ROMA FINANCIAL CORP
Form 10-Q
May 06, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011

OR

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 000-52000

ROMA FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

UNITED STATES (State or other jurisdiction of Incorporation or organization)	51-0533946 (I.R.S. Employer Identification Number)
2300 Route 33, Robbinsville, New Jersey (Address of principal executive offices)	08691 (Zip Code)

Registrant's telephone number, including area code: (609) 223-8300

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 [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant

was required to submit and post such files).
Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (Check one): Large accelerated filer [ ] Accelerated filer [X]

Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

The number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date,
April 25, 2011:

$0.10 par value common stock - 30,280,927 shares outstanding

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

	March 31, 2011	December 31, 2010
	(In thousands, except for share data)	
Assets		
Cash and amounts due from depository institutions	$ 19,121	$ 17,958
Interest-bearing deposits in other banks	44,539	44,220
Money market funds	29,920	27,409
Cash and Cash Equivalents	93,580	89,587
Investment securities available for sale ("AFS") at fair value	47,205	52,513
Investment securities held to maturity ("HTM") at amortized cost (fair value of $ 241,352 and $238,785, respectively)	247,135	244,421
Mortgage-backed securities held to maturity at amortized cost (fair value of $ 438,840 and $425,462, respectively)	434,942	421,114
Loans receivable, net of allowance for loan losses $10,251 and $9,844, respectively	911,729	893,842
Real estate and other repossessed assets owned	4,467	3,689
Real estate held for sale	1,164	1,164
Real estate owned via equity investment	3,961	3,979
Premises and equipment, net	47,530	47,355
Federal Home Loan Bank of New York and ACBB stock	4,870	4,789
Accrued interest receivable	7,439	8,030
Bank owned life insurance	28,090	28,073
Goodwill	1,826	1,826
Deferred tax asset	14,791	14,281
Other assets	4,472	4,491
Total Assets	$ 1,853,201	$ 1,819,154
Liabilities And Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	$ 70,078	$ 64,778
Interest bearing	1,475,747	1,438,782
Total deposits	1,545,825	1,503,560
Federal Home Loan Bank of New York advances	33,494	35,000
Securities sold under agreements to repurchase	40,000	40,000
Subordinated debentures	1,907	1,904
Securities purchased and not settled	2,070	11,004
Advance payments by borrowers for taxes and insurance	3,005	2,776
Accrued interest payable and other liabilities	12,670	12,434
Total Liabilities	1,638,971	1,606,678
Stockholders' Equity		

Common stock, $0.10 par value, 45,000,000 shares authorized, 32,731,875 shares issued; and 30,280,927 and 30,280,927 shares outstanding, respectively	3,274	3,274
Paid-in capital	99,895	99,585
Retained earnings	154,212	152,911
Unearned shares held by Employee Stock Ownership Plan	(5,548)	(5,683)
Treasury stock, 2,450,948 and 2,450,948, respectively outstanding	(35,880)	(35,880)
Accumulated other comprehensive loss	(3,473)	(3,463)
Total Roma Financial Corporation stockholders' equity	212,480	210,744
Noncontrolling interest	1,750	1,732
Total Stockholders' Equity	214,230	212,476
Total Liabilities and Stockholders' Equity	$ 1,853,201	$ 1,819,154

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended March 31,	
	2011	2010
	(In thousands, except for share and per share data)	
Interest Income		
Loans, including fees	$11,721	$8,225
Mortgage-backed securities held to maturity	4,306	3,145
Investment securities held to maturity	2,232	3,266
Securities available for sale	268	146
Other interest-earning assets	93	95
Total Interest Income	18,620	14,877
Interest Expense		
Deposits	4,604	4,201
Borrowings	689	600
Total Interest Expense	5,293	4,801
Net Interest Income	13,327	10,076
Provision for loan losses	800	1,272
Net Interest Income after Provision for Loan Losses	12,527	8,804
Non-Interest Income		
Commissions on sales of title policies	203	211
Fees and service charges on deposits and loans	395	407
Income from bank owned life insurance	305	277
Net gain from sale of mortgage loans originated for sale	77	55
Net gain from sale of available for sale securities	17	23
Realized (loss) from real estate owned	(70)	-
Other	278	280
Total Non-Interest Income	1,205	1,253
Non-Interest Expense		
Salaries and employee benefits	6,068	4,382
Net occupancy expense of premises	1,268	708
Equipment	885	658
Data processing fees	566	417

Advertising	169	134
Federal deposit insurance premiums	598	301
Other	1,423	1,058
Total Non-Interest Expense	10,977	7,658
Income Before Income Taxes	2,755	2,399
Income Taxes	884	773
Net income	1,871	1,626
Plus: net gain attributable to the noncontrolling interest	(18)	(28)
Net Income attributable to Roma Financial Corporation	$1,853	$1,598
Net income attributable to Roma Financial Corporation per common share		
Basic and Diluted	$.06	$.05
Dividends Declared Per Share	$.08	$.08
Weighted Average Number of Common Shares Outstanding		
Basic and Diluted	30,137,145	30,733,344

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Common Stock Shares	Common Stock Amount	Paid-In Capital	Retained Earnings	Unearned Shares Held By ESOP	Accumulated Other Comprehensive Less	Treasury Stock	Noncontrolling Interest	Total Total
Balance December 31, 2009	30,933	$ 3,274	$ 98,921	$ 150,131	$ (6,224)	$ (2,313)	$ (29,214)	$ 1,645	$ 216,220
Comprehensive income:									
Net income for the three months ended March 31, 2010	-	-	-	1,598	-	-	-	28	1,626
Other comprehensive income net of taxes:									
Unrealized loss on available for sale securities net of income taxes of $106	-	-	-	-	-	145	-	-	145
Total comprehensive income	-	-	-	-	-	-	-	-	$ 1,771
Dividends declared and paid	-	-	-	(603)	-	-	-	-	(603)
Purchase of treasury shares	(26)	-	-	-	-	-	(328)	-	(328)
Stock-based compensation	-	-	309	-	-	-	-	-	309
ESOP shares earned	-	-	27	-	135	-	-	-	162
Balance March 31, 2010	30,907	$ 3,274	$ 99,257	$ 151,126	$ (6,089)	$ (2,168)	$ (29,542)	$ 1,673	$ 217,531
Balance December 31, 2010	30,281	$ 3,274	$ 99,585	$ 152,911	$ (5,683)	$ (3,463)	$ (35,880)	$ 1,732	$ 212,476
Comprehensive income:									

Net income for the three months ended March 31, 2011	-	-	-	1,853	-	-	-	18	1,871
Other comprehensive income net of taxes:									
Unrealized loss on available for sale securities net of income taxes of $6	-	-	-	-	-	(10)	-	-	(10)
Total comprehensive income	-	-	-	-	-	-	-	-	$ 1,861
Dividends declared and paid	-	-	-	(552)	-	-	-	-	(552)
Stock-based compensation	-	-	303	-	-	-	-	-	303
ESOP shares earned	-	-	7	-	135	-	-	-	142
Balance March 31, 2011	30,281	$ 3,274	$ 99,895	$ 154,212	$ (5,548)	$ (3,473)	$ (35,880)	$ 1,750	$ 214,230

See notes to consolidated financial statements

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(In thousands)	
Cash Flows from Operating Activities		
Net income	$1,871	$1,626
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	598	501
Amortization of premiums and accretion of discounts on securities	20	(71)
Accretion of deferred loan fees and discounts	(23)	(67)
Amortization of net premiums on loans	245	-
Amortization of premiums on deposits	(108)	-
Gain on sale of securities available for sale	(17)	(23)
Net gain on sale of mortgage loans originated for sale	(77)	(55)
Mortgage loans originated for sale	(4,060)	(3,773)
Proceeds from sales of mortgage loans originated for sale	4,137	3,828
Net realized loss from sales of real estate owned	70	-
Provision for loan losses	800	1,272
Stock-based compensation, including warrants	303	309
ESOP shares earned	142	162
(Increase) decrease in accrued interest receivable	591	(1,303)
Increase in cash surrender value of bank owned life insurance	(253)	(231)
Decrease in other assets	19	999
Decrease in accrued interest payable	(164)	(231)
Increase in deferred income taxes	(504)	(604)
Increase (decrease) in other liabilities	403	(1,205)
Net Cash Provided by Operating Activities	3,993	1,134
Cash Flows from Investing Activities		
Proceeds from maturities, calls and principal repayments of securities available for sale	3,782	5,114
Proceeds from sale of securities available for sale	1,517	520
Purchases of securities available for sale	(1,037)	(6,219)
Proceeds from maturities, calls and principal repayments of investment securities held to maturity	13,286	46,000
Purchases of investment securities held to maturity	(13,922)	(21,975)
Principal repayments on mortgage-backed securities held to maturity	23,479	18,006
Purchases of mortgage-backed securities held to maturity	(47,292)	(27,081)
Net increase in loans receivable	(20,847)	(5,127)
Purchase of bank owned life insurance	-	(169)
Proceeds from life insurance redemption	236	-
Additions to premises and equipment and real estate owned via equity investment	(755)	(578)

Proceeds from sale of real estate owned	1,090	-
Purchases of Federal Home Loan Bank of New York and ACBB stock	(81)	(446)
Net Cash (Used in) Provided by Investing Activities	(40,544)	8,045
Cash Flows from Financing Activities		
Net increase in deposits	42,373	35,901
Increase in advance payments by borrowers for taxes and insurance	229	57
Dividends paid to minority stockholders of Roma Financial Corp.	(552)	(603)
Repayment of Federal Home Loan Bank of New York advances	(5,006)	(541)
Proceeds from Federal Home Loan Bank of New York advances	3,500	7,000
Purchases of treasury stock	-	(328)
Net Cash Provided by Financing Activities	40,544	41,486
Net Increase in Cash and Cash Equivalents	3,993	50,665
Cash and Cash Equivalents – Beginning	89,587	50,895
Cash and Cash Equivalents – Ending	$93,580	$101,560

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)
(Unaudited)

	Three Months Ended March 31,	
	2011	2010
	(In thousands)	
Supplementary Cash Flows Information		
Income taxes paid, net	$412	$-
Interest paid	$5,129	$5,032
Securities purchased and not settled	$2,070	$16,654
Loans receivable transferred to real estate owned	$1,938	$511

See notes to consolidated financial statements.

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE A – ORGANIZATION

Roma Financial Corporation (the "Company") is a federally-chartered corporation organized in January 2005 for the purpose of acquiring all of the capital stock that Roma Bank issued in its mutual holding company reorganization. Roma Financial Corporation's principal executive offices are located at 2300 Route 33, Robbinsville, New Jersey 08691 and its telephone number at that address is (609) 223-8300.

Roma Financial Corporation, MHC is a federally-chartered mutual holding company that was formed in January 2005 in connection with the mutual holding company reorganization. Roma Financial Corporation, MHC has not engaged in any significant business since its formation. So long as Roma Financial Corporation MHC is in existence, it will at all times own a majority of the outstanding stock of Roma Financial Corporation.

Roma Bank is a federally-chartered stock savings bank. It was originally founded in 1920 and received its federal charter in 1991. Roma Bank's deposits are federally insured by the Deposit Insurance Fund as administered by the Federal Deposit Insurance Corporation. Roma Bank is regulated by the Office of Thrift Supervision and the Federal Deposit Insurance Corporation. The Office of Thrift Supervision also regulates Roma Financial Corporation, MHC and Roma Financial Corporation as savings and loan holding companies.

RomAsia Bank is a federally-chartered stock savings bank. RomAsia Bank received all regulatory approvals on June 23, 2008 to be a federal savings bank and began operations on that date. The Company invested $13.4 million in RomAsia Bank and currently holds a 89.55% ownership interest. RomAsia Bank is regulated by the Office of Thrift Supervision. Roma Bank and RomAsia Bank are collectively referred to as (the "Banks").

The Banks offer traditional retail banking services, one-to four-family residential mortgage loans, multi-family and commercial mortgage loans, construction loans, commercial business loans and consumer loans, including home equity loans and lines of credit. Roma Bank operates from its main office in Robbinsville, New Jersey, and twenty-three branch offices located in Mercer, Burlington, Camden and Ocean Counties, New Jersey. RomAsia Bank operates from two locations in Monmouth Junction, New Jersey. As of March 31, 2011, the Banks had 319 full-time employees and 58 part-time employees. Roma Bank maintains a website at www.romabank.com.

Throughout this document, references to "we," "us," or "our" refer to the Banks or the Company, or both, as the context indicates.

NOTE B - BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Roma Bank and Roma Bank's wholly-owned subsidiaries, Roma Capital Investment Corp. (the "Investment Co.") and General Abstract and Title Agency (the "Title Co."), and the Company's majority owned investment of 89.55% in RomAsia Bank. The consolidated statements also include the Company's 50% interest in 84 Hopewell, LLC (the "LLC"), a real estate investment which is consolidated according to the requirements of Accounting Standards Codification Topic 810, Variable Interest Entities. All significant inter-company accounts and transactions have been eliminated in consolidation. These statements were prepared in accordance with instructions for Form 10-Q and Rule 10-01 of Regulation S-X and, therefore, do not include all information or footnotes necessary for a complete presentation of financial condition, results of operations, and cash flows in conformity with generally accepted accounting principles in the United States of America ("GAAP").

NOTE B - BASIS OF PRESENTATION (Continued)

In the opinion of management, all adjustments which are necessary for a fair presentation of the consolidated financial statements have been made at and for the three months ended March 31, 2011 and 2010. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the results which may be expected for the entire fiscal year or other interim periods.

The December 31, 2010 data in the consolidated statements of financial condition was derived from the Company's audited consolidated financial statements for that date. That data, along with the interim financial information presented in the consolidated statements of financial condition, income, changes in stockholders' equity and cash flows should be read in conjunction with the 2010 audited consolidated financial statements for the year ended December 31, 2010, including the notes thereto included in the Company's Annual Report on Form 10-K.

The Investment Co. was incorporated in the State of New Jersey effective September 4, 2004, and began operations October 1, 2004. The Investment Co. is subject to the investment company provisions of the New Jersey Corporation Business Tax Act. The Title Co. was incorporated in the State of New Jersey effective March 7, 2005 and commenced operations April 1, 2005. The Company, together with two individuals, formed a limited liability company, 84 Hopewell, LLC. The LLC was formed to build a commercial office building in which is located the Company's Hopewell branch, corporate offices for the other LLC members construction company and tenant space. The Company invested $370,000 in the LLC and provided a loan in the amount of $3.6 million to the LLC. The Company and the other 50% owner's construction company both have signed lease commitments to the LLC.

The consolidated financial statements have been prepared in conformity with ("GAAP"). In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated statements of financial condition and revenues and expenses for the periods then ended. Actual results could differ significantly from those estimates.

A material estimate that is particularly susceptible to significant change relates to the determination of the allowance for loan losses. The allowance for loan losses represents management's best estimate of losses known and inherent in the portfolio that are both probable and reasonable to estimate. While management uses the most current information available to estimate losses on loans, actual losses are dependent on future events and, as such, increases in the allowance for loan losses may be necessary.

In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Banks' allowance for loan losses. Such agencies may require the Banks to recognize additions to their allowance based on their judgments about information available to them at the time of their examinations.

In accordance with Accounting Standards Codification ("FASB ASC") Topic 855, Subsequent Events, management has evaluated subsequent events until the date of issuance of this report, and concluded that no events occurred that were of a material nature.

NOTE C - CONTINGENCIES

The Company, from time to time, is a party to routine litigation that arises in the normal course of business. In the opinion of management, the resolution of such litigation, if any, would not have a material adverse effect, as of March 31, 2011, on the Company's consolidated financial position or results of operations.

NOTE D – EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares actually outstanding adjusted for Employee Stock Ownership Plan (“ESOP”) shares not yet committed to be released. Diluted EPS is calculated by adjusting the weighted average number of shares of common stock outstanding to include the effect of outstanding stock options and unvested stock awards, if dilutive, using the treasury stock method. Shares issued and reacquired during any period are weighted for the portion of the period they were outstanding.

Outstanding stock options and restricted stock grants for the three months ended March 31, 2011 were not considered in the calculation of diluted earnings per share because they were antidilutive.

NOTE E – ACQUISITION

On July 16, 2010, the Company completed its acquisition of Sterling Banks, Inc., the holding company for Sterling Bank. The final consideration paid in the transaction to stockholders of Sterling Banks, Inc. consisted of $2.52 per share, or $14,725,000, in cash.

The Company accounted for the transaction using the acquisition method pursuant to FASB ASC 805 “Business Combinations”. Accordingly, the Company recorded merger and acquisition expenses totaling $924 thousand, in non-interest expense other, during the year ended December 31, 2010. The Company’s results of operations include Sterling Banks, Inc. and Sterling Bank from the date of

NOTE E – ACQUISITION (Continued)

acquisition. Additionally, ASC 805 "Business Combinations" requires an acquirer to recognize the assets acquired and the liabilities assumed at their fair values as of the acquisition date.

The Company acquired loans with a fair value of $272.3 million. Included in this amount was $47.4 million of loans with evidence of deterioration of credit quality since origination for which it was probable, at the time of the acquisition, that the Company would be unable to collect all contractually required payments due. In accordance with the "Loans and Debt Securities Acquired with Deteriorating Credit Quality" section of FASB ASC 310 "Receivables," the Company recorded a non accretable credit mark discount of $13.3 million, which is defined as the loans' contractually required payments receivable in excess of the amount of their cash flows expected to be collected. The Company considered factors such as payment history, collateral values, and accrual status when determining whether there was evidence of deterioration of a loan's credit quality at the acquisition date.

We estimated the fair value for most loans acquired from Sterling Bank by utilizing a methodology wherein loans with comparable characteristics were aggregated by type of collateral, remaining maturity, and repricing terms. Cash flows for each pool were determined by estimating future credit losses and the rate of prepayments. Projected cash flows were then discounted to present value using a risk-adjusted market rate for similar loans. To estimate the fair value of the remaining loans, we analyzed the value of the underlying collateral of the loans, assuming the fair values of the loans were derived from the eventual sale of the collateral. The value of the collateral was based on completed appraisals adjusted to the valuation date based on recognized industry indices. We discounted those values using market derived rates of return, with consideration given to the period of time and costs associated with the foreclosure and disposition of the collateral. There was no carryover of Sterling's allowance for loan losses associated with the loans acquired as the loans were initially recorded at fair value.

Information about the acquired Sterling loan portfolio as of July 16, 2010 is as follows (in thousands):

Contractually required principal and interest at acquisition	$285,506
Contract cash flows not expected to be collected (nonaccretable discount)	(15,647)
Expected cash flows at acquisition	269,859
Interest component of expected cash flows (accretable premium)	2,454
Fair value of acquired loans	$272,313

Certificates of deposit accounts were valued by comparing the contractual cost of the portfolio to an identical portfolio bearing current market rates. The projected cash flows from maturing certificates were calculated based on contractual rates. The fair value of the certificates of deposit was calculated by discounting their contractual cash flows at a market rate for a certificate of deposit with a corresponding maturity.

The fair value of borrowings and subordinated debentures assumed was determined by estimating projected future cash outflows and discounting them at a market rate of interest.

The goodwill, which is not amortized for book purposes, was assigned to Roma Financial Corporation and is not deductible for tax purposes.

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NOTE F – STOCK BASED COMPENSATION

Equity Incentive Plan

At the Annual Meeting held on April 23, 2008, stockholders of the Company approved the Roma Financial Corporation 2008 Equity Incentive Plan. On June 25, 2008, directors, senior officers and certain employees of the Company were granted, in the aggregate, 820,000 stock options and awarded 222,000 shares of restricted stock.

The 2008 Plan enables the Board of Directors to grant stock options to executives, other key employees and nonemployee directors. The options granted under the Plan may be either incentive stock options or non-qualified stock options. The Company has reserved 1,292,909 shares of common stock for issuance upon the exercise of options granted under the 2008 Plan and 517,164 shares for grants of restricted stock. The Plan will terminate in ten years from the grant date. Options will be granted with an exercise price not less than the Fair Market Value of a share of Common Stock on the date of the grant. Options may not be granted for a term greater than ten years. Stock options granted under the Incentive Plan are subject to limitations under Section 422 of the Internal Revenue Code. The number of shares available under the 2008 Plan, the number of shares subject to outstanding options and the exercise price of outstanding options will be adjusted to reflect any stock dividend, stock split, merger, reorganization or other event generally affecting the number of Company's outstanding shares. At March 31, 2011 there were 495,709 shares available for option grants under the 2008 Plan and 301,164 shares available for grants of restricted stock.

The Company accounts for stock based compensation under FASB ASC Topic 718, "Compensation-Stock Compensation". ASC Topic 718 covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. ASC Topic 718 requires that compensation cost relating to share-based payment transactions be recognized in the financial statements. The cost is measured based on the fair value of the equity or liability instruments issued.

ASC Topic 718 also requires the Company to realize as a financing cash flow rather than an operating cash flow, as previously required, the benefits of realized tax deductions in excess of previously recognized tax benefits on compensation expense. In accordance with SEC Staff Accounting Bulletin ("SAB") No. 107, the Company classified share-based compensation for employees and outside directors within "salaries and employee benefits" in the consolidated statement of income to correspond with the same line item as the cash compensation paid.

The stock options will vest over a five year service period and are exercisable within ten years. Compensation expense for all option grants is recognized over the awards' respective requisite service period.

Restricted shares, granted on June 25, 2008, vest over a five year service period. Management recognizes compensation expense for the fair value of restricted shares on a straight-line basis over the requisite service period of the awards of five years. The number of shares granted and the grant date market price of the Company's common stock determines the fair value of the restricted shares under the Company's restricted stock plan.

NOTE F – STOCK BASED COMPENSATION (Continued)

The following is a summary of the status of the Company's stock option activity and related information for the three months ended March 31, 2011:

	Number of Stock Options	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Life	Aggregate Intrinsic Value
Balance at January 1, 2008	-	$ -		
Granted	820,000	13.67		
Balance at December 2008 and 2009	820,000	13.67		
Forfeited	(22,800)	13.67		
Balance at March 31, 2011 and December 31, 2010	797,200	$ 13.67	7.23 years	$ 0.00
Exercisable at March 31, 2011	349,600	$ 13.67		

The following is a summary of the status of the Company's restricted shares as of March 31, 2011 and changes during the three months ended March 31, 2011:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Non-vested restricted shares at January 1, 2008	-	$-
Granted	222,000	13.67
Non-vested restricted shares at December 31, 2008	222,000	13.67
Vested	(44,400)	13.67
Non-vested restricted shares at December 31, 2009	177,600	13.67
Forfeited	(6,000)	13.67
Vested	(51,600)	13.67
Non-vested restricted shares at March 31, 2011 and December 31, 2010	120,000	$13.67

Stock option and stock award expenses included in compensation expense was $268,000 for the three months ended March 31, 2011 and $300,000 for three months ended March 31, 2010, with a related tax benefit of $107,000 and $118,000 respectively. At March 31, 2011, there was approximately $2.4 million of unrecognized cost, related to outstanding stock options and restricted shares, which will be recognized over a period of approximately 2.23 years.

Equity Incentive Plan – RomAsia Bank

The stockholders of RomAsia Bank approved an equity incentive plan in 2009. On January 6, 2010, directors, senior officers and certain employees of the RomAsia Bank were granted, in the aggregate, options to purchase 75,500 shares of RomAsia common stock.

The Plan enables the Board of Directors of RomAsia Bank to grant stock options to executives, other key employees and nonemployee directors. The options granted under the Plan may be either incentive stock options or non-qualified stock options. RomAsia has reserved 225,000 shares of it's common stock for issuance upon the exercise of options granted under the Plan. The Plan will terminate in ten years from the grant date. Options will be granted with an exercise price not less than the Fair Market Value of a share of RomAsia's Common Stock on the date of the grant. Options may not be granted for a term greater than ten years. The stock options vest over a five year service period and are exercisable within ten years. Stock options granted under the Incentive Plan are subject to limitations under Section 422 of the Internal Revenue Code. The number of shares available under the Plan, the number of shares subject to outstanding options and the exercise price of outstanding options will be adjusted to reflect any stock dividend, stock split, merger, reorganization or other event

NOTE F – STOCK BASED COMPENSATION (Continued)

generally affecting the number of Company's outstanding shares. At March 31, 2011, there were 155,000 shares available for option grants under the Plan.

The following is a summary of the status of the RomAsia's stock option activity and related information for the three months ended March 31, 2011:

	Number of Stock Options	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Life	Aggregate Intrinsic Value
Balance at January 1, 2010	-	$ -		
Granted	75,500	8.47		
Balance at January 1, 2011	75,500	8.47		
Forfeited	(5,500)	8.47		
Balance at March 31, 2011	70,000	$ 8.47	8.77 years	$ 0.00
Exercisable at March 31, 2011	14,800			

Stock option expense, related to the RomAsia plan included with compensation expense was $11,000 for the three months ended March 31, 2011, and $10,000 for three months ended March 31, 2010, with a related tax benefit of $5,000 and $4,000, respectively. At March 31, 2011, approximately $149,000 unrecognized cost, related to outstanding stock options, will be recognized over a period of approximately 3.77 years.

Employee Stock Ownership Plan

Roma Bank has an Employee Stock Ownership Plan ("ESOP") for the benefit of employees who meet the eligibility requirements defined in the plan. The ESOP trust purchased 811,750 shares of common stock as part of the stock offering using proceeds from a loan from the Company. The total cost of the shares purchased by the ESOP trust was $8.1 million, reflecting a cost of $10 per share. Roma Bank makes cash contributions to the ESOP on a quarterly basis sufficient to enable the ESOP to make the required loan payments to the Company. The loan bears an interest rate of 8.25% with principal and interest payable in equal quarterly installments over a fifteen year period. The loan is secured by the shares of the stock purchased.

Shares purchased with the loan proceeds were initially pledged as collateral for the term loan and are held in a suspense account for future allocation among participants. Contributions to the ESOP and shares released from the suspense account will be allocated among the participants on the basis of compensation, as described by the Plan, in the year of allocation. As shares are committed to be released from collateral, the Company reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. Roma Bank made its first loan payment in October 2006. As of March 31, 2011 there were 554,599 unearned shares. The Company's ESOP compensation expense was $142 thousand and $162 thousand, respectively, for the three months ended March 31, 2011 and 2010.

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NOTE G – STOCK WARRANTS

RomAsia Bank issued warrants to purchase 150,500 shares of RomAsia Common Stock (the “warrants”), bearing an exercise price of $10.00 per share, to the Founding Stockholders who subscribed initially for 150,500 shares of RomAsia Common Stock and provided $1,505,000 to pay RomAsia’s organizational expenses. The warrants were issued on June 23, 2008.

The warrants will become exercisable in three equal installments on the first, second and third anniversaries after their respective dates of issuance. Warrants will be convertible into one share of RomAsia Common Stock and will be transferable only in compliance with the Securities Act of 1933, as amended, and applicable state securities laws. RomAsia may redeem the Warrants at a price of $1.00 per Warrant at any time after January 1, 2012 upon 60 days prior written notice to the holders thereof.

The Warrants provide that, in the event that RomAsia’s capital falls below certain minimum requirements, the FDIC or the OTS may require RomAsia to notify the holders of the Warrants that such holders must exercise the Warrants within 30 days of such notice, or such longer period as the FDIC or OTS may prescribe, or forfeit all rights to purchase shares of RomAsia Common Stock under the Warrants after the expiration of such period.

The Warrants expire ten years after being issued. In the event a holder fails to exercise the Warrants prior to their expiration, the Warrants will expire and the holder thereof will have no further rights with respect to the Warrants.

The Warrant expense for minority shareholders, (10.45% ownership), for the three month ended March 31, 2011and 2010, was $22,000, and $0, respectively, and related deferred taxes were recorded at $9,600, and $0, respectively. The warrant expense for the majority shareholder, Roma Financial Corporation, was eliminated in consolidation.

NOTE H- REAL ESTATE OWNED VIA EQUITY INVESTMENTS

In 2008, Roma Bank, together with two individuals, formed 84 Hopewell, LLC. The LLC was formed to build a commercial office building which includes Roma Bank’s Hopewell branch, corporate offices for the other 50% owners’ construction company and tenant space. Roma Bank made a cash investment of approximately $360,000 in the LLC and provided a loan to the LLC in the amount of $3.6 million. Roma Bank and the construction company both have signed lease commitments to the LLC. With the adoption of guidance in regards to variable interest entities now codified in FASB ASC Topic 810, “Consolidation”, the Company is required to perform an analysis to determine whether such an investment meets the criteria for consolidation into the Company’s financial statements. As of March 31, 2011 and December 31, 2010, this variable interest entity met the requirements of ASC Topic 810 for consolidation based on Roma Bank being the primary financial beneficiary. This was determined based on the amount invested by the Bank compared to the other partners to the LLC and the lack of personal guarantees. As of March 31, 2011, the LLC had $4.0 million in fixed assets and a loan from Roma Bank for $3.4 million, which was eliminated in consolidation. The LLC had accrued interest payable to the Bank of $11 thousand at March 31, 2011 and during the three months then ended the Bank had paid $25 thousand in rent to the LLC. Both of these amounts were eliminated in consolidation. Roma Bank’s 50% share of the LLC’s net income for the three months ended March 31, 2011 was $8 thousand.

NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES

The following summarizes the amortized cost and estimated fair value of securities available for sale at March 31, 2011 and December 31, 2010 with gross unrealized gains and losses therein:

	March 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Available for sale:				
Mortgage-backed securities-U.S. Government Sponsored Enterprises (GSE's)	$22,648	$144	$379	$22,413
Obligations of state and political subdivisions	7,986	77	75	7,988
U.S. Government (including agencies)	13,368	-	416	12,952
Corporate bond	1,000	3	10	993
Equity securities	50	9	-	59
Mutual funds	2,909	-	109	2,800
	$47,961	$233	$989	$47,205

	December 31, 2010			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Available for sale:				
Mortgage-backed securities-U.S. Government Sponsored Enterprises (GSE's)	$24,180	$168	$349	$23,999
Obligations of state and political subdivisions	8,761	50	151	8,660
U.S. Government (including agencies)	16,384	17	382	16,019
Corporate bond	1,000	-	12	988
Equity securities	50	3	-	53
Mutual funds	2,877	-	83	2,794
	$53,252	$238	$977	$52,513

NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related securities available for sale are as follows:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
March 31, 2011:						
Mortgage-backed securities-GSE's	$15,960	$379	$-	$-	$15,960	$379
Obligations of state & political subdivisions	1,863	63	1,327	12	3,190	75
U.S. Government, (including agencies)	12,952	416	-	-	12,952	416
Corporate bond	490	10	-	-	490	10
Mutual funds	-	-	2,800	109	2,800	109
	$31,265	$868	$4,127	$121	$35,392	$989
December 31, 2010:						
Mortgage-backed securities-GSE's	$17,061	$349	$-	$-	$17,061	$349
U.S. Government (including agencies)	13,002	382	-	-	13,002	382
Obligations of state & political subdivisions	4,114	151	-	-	4,114	151
Corporate bond	988	12	-	-	988	12
Mutual funds	-	-	2,793	83	2,793	83
	$35,165	$894	$2,793	$83	$37,958	$977

The amortized cost and estimated fair value of securities available for sale at March 31, 2011 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

	Amortized Cost	Fair Value
	(in Thousands)	
One year or less	$-	$-
After one to five years	2,790	2,771
After five to ten years	9,978	9,794
After ten years	8,586	8,375
Total	21,354	20,940

Mortgage-backed securities	22,648	22,413
Equity securities	50	59
Mutual funds	2,909	2,800
Corporate bond	1,000	993
Total	$47,961	$47,205

NOTE I – INVESTMENT AND MORTGAGE- BACKED SECURITIES (Continued)

The following summarizes the amortized cost and estimated fair value of securities held to maturity at March 31, 2011 and December 31, 2010 with gross unrealized gains and losses therein:

	March 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Held to maturity:				
U.S. Government (including agencies)	$230,520	$175	$5,936	$224,759
Obligations of state and political subdivisions	15,343	217	248	15,312
Corporate and other	1,272	9	-	1,281
	$247,135	$401	$6,184	$241,352

	December 31, 2010			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Held to maturity:				
U.S. Government (including agencies)	$227,522	$357	$5,890	$221,989
Obligations of state and political subdivisions	15,628	190	303	15,515
Corporate and other	1,271	10	-	1,281
	$244,421	$557	$6,193	$238,785

NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related securities held to maturity are as follows:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
March 31, 2011						
U.S. Government (including agencies)	$195,607	$5,936	$-	$-	$195,607	$5,936
Obligations of state & political subdivisions	4,874	236	1,698	12	6,572	248
	$200,481	$6,172	$1,698	$12	$202,179	$6,184
December 31, 2010						
U.S. Government (including agencies)	$169,833	$5,890	$-	$-	$169,833	$5,890
Obligations of state & political subdivisions	6,582	273	1,680	30	8,262	303
	$176,415	$6,163	$1,680	$30	$178,095	$6,193

The amortized cost and estimated fair value of securities held to maturity at March 31, 2011 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

	Amortized Cost	Fair Value
	(In Thousands)	
One year or less	$102	$102
After one to five years	3,068	3,088
After five to ten years	102,622	101,203
After ten years	141,343	136,959
Total	$247,135	$241,352

Proceeds from the sale of securities available for sale amounted to $1.5 million and $520 thousand for the three months ended March 31, 2011 and 2010, respectively, with a net realized gain of $17 thousand and $23 thousand, respectively.

Management evaluates securities for other-than-temporary-impairment ("OTTI") at least on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation.

In determining OTTI under the ASC Topic 320, management considers many factors, including: (1) the length of time and the extent to which the fair value has been less than amortized cost; (2) the financial condition and near term prospects of the issuer; (3) whether the market decline was affected by macroeconomic conditions, and (4) whether the entity has the intent to sell the debt security or more likely than not will be required to sell the debt security before its anticipated recovery. The assessment of whether an other-than-temporary-impairment decline exists involves a high degree of subjectivity and judgment and is based on information available to management at a point in time. An OTTI is deemed to have occurred if there has been an adverse change in the remaining expected future cash flows.

NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

When OTTI for debt securities, occurs under the model, the amount of the OTTI recognized in earnings depends on whether an entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis. If an entity intends to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis, the OTTI shall be recognized in earnings equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date. If any entity does not intend to sell the security and it is not more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis, the OTTI shall be separated into the amount representing the credit loss and the amount related to all other factors. The amount of the total OTTI related to the credit loss is determined based on the present value of cash flows expected to be collected and is recognized in earnings. The amount of the total OTTI related to other factors shall be recognized in other comprehensive income, net of applicable tax benefit. The previous amortized cost basis less the OTTI recognized in earnings shall become the new amortized cost basis of the investment.

At March 31, 2011, the Company's available for sale and held to maturity debt securities portfolio consisted of approximately 193 securities, of which 95 were in an unrealized loss position for less than twelve months and 6 were in a loss position for more than twelve months. No OTTI charges were recorded for the three months ended March 31, 2011. The Company does not intend to sell these securities and it is not more likely than not that we will be required to sell these securities. Unrealized losses primarily relate to interest rate fluctuations and not credit concerns.

The available for sale mutual funds consists of CRA investments and currently have an unrealized loss of approximately $109 thousand. They have been in a loss position for the last two years with the greatest unrealized loss being approximately $184 thousand. Management does not believe the mutual fund securities available for sale are OTTI due to reasons of credit quality. The Company does not intend to sell these securities and it is not more likely than not that we will be required to sell these securities. Accordingly, as of March 31, 2011 management believes the impairments are temporary and no impairment loss has been realized in the Company's consolidated income statement.

Approximately $51.4 million of securities held to maturity are pledged as collateral for Federal Home Loan Bank of New York ("FHLBNY") advances, borrowings, and deposits at March 31, 2011.

The following tables set forth the composition of our mortgage- backed securities portfolio as of March 31, 2011 and December 31, 2010:

	March 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Government National Mortgage Association	$9,301	$224	$145	$9,380
Federal Home Loan Mortgage Corporation	174,255	4,419	2,768	175,906
Federal National Mortgage Association	244,018	4,628	2,740	245,906
Collateralized mortgage obligations-GSE's	7,368	280	-	7,648
	$434,942	$9,551	$5,653	$438,840

NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

	December 31, 2010			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In Thousands)			
Government National Mortgage Association	$9,988	$204	$107	$10,085
Federal Home Loan Mortgage Corporation	172,969	4,188	2,782	174,375
Federal National Mortgage Association	229,951	5,206	2,629	232,529
Collateralized mortgage obligations-GSE's	8,206	310	42	8,473
	$421,114	$9,908	$5,560	$425,462

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related mortgage-backed securities held to maturity are as follows:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
March 31, 2011						
Government National Mortgage Association	$3,840	$145	$-	$-	$3,840	$145
Federal Home Loan Mortgage Corporation	75,621	2,754	442	14	76,063	2,768
Federal National Mortgage Association	73,391	2,730	2,433	10	75,824	2,740
Collateralized Mortgage Obligations-GSE's	-	-	-	-	-	-
	$152,852	$5,629	$2,875	$24	$155,727	$5,653

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
December 31, 2010						
Government National Mortgage Association	$3,836	$107	$-	$-	$3,836	$107
Federal Home Loan Mortgage Corporation	83,451	2,781	19	1	83,470	2,782
Federal National		2,628	8	1	83,260	2,629

Mortgage Association	83,252					
Collateralized Mortgage Obligations-GSE's	1,920	42	-	-	1,920	42
	$172,459	$5,558	$27	$2	$172,486	$5,560

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NOTE I – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The amortized cost and estimated fair value of mortgage backed securities held to maturity at March 31, 2011 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

	Amortized Cost	Fair Value
	(In Thousands)	
One year or less	$706	$709
After one to five years	21,242	22,066
After five to ten years	51,506	52,568
After ten years	361,488	363,497
Total	$434,942	$438,840

As of March 31, 2011, there were 5 Government National Mortgage Association securities, 37 Federal Home Loan Mortgage Corporation securities, and 16 Federal National Mortgage Association securities in unrealized loss positions. Management does not believe that any of the individual unrealized losses represent an other-than-temporary impairment. The unrealized losses on mortgage-backed securities relate primarily to fixed interest rate and, to a lesser extent, adjustable interest rate securities. Such losses are the result of changes in interest rates and not credit concerns. The Bank, the Investment Co. and RomAsia Bank do not intend to sell these securities and it is not more likely than not that they will be required to sell these securities, therefore, no OTTI is required.

NOTE J - LOANS RECEIVABLE, NET

Loans receivable, net at March 31, 2011 and December 31, 2010 were comprised of the following (in thousands):

	March 31, 2011	December 31, 2010
Real estate mortgage loans:		
Residential mortgage	$373,687	$358,503
Commercial real estate	281,662	273,177
	655,349	631,680
Construction:		
Commercial real estate	22,450	18,055
Residential	15,268	19,142
	37,718	37,197
Consumer:		
Home equity	204,724	202,926
Other	1,635	1,760
	206,359	204,686
Commercial	34,524	36,125
Total loans	933,950	909,688
Less:		

Allowance for loan losses	10,251	9,844
Deferred loan fees	694	663
Loans in process	11,276	5,339
	22,221	15,846
Total loans receivable, net	$911,729	$893,842

NOTE J - LOANS RECEIVABLE, NET (Continued)

The following table presents nonaccrual loans by classes of the loan portfolio as of March 31, 2011 and December 31, 2010:

	March 31, 2011	December 31, 2010
	(In thousands)	
Commercial	$2,022	$2,178
Commercial real estate	17,332	17,481
Commercial real estate – construction	4,396	4,870
Residential mortgage	4,922	5,515
Residential construction	10,170	9,246
Home equity and other consumer	693	1,120
Total	$39,535	$40,410

A loan is considered impaired when based on current information and events, it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming commercial loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loans, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

The following table summarizes information in regards to impaired loans by loan portfolio class segregated by those for which a related allowance was required and those for which a related allowance was not necessary, as of March 31, 2011 and the three months then ended:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	1/1/11 – 3/31/11 Average Recorded Investment	1/1/11 – 3/31/11 Interest Income Recognized
			(In Thousands)		
With no related allowance recorded:					
Commercial	$1,282	$3,655	$-	$502	$25
Commercial real estate	28,986	32,244	-	29,041	183
Residential mortgage	12,364	13,653	-	12,391	156
Residential construction	14,640	18,620	-	14,707	145
Home equity and other consumer	2,684	3,030	-	2,689	37
	59,956	71,202	-	59,330	546
With an allowance recorded:					
Commercial	1,641	1,641	483	1,641	-
Commercial real estate	11,850	11,850	3,570	11,860	23
Commercial real estate-construction	4,396	4,396	1,300	4,396	-
Residential mortgage	454	454	61	454	-
Home equity and other consumer	217	217	176	217	-
	18,558	18,558	5,590	18,568	23

Total:					
Commercial	2,923	5,296	483	2,143	25
Commercial real estate	40,836	44,094	3,570	40,901	256
Commercial real estate-construction	4,396	4,396	1,300	4,396	-
Residential mortgage	12,818	14,107	61	12,845	156
Residential construction	14,640	18,620	-	14,707	145
Home equity and other consumer	2,901	3,247	176	2,906	37
	$78,514	$89,760	$5,590	$77,898	$569

NOTE J - LOANS RECEIVABLE, NET (Continued)

The following table summarizes information in regards to impaired loans by loan portfolio class segregated by those for which a related allowance was required and those for which a related allowance was not necessary, as of December 31, 2010 and the year then ended:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
			(In Thousands)		
With no related allowance recorded:					
Commercial real estate	$ 32,714	$ 38,586	$ -	$ 36,167	$ 1,159
Residential mortgage	10,833	12,122	-	10,855	128
Residential construction	15,702	20,500	-	16,572	186
Home equity and other consumer	2,545	2,906	-	2,679	70
	61,794	74,114	-	66,273	1,543
With an allowance recorded:					
Commercial	1,651	1,651	483	1,712	26
Commercial real estate	6,810	6,810	2,965	4,656	78
Commercial real estate-construction	4,870	4,870	1,555	4,935	101
Residential mortgage	323	323	61	323	-
Home equity and other consumer	226	226	192	189	3
	13,880	13,880	5,256	11,815	208
Total:					
Commercial	1,651	1,651	483	1,712	26
Commercial real estate	39,524	45,396	2,965	40,823	1,237
Commercial real estate-construction	4,870	4,870	1,555	4,935	101
Residential mortgage	11,156	12,445	61	11,178	128
Residential construction	15,702	20,500	-	16,572	186
Home equity and other consumer	2,771	3,132	192	2,868	73
	$ 75,674	$ 87,994	$ 5,256	$ 78,088	$ 1,751

At March 31, 2011, impaired loans included $37.6 million of loans, net of credit marks of $11.2 million, which were acquired in the merger. Loans totaling $29.6 million which are performing, are also included in this total and classified as impaired because they are a troubled debt restructure, have related loans that are non-performing, or which are considered impaired because at the merger date there was evidence of deterioration of credit quality, since origination, primarily collateral related.

At December 31, 2010, impaired loans included $38.7 million of loans, net of credit marks of $12.4 million, which were acquired in the merger. Loans totaling $30.8 million which were performing, were also included in this total and classified as impaired because they were a troubled debt restructure, have related loans that are non-performing, or which are considered impaired because at the merger date there was evidence of deterioration of credit quality, since origination, primarily collateral related.

NOTE J - LOANS RECEIVABLE, NET (Continued)

The performance and credit quality of the loan portfolio is also monitored by analyzing the age of the loans receivable by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the past due status as of March 31, 2011 (In thousands):

	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
Commercial	$39	$-	$1,519	$1,558	$32,966	$34,524	$-
Commercial real estate	4,204	6,049	22,666	32,919	248,743	281,662	4,832
Commercial real estate – constr.	-	-	4,396	4,396	18,054	22,450	-