

OCEANFIRST FINANCIAL CORP
Form 10-Q
August 09, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-11713

OceanFirst Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

975 Hooper Avenue, Toms River, NJ
(Address of principal executive offices)

Registrant's telephone number, including area code: (732)240-4500

22-3412577
(I.R.S. Employer Identification No.)

08754-2009
(Zip Code)

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 such 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.

YES NO

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>
Non-accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO .

As of August 5, 2010, there were 18,822,556 shares of the Registrant's Common Stock, par value \$.01 per share, outstanding.

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OceanFirst Financial Corp.

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Table of Contents**OceanFirst Financial Corp.****Consolidated Statements of Financial Condition**

(dollars in thousands, except per share amounts)

	June 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and due from banks	\$ 30,952	\$ 23,016
Investment securities available for sale	38,958	37,267
Federal Home Loan Bank of New York stock, at cost	21,404	19,434
Mortgage-backed securities available for sale	359,974	213,622
Loans receivable, net	1,667,472	1,629,284
Mortgage loans held for sale	2,945	5,658
Interest and dividends receivable	6,949	6,059
Real estate owned, net	2,607	2,613
Premises and equipment, net	21,721	22,088
Servicing asset	5,795	6,515
Bank Owned Life Insurance	40,374	39,970
Other assets	20,531	24,502
Total assets	\$ 2,219,682	\$ 2,030,028
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 1,539,972	\$ 1,364,199
Securities sold under agreements to repurchase with retail customers	72,433	64,573
Federal Home Loan Bank advances	370,000	333,000
Other borrowings	27,500	27,500
Due to brokers		40,684
Advances by borrowers for taxes and insurance	8,267	7,453
Other liabilities	6,682	9,083
Total liabilities	2,024,854	1,846,492
Stockholders' equity:		
Preferred stock, \$.01 par value, \$1,000 liquidation preference, 5,000,000 shares authorized, no shares issued at June 30, 2010 and December 31, 2009		
Common stock, \$.01 par value, 55,000,000 shares authorized, 33,566,772 shares issued and 18,822,556 and 18,821,956, shares outstanding at June 30, 2010 and at December 31, 2009, respectively	336	336
Additional paid-in capital	260,138	260,130
Retained earnings	168,038	163,063
Accumulated other comprehensive loss	(4,597)	(10,753)
Less: Unallocated common stock held by Employee Stock Ownership Plan	(4,630)	(4,776)
Treasury stock, 14,744,216 and 14,744,816 shares at June 30, 2010 and December 31, 2009, respectively	(224,457)	(224,464)
Common stock acquired by Deferred Compensation Plan	947	986
Deferred Compensation Plan Liability	(947)	(986)
Total stockholders' equity	194,828	183,536

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Total liabilities and stockholders' equity	\$ 2,219,682	\$ 2,030,028
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See accompanying Notes to Unaudited Consolidated Financial Statements.

Table of Contents**OceanFirst Financial Corp.****CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except per share amounts)

	For the three months ended June 30, 2010		For the six months ended June 30, 2009	
	(Unaudited)		(Unaudited)	
Interest income:				
Loans	\$ 22,226	\$ 22,791	\$ 44,209	\$ 45,963
Mortgage-backed securities	3,185	873	5,947	1,641
Investment securities and other	396	552	726	1,002
Total interest income	25,807	24,216	50,882	48,606
Interest expense:				
Deposits	3,480	4,777	6,911	9,873
Borrowed funds	2,630	3,285	5,305	6,918
Total interest expense	6,110	8,062	12,216	16,791
Net interest income	19,697	16,154	38,666	31,815
Provision for loan losses	2,200	1,200	4,400	2,000
Net interest income after provision for loan losses	17,497	14,954	34,266	29,815
Other income:				
Loan servicing income (loss)	113	9	159	(221)
Fees and service charges	2,801	2,585	5,358	5,103
Net gain on sales of loans and securities available for sale	502	1,352	1,005	2,025
Net (loss) gain from other real estate operations	(28)	6	(364)	5
Income from Bank Owned Life Insurance	208	201	404	431
Other	2	2	4	6
Total other income	3,598	4,155	6,566	7,349
Operating expenses:				
Compensation and employee benefits	7,051	5,738	13,581	11,565
Occupancy	1,328	1,814	2,792	3,289
Equipment	537	501	1,012	950
Marketing	523	380	827	704
Federal deposit insurance	686	1,405	1,320	1,907
Data processing	833	858	1,662	1,693
Legal	267	520	563	1,097
Check card processing	309	254	626	505
Accounting and audit	179	171	322	331
General and administrative	1,547	1,599	3,256	2,982
Total operating expenses	13,260	13,240	25,961	25,023

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Income before provision for income taxes	7,835	5,869	14,871	12,141
Provision for income taxes	2,884	2,270	5,515	4,589
Net income	4,951	3,599	9,356	7,552
Dividends on preferred stock and warrant accretion		538		996
Net income available to common stockholders	\$ 4,951	\$ 3,061	\$ 9,356	\$ 6,556
Basic earnings per share	\$ 0.27	\$ 0.26	\$ 0.52	\$ 0.56
Diluted earnings per share	\$ 0.27	\$ 0.26	\$ 0.51	\$ 0.56
Average basic shares outstanding	18,135	11,710	18,133	