



New York Mortgage Trust Reports Second Quarter 2004 Results

Aug 16, 2004

New York Mortgage Trust Reports Second Quarter 2004 Results **Second Quarter 2004 Highlights**

- Completes initial public offering of 15 million shares of common stock on June 29, 2004; raised approximately \$122 million in net proceeds
- Achieves record second quarter mortgage origination volume of approximately \$514 million
- Reports net loss of \$484,108 (GAAP) inclusive of for non-cash compensation expense of approximately \$1.3 million >
- Total assets, as of June 30, 2004, of approximately \$277.7 million
- Following the end of the 2004 second quarter, NYMT utilized a portion of IPO proceeds to purchase, on a leveraged basis, \$1.0 billion in mortgage backed securities

NEW YORK, Aug 16, 2004 /PRNewswire-FirstCall via COMTEX/ -- New York Mortgage Trust, Inc. (NYSE: NTR) today reported results for the second quarter ended June 30, 2004. The Company noted that its second quarter operating results include 89 days of results as a private entity and two days of results as a publicly traded real estate investment trust. The Company successfully completed its initial public offering ("IPO") on June 29, 2004.

For the quarter ended June 30, 2004, the Company reported total revenues of \$9.6 million, a net loss from operations of \$308,426 and a net loss of \$484,108. Net income for the quarter ended June 30, 2004 includes approximately \$1.3 million of non-cash compensation expense related to vested restricted shares granted in connection with the Company's IPO. As a result of its IPO on June 29, 2004, total common shares outstanding as of June 30, 2004 were 17,797,375.

Steven Schnall, Chairman and Co-Chief Executive Officer, commented, "We are pleased with our operating performance during the 2004 second quarter which included a record high of approximately \$514 million in mortgage loan originations. This strong origination volume represents an increase of approximately 25% over volume in the comparable 2003 period, despite an industry-wide 19% decrease in mortgage loan volume as projected by the Mortgage Bankers Association of America for the same period in their June 11, 2004 Mortgage Finance Forecast. On June 29, 2004, we successfully closed our initial public offering of 15 million shares -- a formidable accomplishment in the face of overall economic uncertainty, market volatility and competition from other IPOs, including others in our immediate sector. Additionally, we have successfully deployed most of our net IPO proceeds of approximately \$122 million to purchase, on a leveraged basis, an initial portfolio of high- quality mortgage securities."

Michael Wirth, Chief Financial Officer, added, "Our second quarter results are demonstrative of the economics associated with our transition from a private to a public company. Although we closed our IPO on June 29th, and thus were public for only a few days of the quarter, we implemented certain strategies, created new or improved infrastructure capabilities, and, as such, incurred atypical costs during the quarter that we believe strategically positions us for the future. Our next quarter of operations will be our first full quarter as a public company. Accordingly, we anticipate a meaningful impact on earnings resulting from execution of our strategy of both originating mortgage loans and managing a high quality, leveraged residential loan and securities portfolio."

As of June 30, 2004, the Company's total assets were \$277.7 million, including \$50.7 million of residential mortgage loans held for sale and \$101.1 million due from loan purchasers, and the Company had \$144.6 million outstanding under its various financing facilities.

A breakdown of the Company's loan originations for the 2004 second quarter follows:

Description	Number of Loans	Principal Balance	Percentage of Total Principal	Weighted Average Rate	Average Size
Purchase mortgages	1,092	273,240,847	53.2 %	5.49 %	\$250,221
Refinancings	1,279	240,726,696	46.8 %	5.57 %	188,215*
Total	2,371	\$513,967,543	100.0 %	5.50 %	\$216,772*
Adjustable rate or hybrid	810	\$257,455,512	50.1 %	4.90 %	\$317,846
Fixed rate	1,561	256,512,031	49.9 %	6.16 %	164,325*
Total	2,371	\$513,967,543	100.0 %	5.50 %	\$216,772*
Bankered	2,152	420,611,233	81.8 %	5.66 %	\$195,451*
Brokered	219	93,356,310	18.2 %	4.94 %	426,285*
Total	2,371	\$513,967,543	100.0 %	5.50 %	\$216,772*

* In March the Company acquired eight origination branches from SIB Mortgage Corp., one of which originates only FHA Streamlined Refinance mortgages with low average balances. The Company's average loan amount, exclusive of this new branch's production, is \$259,830. All loans from this branch are and will continue to be sold to third party investors.

During the quarter ended June 30, 2004, the Company incurred a non-cash compensation expense of approximately \$1.3 million on vested restricted shares granted in connection with the Company's IPO. The remaining unvested portion of the restricted shares granted vest over a three year period on the anniversary date of the initial grant. In addition, to meet the demands of being a public mortgage REIT and to implement our new business strategies, the Company incurred increased costs for items such as salaries for our new executive management team and increased salaries and expenses associated with building out its information technology and accounting capabilities. Also, as compared to the second quarter of 2003, the Company incurred increased occupancy, marketing and other costs associated with the relocation and expansion of its two largest offices, both located in New York City, in order to facilitate additional retail sales capacity.

IPO Proceeds -- Invested \$1.0 Billion in Securities

Since June 30, 2004, and consistent with its business plan to utilize its IPO proceeds to purchase high quality mortgage backed securities on a leveraged basis of a targeted eight to twelve times equity, the Company has invested \$1.0 billion in securities with a weighted average coupon of 4.20% at a weighted average purchase price of 101.02. Approximately 68% of these securities are agency securities and 32% are "AAA"-rated securities. The securities purchased are predominately backed by 3/1 hybrid adjustable rate mortgages. These securities have been financed in part with debt totaling \$792.0 million. In order to mitigate interest rate risk, the Company has entered into interest rate swap agreements totaling \$535.0 million and entered into interest rate cap agreements totaling \$250.0 million. Although purchased in the early part of July 2004, most of our initial investment portfolio purchases settled at the end of July, and thus the Company will begin to realize income from these investments in the latter half of the third quarter of 2004.

Steven Schnall commented, "We are pleased with how quickly and effectively we have been able to utilize our IPO proceeds in creating our initial investment portfolio. Looking ahead, we expect to purchase additional securities in the near future to complete our initial investment portfolio at approximately the mid-point of our targeted leverage on equity. As this initial portfolio begins to pay-down, we are prepared to supplant these securities with our own self-originated, adjustable-rate, high quality loans which we intend to securitize."

Due to the timing of the public offering, the Company closed its IPO two days prior to the end of the quarter and no dividend has been declared for the 2004 second quarter.

About New York Mortgage Trust

New York Mortgage Trust, Inc. (NYMT) is a real estate investment trust (REIT) focused on owning and managing a leveraged portfolio of residential mortgage securities and a mortgage origination business. The mortgage portfolio is comprised largely of prime adjustable-rate and hybrid mortgage loans and securities, much of which, over time will be originated by NYMT's wholly owned mortgage origination business, The New York Mortgage Company, LLC (NYMC), a taxable REIT subsidiary. The ability to build a portion of its loan portfolio from loans internally originated is a cornerstone of NYMT's strategy.

This news release contains forward-looking statements that predict or describe future events or trends. The matters described in these forward-looking statements are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. The Company faces many risks that could cause its actual performance to differ materially from the results predicted by its forward-looking statements, including, without limitation, the possibilities that a rise in interest rates may cause a decline in the market value of the Company's assets, a decrease in the demand for mortgage loans may have a negative effect on the Company's volume of closed loan originations, prepayment rates may change, borrowings to finance the purchase of assets may not be available on favorable terms, the Company may not be able to maintain its qualification as a REIT for federal tax purposes, the Company may experience the risks associated with investing in real estate, including changes in business conditions and the general economy, and the Company's hedging strategies may not be effective. The reports that the Company files with the Securities and Exchange Commission contain a fuller description of these and many other risks to which the Company is subject. Because of those risks, the Company's actual results, performance or achievements may differ materially from the results, performance or achievements contemplated by its forward-looking statements. The information set forth in this news release represents management's current expectations and intentions. The Company assumes no responsibility to issue updates to the forward-looking matters discussed in this news release.

NEW YORK MORTGAGE TRUST, INC.
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

	For the Six Months Ended June 30,		For the Three Months Ended June 30,	
	2004	2003	2004	2003
REVENUE:				
Gain on sales of mortgage loans	\$10,451,171	\$11,547,911	\$6,945,080	\$6,790,049
Interest income	3,146,847	3,521,997	1,885,779	2,090,999
Brokered loan fees	2,960,473	2,866,647	777,695	1,580,880
Miscellaneous income	45,977	29,464	30,208	(4,727)
Total revenue	16,604,468	17,966,019	9,638,762	10,457,201
EXPENSES:				
Salaries, commissions and benefits	6,890,838	3,854,662	4,171,660	2,133,344
Interest expense	1,814,640	1,458,952	1,206,029	807,448
Brokered loan expenses	2,119,522	2,022,607	835,303	1,159,493
Occupancy and equipment	1,537,517	728,144	875,987	398,937
Marketing and promotion	1,296,391	424,341	812,105	220,283
Data processing and communications	621,236	293,272	453,193	159,431
Office supplies and expenses	647,240	382,219	429,369	224,365
Professional fees	653,754	414,866	400,666	180,364
Travel and entertainment	305,275	322,622	116,927	143,678
Depreciation and amortization	205,906	135,506	102,953	67,753
Income and other taxes	174,332	158,020	48,657	153,412
Other	528,739	79,029	494,339	45,354
Total expenses	16,795,390	10,274,240	9,947,188	5,693,862
NET (LOSS) INCOME FROM OPERATIONS	(190,922)	7,691,779	(308,426)	4,763,339
Loss on sale of securities	175,682	--	175,682	--
NET (LOSS) INCOME	\$(366,604)	\$7,691,779	\$(484,108)	\$4,763,339
Basic and diluted loss per share	\$(0.02)	\$ --	\$(0.03)	\$ --
Weighted average shares outstanding-basic and diluted(1)	17,797,375	--	17,797,375	--

(1) Weighted average shares outstanding assume the shares outstanding upon

the Company's initial public offering are outstanding for the full respective period presented. Earnings per share for periods prior to the IPO are not presented as they are not representative of the Company's current capital structure.

NEW YORK MORTGAGE TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2004 (Unaudited)	December 31, 2003
ASSETS		
Cash and equivalents	\$116,048,638	\$4,357,069
Restricted cash	100,434	217,330
Marketable securities	--	3,278,753
Due from loan purchasers	101,069,701	58,862,433
Loans held for sale	50,684,361	36,258,229
Prepaid and other assets	7,515,954	5,075,937
Property and equipment, net	2,271,395	2,031,697
TOTAL ASSETS	\$277,690,483	\$110,081,448
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Financing arrangements	\$144,558,947	\$90,425,133
Due to loan purchasers	927,640	753,720
Accounts payable and accrued expenses	9,236,762	4,277,241
Subordinated notes due to members	--	14,706,902
Other liabilities	986,016	392,077
Total liabilities	155,709,365	110,555,073
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' /MEMBERS' EQUITY:		
Common shares, \$0.01 par value, 400,000,000 shares authorized; 18,162,125 and 17,797,375 shares issued and outstanding, respectively	180,621	--
Additional paid-in capital	123,236,740	--
Members' capital	--	(1,338,625)
Accumulated income (deficit)	(1,665,475)	--
Accumulated other comprehensive income	229,232	865,000
Total shareholders'/members' equity (deficit)	121,981,118	(473,625)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$277,690,483	\$110,081,448

SOURCE New York Mortgage Trust, Inc.

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