

OCEANFIRST FINANCIAL CORP  
Form 11-K  
June 24, 2011

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED). For the fiscal year ended December 31, 2010.  
OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-11713

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

### Retirement Plan for OceanFirst Bank

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

OceanFirst Financial Corp.

975 Hooper Avenue,

Toms River, New Jersey 08753

**REQUIRED INFORMATION**

**Items 1-3.** The Retirement Plan for OceanFirst Bank (the Plan ) is subject to the Employee Retirement Income Security Act of 1974, as amended ( ERISA ) and files plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA. The plan intends to file such financial statements and schedules in lieu of the financial statements required by these items as permitted by Item 4.

**Item 4.** The Retirement Plan for OceanFirst Bank, which is subject to ERISA, files plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA.

**Financial Statements.** Listed below are all financial statements and schedules filed as a part of the annual report:

- (a) Audited Statements of Net Assets Available for Plan Benefits as of December 31, 2010 and December 31, 2009 and the related Statements of Changes in Net Assets Available for Plan Benefits for the years then ended and the Schedule H, Line 4 (i) - Schedule of Assets (Held at End of Year).

**Exhibits**

The following exhibits are filed as part of this report.

23.1 Consent of KPMG LLP

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Financial Statements and Schedule**

**December 31, 2010 and 2009**

**(With Report of Independent Registered Public Accounting Firm Thereon)**

Report of Independent Registered Public Accounting Firm

The Board of Directors

Retirement Plan for OceanFirst Bank:

We have audited the accompanying statements of net assets available for plan benefits of the Retirement Plan for OceanFirst Bank (the Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Retirement Plan for OceanFirst Bank as of December 31, 2010 and 2009, and the changes in its net assets available for plan benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4 (i) Schedule of Assets (Held at End of Year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

/s/ KPMG LLP  
New York, New York

June 24, 2011

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Statements of Net Assets**

**Available for Plan Benefits**

**December 31, 2010 and 2009**

|  | <b>2010</b>   | <b>2009</b> |
|--|---------------|-------------|
| Assets:                                      |               |             |
| Investments (Notes 1, 2, 6 and 7):           |               |             |
| Guaranteed Interest Contract Fund            | \$ 1,158,504  | 1,391,269   |
| Insurance Company Pooled Separate Accounts   | 3,563,643     | 2,887,955   |
| Collective Trust Funds                       | 472,452       | 259,297     |
| Mutual Funds                                 | 6,481,121     | 5,450,842   |
| OceanFirst Financial Corp. Common Stock Fund | 3,362,903     | 3,043,394   |
| Total investments at fair value              | 15,038,623    | 13,032,757  |
| Notes receivable from participants (Note 2)  | 444,946       | 266,747     |
| Accrued interest receivable                  | 257           |             |
| Net assets available for plan benefits       | \$ 15,483,826 | 13,299,504  |

See accompanying notes to financial statements.

**RETIREMENT PLAN FOR****OCEANFIRST BANK****Statements of Changes in Net Assets****Available for Plan Benefits****Years Ended December 31, 2010 and 2009**

|  | <b>2010</b>          | <b>2009</b>       |
|--|----------------------|-------------------|
| Additions to net assets attributed to:                       |                      |                   |
| Investment income (Note 6):                                  |                      |                   |
| Net appreciation in fair value of investments                | \$ 1,503,952         | 354,934           |
| Interest and dividends                                       | 140,976              | 116,926           |
| <b>Total investment income, net</b>                          | <b>1,644,928</b>     | <b>471,860</b>    |
| Interest income on notes receivable                          | 15,383               | 13,144            |
| Contributions:   |                      |                   |
| Employer contributions                                       | 540,576              | 486,558           |
| Employee contributions                                       | 1,298,956            | 1,182,382         |
| Employee rollover contributions                              | 32,124               | 95,597            |
| <b>Total contributions</b>                                   | <b>1,871,656</b>     | <b>1,764,537</b>  |
| Total additions to net assets                                | 3,531,967            | 2,249,541         |
| Deductions from net assets attributed to:                    |                      |                   |
| Benefits to participants                                     | 1,460,072            | 370,475           |
| Expenses   | 3,075                | 1,799             |
| Net increase before transfers                                | 2,068,820            | 1,877,267         |
| Transfers  | 115,502              | 7,982             |
| Net assets available for plan benefits at beginning of year  | 13,299,504           | 11,414,255        |
| <b>Net assets available for plan benefits at end of year</b> | <b>\$ 15,483,826</b> | <b>13,299,504</b> |

See accompanying notes to financial statements.

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements**

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements of the Retirement Plan for OceanFirst Bank (the Plan) for employees of OceanFirst Bank (OceanFirst) have been prepared on an accrual basis and present the net assets available for plan benefits and changes in those net assets.

(b) Investments

Under the terms of an agreement with Diversified Investment Advisors (Diversified), a subsidiary of AUSA Life Insurance Company (AUSA), and OceanFirst, Diversified, the Plan's trustee, maintains separate pooled accounts into which certain of the contributions made by OceanFirst on behalf of its employees and contributions made by OceanFirst employees are invested. Other contributions may be made directly to various mutual funds or to collective trusts managed by State Street Bank and Trust Company as Trustee. Additionally, OceanFirst has appointed State Street Bank and Trust Company as custodian for the OceanFirst Financial Corp. common stock fund. Investments are stated at fair value. Interest income is recognized in the period earned. Dividend income is recorded on the ex-dividend date. Purchases and sales are recorded on a trade date basis.

Under the terms of the agreement with Diversified, contributions are also invested in AUSA's Guaranteed Interest Contract Fund (GIC Fund). The GIC Fund is stated at fair value. The contract value of the GIC Fund represents contributions made to the GIC Fund plus interest based on the contract rate, less distributions from and administrative expenses of the contract. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based upon a formula agreed upon with the issuer and reset annually. The crediting interest rate for the years ended December 31, 2010 and 2009 was 2.50% and 3.25%, respectively.

(c) Risks and Uncertainties

The assets of the Plan are primarily financial instruments which are monetary in nature. As a result, interest rates have a more significant impact on the Plan's performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or in the same magnitude as the prices of goods and services as measured by the consumer price index. Investments in funds are subject to risk conditions of the individual mutual fund objectives, stock market, interest rates, economic conditions, and world affairs. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits.

The Plan's investments may directly or indirectly include securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, real estate values and delinquencies and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(e) Party-in-Interest Transactions

Certain Plan investments are managed by Transamerica Financial Life Insurance Co., an affiliate of Diversified and State Street Bank and Trust. Diversified is the trustee as defined by the Plan and State Street Bank and Trust is the custodian for the OceanFirst Financial Corp. common stock fund and, therefore, these transactions qualify as party-in-interest transactions.

(f) Impact of New Accounting Pronouncements

Accounting Standards Update No. 2010-06 under ASC 820 requires new disclosures and clarifies certain existing disclosure requirements about fair value measurements. Specifically, the update requires an entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for such transfers. A reporting entity is required to present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using Level 3 inputs. In addition, the update clarifies the following requirements of the existing disclosure: (i) for the purposes of reporting fair value measurement for each class of assets and liabilities, a reporting entity needs to use judgment in determining the appropriate classes of assets; and (ii) a reporting entity is required to include disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring fair value measurements. The amendments are effective for interim and annual reporting periods beginning after December 15, 2009, except for the separate disclosures of purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The new guidance did not have, and is not expected to have, a significant impact on the financial statements.

In September 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-25, *Plan Accounting - Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined contribution Pension Plans*, a consensus of the FASB Emerging Issues Task Force (Update). This Update requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The amendments in the Update are to be applied retrospectively to all prior periods presented, effective for fiscal years ending after December 15, 2010. The Plan has reclassified participant loans from investments to notes receivable from participants for financial statement presentation. The Form 5500 will continue to present notes receivable from participants as an investment.



**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

(2) Description of Plan

(a) General

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The Plan is a defined contribution plan which became effective on September 1, 1988. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Eligibility

Substantially all employees of OceanFirst who have attained the age of 21 and have completed 1,000 hours of service in the 12-month period following the employee's employment date may join the Plan after completing six months of service, as defined.

(c) Employee Contribution

Participants may contribute from 1% to 15% of earnings (as defined), subject to legal limitations. A participant may direct their contributions among the funds in any manner they desire, provided that all directed allocations be in whole percentages.

(d) Employer Contributions

The Bank provides a matching contribution to participants equal to 100% of the first 1% of contributed earnings and 50% on the next 5% of contributed earnings.

(e) Vesting

The employer matching contribution is fully vested after 2 years of service. Participant's contributions are fully vested at all times.

(f) Forfeitures

Forfeitures of employer matching contributions may be used to offset future employer contributions.

(g) Notes Receivable from Participants

Participants may borrow up to 50% of the value of their vested interest in the Plan, subject to certain limitations defined in the Plan. Loans must be repaid with interest over a term not to exceed five years, except for a loan for a principal residence which may be repaid over a longer period of time, as established by the Plan.

(h) Benefit Payments/Withdrawal

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Participants are entitled to receive their vested account balance in a lump sum upon separation from service for any reason, including disability and death. The benefit to which a participant is entitled is the vested benefit that can be provided from a participant's account.

Participants are entitled to withdraw any vested amount from their account upon request at which time the withdrawal is recorded. Withdrawal of pretax contributions is subject to

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

written approval from the plan administrator and the purpose of the withdrawal must be for financial hardship.

(i) Participant Accounts

A participant's account is credited with their employee contributions and employer contributions, plus any accumulated investment earnings or losses on those contributions.

(j) Excess Contributions

Excess contributions above plan limits are refunded to participants. There were no excess contributions refunded for the years ended December 31, 2010 and 2009.

(k) Investments

Under the terms of the insurance contract between Diversified and OceanFirst, Diversified is authorized to execute and enter into any and all agreements for the purpose of effecting the Plan. All monies contributed to the Plan are invested in either the Guaranteed Interest Contract Fund, OceanFirst Financial Corp. Common Stock Fund, pooled separate accounts, a collective trust or mutual funds in accordance with employee investment elections. The pooled separate accounts, collective trust and mutual funds available for investments include:

| <b>Fund name</b>   | <b>Style</b>                   | <b>Brief description</b>  |
|--|--------------------------------|---|
| Transamerica Financial Life Ins. Co.<br>Money Market                   | Money Market                   | Seeks liquidity and as high a level of income as is consistent with the preservation of capital. Invests primarily in high quality, short-term money market instruments.  |
| Transamerica Financial Life Ins. Co.<br>Inflation-Protected Securities | Inflation-Protected Securities | Seeks maximum total return, consistent with preservation of capital and prudent investment management. Invests primarily in inflation-protected securities issued by the U.S. government, its agencies and instrumentalities. |

## RETIREMENT PLAN FOR

## OCEANFIRST BANK

## Notes to Financial Statements, continued

|  |                        |   |
|--|------------------------|---|
| Transamerica Financial Life Ins. Co.<br>Government Fixed Bond                      | Intermediate Term Bond | Invests in obligations issued, insured or guaranteed by the U.S. government or national mortgage agencies, including GNMA, FHLMC and FNMA certificates and U.S. Treasury issues.  |
| Transamerica Financial Life Ins. Co.<br>Short Horizon Asset Allocation             | Asset Allocation       | Seeks a high level of income and preservation of capital with a primary emphasis on fixed income funds with limited exposure to equity funds.   |
| Transamerica Financial Life Ins. Co.<br>Intermediate Horizon Asset Allocation      | Asset Allocation       | Seeks long-term returns from a combination of investment income and capital appreciation. The portfolio will invest in a combination of both fixed income and equity funds, maintaining approximately equal exposure to both asset classes. |
| Transamerica Financial Life Ins. Co.<br>Intermediate/Long Horizon Asset Allocation | Asset Allocation       | Seeks long-term returns from a combination of investment income and capital appreciation. The portfolio will invest in a combination of equity and fixed income funds, with the greater emphasis on equity funds.                           |
| State Street Global Advisors Dow Jones<br>Target 2015                              | Target Date            | Seeks to provide capital appreciation by matching as closely as possible, before expenses, the return of the Dow Jones Target 2015 Index.   |
| State Street Global Advisors Dow Jones<br>Target 2025                              | Target Date            | Seeks to provide capital appreciation by matching as closely as possible, before expenses, the return of the Dow Jones Target 2025 Index.   |

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

|  |                     |  |
|--|---------------------|--|
| State Street Global Advisors Dow Jones Target 2035 | Target Date         | Seeks to provide capital appreciation by matching as closely as possible, before expenses, the return of the Dow Jones Target 2035 Index.  |
| State Street Global Advisors Dow Jones Target 2045 | Target Date         | Seeks to provide capital appreciation by matching as closely as possible, before expenses, the return of the Dow Jones Target 2045 Index.  |
| American Funds Growth                              | Large Growth        | Seeks capital growth by investing primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital.                         |
| Aston/Optimum Mid Cap                              | Mid Cap Blend       | Seeks long-term total return through capital appreciation. Normally invests at least 80% of assets in mid-cap stocks of companies with an improving revenue and earnings growth outlook. |
| BlackRock Equity Dividend                          | Large Value         | Seeks long-term total return and current income. Invests primarily in a portfolio of equity securities.  |
| Davis NY Venture                                   | Large Blend         | Seeks long-term growth of capital. Invests the majority of the assets in equity securities issued by large companies with market capitalizations of at least \$10 billion.               |
| GE Institutional International Equity              | Foreign Large Blend | Seeks long-term growth of capital. Invests primarily in companies in developed and developing countries outside the United States.   |

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

|                                      |                        |  |
|--------------------------------------|------------------------|--|
| PIMCO Total Return                   | Intermediate Term Bond | Seeks maximum total return, consistent with preservation of capital and prudent investment management. Invests primarily in investment grade debt securities, but may invest up to 10% of total assets in high yield securities. |
| Royce Pennsylvania Mutual            | Small Blend            | Seeks long-term growth of capital. Normally invests at least 65% of assets in the equities of small and micro-cap companies.   |
| Transamerica Partners<br>Stock Index | Large Blend            | Seeks its objective by investing in the stocks comprising the Standard & Poor's 500 Stock Index. The Fund invests approximately the same percentage of its assets in each stock as the stock represents in the S&P 500 Index.    |

The following pooled separate accounts were available for investment from January 1, 2009 through March 16, 2009 at which time balances were transferred to one of the investments noted above.

| <b>Fund name</b>            | <b>Style</b>           | <b>Brief description</b>  |
|-----------------------------|------------------------|---|
| Diversified Core Bond       | Intermediate Term Bond | Invests in U.S. government securities, mortgage-backed securities and investment grade corporate bonds. |
| Diversified High Yield Bond | High Yield Bond        | Invests in lower rated, high yield corporate debt securities.   |
| Diversified Large Value     | Large Value            | Invests in high yielding common stocks.   |
| Diversified Large Core      | Large Growth           | Invests in common stocks, convertibles, rights and warrants.  |

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

|                                  |                     |   |
|----------------------------------|---------------------|---|
| Diversified Small Core           | Small Growth        | Invests in common stocks of small to medium size growth oriented companies.         |
| Diversified Growth               | Large Growth        | Invests in medium to large capitalization stocks with accelerating earnings growth. |
| Diversified International Equity | Foreign Large Blend | Invests in stock markets of major U.S. trading partners.                            |

(3) Plan Termination

OceanFirst expects to continue the Plan indefinitely, but reserves the right to amend or terminate the Plan at any time. In the event of dissolution of the Plan, the accounts shall be revalued as if the termination date were a valuation date, and the participant account balances shall be distributed.

(4) Federal Income Taxes

The Plan received a favorable tax determination letter from the Internal Revenue Service dated May 21, 2003 indicating that the Plan qualifies under the provisions of Section 401 of the Internal Revenue Code and the related trust is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken or expected to be taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the Internal Revenue Service; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

(5) Plan Expenses

Costs of all services rendered on behalf of the Plan are paid by OceanFirst except for participant transaction changes which are paid by the participant. Additionally, OceanFirst provides, without charge, personnel and office facilities for the administration of the Plan. Expenses incurred by the funds, including investment management fees paid to the advisor of those funds, are reflected in the net asset value of the funds and included in net appreciation in fair value of investments.

**RETIREMENT PLAN FOR****OCEANFIRST BANK****Notes to Financial Statements, continued****(6) Investments**

The following is a summary of individual investments, at fair value, that represent 5% or more of net assets available for plan benefits at December 31, 2010 and 2009:

|  | <b>December 31,</b> |             |
|--|---------------------|-------------|
|  | <b>2010</b>         | <b>2009</b> |
| OceanFirst Financial Corp. Common Stock Fund | \$ 3,362,903        | 3,043,394   |
| Black Rock Equity Dividend Fund              | 1,684,745           | 1,455,964   |
| Intermediate Horizon Asset Allocation Fund   | 1,386,632           | 918,884     |
| Royce Pennsylvania Mutual Fund               | 1,214,860           | 1,039,182   |
| Davis NY Venture Fund                        | 1,169,664           | 1,072,413   |
| Guaranteed Interest Contract Fund            | 1,158,504           | 1,391,269   |
| PIMCO Total Return Fund                      | 891,520             |             |

For the years ended December 31, 2010 and 2009, the Plan's investments, including realized gains (losses) on investments, as well as held during the period, appreciated (depreciated) in value as follows:

|  | <b>December 31,</b> |                |
|--|---------------------|----------------|
|  | <b>2010</b>         | <b>2,009</b>   |
| Insurance Company Pooled Separate Accounts   | \$ 265,536          | (211,323)      |
| Collective Trust Funds                       | 37,886              | 40,615         |
| Mutual Funds                                 | 629,993             | 1,535,092      |
| OceanFirst Financial Corp. Common Stock Fund | 570,537             | (1,009,450)    |
|  | <b>\$ 1,503,952</b> | <b>354,934</b> |

**(7) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair market measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or the most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.



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**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

The use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach are required. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement costs). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, a fair value hierarchy for valuation inputs gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

**Level 1 Inputs** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

**Level 2 Inputs** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example, interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlations or other means.

**Level 3 Inputs** Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

In general, fair value is based upon quoted prices, where available. If such quoted prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. While management believes the Plan's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**Guaranteed Interest Contract Fund** The investment is valued based upon the contract interest rate.

**Insurance Company Pooled Separate Accounts** The investment is valued at a daily calculated unit value based on fair value of the underlying investments.

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

Collective Trust These investments are valued at a daily calculated Net Asset Value based on fair value of the underlying investments.

Mutual Funds The investment is valued at a daily calculated Net Asset Value and is traded at a quoted price through the National Securities Clearing Corporation.

OceanFirst Financial Corp. Common Stock Fund The investment is valued at a daily calculated unit value based on the last traded price of the common stock and the cash balance.

Fair value estimates are made at a point in time, based on relevant market data as well as the best information available about the security. Illiquid credit markets have resulted in inactive markets for certain securities. As a result, there may be limited observable market data for these assets. Fair value estimates for securities for which limited observable market data is available are based on judgments regarding current economic conditions, liquidity discounts, credit and interest rate risks, and other factors. These estimates involve significant uncertainties and judgments and cannot be determined with precision. As a result, such calculated fair value estimates may not be realizable in a current sale or immediate settlement of the security.

## RETIREMENT PLAN FOR

## OCEANFIRST BANK

## Notes to Financial Statements, continued

The following table summarizes financial assets measured at fair value on a recurring basis as of December 31, 2010 and 2009 segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

|   | Level 1<br>inputs | December 31, 2010<br>Level 2<br>inputs | Level 3<br>inputs | Total fair<br>value |
|---|-------------------|--|-------------------|---------------------|
| Guaranteed Interest Contract Fund               | \$                | 1,158,504                              |                   | 1,158,504           |
| Insurance Company Pooled                        |                   |  |                   |                     |
| Separate Accounts:                              |                   |  |                   |                     |
| Money Market Fund                               |                   | 400,524                                |                   | 400,524             |
| Inflation-Protected Securities Fund             |                   | 492,604                                |                   | 492,604             |
| Government Fixed Bond Fund                      |                   | 438,916                                |                   | 438,916             |
| Short Horizon Asset Allocation Fund             |                   | 88,397                                 |                   | 88,397              |
| Intermediate Horizon Asset Allocation Fund      |                   | 1,386,632                              |                   | 1,386,632           |
| Intermediate/Long Horizon Asset Allocation Fund |                   | 756,570                                |                   | 756,570             |
| Collective Trust Funds - Target Dated           |                   | 472,452                                |                   | 472,452             |
| Mutual Funds:                                   |                   |  |                   |                     |
| American Funds Growth Fund of America           | 658,689           |  |                   | 658,689             |
| Aston/Optimum Mid Cap Fund                      | 98,498            |  |                   | 98,498              |
| Black Rock Equity Dividend Fund                 | 1,684,745         |  |                   | 1,684,745           |
| Davis NY Venture Fund                           | 1,169,664         |  |                   | 1,169,664           |
| GE Institutional International Equity Fund      | 641,688           |  |                   | 641,688             |
| PIMCO Total Return Fund                         | 891,520           |  |                   | 891,520             |
| Royce Pennsylvania Mutual Fund                  | 1,214,860         |  |                   | 1,214,860           |
| Transamerica Stock Index Fund                   | 121,457           |  |                   | 121,457             |
| OceanFirst Financial Corp. Common Stock Fund    |                   | 3,362,903                              |                   | 3,362,903           |
|   | \$ 6,481,121      | 8,557,502                              |                   | 15,038,623          |

## RETIREMENT PLAN FOR

## OCEANFIRST BANK

## Notes to Financial Statements, continued

|   | Level 1<br>inputs | December 31, 2009 |                   | Total fair<br>value |
|---|-------------------|-------------------|-------------------|---------------------|
|   |                   | Level 2<br>inputs | Level 3<br>inputs |                     |
| Guaranteed Interest Contract Fund               | \$                | 1,391,269         |                   | 1,391,269           |
| Insurance Company Pooled                        |                   |                   |                   |                     |
| Separate Accounts:                              |                   |                   |                   |                     |
| Money Market Fund                               |                   | 561,309           |                   | 561,309             |
| Inflation-Protected Securities Fund             |                   | 362,160           |                   | 362,160             |
| Government Fixed Bond Fund                      |                   | 401,747           |                   | 401,747             |
| Short Horizon Asset Allocation Fund             |                   | 92,105            |                   | 92,105              |
| Intermediate Horizon Asset Allocation Fund      |                   | 918,884           |                   | 918,884             |
| Intermediate/Long Horizon Asset Allocation Fund |                   | 551,750           |                   | 551,750             |
| Collective Trust Funds - Target Dated           |                   | 259,297           |                   | 259,297             |
| Mutual Funds:                                   |                   |                   |                   |                     |
| American Funds Growth Fund of America           | 489,104           |                   |                   | 489,104             |
| Aston/Optimum Mid Cap Fund                      | 77,442            |                   |                   | 77,442              |
| Black Rock Equity Dividend Fund                 | 1,455,964         |                   |                   | 1,455,964           |
| Davis NY Venture Fund                           | 1,072,413         |                   |                   | 1,072,413           |
| GE Institutional International Equity Fund      | 588,758           |                   |                   | 588,758             |
| PIMCO Total Return Fund                         | 621,191           |                   |                   | 621,191             |
| Royce Pennsylvania Mutual Fund                  | 1,039,182         |                   |                   | 1,039,182           |
| Transamerica Stock Index Fund                   | 106,788           |                   |                   | 106,788             |
| OceanFirst Financial Corp. Common Stock Fund    |                   | 3,043,394         |                   | 3,043,394           |
|   | \$ 5,450,842      | 7,581,915         |                   | 13,032,757          |

For the years ended December 31, 2010 and 2009 no financial assets were measured using Level 3 inputs.

The funds may be redeemed daily.

(8) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the financial statements to the Form 5500:

|  | 2010         | 2009    |
|--|--------------|---------|
| Total investment income per financial statements   | \$ 1,644,928 | 471,860 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts |              | 9,335   |
| Total investment income per Form 5500  | \$ 1,644,928 | 481,195 |

**RETIREMENT PLAN FOR**

**OCEANFIRST BANK**

**Notes to Financial Statements, continued**

(9) Subsequent Events

In connection with the preparation of the financial statements the Plan Administrator has evaluated subsequent events after December 31, 2010 and concluded that no additional disclosures or adjustments were required.

## RETIREMENT PLAN FOR

## OCEANFIRST BANK

## Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)

December 31, 2010

| Identity of issuer                    | Description of investments   | Number<br>of<br>units | Current<br>Value |
|---------------------------------------|--|-----------------------|------------------|
| *Transamerica Financial Life Ins. Co. | Guaranteed Interest Contract Fund                                  |                       | \$ 1,158,504     |
| *Transamerica Financial Life Ins. Co. | Money Market Fund  | 11,506                | 400,524          |
| *Transamerica Financial Life Ins. Co. | Inflation-Protected Securities Fund                                | 14,514                | 492,604          |
| *Transamerica Financial Life Ins. Co. | Government Fixed Bond Fund   |                       | 438,916          |
| *Transamerica Financial Life Ins. Co. | Short Horizon Asset Allocation Fund                                | 3,511                 | 88,397           |
| *Transamerica Financial Life Ins. Co. | Intermediate Horizon Asset Allocation Fund                         | 47,196                | 1,386,632        |
| *Transamerica Financial Life Ins. Co. | Intermediate/Long Horizon Asset Allocation Fund                    | 22,363                | 756,570          |
| Insurance company pooled              |  |                       |                  |
| separate accounts total               |  |                       | 3,563,643        |
| *State Street Global Advisors         | Dow Jones Target 2015 Fund   | 12,785                | 292,009          |
| *State Street Global Advisors         | Dow Jones Target 2025 Fund   | 5,557                 | 157,696          |
| *State Street Global Advisors         | Dow Jones Target 2035 Fund   | 537                   | 14,707           |
| *State Street Global Advisors         | Dow Jones Target 2045 Fund   | 251                   | 8,040            |
| Collective trust funds total          |  |                       | 472,452          |
| American Funds                        | Growth Fund of America   | 21,971                | 658,689          |
| ABN AMRO/VERDUS                       | Aston/Optimum Mid Cap Fund   | 3,084                 | 98,498           |
| Black Rock                            | Equity Dividend Fund   | 96,161                | 1,684,745        |
| Davis                                 | Venture Fund   | 34,061                | 1,169,664        |
| GE                                    | Institutional International Equity Fund                            | 56,190                | 641,688          |
| PIMCO                                 | Total Return Fund  | 82,168                | 891,520          |
| Royce                                 | Pennsylvania Mutual Fund   | 104,280               | 1,214,860        |
| *Transamerica                         | Stock Index Fund   | 12,432                | 121,457          |
| Mutual funds total                    |  |                       | 6,481,121        |
| *OceanFirst Financial Corp.           | Common Stock Fund  | 96,647                | 3,362,903        |
| *Notes Receivable from Participants   | Notes receivable with range of interest rates<br>4.25%<br>to 8.25% |                       | 444,946          |
| Total plan assets                     |  |                       | \$ 15,483,569    |

\* A party-in-interest as defined by ERISA.

See accompanying report of independent registered public accounting firm.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 24, 2011

Retirement Plan for OceanFirst Bank  
Employee Profit Sharing Plan

By: /s/ John R. Garbarino  
John R. Garbarino  
Plan Administrator