

OCEANFIRST FINANCIAL CORP

Form FWP

October 26, 2009

NASDAQ: OCFC

1

OceanFirst Financial Corp.

OceanFirst Financial Corp.

John

John
R.
R.
Garbarino
Garbarino
-
-
Chairman,
Chairman,
President
President
&
&
CEO
CEO
Vito
Vito
R.
R.
Nardelli
Nardelli
-
-
Executive
Executive
Vice
Vice
President
President
&
&
COO
COO
Michael
Michael
J.
J.
Fitzpatrick
Fitzpatrick
-
-
Executive
Executive
Vice
Vice
President
President
&
&
CFO

CFO

Joseph

Joseph

J.

J.

Lebel,

Lebel,

III

III

-

-

First

First

Senior

Senior

Vice

Vice

President

President

&

&

CLO

CLO

INVESTOR PRESENTATION

INVESTOR PRESENTATION

\$50.0 MILLION COMMON STOCK OFFERING

\$50.0 MILLION COMMON STOCK OFFERING

OCTOBER 2009

OCTOBER 2009

Filed pursuant to Rule 433

Registration Statement No. 333-160113

October 26, 2009

NASDAQ: OCFC

2

OceanFirst Financial Corp.

OceanFirst Financial Corp.

Forward

Looking

Statements:

This presentation contains certain forward-looking statements which are based on certain assumptions and describe future plans, strategies and expectations of the Company. These forward-looking statements are generally identified by use of the words believe , expect , intend , anticipate , estimate , project , or similar expressions. The Company s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of the Company and the subsidiaries include, but are not limited to, changes in interest rates, general economic conditions, legislative/regulatory changes, monetary and fiscal policies of the U.S. Government,

including

policies

of

the

U.S.

Treasury

and

the

Board

of

Governors

of

the

Federal

Reserve

System,

the

quality or composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the Company s market area and accounting principles and guidelines. These risks and uncertainties should be considered in evaluating forward-looking statements

and

undue

reliance

should

not

be

placed

on

such

statements.

The

Company

does

not

undertake

and

specifically disclaims any obligation

to publicly release the result of any revisions which may be made to

any forward-looking statements to reflect events or circumstances after the date of such statements or to

reflect the occurrence of anticipated or unanticipated events.

Read

Registration

Statement
and

Prospectus:

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Sandler O'Neill & Partners, L.P., at (800) 635-6859

or

Stifel,
Nicolaus
&
Company,
Incorporated
at
(888)
231-7226.

NASDAQ: OCFC

3

Offering Summary

Offering Summary

Sandler O'Neill + Partners, L.P.

Stifel, Nicolaus

& Company, Incorporated

Joint Book-Running Managers

Issuer

OceanFirst
Financial Corp.

Offering

Follow-on Common Stock

Gross Proceeds

\$50 million

Over-allotment

15%

Exchange / Symbol

NASDAQ Global Select Market / OCFC

Market Capitalization¹

\$150 million

Use of Proceeds

General corporate purposes; potential TARP
repayment

Co-Managers

Keefe, Bruyette

& Woods, Inc.

Sterne, Agee & Leach, Inc.

1

Based on market close on October 23, 2009

NASDAQ: OCFC

4

Established in 1902 as a state-chartered building and loan association

Our History

Our History

Converts to a federal savings and loan association in 1945

Becomes a federally-chartered mutual savings bank in 1989

Converts to public company from a mutual structure on July 2, 1996 with
an issuance of 27.2 million¹

shares to the Bank's eligible depositors,

our

Employee

Stock

Ownership

Plan,

and

the

OceanFirst

Foundation

Announces Central Jersey Bancorp's merger with

OceanFirst

Financial Corp. on May 27, 2009

¹

Split adjusted

NASDAQ: OCFC
5
Senior Management
Senior Management
Insiders own 35.6% of OceanFirst
Financial Corp.
OceanFirst

Bank ESOP 15.7%

OceanFirst

Foundation 11.3%

Directors & Senior Executive Officers 8.6%

1

Subject to the closing of the Central Jersey Bancorp transaction

of

of

Years

Years in

Name

Position

at OCFC

Banking

Professional Experience

John R. Garbarino

Chairman, CEO, & President

38

38

John R. Garbarino has served as Chairman, President and Chief Executive Officer of OceanFirst Financial Corp. since 1995. He has served in various capacities for OceanFirst Bank since 1971 and has been a member of the Bank's senior management since 1979. In 1985, he was elected President and Chief Executive Officer of the Bank. He has been a member of the Bank's Board of Directors since 1984 and was appointed Chairman of the Board in 1989.

Vito R. Nardelli

Chief Operating Officer & Executive Vice President

5

35

Vito R. Nardelli has been Executive Vice President, Chief Operating Officer of OceanFirst Bank since September 2005. He has been employed with the Bank since June 1, 2004. Prior to that, he had an extensive career of over 30 years in community banking in New Jersey and also prior experience with First Union Financial Corp., Chase Manhattan Bank, and Marine Midland Bank. He has also served as Director of Retail Banking for The Trust Company of New Jersey and, until 2003, as Division President of the Dime Savings Bank of New Jersey.

Michael J. Fitzpatrick

Chief Financial Officer & Executive Vice President

17

17

Michael J. Fitzpatrick has been Executive Vice President and Chief Financial Officer of OceanFirst Financial Corp. since 1995. He has also been Executive Vice President and Chief Financial Officer of OceanFirst Bank since 1992, when he joined the firm. Prior to that, he was with KPMG for 11 years.

Joseph J. Lebel, III

Chief Lending Officer & First Senior Vice President

3

25

Joseph J. Lebel III has been First Senior Vice President, Chief Lending Officer of the Bank since May 2007. Prior to that, he was Senior Vice President of the Bank since he joined the

Bank in April 2006. Before then, he was employed with Wachovia Bank N.A. for approximately 22 years, most recently as Senior Vice President.

James S. Vaccaro

Executive Vice President¹

-

25

James S. Vaccaro has served as the President and Chief Executive Officer and a member of the Board of Directors of Central Jersey Bancorp since January 2005. He has also served as CEO of Central Jersey Bank, N.A. since April 2000. Prior to that, he was CFO of the original Central Jersey Bank & Trust Co. and a Manager of the Asset Services Division of Citibank, N.A.

NASDAQ: OCFC

6

Fundamental Franchise and Shareholder Value

Investment Merits

Investment Merits

Superior Market Demographics

Strong Credit Metrics

Strong Commercial Banking Platform with Solid Core Deposits
Significant Market Opportunities
Proven Business Model
Attractive Valuation

NASDAQ: OCFC

7

OCFC

OCFC

CJBK Transaction Summary

CJBK Transaction Summary

Exchange Ratio

Fixed at 0.500 OCFC shares for each CJBK share

Transaction Value¹

\$68.4 million, or \$7.12 per share

Estimated Cost Saves

37.5% of CJBK's

operating expenses

Board Representation

Two board seats to CJBK -

total of 10 directors

Expected Closing

Fourth quarter 2009

Pre-tax loan mark-to-market credit adjustment -

\$16.7 million

\$8.7 million in current CJBK reserves

Additional \$8.0 million fair value credit adjustment

¹

Based on market close on May 26, 2009

NASDAQ: OCFC

8

Pro-Forma Financials

Pro-Forma Financials

1

Includes acquisition accounting adjustments

2

Capital raise estimates are net of underwriting spread and estimated fixed expenses

Data as of September 30, 2009

Source: Company Management

Dollars in thousands

September 30, 2009

Pro Forma

Capital

Pro Forma

OCFC

CJBK

w/ CJBK¹

Raise²

w/ Capital Raise

Balance Sheet

Assets:

\$1,873,003

\$577,673

\$2,458,934

\$46,900

\$2,505,834

Net Loans:

1,622,531

371,529

1,987,331

1,987,331

Deposits:

1,357,909

459,827

1,819,507

1,819,507

Common Equity:

128,827

46,556

179,985

46,900

226,885

Capital

TCE Ratio:

6.88%

7.72%

8.38%

Total Risk-Based Ratio:

14.44

14.23

13.67

Asset Quality

NPAs/Assets:

1.32%

3.65%

1.83%

NPLs/Loans:

1.44

5.55

2.21

Reserves/NPLs:

58.2

41.1

50.1

Reserves/Loans:

0.83

2.28

1.11

Pro Forma OceanFirst
will be well-capitalized

NASDAQ: OCFC

9

Pro-Forma Branch Map

Pro-Forma Branch Map

OCFC

CJBK

Source: SNL Financial

NASDAQ: OCFC

10

OCFC

OCFC

CJBK Transaction Highlights

CJBK Transaction Highlights

Natural expansion of OceanFirst's

presence along coastal area of New Jersey in adjacent, affluent market Central Jersey footprint is one that OceanFirst would seek to replicate Positions pro-forma company as 7 th largest publicly traded banking institution headquartered in New Jersey and enhances the Company's community bank franchise Accretive to OCFC's 2010 operating earnings per share Internal rate of return meets the Company's objectives Diversifies loan portfolio Improves funding mix with reduced reliance on wholesale funding Low integration risk Opportunities for additional earnings accretion not factored into current transaction modeling

NASDAQ: OCFC
11
Deposit Market Share
Deposit Market Share
Source: SNL Financial
June 30, 2009
of

Dep. in Mkt.

Mkt. Shr.

Dep. in Mkt.

Mkt. Shr.

Rank

Institution (ST)

Branches

(\$000)

(%)

(\$000)

(%)

Ocean, NJ

1

Hudson City Bancorp Inc. (NJ)

13

2,375,136

18.71

1,938,596

16.54

2

Wells Fargo & Co. (CA)

28

2,099,640

16.54

2,270,568

19.37

3

Toronto-Dominion Bank

20

1,760,300

13.87

1,741,299

14.86

4

Banco

Santander S.A.

25

1,485,578

11.70

1,404,152

11.98

5

Bank of America Corp. (NC)

24

1,293,891

10.19

1,007,417

8.60

Pro Forma

19

1,196,730
9.42
-
-
6
OceanFirst
Financial Corp. (NJ)
18
1,179,785
9.29
1,146,744
9.78
7
Investors Bancorp Inc. (MHC) (NJ)
9
602,140
4.74
549,695
4.69
8
PNC Financial Services Group (PA)
12
463,303
3.65
420,931
3.59
9
Sun Bancorp Inc. (NJ)
6
228,140
1.80
223,633
1.91
10
Shore Community Bank (NJ)
6
190,051
1.50
176,034
1.50
22
Central Jersey Bancorp (NJ)
1
16,945
0.13
16,876
0.14
Total For Institutions In Market
195
12,693,674

11,719,863
Monmouth, NJ
1
Wells Fargo & Co. (CA)
33
2,686,793
15.85
2,702,389
18.31
2
Bank of America Corp. (NC)
34
2,060,243
12.16
1,431,533
9.70
3
Banco
Santander S.A.
28
2,003,325
11.82
1,906,995
12.92
4
Toronto-Dominion Bank
17
1,651,489
9.74
1,614,233
10.94
5
Investors Bancorp Inc. (MHC) (NJ)
10
1,621,553
9.57
1,114,955
7.55
6
Hudson City Bancorp Inc. (NJ)
6
1,472,376
8.69
1,144,465
7.75
7
PNC Financial Services Group (PA)
22
1,204,067
7.10

1,126,517
7.63
8
JPMorgan Chase & Co. (NY)
20
636,649
3.76
533,190
3.61
Pro Forma
16
573,789
3.38
-
-
9
Provident Financial Services (NJ)
10
429,914
2.54
367,252
2.49
10
Central Jersey Bancorp (NJ)
12
427,781
2.52
389,287
2.64
18
OceanFirst
Financial Corp. (NJ)
4
146,008
0.86
141,176
0.96
Total For Institutions In Market
277
16,948,042
14,757,999
June 30, 2008

NASDAQ: OCFC
12
Market Demographics
Market Demographics
3.3
3.3
34,501

34,501

5.4

5.4

79,468

79,468

2.2

2.2

795,633

795,633

0.3

0.3

34

34

2.9

2.9

Middlesex

Middlesex

4.9

4.9

40,189

40,189

5.9

5.9

83,164

83,164

1.8

1.8

646,088

646,088

3.4

3.4

9

9

31.5

31.5

Monmouth

Monmouth

4.5

4.5

4.2

4.2

2.3

2.3

Projected 2009-2014 Per

Capita Income Growth (%)

4.1

4.1

5.6

5.6

11.6

11.6
Projected 2009-2014 Median
Household Income Growth
(%)

4.6

4.6

1.7

1.7

4.9

4.9

Projected 2009-2014
Population Growth (%)

27,277

27,277

34,433

34,433

29,404

29,404

Per Capita Income (\$)

54,719

54,719

281,421,906

281,421,906

National

National

72,809

72,809

8,834,947

8,834,947

New Jersey

New Jersey

60,787

60,787

Median Household Income (\$)

575,822

575,822

Population

9.4

9.4

Market Share (%)¹

6

6

Market

Rank¹

65.6

65.6

Ocean

Ocean

1

Pro forma for Central Jersey acquisition

Data as of June 30, 2009

Source: SNL Financial

%

of

OceanFirst

Deposits¹

NASDAQ: OCFC
13
Loan Composition
Loan Composition
Cons. &
Other
17.4%

1-4 Family

0.7%

C&I

11.0%

Constr.

4.4%

CRE &

Multifam.

66.5%

Cons. &

Other

13.2%

1-4 Family

59.5%

C&I

4.2%

Constr.

0.6%

CRE &

Multifam.

22.5%

Cons. &

Other

14.0%

1-4 Family

48.4%

C&I

5.5%

Constr.

1.3%

CRE &

Multifam.

30.8%

Dollars in thousands

OceanFirst Financial Corp.

Central Jersey Bancorp

Pro Forma

1-4 Family

\$974,117

59.5%

1-4 Family

\$2,625

0.7%

1-4 Family

\$976,742

48.4%

CRE & Multifamily

\$368,063

22.5%

CRE & Multifamily

\$252,696
 66.5%
 CRE & Multifamily
 \$620,759
 30.8%
 Construction
 \$10,696
 0.6%
 Construction
 \$16,681
 4.4%
 Construction
 \$27,377
 1.3%
 C&I
 \$68,617
 4.2%
 C&I
 \$41,599
 11.0%
 C&I
 \$110,216
 5.5%
 Consumer & Other¹
 \$217,050
 13.2%
 Consumer & Other¹
 \$66,115
 17.4%
 Consumer & Other¹
 \$283,165
 14.0%
 TOTAL
 \$1,638,543
 100.0%
 TOTAL²
 \$379,716
 100.0%
 TOTAL
 \$2,018,259
 100.0%
 MRQ Yield on Loans
 5.53%
 MRQ Yield on Loans
 5.54%
 MRQ Yield on Loans
 5.53%

¹
 Mostly home equity lines and loans
²

Total excludes origination revenue

Data as of September 30, 2009

Source: Company Management

NASDAQ: OCFC

14

Deposit Composition

Deposit Composition

1

Jumbo CDs have an account balance of \$100,000 or greater

Data as of September 30, 2009

Source: Company Management

Non-Interest

Bearing

8.2%

Jumbo CDs¹

5.0%

Retail CDs

18.8%

Money

Market, Now

& Savings

68.0%

Non-Interest

Bearing

17.7%

Jumbo CDs¹

20.6%

Retail CDs

15.9%

Money

Market, Now

& Savings

45.8%

Non-Interest

Bearing

10.6%

Jumbo CDs¹

8.9%

Retail CDs

18.1%

Money

Market, Now

& Savings

62.4%

Dollars in thousands

OceanFirst Financial Corp.

Central Jersey Bancorp

Pro Forma

Non-Interest Bearing

\$111,257

8.2%

Non-Interest Bearing

\$81,223

17.7%

Non-Interest Bearing

\$192,480

10.6%

Money Market, Now & Savings

\$923,942

68.0%

Money Market, Now & Savings

\$210,671

45.8%

Money Market, Now & Savings

\$1,134,613

62.4%

Retail CDs

\$255,082

18.8%

Retail CDs

\$73,138

15.9%

Retail CDs

\$328,220

18.1%

Jumbo CDs¹

\$67,628

5.0%

Jumbo CDs¹

\$94,795

20.6%

Jumbo CDs¹

\$162,423

8.9%

TOTAL

\$1,357,909

100.0%

TOTAL

\$459,827

100.0%

TOTAL

\$1,817,736

100.0%

MRQ Cost of Int. Bearing Dep.

1.35%

MRQ Cost of Int. Bearing Dep.

1.79%

MRQ Cost of Int. Bearing Dep.

1.45%

NASDAQ: OCFC

15

Historical Deposit Composition

Historical Deposit Composition

Dollars in thousands
 December 31,
 % of
 % of Total
 % of Total
 September 30,
 Total
 2007
 Deposits
 2008
 Deposits
 2009
 Deposits
 OCFC
 Non-Interest Bearing
 \$103,656
 8.1%
 \$97,278
 7.7%
 \$111,257
 8.2%
 MMDA, NOW & Savings
 726,048
 56.5%
 809,486
 63.5%
 923,942
 68.0%
 Retail CDs
 355,572
 27.7%
 291,760
 22.9%
 255,082
 18.8%
 Jumbo CDs
 98,514
 7.7%
 75,608
 5.9%
 67,628
 5.0%
 Core Deposits¹
 829,704
 64.6%
 906,764
 71.2%
 1,035,199
 76.2%
 Total Deposits

\$1,283,790

\$1,274,132

\$1,357,909

CJBK

Non-Interest Bearing

\$73,955

18.3%

\$75,947

18.1%

\$81,223

17.7%

MMDA, NOW & Savings

187,354

46.5%

190,475

45.5%

210,671

45.8%

Retail CDs

80,587

20.0%

78,949

18.9%

73,138

15.9%

Jumbo CDs

61,394

15.2%

73,444

17.5%

94,795

20.6%

Core Deposits¹

261,309

64.8%

266,422

63.6%

291,894

63.5%

Total Deposits

\$403,290

\$418,815

\$459,827

1

Core deposits defined as total deposits less all time deposits

Source: Company Management

NASDAQ: OCFC
16
Asset Quality Metrics
Asset Quality Metrics
OceanFirst Financial Corporation
December 31,
Nine Months Ended

2006
 2007
 2008
 September 30, 2009
 Total NCOs / Total Average Loans (%)¹
 0.02
 0.03
 0.03
 0.12
 Total Net Chargeoffs / (Recoveries) (\$000)
 372
 470
 578
 1,485
 NPLs / Loans (%)
 0.25
 0.52
 0.97
 1.44
 NPAs / Assets (%)
 0.23
 0.48
 0.92
 1.32
 Reserves / NPLs (%)
 226.3
 119.8
 72.7
 58.2
 Central Jersey Bancorp
 December 31,
 Nine Months Ended
 2006
 2007
 2008
 September 30, 2009
 Total NCOs / Total Average Loans (%)¹
 0.14
 0.00
 0.00
 0.15
 Total Net Chargeoffs / (Recoveries) (\$000)
 446
 (14)
 (14)
 573
 NPLs / Loans (%)
 0.03
 0.07
 0.75

5.55
NPAs / Assets (%)
0.02
0.04
0.45
3.65
Reserves / NPLs (%)
3,548.4
1,592.5
176.3
41.1
1

September 30, 2009 data annualized
Source: Company Management

NASDAQ: OCFC

17

0.0%

2.0%

4.0%

6.0%

8.0%

10.0%

12.0%

14.0%

2006

2007

2008

MRQ

3/31/09

MRQ

3/31/09

MRQ

9/30/09

OCFC

CJBK²

Profitability Ratios

Profitability Ratios

1

Central Jersey Non-Interest Income / Average Assets data for 2007 not meaningful

2

Central Jersey ROAA & ROAE data for the quarter ended June 30, 2009 not meaningful given goodwill write-off

Source: Company Management

0.0%

0.2%

0.4%

0.6%

0.8%

1.0%

1.2%

2006

2007

2008

MRQ

3/31/09

MRQ

6/30/09

MRQ

9/30/09

OCFC

CJBK²

2.5%

2.7%

2.9%

3.1%

3.3%

3.5%

3.7%

3.9%

2006

2007

2008

MRQ
3/31/09
MRQ
6/30/09
MRQ
9/30/09
OCFC
CJBK
ROAA
ROAE

Net Interest Margin

Non-Interest Income / Average Assets

0.0%
0.2%
0.4%
0.6%
0.8%
1.0%
1.2%
1.4%
1.6%

2006
2007
2008

MRQ
3/31/09
MRQ
6/30/09
MRQ
9/30/09
OCFC
CJBK¹

NASDAQ: OCFC

18

Attractive Valuation Metrics

Attractive Valuation Metrics

OCFC

Pro Forma

w/ CJBK

Peers¹

\$150mm

10.1x

8.9x

116%

116%

\$207mm

NA

NM

128%

115%

Valuation

Price / Book Value

108%

Price / Tang. Book Value

147%

Price / LQA EPS

14.5x

Price / Estimated EPS

14.9x

Market Capitalization

\$164mm

1

Peers include: ALNC, CNBC, DCOM, FFIC, HUVL, LBAI, PBNY, PGC, SMTB, STBC, STL, SUBK, and TRST

Note: Financial data for the period ended September 30, 2009; Incorporates \$12.06 share price as of October 23, 2009

Source: Company Management

NASDAQ: OCFC

19

Why OCFC ?

Why OCFC ?

Fundamental franchise value

Experienced

management

team

experience

in

difficult

credit

cycles

Attractive branch footprint with strong core deposit base

Growth opportunities in attractive markets

Conservative credit culture and profile

Positioned for value creation

Proven business model

Strong commercial banking platform

Attractive Valuation

NASDAQ: OCFC

20

OceanFirst Financial Corp.

OceanFirst Financial Corp.

INVESTOR PRESENTATION

INVESTOR PRESENTATION

\$50.0 MILLION COMMON STOCK OFFERING

\$50.0 MILLION COMMON STOCK OFFERING

OCTOBER 2009

OCTOBER 2009