OCEANFIRST FINANCIAL CORP

FORM 10-Q
(Quarterly Report)

Filed 8/11/2000 For Period Ending 6/30/2000

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 June 30, 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 August 9, 2000, there were 11,559,438 shares of the Registrant's Common Stock, par value $.01 per share, outstanding.

OceanFirst Financial Corp.

INDEX TO FORM 10-Q

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

	June 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Cash and due from banks	$ 9,267	$ 10,007
Investment securities available for sale	118,351	120,780
Federal Home Loan Bank of New York stock, at cost	17,695	16,800
Mortgage-backed securities available for sale	315,310	346,182
Loans receivable, net	1,099,965	1,042,975
Mortgage loans held for sale	8,531	-
Interest and dividends receivable	9,512	8,468
Real estate owned, net	86	292
Premises and equipment, net	14,187	13,889
Other assets	33,947	31,514
Total assets	$ 1,626,851	$ 1,590,907
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$ 1,087,025	$ 1,056,950
Federal Home Loan Bank advances	98,000	115,000
Securities sold under agreements to repurchase	274,597	239,867
Advances by borrowers for taxes and insurance	6,738	5,990
Other liabilities	5,282	5,570
Total liabilities	1,471,642	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 11,628,372 and 12,620,923 shares outstanding at June 30, 2000 and December 31, 1999, respectively	181	181
Additional paid-in capital	179,114	178,850
Retained earnings-substantially restricted	118,014	113,169
Accumulated other comprehensive loss	(12,628)	(9,568)
Less: Unallocated common stock held by Employee Stock Ownership Plan	(14,941)	(15,727)
Unearned Incentive Awards	(3,062)	(4,030)
Treasury stock, (6,489,876 and 5,497,325 shares at June 30, 2000 and December 31, 1999, respectively)	(111,469)	(95,345)
Total stockholders' equity	155,209	167,530
Total liabilities and stockholders' equity	$ 1,626,851	$ 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 June 30, 2000	For the three months ended June 30, 1999	For the six months, ended June 30, 2000	For the six months, ended June 30, 1999
	(Unaudited)		(Unaudited)	
Interest income:				
Loans	$ 20,713	$ 18,439	$ 40,642	$ 36,345
Mortgage-backed securities	5,502	5,967	11,227	11,754
Investment securities and other	2,398	2,167	4,826	4,493
Total interest income	28,613	26,573	56,695	52,592
Interest expense:				
Deposits	10,870	10,203	21,322	20,407
Borrowed funds	5,199	4,335	10,193	8,435
Total interest expense	16,069	14,538	31,515	28,842
Net interest income	12,544	12,035	25,180	23,750
Provision for loan losses	250	225	490	450
Net interest income after provision for loan losses	12,294	11,810	24,690	23,300
Other income:				
Fees and service charges	1,125	886	2,113	1,666
Net gain (loss) on sales of loans and securities available for sale	12	(57)	72	467
Income from other real estate operations, net	82	31	71	77
Other	303	193	596	388
Total other income	1,522	1,053	2,852	2,598
Operating expenses:				
Compensation and employee benefits	4,229	3,723	8,559	7,378
Occupancy	556	482	1,138	993
Equipment	367	361	727	665
Marketing	375	415	691	823
Federal deposit insurance	119	215	239	434
Data processing	373	322	765	653
General and administrative	1,192	1,132	2,287	2,296
Total operating expenses	7,211	6,650	14,406	13,242
Income before provision for income taxes	6,605	6,213	13,136	12,656
Provision for income taxes	2,267	2,224	4,486	4,530
Net income	$ 4,338	$ 3,989	$ 8,650	$ 8,126
Basic earnings per share	$ .42	$ .32	$ .82	$ .65
Diluted earnings per share	$ .41	$ .32	$ .80	$ .65
Average basic shares outstanding	10,361	12,279	10,613	12,416
Average diluted shares outstanding	10,593	12,481	10,821	12,589

See accompanying notes to unaudited consolidated financial statements.

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

	For the six months ended June 30, 2000	1999
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 8,650	$ 8,126
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of premises and equipment	766	735
Amortization of Incentive Awards	968	968
Amortization of ESOP	786	652
ESOP adjustment	225	377
Amortization of servicing asset	143	210
Amortization of deposit premium	52	52
Net premium amortization in excess of discount accretion on securities	192	731
Net accretion of deferred fees and discounts in excess of premium amortization on loans	(171)	(217)
Provision for loan losses	490	450
Net gain on sales of real estate owned	(94)	(142)
Net gain on sales of loans and securities available for sale	(72)	(467)
Proceeds from sales of mortgage loans held for sale	8,963	27,287
Mortgage loans originated for sale	(17,422)	(12,708)
(Increase) decrease in interest and dividends receivable	(1,044)	912
Increase in other assets	(831)	(508)
Decrease in other liabilities	(249)	(1,676)
Total adjustments	(7,298)	16,656
Net cash provided by operating activities	1,352	24,782
Cash flows from investing activities:		
Net increase in loans receivable	(57,679)	(57,956)
Purchase of investment securities available for sale	-	(14,160)
Purchase of mortgage-backed securities available for sale	-	(80,000)
Proceeds from maturities of investment securities available for sale	200	30,163
Principal payments on mortgage-backed securities available for sale	28,053	79,351
Purchases of Federal Home Loan Bank of New York Stock	(895)	--
Proceeds from sales of real estate owned	670	714
Purchases of premises and equipment	(1,064)	(232)
Net cash used in investing activities	(30,715)	(42,120)

Continued

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

	For the six months ended June 30, 2000	1999
	(Unaudited)	
Cash flows from financing activities:		
Increase in deposits	$ 30,075	$ 9,160
(Decrease) increase in Federal Home Loan Bank advances	(17,000)	3,000
Increase in securities sold under agreements to repurchase	34,730	15,962
Increase in advances by borrowers for taxes and insurance	748	925
Exercise of Stock Options	292	--
Dividends paid	(3,693)	(3,488)
Purchase of treasury stock	(16,529)	(9,235)
Net cash provided by financing activities	28,623	10,324
Net decrease in cash and due from banks	(740)	(7,014)
Cash and due from banks at beginning of period	10,007	10,295
Cash and due from banks at end of period	$ 9,267	$ 3,281
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 31,418	$ 28,462
Income taxes	4,420	5,123
Noncash investing activities:		
Transfer of loans receivable to real estate owned	370	626
Mortgage loans securitized into mortgage-backed Securities	2,007	27,438

See accompanying notes to unaudited consolidated financial statements.

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 and six months ended June 30, 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 and six months ended June 30, 2000 and 1999:

	Three months ended June 30,		Six months ended June 30,	
	2000	1999	2000	1999
Weighted average shares issued net of Treasury shares	11,841	14,022	12,134	14,196
Less: Unallocated ESOP shares	(1,195)	(1,325)	(1,211)	(1,341)
Unallocated incentive award shares	(285)	(418)	(310)	(439)
Average basic shares outstanding	10,361	12,279	10,613	12,416
Add: Effect of dilutive securities:				
Stock options	144	109	115	80
Incentive awards	88	93	93	93
Average diluted shares outstanding	10,593	12,481	10,821	12,589

Note 3. Comprehensive Income

For the three month periods ended June 30, 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 $3,355,000 and $147,000, respectively. For the six months ended June 30, 2000 and 1999, total comprehensive income amounted to $5,590,000 and $4,262,000, respectively.

Note 4. Impact of Recent Accounting Pronouncements

In March 2000, the Financial Accounting Standards Board (FASB) issued Interpretation No. 44 "Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion No. 25". The interpretation clarifies certain issues with respect to the application of Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" (APB Opinion No. 25). The interpretation results in a number of changes in the application of APB Opinion No. 25 including, the accounting for modifications to equity awards as well as extending APB Opinion No. 25 accounting treatment to options granted to outside directors for their services as directors. The provisions of the interpretation were effective July 1, 2000 and apply prospectively, except for certain modifications to equity awards made after December 15, 1998. The initial adoption of the interpretation did not have a significant impact on the company's financial statements.

Note 5. Loans Receivable, Net

Loans receivable, net at June 30, 2000 and December 31, 1999 consisted of the following (in thousands):

	June 30, 2000	December 31, 1999
Real estate:		
One- to four-family	$ 958,044	$ 917,481
Commercial real estate, multi-family and land	69,644	57,142
Construction	8,876	7,791
Consumer	60,313	56,040
Commercial	23,334	15,569
Total loans	1,120,211	1,054,023
Loans in process	(3,042)	(2,790)
Deferred fees	(5)	(78)
Unearned premium	33	43
Allowance for loan losses	(8,701)	(8,223)
Total loans, net	1,108,496	1,042,975
Less: mortgage loans held for sale	8,531	-
Loans receivable, net	$ 1,099,965	$ 1,042,975

Note 6. Deposits

The major types of deposits at June 30, 2000 and December 31, 1999 were as follows (in thousands):

Type of Account	June 30, 2000	December 31, 1999
Non-interest bearing	$ 42,653	$ 31,328
NOW	121,744	113,426
Money market deposit	76,443	80,597
Savings	171,819	171,064
Time deposits	674,366	660,535
	$1,087,025	$1,056,950

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

Financial Condition

Total assets at June 30, 2000 were $1.627 billion, an increase of $35.9 million, compared to $1.591 billion at December 31, 1999.

Loans receivable, net, increased by $57.0 million, or 5.5%, to a balance of $1.100 billion at June 30, 2000, compared to a balance of $1.043 billion at December 31, 1999. The increase was largely attributable to a $40.6 million increase in one- to four-family loans, as well as commercial lending (including commercial real estate) initiatives which accounted for another

$20.3 million of this growth. Deposit balances increased $30.1 million to $1.087 billion at June 30, 2000 from $1.057 billion at December 31, 1999, partly due to the results of new branches opened in late 1999 and early 2000.

Stockholder's equity at June 30, 2000 decreased to $155.2 million, compared to $167.5 million at December 31, 1999 due to the execution of the Company's seventh stock repurchase program. The Company repurchased 1,016,150 shares of common stock during the first half of 2000 at a total cost of $16.5 million. Under the 10% repurchase program authorized by the Board of Directors in January 2000, 245,942 shares remain to be purchased as of June 30, 2000.

Results of Operations

General

Net income increased to $4.3 million and $8.6 million for the three and six months ended June 30, 2000, respectively, as compared to net income of $4.0 million and $8.1 million for the three and six months ended June 30, 1999, respectively. Diluted earnings per share increased to $.41 and $.80 for the three and six months ended June 30, 2000, respectively, as compared to $.32 and $.65 for the same prior year periods. 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 and six months ended June 30, 2000 was $28.6 million and $56.7 million respectively, compared to $26.6 million and $52.6 million for the three and six months ended June 30, 1999, respectively. The increases in interest income were due to increases in average interest-earning assets of $24.4 million and $34.6 for the three and six months ended June 30, 2000, respectively, as compared to the same prior year periods. Additionally, the yield on average interest-earning assets increased to 7.42% and 7.38% on average for the three and six months ended June 30, 2000, respectively, compared to 7.00% and 7.01% on average in the same prior year periods. The asset yield benefited from a change in the mix of average-earning assets towards a higher concentration of loans receivable partly funded by reductions in lower yielding investment and mortgage-backed securities. For the three and six months ended June 30, 2000 loans receivable represented 70.2% and 69.4%, respectively, of average interest-earning assets as compared to 65.0% and 64.8%, respectively, for the same prior year periods.

Interest Expense

Interest expense for the three and six months ended June 30, 2000 was $16.1 million and $31.5 million respectively, compared to $14.5 million and $28.8 million for the three and six months ended June 30, 1999, respectively. The increases in interest expense were primarily the result of increases in the average cost of interest-bearing liabilities which rose to 4.61% and 4.55%, respectively, for the three and six months ended June 30, 2000, as compared to 4.34% and 4.36%, respectively, for the same prior year periods, as well as increases in average interest-bearing liabilities which rose by $54.2 million and $61.5 million for the three and six months ended June 30, 2000, respectively, as compared to the same prior year periods. 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 non-interest-bearing deposits) represented 38.0 % and 37.8% of average deposits for the three and six months ended June 30, 2000, respectively, as compared to 36.9% and 36.6%, respectively, for the same prior year periods.

Provision for Loan Losses

For the three and six months ended June 30, 2000, the Company's provision for loan losses was $250,000 and $490,000, respectively, as compared to $225,000 and $450,000, respectively, for the same prior year periods. While the Company realized substantial loan growth over the past year, especially in the area of higher risk commercial loans, the provision for loan losses rose only modestly due to a decline in non-performing assets which decreased to $3.1 million at June 30, 2000 as compared to $4.9 million at June 30, 1999.

Other Income

Other income was $1.5 million and $2.9 million for the three and six months ended June 30, 2000, respectively, compared to $1.1 million and $2.6 million, respectively, for the same prior year periods. The Company sold $27.4 million of 30-year fixed-rate loans for the six months ended June 30, 1999 at a gain of $516,000, which completed a balance sheet restructuring begun in the fourth quarter of 1998. For the six months ended June 30, 2000 the Company sold $9.0 million of 30-year fixed-rate loans at a gain of $72,000. The Company periodically sells these loans to assist in the management of interest rate risk. For the three and six months ended June 30, 1999 the Company also recorded a loss of $49,000 on the sale of an investment security. Excluding the respective net gains on the sale of loans and securities, other income increased by $400,000, or 36.0%, and $649,000 or 30.5%, for the three and six months ended June 30, 2000, respectively, as compared to the same prior year periods. 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 and $14.4 million, respectively, for the three and six months ended June 30, 2000, as compared to $6.7 million and $13.2 million, respectively, in the same prior year periods. The increases were 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 Bank's fourteenth branch office in May 2000, and the introduction of the Company's Trust and Asset Management business line. These increases were partly offset by decreases of $96,000 and $195,000 for the three and six months ended June 30, 2000, respectively, as compared to the same prior year periods in federal deposit insurance due to a decline in the assessment rate.

Provision for Income Taxes

Income tax expense was $2.3 million and $4.5 million for the three and six months ended June 30, 2000, respectively, compared to $2.2 million and $4.5 million for the same prior year periods. The effective tax rate declined for the three and six months ended June 30, 2000, as compared for the same prior year periods 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 June 30, 2000, the Company had $43.0 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 $329.6 million at June 30, 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 six months ended June 30, 2000, were primarily provided by principal payments on loans and mortgage-backed securities, increased deposits and increased total borrowings. The cash was principally utilized for loan originations and the purchase of treasury stock. For the six months ended June 30, 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 total 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 June 30, 2000 and December 31, 1999, the Bank's liquidity ratios were 7.4% and 8.9%, respectively, both in excess of the minimum regulatory requirement.

At June 30, 2000, the Bank exceeded all of its regulatory capital requirements with tangible capital of $129.8 million, or 7.9%, of total adjusted assets, which is above the required level of $24.6 million or 1.5%; core capital of $129.8 million or 7.9% of total adjusted assets, which is above the required level of $49.1 million, or 3.0%; and risk-based capital of $138.4 million, or 15.7% of risk-weighted assets, which is above the required level of $70.4 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 June 30, 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.

	June 30, 2000	December 31, 1999
	(dollars in thousands)	
Non-accrual loans:		
Real estate:		
One-to four-family	$ 2,847	$ 2,401
Commercial real estate, multi-family and land	-	362
Consumer	141	222
Total	2,988	2,985
REO, net	86	292
Total non-performing assets	$ 3,074	$ 3,277
Non-performing loans as a percent of total loans receivable	.27%	.28%
Non-performing assets as a percent of total assets	.19	.21
Allowance for loan losses as a percent of total loans receivable	.78	.78
Allowance for loan losses as percent of total non-performing loans	291.20	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 June 30, 2000 was negative 16.3% 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 June 30, 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 June 30, 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 June 30, 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.

	June 30, 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	$ 94,459	(46.6)%	6.6%	$38,406	(15.6)%	$119,838	(40.0)%	8.4%	$44,212	(9.3)%
200	127,403	(28.0)	8.6	41,095	(9.7)	151,710	(24.0)	10.3	46,123	(5.3)
100	155,857	(11.9)	10.2	43,596	(4.2)	179,446	(10.1)	11.8	47,765	(2.0)
Static	176,913	-	11.2	45,496	-	199,646	-	12.8	48,724	-
(100)	192,233	8.7	11.9	46,975	3.3	213,252	6.8	13.3	49,251	1.1
(200)	197,913	11.9	12.0	47,834	5.1	217,678	9.0	13.4	48,927	1.4
(300)	197,222	11.5	11.8	48,105	5.7	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

Not Applicable

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) The Company filed a Form 8-K on June 28, 2000 announcing that OceanFirst Bank, the wholly-owned subsidiary of OceanFirst Financial Corp., had entered into a Stock Purchase Agreement pursuant to which OceanFirst Bank would acquire Columbia Equities, Ltd., a New York chartered mortgage brokerage company based in Tarrytown, New York.

* 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: August 11, 2000 *\/s/ John R. Garbarino*

John R. Garbarino
Chairman of the Board, President
and Chief Executive Officer

DATE: August 11, 2000 *\/s/ Michael Fitzpatrick*

Michael Fitzpatrick
Executive Vice President and
Chief Financial Officer

Exhibit 3.2

OceanFirst Financial Corp.

BYLAWS

ARTICLE I - STOCKHOLDERS

Section 1. Annual Meeting.

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders.

Section 2. Special Meetings.

Subject to the rights of the holders of any class or series of Preferred Stock of the Corporation, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies on the Board of Directors (hereinafter the "Whole Board").

Section 3. Notice of Meetings.

Written notice of the place, date, and time of all meetings of the stockholders shall be given, not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date, and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. Quorum.

At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy (after giving effect to the provisions of Article FOURTH of the Corporation's Certificate of Incorporation), shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes is required, a majority of the shares of such class or classes present in person or represented by proxy (after giving effect to the provisions of Article FOURTH of the Corporation's Certificate of Incorporation) shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present in person or by proxy constituting a quorum, then except as otherwise required by law, those present in person or by proxy at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

Section 5. Organization.

Such person as the Board of Directors may have designated or, in the absence of such a person, the Chairman of the Board of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

Section 6. Conduct of Business.

(a) The chairman of any meeting of stockholders shall determine the order of business and the procedures at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

(b) At any annual meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who is entitled to vote with respect thereto and who complies with the notice procedures set forth in this Section 6(b). For business to be properly brought before an annual meeting by a stockholder, the business must relate to a proper subject matter for stockholder action and the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered or mailed to and received at the principal executive offices of the Corporation not less than ninety (90) days prior to the date of the annual meeting; provided, however, that in the event that less than one hundred (100) days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter such stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation's capital stock that are beneficially owned by such stockholder, and (iv) any material interest of such stockholder in such business. Notwithstanding anything in these Bylaws to the contrary, no business shall be brought before or conducted at an annual meeting except in accordance with the provisions of this Section 6(b). The officer of the Corporation or other person presiding over the annual meeting shall, if the facts so warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 6(b), and if he should so determine, he shall so declare to the meeting and any such business so determined to be not properly brought before the meeting shall not be transacted.

At any special meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting by or at the direction of the Board of Directors.

(c) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders at which directors are to be elected only: (i) by or at the direction of the Board of Directors, or (ii) by any stockholder of the Corporation entitled to vote for the election of Directors at the meeting who complies with the notice procedures set forth in this Section 6(c). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made by timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered or mailed to and received at the principal executive offices of the Corporation not less than ninety (90) days prior to the date of the meeting; provided, however, that in the event that less than one hundred (100) days notice or prior disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such stockholder's notice shall set forth: (i) as to each person whom such stockholder proposes to nominate for election or re-election as a director, all information relating to such person that would indicate such person's qualification under Article II, Section 1, including an affidavit that such person would not be disqualified under the provisions of Section 1(d), and such information that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), and (ii) as to the stockholder giving the notice (x) the name and address, as they appear on the Corporation's books, of such stockholder, and (y) the class and number of shares of the Corporation's capital stock that are beneficially owned by such stockholder. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 6(c). The officer of the Corporation or other person presiding at the meeting shall, if the facts so warrant, determine that a nomination was not made in accordance with such provisions and, if he or she shall so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

Section 7. Proxies and Voting.

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting. Any facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

All voting, including on the election of directors but excepting where otherwise required by law or by the governing documents of the Corporation, may be made by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his or her proxy, a stock vote shall be taken. Every stock vote shall be taken by ballot, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedures established for the meeting. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law or the Certificate of Incorporation, all other matters shall be determined by a majority of the votes cast.

Section 8. Stock List.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.
The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 9. Consent of Stockholders in Lieu of Meeting.

Subject to the rights of the holders of any class or series of Preferred Stock of the Corporation, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE II - BOARD OF DIRECTORS

Section 1. General Powers, Number and Term of Office and

Qualifications.

(a) General Powers. The business and affairs of the Corporation shall be under the direction of its Board of Directors. The Board of Directors shall annually elect a Chairman of the Board from among its members who shall, when present, preside at its meetings.

(b) Number. The number of directors who shall constitute the Whole Board shall be such number as the Board of Directors shall from time to time have designated, except that in the absence of such designation shall be nine (9).

(c) Term of Office. The directors, other than those who may be elected by the holders of any class or series of Preferred Stock, shall be divided, with respect to the time for which they severally hold office, into three classes, with the term of office of the first class to expire at the first annual meeting of stockholders, the term of office of the second class to expire at the annual meeting of stockholders one year thereafter and the term of office of the third class to expire at the annual meeting of stockholders two years thereafter, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified.

(d) Qualifications. No person shall be eligible for election or appointment to the Board of Directors: (i) if such person has, within the previous 10 years, been the subject of supervisory action by a financial regulatory agency that resulted in a cease and desist order or an agreement or other written statement subject to public disclosure under 12 U.S.C. 1818(u), or any successor provision; (ii) if such person has been convicted of a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under state or federal law; (iii) if such person is currently charged in any information, indictment, or other complaint with the commission of or participation in such a crime. No person may serve on the Board of Directors and at the same time be a director or officer of another co-operative bank, credit union, savings bank, savings and loan association, trust company, bank holding company or banking association (in each case whether chartered by a state, the federal government or any other jurisdiction) or any affiliate thereof. No person shall be eligible for election to the Board of Directors if such person is the representative or agent of a person or acting in concert (as that term is used to describe relationships involved in either presumptive or actual concerted action under 12 C.F.R. Section 574.4 (d)) with respect to the Corporation or its subsidiaries, with a person who is ineligible for election to the Board of Directors under this Subsection 1(d). No nomination of any individual who would not be qualified to be elected or appointed to or serve as a member of the Board of Directors under this Article II, Section 1(d) shall be valid, accepted or voted upon. The Board of Directors shall have the power to construe and apply the provisions of this Section 1(d) and to make all determinations necessary to implement such provisions, including but not limited to determinations as to whether any persons are a group acting in concert, as defined by this Section 1(d). The Board may request from a nominee information it deems relevant to assessing a nominee's satisfaction of the requirements of this Section 1(d).

Section 2. Vacancies and Newly Created Directorships.

Subject to the rights of the holders of any class or series of Preferred Stock, and unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the whole Board shall shorten the term of any incumbent director.

Section 3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by one-third (1/3) of the directors then in office (rounded up to the nearest whole number), by the Chairman of the Board or the President and shall be held at such place, on such date, and at such time as they, or he or she, shall fix. Notice of the place, date, and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than five (5) days before the meeting or by telegraphing or telexing or by facsimile transmission of the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5. Quorum.

At any meeting of the Board of Directors, a majority of the Whole Board shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 6. Participation in Meetings By Conference Telephone.

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 7. Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

Section 8. Powers.

The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

(1) To declare dividends from time to time in accordance with law;

(2) To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(3) To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(4) To remove any officer of the Corporation with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being;

(5) To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(6) To adopt from time to time such stock, option, stock purchase, bonus or other compensation plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine;

(7) To adopt from time to time such insurance, retirement, and other benefit plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine; and,

(8) To adopt from time to time regulations, not inconsistent with these Bylaws, for the management of the Corporation's business and affairs.

Section 9. Compensation of Directors.

Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors.

Section 10. Director Emeritus.

Any Director of this Corporation ceasing to be such Director and who has attained the age of 72 years with 15 years continuous service with the Company or any of its affiliates, or who has become incapacitated before the age of 72, may be elected by the Board of Directors as "Director Emeritus" and such persons who accept such election shall serve for life or until removed as advisers and consultants to the Board of Directors of this Corporation, and, when invited, may sit with the Board of Directors at regular meetings and discuss any questions under consideration provided, however, that such Director Emeritus shall cast no vote.

ARTICLE III - COMMITTEES

Section 1. Committees of the Board of Directors.

The Board of Directors, by a vote of a majority of the Board of Directors, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for these committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 2. Conduct of Business.

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-third (1/3) of the members shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

Section 3. Nominating Committee.

The Board of Directors shall appoint a Nominating Committee of the Board, consisting of not less than three (3) members. The Nominating Committee shall have authority: (a) to review any nominations for election to the Board of Directors made by a stockholder of the Corporation pursuant to Section 6(c)(ii) of Article I of these Bylaws in order to determine compliance with such Bylaw, and (b) to recommend to the Whole Board nominees for election to the Board of Directors to replace those directors whose terms expire at the annual meeting of stockholders next ensuing.

ARTICLE IV - OFFICERS

Section 1. Generally.

(a) The Board of Directors as soon as may be practicable after the annual meeting of stockholders shall choose a Chairman of the Board and a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary and a Treasurer and from time to time may choose such other officers as it may deem proper. The Chairman of the Board shall be chosen from among the directors. Any number of offices may be held by the same person.

(b) The term of office of all officers shall be until the next annual election of officers and until their respective successors are chosen but any officer may be removed from office at any time by the affirmative vote of a majority of the authorized number of directors then constituting the Board of Directors.

(c) All officers chosen by the Board of Directors shall have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof.

Section 2. Chairman of the Board of Directors.

The Chairman of the Board shall, subject to the provisions of these Bylaws and to the direction of the Board of Directors, unless the Board has designated another person, when present, shall preside at all meetings of the stockholders of the Corporation. The Chairman of the Board shall perform all duties and have all powers which are commonly incident to the office of the Chairman of the Board or which are delegated to him or her by the Board of Directors. He or she shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized.

Section 3. President and Chief Executive Officer.

The President and the Chief Executive Officer (the "President") shall have general responsibility for the management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the offices of President and Chief Executive Officer or which are delegated to him or her by the Board of Directors. Subject to the direction of the Board of Directors, the President and Chief Executive Officer shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision of all of the other officers (other than the Chairman of the Board), employees and agents of the Corporation.

Section 4. Vice President.

The Vice President or Vice Presidents shall perform the duties of the President in his absence or during his inability to act. In addition, the Vice Presidents shall perform the duties and exercise the powers usually incident to their respective offices and/or such other duties and powers as may be properly assigned to them by the Board of Directors, the Chairman of the Board or the President. A Vice President or Vice Presidents may be designated as Executive Vice President or Senior Vice President.

Section 5. Secretary.

The Secretary or Assistant Secretary shall issue notices of meetings, shall keep their minutes, shall have charge of the seal and the corporate books, shall perform such other duties and exercise such other powers as are usually incident to such office and/or such other duties and powers as are properly assigned thereto by the Board of Directors, the Chairman of the Board or the President. Subject to the direction of the Board of Directors, the Secretary shall have the power to sign all stock certificates.

Section 6. Treasurer.

The Treasurer shall be the Comptroller of the Corporation and shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Treasurer shall also perform such other duties as the Board of Directors may from time to time prescribe. Subject to the direction of the Board of Directors, the Treasurer shall have the power to sign all stock certificates.

Section 7. Assistant Secretaries and Other Officers.

The Board of Directors may appoint one or more assistant secretaries and such other officers who shall have such powers and shall perform such duties as are provided in these Bylaws or as may be assigned to them by the Board of Directors, the Chairman of the Board or the President.

Section 8. Action with Respect to Securities of Other Corporations.

Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V - STOCK

Section 1. Certificates of Stock.

Each stockholder shall be entitled to a certificate signed by, or in the name of the Corporation by, the Chairman of the Board or the President, and by the Secretary or an Assistant Secretary, or any Treasurer or Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

Section 2. Transfers of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where a certificate is issued in accordance with Section 4 of Article V of these Bylaws, an outstanding certificate for the number of shares involved shall be surrendered for cancellation before a new certificate is issued therefor.

Section 3. Record Date.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the next day preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment or rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5. Regulations.

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI - NOTICES

Section 1. Notices.

Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by prepaid telegram or mailgram or other courier. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by telegram or mailgram or other courier, shall be the time of the giving of the notice.

Section 2. Waivers.

A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VII - MISCELLANEOUS

Section 1. Facsimile Signatures.

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2. Corporate Seal.

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or an assistant to the Treasurer.

Section 3. Reliance Upon Books, Reports and Records.

Each Director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 4. Fiscal Year.

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 5. Time Periods.

In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE VIII - AMENDMENTS

The Board of Directors may amend, alter or repeal these Bylaws at any meeting of the Board, provided notice of the proposed change was given not less than two days prior to the meeting. The stockholders shall also have power to amend, alter or repeal these Bylaws at any meeting of stockholders provided notice of the proposed change was given in the notice of the meeting; provided, however, that, notwithstanding any other provisions of the Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the voting stock required by law, the Certificate of Incorporation, any Preferred Stock designation or these Bylaws, the affirmative votes of the holders of at least 80% of the voting power of all the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal any provisions of these Bylaws.

The above Bylaws are effective as of November 21, 1995, the date of incorporation of Ocean Financial Corp., as amended June 16, 1999 to change the corporate title from Ocean Financial Corp. to OceanFirst Financial Corp. and as amended May 17, 2000 to add director qualifications.

/s/ John K. Kelly

John K. Kelly
Corporate Secretary

May 17, 2000

Date

ARTICLE 9

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 1 2000
PERIOD END	JUN 30 2000
CASH	9,267
INT BEARING DEPOSITS	0
FED FUNDS SOLD	0
TRADING ASSETS	0
INVESTMENTS HELD FOR SALE	433,661
INVESTMENTS CARRYING	0
INVESTMENTS MARKET	0
LOANS	1,108,496
ALLOWANCE	8,701
TOTAL ASSETS	1,626,851
DEPOSITS	1,087,025
SHORT TERM	372,597
LIABILITIES OTHER	12,020
LONG TERM	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	181
OTHER SE	155,028
TOTAL LIABILITIES AND EQUITY	1,626,851
INTEREST LOAN	40,642
INTEREST INVEST	16,053
INTEREST OTHER	0
INTEREST TOTAL	56,695
INTEREST DEPOSIT	21,322
INTEREST EXPENSE	31,515
INTEREST INCOME NET	25,180
LOAN LOSSES	490
SECURITIES GAINS	0
EXPENSE OTHER	14,406
INCOME PRETAX	13,136
INCOME PRE EXTRAORDINARY	13,136
EXTRAORDINARY	0
CHANGES	0
NET INCOME	8,650
EPS BASIC	.82
EPS DILUTED	.80
YIELD ACTUAL	7.38
LOANS NON	2,988
LOANS PAST	0
LOANS TROUBLED	0
LOANS PROBLEM	0
ALLOWANCE OPEN	8,223
CHARGE OFFS	31
RECOVERIES	19
ALLOWANCE CLOSE	8,701
ALLOWANCE DOMESTIC	(1) [N]
ALLOWANCE FOREIGN	0
ALLOWANCE UNALLOCATED	(1) [N]

[1] Information not disclosed in 10 Q

End of Filing