the insurance carriers. The Bank referred the rejected claims to a special environmental counsel. Counsel has advised the Bank that because discovery on these claims has only recently begun, counsel is not yet in a position to express an opinion as to the Bank's liability or to quantify the Bank's potential exposure, if any, in dollar terms at this time. Because of the absence of both a determination of liability and a reasonable estimate of an associated liability exposure in dollar terms, if any, the Bank has not established a contingency reserve for these complaints. Accordingly, in the event that one or more of these actions are subsequently determined to represent an accruable liability for the Bank, such accruals will be funded through charges to be made against the Bank's operating income for the period or periods in which such determinations may occur. The Company currently believes that such liability exposure, if any, would not be material to the Bank's financial condition.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	
11.1	Statement Regarding Computation of Per Share Earnings.
27.1	Financial Data Schedule

(b) Reports on Form 8-K

No current reports on Form 8-K were filed by the Company with the Securities and Exchange Commission during the quarter ended September 30, 1996.

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, President
and Chief Executive Officer

By: /s/ Charles P. Richardson

Charles P. Richardson
Executive Vice President and
Chief Financial Officer

Dated November 11, 1996

Exhibit 11.1

Statement Regarding Computation of Per Share Earnings
(In thousands, except per share amounts)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
Net income	$34,047	$30,204	$98,554	$88,059
Core net income (excluding branch sale)	N/A	N/A	93,459	N/A
Weighted average number of common stock and common stock equivalents outstanding during each period - primary	43,138	47,428	44,454	47,241
Weighted average number of common stock and common stock equivalents outstanding during each period - fully diluted	43,397	47,614	45,006	47,628
Net earnings per share - primary	$ 0.79	$ 0.64	$ 2.22	$ 1.86
Net earnings per share (excluding branch sale) - primary	N/A	N/A	$ 2.10	N/A
Net earnings per share - fully diluted	$ 0.78	$ 0.63	$ 2.19	$ 1.85
Net earnings per share (excluding branch sale) - fully diluted	N/A	N/A	$ 2.08	N/A

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