OCEANFIRST FINANCIAL CORP

FORM 10-Q
(Quarterly Report)

Filed 5/9/2000 For Period Ending 3/31/2000

Address	975 HOOPER AVE
	TOMS RIVER, New Jersey 08753-8396
Telephone	732-240-4500
CIK	0001004702
Industry	S&Ls/Savings Banks
Sector	Financial
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2000

[_] 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 0-27428

OceanFirst Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware	22-3412577
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
975 Hooper Avenue, Toms River, NJ	08753
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	(732) 240-4500

(Former name, former address and formal 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 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 X NO___.

As of May 4, 2000, there were 11,968,657 shares of the Registrant's Common Stock, par value $.01 per share, outstanding.

OceanFirst Financial Corp.

INDEX TO FORM 10-Q

PART I. FINANCIAL INFORMATION

OceanFirst Financial Corp.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands, except per share amounts)

	March 31, 2000 (Unaudited)	December 31, 1999
ASSETS		
Cash and due from banks	$ 3,743	$ 10,007
Investment securities available for sale	118,264	120,780
Federal Home Loan Bank of New York stock, at cost	16,800	16,800
Mortgage-backed securities available for sale	331,160	346,182
Loans receivable, net	1,062,866	1,042,975
Interest and dividends receivable	9,141	8,468
Real estate owned, net	527	292
Premises and equipment, net	13,800	13,889
Other assets	33,050	31,514
Total assets	$1,589,351	$1,590,907
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$1,077,945	$1,056,950
Federal Home Loan Bank advances	73,000	115,000
Securities sold under agreements to repurchase	266,445	239,867
Advances by borrowers for taxes and insurance	6,352	5,990
Other liabilities	6,326	5,570
Total liabilities	1,430,068	1,423,377
Stockholders' Equity:		
Preferred stock, $.01 par value, 5,000,000 shares authorized, no shares issued	-	-
Common stock, $.01 par value, 55,000,000 shares authorized, 18,118,248 shares issued and 12,003,657 and 12,620,923 shares outstanding at March 31, 2000 and December 31, 1999, respectively	181	181
Additional paid-in capital	178,988	178,850
Retained earnings-substantially restricted	115,747	113,169
Accumulated other comprehensive loss	(11,645)	(9,568)
Less: Unallocated common stock held by Employee Stock Ownership Plan	(15,334)	(15,727)
Unearned Incentive Awards	(3,547)	(4,030)
Treasury stock, (6,114,591 and 5,497,325 shares at March 31, 2000 and December 31, 1999, respectively)	(105,107)	(95,345)
Total stockholders' equity	159,283	167,530
Total liabilities and stockholders' equity	$1,589,351	$1,590,907

See accompanying notes to unaudited consolidated financial statements.

OceanFirst Financial Corp.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	For the three months ended March 31, 2000	1999
	(Unaudited)	
Interest income:		
Loans	$19,930	$17,907
Mortgage-backed securities	5,724	5,787
Investment securities and other	2,428	2,326
Total interest income	28,082	26,020
Interest expense:		
Deposits	10,452	10,203
Borrowed funds	4,994	4,101
Total interest expense	15,446	14,304
Net interest income	12,636	11,716
Provision for loan losses	240	225
Net interest income after provision for loan losses	12,396	11,491
Other income:		
Fees and service charges	987	780
Net gain on sales of loans and securities available for sale	60	524
(Loss) income from other real estate operations, net	(11)	46
Other	294	195
Total other income	1,330	1,545
Operating expenses:		
Compensation and employee benefits	4,330	3,655
Occupancy	582	511
Equipment	359	304
Marketing	316	407
Federal deposit insurance	120	220
Data processing	392	331
General and administrative	1,095	1,164
Total operating expenses	7,194	6,592
Income before provision for income taxes	6,532	6,444
Provision for income taxes	2,218	2,306
Net income	$ 4,314	$ 4,138
Basic earnings per share	$ .40	$ .33
Diluted earnings per share	$ .39	$ .33
Average basic shares outstanding	10,865	12,556
Average diluted shares outstanding	11,044	12,698

See accompanying notes to unaudited consolidated financial statements.

OceanFirst Financial Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	For the three months ended March 31, 2000	1999
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 4,314	$ 4,138
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of premises and equipment	379	366
Amortization of Incentive Awards	483	485
Amortization of ESOP	393	326
ESOP adjustment	99	175
Amortization of servicing asset	70	101
Amortization of deposit premium	26	26
Net premium amortization in excess of discount accretion on securities	107	419
Net accretion of deferred fees and discounts in excess of premium amortization on loans	(149)	(162)
Provision for loan losses	240	225
Net gain on sales of real estate owned	(2)	(57)
Net gain on sales of loans and securities available for sale	(60)	(524)
Proceeds from sales of mortgage loans held for sale	4,289	26,991
Mortgage loans originated for sale	(4,229)	(2,054)
(Increase) decrease in interest and dividends receivable	(673)	419
Increase in other assets	(412)	(419)
Increase (decrease) in other liabilities	795	(4,814)
Total adjustments	1,356	21,503
Net cash provided by operating activities	5,670	25,641
Cash flows from investing activities:		
Net increase in loans receivable	(20,285)	(28,835)
Purchase of investment securities available for sale	-	(13,815)
Purchase of mortgage-backed securities available for sale	-	(55,000)
Proceeds from maturities of investment securities available for sale	-	20,043
Principal payments on mortgage-backed securities available for sale	14,134	46,539
Proceeds from sales of real estate owned	70	248
Purchases of premises and equipment	(290)	(121)
Net cash used in investing activities	(6,371)	(30,941)

Continued

OceanFirst Financial Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(dollars in thousands)

	For the three months ended March 31, 2000	1999
	(Unaudited)	
Cash flows from financing activities:		
Increase (decrease) in deposits	$ 20,995	$ (1,217)
(Decrease) increase in Federal Home Loan Bank advances	(42,000)	14,000
Increase (decrease) in securities sold under agreements to repurchase	26,578	(2,700)
Increase in advances by borrowers for taxes and insurance	362	294
Dividends paid	(1,678)	(1,591)
Purchase of treasury stock	(9,820)	(9,235)
Net cash used in financing activities	(5,563)	(449)
Net decrease in cash and due from banks	(6,264)	(5,749)
Cash and due from banks at beginning of period	10,007	10,295
Cash and due from banks at end of period	$ 3,743	$ 4,546
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 15,671	$ 14,466
Income taxes	-	5,119
Noncash investing activities:		
Transfer of loans receivable to real estate owned	303	448
Mortgage loans securitized into mortgage-backed securities	-	27,145

See accompanying notes to unaudited consolidated financial statements.

OceanFirst Financial Corp.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of OceanFirst Financial Corp. (the "Company") and its wholly-owned subsidiary, OceanFirst Bank (the "Bank") and its wholly-owned subsidiaries, OceanFirst Realty Inc. and Ocean Investment Services, Inc.

The interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, considered necessary for a fair presentation of the financial condition and results of operations for the periods presented. The results of operations for the three months ended March 31, 2000 are not necessarily indicative of the results of operations that may be expected for all of 2000.

Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report to Stockholders on Form 10-K for the year ended December 31, 1999.

Note 2. Earnings per Share

The following reconciles shares outstanding for basic and diluted earnings per share for the three months ended March 31, 2000 and 1999:

	Three months ended March 31,	
	2000	1999
Weighted average shares issued net of Treasury shares	12,427	14,371
Less: Unallocated ESOP shares	(1,227)	(1,357)
Unallocated incentive award shares	(335)	(458)
Average basic shares outstanding	10,865	12,556
Add: Effect of dilutive securities:		
Stock options	79	51
Incentive awards	100	91
Average diluted shares outstanding	11,044	12,698

Note 3. Comprehensive Income

For the three month periods ended March 31, 2000 and 1999 total comprehensive income, representing net income plus or minus items previously recorded directly in equity, such as the change in unrealized gains or losses on securities available for sale amounted to $2,237,000 and $4,116,000, respectively.

Note 4. Loans Receivable, Net

Loans receivable, net at March 31, 2000 and December 31, 1999 consisted of the following (in thousands):

	March 31, 2000	December 31, 1999
Real estate:		
One- to four-family	$ 928,944	$ 917,481
Commercial real estate, multi-family and land	62,393	57,142
Construction	6,616	7,791
Consumer	57,231	56,040
Commercial	19,169	15,569
Total loans	1,074,353	1,054,023
Loans in process	(2,987)	(2,790)
Deferred fees	(89)	(78)
Unearned premium	38	43
Allowance for loan losses	(8,449)	(8,223)
Loans receivable, net	$1,062,866	$1,042,975

Note 5. Deposits

The major types of deposits at March 31, 2000 and December 31, 1999 were as follows (in thousands):

Type of Account	March 31, 2000	December 31, 1999
Non-interest bearing	$ 38,594	$ 31,328
NOW	117,682	113,426
Money market deposit	80,267	80,597
Savings	172,111	171,064
Time deposits	669,291	660,535
	$1,077,945	$1,056,950

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

Total assets at March 31, 2000 were $1.589 billion, a decrease of $1.6 million, compared to $1.591 billion at December 31, 1999.

Loans receivable, net, increased by $19.9 million, or 1.9%, to a balance of $1.063 billion at March 31, 2000, compared to a balance of $1.043 billion at December 31, 1999. The increase was largely attributable to commercial lending (including commercial real estate) initiatives which accounted for $8.9 million of this growth. Deposit balances increased $21.0 million to $1.078 billion at March 31, 2000 from $1.057 billion at December 31, 1999, partly due to the results of new branches opened in late 1999.

Stockholder's equity at March 31, 2000 was $159.3 million, compared to $167.5 million at December 31, 1999. The Company repurchased 620,600 shares of common stock during the quarter for $9.8 million. Under the 10% repurchase program authorized by the Board of Directors in January 2000, 641,492 shares remain to be purchased as of March 31, 2000.

Results of Operations

General

Net income increased 4.3%, to $4.3 million for the three months ended March 31, 2000 as compared to net income of $4.1 million for the three months ended March 31, 1999. Diluted earnings per share increased 18.2% to $.39 for the three months ended March 31, 2000, as compared to $.33 for the same prior year period. The higher percentage increase in earnings per share is the result of the Company's repurchase program which reduced the number of shares outstanding.

Interest Income

Interest income for the three months ended March 31, 2000 was $28.1 million, compared to $26.0 million for the three months ended March 31, 1999, an increase of $2.1 million reflecting a $45.0 million increase in average interest-earning assets and a higher average yield on those assets. The yield on average interest-earning assets increased to 7.34% on average in the first quarter of 2000, from 7.01% on average in the first quarter of 1999. The asset yield benefited from a change in the mix of average interest-earning assets towards a higher concentration of loans receivable with a corresponding reduction of lower-yielding investment and mortgage-backed securities. For the three months ended March 31, 2000 loans receivable represented 68.7% of average interest-earning assets as compared to 64.6% for the same prior year period.

Interest Expense

Interest expense for the three months ended March 31, 2000 was $15.4 million, compared to $14.3 million for the three months ended March 31, 1999, an increase of $1.1 million, or 8.0%. The increase in interest expense was primarily the result of an increase in the average cost of interest-bearing liabilities which rose to 4.49% for the three months ended March 31, 2000, as compared to 4.38% for the same prior year period and an increase in average interest-bearing liabilities which rose to $1.375 billion for the quarter ending March 31, 2000 as compared to $1.306 billion for the same prior year period. The increase in funding costs was partly restrained, as compared to the larger increase in asset yield, due to the Company's focus on lower costing core deposit growth. Core deposits (including noninterest-bearing deposits) represented 37.7% of average deposits for the three months ended March 31, 2000, as compared to 36.4% for the same prior year period.

Provision for Loan Losses

For the three months ended March 31, 2000, the Company's provision for loan losses was $240,000, as compared to $225,000 for the same prior year period. The Company's non-performing assets increased slightly to $3.4 million at March 31, 2000 as compared to $3.3 million at March 31, 1999.

Other Income

Other income was $1.3 million for the three months ended March 31, 2000, compared to $1.5 million for the same prior year period. The Company sold $27.1 million of 30-year fixed-rate loans for the three months ended March 31, 1999 at a gain of $524,000, which completed a balance sheet restructuring begun in the fourth quarter of 1998. For the three months ended March 31, 2000 the Company sold $4.2 million of 30-year fixed-rate loans at a gain of $60,000. The Company periodically sells these loans to assist in the management of interest rate risk. Excluding the respective gains on the sale of loans, other income increased by $249,000, or 24.4%, for the three months ended March 31, 2000 as compared to the same prior year period. Fees and service charges increased due to the growth in commercial account services and retail core account balances. The Company continues to focus on growing non-interest revenue with the recent introduction of Trust and Asset Management services.

Operating Expenses

Operating expenses were $7.2 million for the three months ended March 31, 2000, an increase of $602,000 as compared to the same prior year period. The increase was principally due to the costs associated with the opening of the Bank's twelfth and thirteenth branch offices in September and October 1999 and the introduction of the Company's Trust and Asset Management business line. These increases were partly offset by a $100,000 decrease in Federal Deposit insurance due to a decline in the assessment rate for members, such as the Bank, of the Savings Association Insurance Fund.

Provision for Income Taxes

Income tax expense was $2.2 million for the three months ended March 31, 2000, compared to $2.3 million for the same prior year period. The effective tax rate declined to 34.0% for the three months ended March 31, 2000, as compared to 35.8% for the same prior year period partly due to an increase in the nontaxable income from Bank Owned Life Insurance.

Liquidity and Capital Resources

The Company's primary sources of funds are deposits, principal and interest payments on loans and mortgage-backed securities, Federal Home Loan Bank ("FHLB") and other borrowings and, to a lesser extent, investment maturities and proceeds from the sale of loans. While scheduled amortization of loans is a predictable source of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions and competition. The Company has other sources of liquidity if a need for additional funds arises, including an overnight line of credit and advances from the FHLB.

At March 31, 2000, the Company had $23.0 million of outstanding overnight borrowings from the FHLB, an increase from no overnight borrowings at December 31, 1999. The Company utilizes the overnight line from time to time to fund short-term liquidity needs. The Company also had other borrowings of $316.4 million at March 31, 2000, a decrease from $354.9 million at December 31, 1999. These borrowings were used to fund a wholesale leverage strategy designed to improve returns on invested capital.

The Company's cash needs for the three months ended March 31, 2000, were primarily provided by principal payments on loans and mortgage-backed securities and increased deposits. The cash was principally utilized for loan originations, a reduction in total borrowings and the purchase of treasury stock. For the three months ended March 31, 1999, the cash needs of the Company were primarily satisfied by maturities of investment securities available for sale, principal payments on loans and mortgage-backed securities, proceeds from the sale of mortgage loans held for sale and increased borrowings. The cash provided was principally used for the purchase of investment and mortgage-backed securities, the origination of loans and the purchase of treasury stock.

Federal regulations require the Bank to maintain minimum levels of liquid assets. The required percentage has varied from time to time based upon economic conditions and savings flows and is currently 4% of net withdrawable savings deposits and borrowings payable on demand or in one year or less during the preceding calendar month. Liquid assets for purposes of this ratio include cash, accrued interest receivable, certain time deposits, U.S. Treasury and Government agencies and other securities and obligations generally having remaining maturities of less than five years. The levels of these assets are dependent on the Bank's operating, financing, lending and investing activities during any given period. As of March 31, 2000 and December 31, 1999, the Bank's liquidity ratios were 7.5% and 8.9%, respectively, both in excess of the minimum regulatory requirement.

At March 31, 2000, the Bank exceeded all of its regulatory capital requirements with tangible capital of $125.3 million, or 7.8%, of total adjusted assets, which is above the required level of $24.0 million or 1.5%; core capital of $125.3 million or 7.8% of total adjusted assets, which is above the required level of $48.0 million, or 3.0%; and risk-based capital of $133.7 million, or 15.7% of risk-weighted assets, which is above the required level of $68.0 million or 8.0%. The Bank is considered a "well capitalized" institution under the Office of Thrift Supervision's prompt corrective action regulations.

Non-Performing Assets

The following table sets forth information regarding the Company's nonperforming assets consisting of non-accrual loans and Real Estate Owned (REO). The Company had no troubled-debt restructured loans within the meaning of SFAS 15 at March 31, 2000 or December 31, 1999. It is the policy of the Company to cease accruing interest on loans 90 days or more past due or in the process of foreclosure.

	March 31, 2000	December 31, 1999
	(dollars in thousands)	
Non-accrual loans:		
Real estate:		
One-to four-family	$2,710	$2,401
Commercial real estate, multi-family and land	-	362
Consumer	150	222
Total	2,860	2,985
REO, net	527	292
Total non-performing assets	$3,387	$3,277
Non-performing loans as a percent of total loans receivable	.27%	.28%
Non-performing assets as a percent of total assets	.21	.21
Allowance for loan losses as a percent of total loans receivable	.79	.78
Allowance for loan losses as percent of total non-performing loans	295.42	275.48

Private Securities Litigation Reform Act Safe Harbor Statement

In addition to historical information, this quarterly report may include certain forward looking statements based on current management expectations. The Company's actual results could differ materially from those management expectations. Factors that could cause future results to vary from current management expectations include, but are not limited to, general economic conditions, legislative and regulatory changes, monetary and fiscal policies of the federal government, changes in tax policies, rates and regulations of federal and state tax authorities, changes in interest rates, deposit flows, the cost of funds, demand for loan products, demand for financial services, competition, changes in the quality or composition of the Bank's loan and investment portfolios, changes in accounting principles, policies or guidelines, and other economic, competitive, governmental and technological factors affecting the Company's operations, markets, products, services and prices. Further description of the risks and uncertainties to the business are included in Item 1, Business, of the Company's 1999 Form 10-K.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

The Company's interest rate sensitivity is monitored by management through the use of an interest rate risk (IRR) model. Based on internal IRR modeling the Company's one year gap at March 31, 2000 was negative 14.2% as compared to negative 11.8% at December 31, 1999. Additionally, the table below sets forth the Company's exposure to interest rate risk as measured by the change in net portfolio value ("NPV") and net interest income under varying rate shocks as of March 31, 2000 and December 31, 1999. All methods used to measure interest rate sensitivity involve the use of assumptions, which may tend to oversimplify the manner in which actual yields and costs respond to changes in market interest rates. The Company's interest rate sensitivity should be reviewed in conjunction with the financial statements and notes thereto contained in the Company's Annual Report for the year ended December 31, 1999.

At March 31, 2000, the Company's NPV in a static rate environment is less than the NPV at December 31, 1999, reflecting the Company's declining capital levels resulting from common stock repurchase programs. Also, in a shocked interest rate environment, the Company projects a greater percent change in NPV at March 31, 2000 than was the case at December 31, 1999. The heightened interest rate sensitivity is primarily due to the declining capital base which accentuates, on a percentage basis, similar dollar changes in NPV. Additionally, the generally higher interest rate environment reduces anticipated prepayment speeds on mortgage loans and mortgage-backed securities and reduces the likelihood that a callable security is called before its stated maturity date.

	March 31, 2000					December 31, 1999				
	Net Portfolio Value			Net Interest Income		Net Portfolio Value			Net Interest Income	
Change in Interest Rates in Basis Points (Rate Shock)	Amount	% Change	NPV Ratio	Amount	% Change	Amount	% Change	NPV Ratio	Amount	% Change
(dollars in thousands)										
300	$ 92,935	(48.7)%	6.6%	$40,713	(13.4)%	$119,838	(40.0)%	8.4%	$44,212	(9.3)%
200	127,895	(29.4)	8.8	43,175	(8.2)	151,710	(24.0)	10.3	46,123	(5.3)
100	158,211	(12.6)	10.5	45,446	(3.4)	179,446	(10.1)	11.8	47,765	(2.0)
Static	181,052	-	11.7	47,030	-	199,646	-	12.8	48,724	-
(100)	197,936	9.3	12.5	48,185	2.5	213,252	6.8	13.3	49,251	1.1
(200)	205,586	13.6	12.7	48,646	3.4	217,678	9.0	13.4	48,927	1.4
(300)	207,059	14.4	12.6	48,339	2.8	216,809	8.6	13.2	47,865	(1.8)

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not engaged in any legal proceedings of a material nature at the present time. From time to time, the Company is a party to routine legal proceedings within the normal course of business. Such routine legal proceedings in the aggregate are believed by management to be immaterial to the Company's financial condition or results of operations.

Item 2. Changes in Securities

Not Applicable

Item 3. Defaults Upon Senior Securities

Not Applicable

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

The annual meeting of stockholders was held on April 19, 2000. The following directors were elected for terms of three years: Carl Feltz, Jr., Robert E. Knemoller and Diane F. Rhine. The following proposals were voted on by the stockholders:

Proposal	For	Against	Withheld/ Abstain	Broker Non-Votes
1) Election of Directors:				
Carl Feltz, Jr.	9,994,273		754,294	0
Robert E. Knemoller	9,994,823		753,744	0
Diane F. Rhine	9,994,823		753,744	0
2) Approval of the OceanFirst Financial Corp. 2000 Stock Option Plan	6,639,603	1,677,543	62,543	2,368,878
3) Ratification of KPMG LLP as independent auditors for the Company for the year ending December 31, 2000	10,700,510	17,788	30,269	0

Item 5. Other Information

Not Applicable

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits:

3.1 Certificate of Incorporation of OceanFirst Financial Corp.*

3.2 Bylaws of OceanFirst Financial Corp.*

4.0 Stock Certificate of OceanFirst Financial Corp.*

27 Financial Data Schedule (filed herewith)

b) There were no reports on Form 8-K filed during the three months ended March 31, 2000

* Incorporated herein by reference into this document from the Exhibits to Form S-1, Registration Statement, filed on December 7, 1995, as amended, Registration No. 33-80123.

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.

OceanFirst Financial Corp.

Registrant

DATE: May 9, 2000	*/s/ John R. Garbarino* --------------------------------- *John R. Garbarino* *Chairman of the Board, President* *and Chief Executive Officer*
DATE: May 9, 2000	*/s/ Michael Fitzpatrick* --------------------------------- *Michael Fitzpatrick* *Executive Vice President and* *Chief Financial Officer*

ARTICLE 9

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	MAR 31 2000
CASH	3,743
INT BEARING DEPOSITS	0
FED FUNDS SOLD	0
TRADING ASSETS	0
INVESTMENTS HELD FOR SALE	449,424
INVESTMENTS CARRYING	0
INVESTMENTS MARKET	0
LOANS	1,062,866
ALLOWANCE	8,449
TOTAL ASSETS	1,589,351
DEPOSITS	1,077,945
SHORT TERM	339,445
LIABILITIES OTHER	12,678
LONG TERM	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	181
OTHER SE	159,102
TOTAL LIABILITIES AND EQUITY	1,589,351
INTEREST LOAN	19,930
INTEREST INVEST	8,152
INTEREST OTHER	0
INTEREST TOTAL	28,082
INTEREST DEPOSIT	10,452
INTEREST EXPENSE	15,446
INTEREST INCOME NET	12,636
LOAN LOSSES	240
SECURITIES GAINS	0
EXPENSE OTHER	7,194
INCOME PRETAX	6,532
INCOME PRE EXTRAORDINARY	6,532
EXTRAORDINARY	0
CHANGES	0
NET INCOME	4,314
EPS BASIC	.40
EPS DILUTED	.39
YIELD ACTUAL	7.34
LOANS NON	2,860
LOANS PAST	0
LOANS TROUBLED	0
LOANS PROBLEM	0
ALLOWANCE OPEN	8,223
CHARGE OFFS	16
RECOVERIES	2
ALLOWANCE CLOSE	8,449
ALLOWANCE DOMESTIC	0 [1]
ALLOWANCE FOREIGN	0
ALLOWANCE UNALLOCATED	0 [1]

[1] INFORMATION NOT DISCLOSED IN 10 Q.

End of Filing