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TF FINANCIAL CORP
Form 10-Q
May 14, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2002

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 0-24168

TF FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

74-2705050

(State or other jurisdiction of
incorporation or organization)

(I.R.S. employer
identification no.)

3 Penns Trail, Newtown, Pennsylvania

18940

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

215-579-4000

N/A

Former name, former address and former fiscal year,
if changed since last report.

Indicate by check 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes
of common stock as of the latest practicable date: April 30, 2002

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Class	Outstanding
\$.10 par value common stock	2,715,588 shares

TF FINANCIAL CORPORATION AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2002

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TF FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands)

	Unaudited March 31, 2002
Assets	
Cash and cash equivalents	\$71,165

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Certificates of deposit in other financial institutions	194
Investment securities available for sale - at fair value	22,513
Investment securities held to maturity (fair value of \$16,529 and \$9,830, respectively)	16,670
Mortgage-backed securities available for sale - at fair value	123,367
Mortgage-backed securities held to maturity (fair value of \$81,513 and \$94,735, respectively)	80,160
Loans receivable, net	368,551
Federal Home Loan Bank stock - at cost	11,118
Accrued interest receivable	4,278
Core deposit intangible	717
Goodwill	4,213
Premises and equipment, net	7,259
Other assets	10,607

Total assets	\$720,812
	=====
Liabilities and stockholders' equity	
Liabilities	
Deposits	\$432,285
Advances from the Federal Home Loan Bank	222,359
Advances from borrowers for taxes and insurance	1,054
Accrued interest payable	4,287
Other liabilities	2,605

Total liabilities	662,590

Commitments and contingencies	
Stockholders' equity	
Preferred stock, no par value; 2,000,000 shares authorized and none issued.	
Common stock, \$0.10 par value; 10,000,000 shares authorized, 5,290,000 issued; 2,465,525 and 2,465,986 shares outstanding at March 31, 2002 and December 31, 2001, net of treasury shares of 2,575,212 and 2,571,712, respectively.	529
Retained earnings	57,203
Additional paid-in capital	51,623
Unearned ESOP shares	(2,492)
Treasury stock - at cost	(48,943)
Accumulated other comprehensive income	302

Total stockholders' equity	58,222

Total liabilities and stockholders' equity	\$720,812
	=====

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	Ended March 31,	
	2002	2001
	-----	-----
Interest income		
Loans	\$6,731	\$7,166
Mortgage-backed securities	3,060	3,780
Investment securities	587	1,239
Interest bearing deposits and other	209	145
	-----	-----
Total interest income	10,587	12,330
	-----	-----
Interest expense		
Deposits	2,830	3,591
Advances from the Federal Home Loan Bank and other borrowings	3,037	3,500
	-----	-----
Total interest expense	5,867	7,091
	-----	-----
Net interest income	4,720	5,239
Provision for loan losses	150	125
	-----	-----
Net interest income after provision for loan losses	4,570	5,114
	-----	-----
Non-interest income		
Service fees, charges and other operating income	407	415
Bank-owned life insurance	133	-
Loss on sale of loans and mortgage-backed securities available for sale	-	(15)
	-----	-----
Total non-interest income	540	400
	-----	-----
Non-interest expense		
Compensation and benefits	1,928	1,938
Occupancy and equipment	578	645
Federal deposit insurance premium	19	21
Professional fees	80	156
Amortization of core deposit intangible	58	69
Amortization of goodwill	111	111
Advertising	110	126
Other operating	647	745
	-----	-----
Total non-interest expense	3,531	3,811
	-----	-----
Income before income taxes	1,579	1,703
Income taxes	376	445
	-----	-----
Net income	\$1,203	\$1,258
	=====	=====
Basic earnings per share	\$0.49	\$0.51
Diluted earnings per share	\$0.44	\$0.48
Weighted average number of shares outstanding - basic	2,463	2,482
Weighted average number of shares outstanding - diluted	2,716	2,637

See notes to consolidated financial statements

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TF FINANCIAL CORPORATION AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (in thousands)

	For the th en Mar
	----- 2002 -----
Cash flows from operating activities	
Net Income	\$1,203
Adjustments to reconcile net income to net cash provided by operating activities:	
Mortgage loan servicing rights	3
Deferred loan origination fees	(63)
Premiums and discounts on investment securities, net	35
Premiums and discounts on mortgage-backed securities and loans, net	(123)
Amortization of goodwill and core deposit intangible	169
Provision for loan losses	150
Depreciation of premises and equipment	252
Recognition of ESOP and MSBP expenses	67
Loss on sale of loans and mortgage-backed securities available for sale	-
Increase in value of bank-owned life insurance	(133)
(Increase) decrease in:	
Accrued interest receivable	(124)
Other assets	155
Increase (decrease) in:	
Accrued interest payable	525
Other liabilities	(960)
Net cash provided by operating activities	----- 1,156 -----
Cash flows from investing activities	
Loan originations and principal payments on loans, net	23,573
Purchases of loans	(14,767)
Proceeds from loan sales	-
Proceeds from sale of mortgage-backed securities available for sale	-
Purchases of mortgage-backed securities available for sale	(33,770)
Purchase of investment securities held to maturity	(6,821)
Proceeds from maturities of investment securities held to maturity	-
Proceeds from maturities of investment securities available for sale	-
Principal repayments from mortgage-backed securities held to maturity	13,265
Principal repayments from mortgage-backed securities available for sale	9,643
Purchases and redemptions of Federal Home Loan Bank stock, net	250
Proceeds from sales of real estate acquired through foreclosure	18
Purchase of premises and equipment	(27)
Net cash provided by (used in) investing activities	----- (8,636) -----

See notes to consolidated financial statements

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TF FINANCIAL CORPORATION AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
 (in thousands)

	For the three ended March 31
	----- 2002 -----
Cash flows from financing activities	
Net increase in deposits	10,233
Net decrease in advances from Federal Home Loan Bank	-
Net decrease in other borrowings	-
Net decrease in advances from borrowers for taxes and insurance	(187)
Exercise of stock options	100
Purchase of treasury stock, net	(270)
Common stock cash dividend	(370)

Net cash provided by (used in) financing activities	9,506

Net increase in cash and cash equivalents	2,026

Cash and cash equivalents at beginning of period	69,139

Cash and cash equivalents at end of period	\$71,165
	=====
Supplemental disclosure of cash flow information	
Cash paid for	
Interest on deposits and advances	\$ 5,342
Income taxes	\$ 700
Non-cash transactions	
Transfers from loans to real estate acquired through foreclosure	\$ 185

See notes to consolidated financial statements

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TF FINANCIAL CORPORATION AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - PRINCIPLES OF CONSOLIDATION

The consolidated financial statements as of March 31, 2002 (unaudited) and December 31, 2001 and for the three-month periods ended March 31, 2002 and 2001 (unaudited) include the accounts of TF Financial Corporation (the "Company") and its wholly owned subsidiaries Third Federal Savings Bank (the "Bank"), TF Investments Corporation, Penns Trail Development Corporation and Teragon Financial Corporation. The Company's business is conducted principally through the Bank. All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 2 - BASIS OF PRESENTATION

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The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include all of the disclosures or footnotes required by accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for fair presentation of the consolidated financial statements have been included. The results of operations for the period ended March 31, 2002 are not necessarily indicative of the results which may be expected for the entire fiscal year or any other period. For further information, refer to consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

NOTE 3 - 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 this litigation, if any, would not have a material adverse effect on the Company's consolidated financial condition or results of operations.

NOTE 4 - OTHER COMPREHENSIVE INCOME (LOSS)

The Company's other comprehensive income consists of net unrealized gains on investment securities and mortgage-backed securities available for sale. Total comprehensive income for the three-month periods ended March 31, 2002 and 2001 was \$720,000 and \$2,041,000, net of applicable income tax of \$127,000 and \$849,000, respectively.

NOTE 5- RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current period presentation.

NOTE 6- NEW ACCOUNTING PRONOUNCEMENTS

On January 1, 2002, the Company adopted Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations", SFAS No. 142, "Goodwill and Intangible Assets", and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". The adoption of these statements did not have a material impact on the financial condition or results of operations of the Company.

On January 1, 2002, the Company also adopted Statement of Position (SOP) 01-6, "Accounting by Certain Entities That Lend to or Finance the Activities of Others", which reconciles and conforms existing differences in the accounting and financial reporting guidance in the AICPA Audit and Accounting Guides, Banks and Savings Institutions, Audits of Credit Unions, and Audits of Finance Companies. It also carries forward accounting guidance for practices deemed to be unique to certain financial institutions. The adoption of this SOP had no impact on the Company's financial position or results of operations.

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TF FINANCIAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

TF Financial Corporation may from time to time make written or oral

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"forward-looking statements", including statements contained in the Company's filings with the Securities and Exchange Commission (including this Quarterly Report on Form 10-Q and the exhibits thereto), in its reports to stockholders and in other communications by the Company, which are made in good faith by the Company pursuant to the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations, estimates and intentions that are subject to change based on various important factors (some of which are beyond the Company's control). The following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rate, market and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services; the willingness of users to substitute competitors' products and services for the Company's products and services; the success of the Company in gaining regulatory approval of its products and services, when required; the impact of changes in financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes, acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks involved in the foregoing.

The Company cautions that the foregoing list of important factors is not exclusive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

Financial Condition

The Company's total assets at March 31, 2002 and December 31, 2001 were \$720.8 million and \$711.2 million, respectively, an increase of \$9.6 million, or 1.3%, during the three-month period. The increase in total assets was the direct result of the deployment of deposit growth into various earning asset categories. Cash and cash equivalents increased by \$2.0 million. Investment securities held to maturity increased by \$6.8 million due to the purchases of such securities. Mortgage-backed securities available for sale increased by \$23.6 million as \$33.8 million in purchases of such securities more than off-set the principal paydowns received from these securities. Mortgage-backed securities held to maturity decreased by \$13.2 million due to the high rate of prepayments of the mortgages underlying these pass-through securities. Similarly, high prepayments of existing mortgages in the loans receivable portfolio more than off-set new loans closed and purchased, causing a net decrease of \$9.1 million in loans receivable.

Total liabilities increased by \$9.4 million due to \$10.2 million in deposit growth. Non-interest bearing demand deposits grew by \$3.0 million while savings and money market accounts grew by \$9.7 million. Certificates of deposit decreased by \$1.4 million and interest-bearing checking accounts decreased by \$1.1 million.

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Total consolidated stockholders' equity of the Company was \$58.2 million or 8.08% of assets at March 31, 2002, compared to \$54.1 million or 7.74% of assets at March 31, 2001. During the first quarter of 2002 the Company repurchased 12,200 shares of its common stock and issued 8,700 shares pursuant to the exercise of stock options. As of March 31, 2002, there were approximately 118,800 shares available for repurchase under the previously announced share repurchase plan, and the Company will continue to repurchase shares as share availability and market conditions permit.

Asset Quality

Subsequent to the first quarter of 2002, the Company placed a portion of its purchased lease portfolio on non-performing status because it had ceased receiving the payments to which it was entitled. At the present time the Company believes that the collectibility of approximately \$600,000 of these payments may be in doubt. Because all of the facts surrounding this matter are still being developed and are not known, the Company cannot estimate at this time the amount or timing of eventual loss, if any. The ultimate resolution of this issue may result in an increase in the allowance for loan and lease losses in future periods and impact the Company's earnings. Other than the foregoing, the Company has not experienced any significant deterioration in its asset quality during the first quarter of 2002.

The following table sets forth information regarding the Company's asset quality (dollars in thousands):

	March 31, 2002	December 31, 2001	March 31, 2001
Non-performing loans	\$3,904	\$3,776	\$1,302
Ratio of non-performing loans to gross loans	1.05%	0.99%	0.36%
Ratio of non-performing loans to total assets	0.54%	0.53%	0.19%
Foreclosed property	\$198	\$40	\$176
Foreclosed property to total assets	0.03%	0.01%	0.03%
Ratio of total non-performing assets to total assets	0.57%	0.54%	0.21%

Management maintains an allowance for loan and lease losses at levels that are believed to be adequate; however, there can be no assurances that further additions will not be necessary or that losses inherent in the existing loan and lease portfolios will not exceed the allowance. The following table sets forth the activity in the allowance for loan and lease losses during the periods indicated (in thousands):

	2002	2001
Beginning balance, January 1,	\$1,972	\$1,714
Provision	150	125
Less: charge-off's (recoveries), net	66	62
	-----	-----
Ending balance, March 31,	\$2,056	\$1,777
	=====	=====

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RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

Net Income. The Company recorded net income of \$1,203,000, or \$0.44 per diluted share, for the three months ended March 31, 2002 as compared to \$1,258,000, or \$0.48 per diluted share, for the three months ended March 31, 2001.

Average Balance Sheet

The following table sets forth information relating to the Company's average balance sheet and reflects the average yield on assets and average cost of liabilities for the periods indicated. The yields and costs are computed by dividing income or expense by the average daily balance of interest-earning assets or interest-bearing liabilities, respectively, for the periods indicated.

	2002		Three months ended March 31, 2001	
	Average Balance	Interest	Average Yld/Cost	Average Balance
(dollars in thousands)				
Assets:				
Interest-earning assets:				
Loans receivable (1)	\$372,490	\$6,731	7.33%	\$362,020
Mortgage-backed securities	201,796	3,060	6.15%	232,319
Investment securities	47,792	587	4.99%	83,824
Other interest-earning assets (2)	53,966	209	1.56%	10,687
Total interest-earning assets	676,044	10,587	6.35%	688,850
Non interest-earning assets	34,928			28,503
Total assets	710,972			717,353
Liabilities and stockholders' equity:				
Interest-bearing liabilities				
Deposits	423,239	2,830	2.71%	404,512
Advances from the FHLB and other Borrowings	222,359	3,037	5.54%	251,405
Total interest-bearing liabilities	645,598	5,867	3.69%	655,917
Non interest-bearing liabilities	7,394			7,859
Total liabilities	652,992			663,776
Stockholders' equity	57,980			53,517
Total liabilities and stockholders' equity	\$710,972			\$717,353

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Net interest income.....	\$4,720	
	=====	
Interest rate spread (3).....		2.66%
Net yield on interest-earning assets (4).....		2.83%
Ratio of average interest-earning assets to average interest bearing liabilities.....		105%

- (1) Nonaccrual loans have been included in the appropriate average loan balance category, but interest on nonaccrual loans has not been included for purposes of determining interest income.
- (2) Includes interest-bearing deposits in other banks.
- (3) Interest-rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
- (4) Net yield on interest-earning assets represents net interest income as a percentage of average interest

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(5) Rate/Volume Analysis

The following table presents, for the periods indicated, the change in interest income and interest expense (in thousands) attributed to (i) changes in volume (changes in the weighted average balance of the total interest earning asset and interest bearing liability portfolios multiplied by the prior year rate), and (ii) changes in rate (changes in rate multiplied by prior year volume). Changes attributable to the combined impact of volume and rate have been allocated proportionately based on the absolute value of changes due to volume and changes due to rate.

	Three months ended March 31, 2002 vs. 2001		

	Increase (decrease) due to		
	-----	-----	-----
	Volume	Rate	Net
	-----	-----	-----
Interest income:			
Loans receivable, net	\$1,154	(1,589)	(\$435)
Mortgage-backed securities	(474)	(246)	(720)
Investment securities	(468)	(184)	(652)
Other interest-earning assets	769	(705)	64
	-----	-----	-----
Total interest-earning assets	981	(2,724)	(1,743)
	=====	=====	=====
Interest expense:			
Deposits	1,015	(1,776)	(761)
Advances from the FHLB and other borrowings	(398)	(65)	(463)
	-----	-----	-----
Total interest-bearing liabilities	617	(1,841)	(1,224)

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Net change in net interest income

\$364	(883)	(\$519)
-------	-------	---------

Total Interest Income. Total interest income decreased by \$1.7 million or 14.1% to \$10.6 million for the three months ended March 31, 2002 compared with the first quarter of 2001 primarily because of the consequences of a substantial decrease in market interest rates. Since the beginning of the first quarter of 2001, the Federal Reserve Board lowered the federal funds rate eleven times from 6.50% to 1.75%. Longer term market interest rates also decreased significantly. As a result the Company's callable investment securities were called, higher coupon mortgage-related securities were paid down at an accelerated rate, and loans receivable were refinanced by borrowers at lower rates, or away from the Bank, resulting in large paydowns of higher yielding loans. In addition, the interest rates on the Company's adjustable rate loans adjusted downward. Thus, each component of the Company's earning assets produced less interest income because of declining market interest rates. In addition, the Company's cash and cash equivalents were significantly higher during the 2002 period, while the rate earned on these assets, the federal funds rate minus 25 basis points, was substantially lower during the 2002 period. At March 31, 2002 cash and cash equivalents totaled \$71.2 million.

Total Interest Expense. Total interest expense decreased by \$1.2 million to \$5.9 million for the three-month period ended March 31, 2002. The increase in the average balance of deposits was more than offset by lower market interest rates during the period and the lower rates paid on the Company's renewing certificates of deposit that had been originated when market interest rates were higher. In addition, during the fourth quarter of 2001 and the first quarter of 2002, the Company lowered the interest rates paid on several of its other deposit products in order to keep them in line with short term market interest rates, mainly the federal funds rate.

Non-interest income. Total non-interest income was \$540,000 for the three-month period ended March 31, 2002 compared with \$400,000 for the same period in 2001. The increase is due to the increase in the cash surrender value of bank-owned life insurance which was purchased during the third quarter of 2001.

Non-interest expense. Total non-interest expense decreased by \$280,000 to \$3.5 million for the three months ended March 31, 2002 compared to the same period in 2001. Compensation and benefits expense would have been slightly higher except for a \$93,000 reduction in pension expense caused by participants who had very high balances leaving the plan. Occupancy and equipment expense decreased in part because the Company sold one of its branch offices during the fourth quarter of 2001, and also because maintenance expenses were unusually high during the first quarter of 2001 due to inclement weather. Professional fees were lower during the first quarter of 2002 compared to the year earlier period mainly due to \$60,000 of costs incurred during the first quarter of 2001 associated with the implementation of in-house item processing and statement rendering capabilities. The Company's effective tax rate during the first quarter of 2002 was 23.8% compared with 26.1% during the first quarter of 2001. The decrease is due to the purchase of bank-owned life insurance during the third quarter of 2001.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's liquidity is a measure of its ability to fund loans, pay withdrawals of deposits, and other cash outflows in an efficient, cost-effective manner. The Company's short-term sources of liquidity include maturity, repayment and sales of assets, excess cash and cash equivalents, new deposits, broker deposits, other borrowings, and new advances from the Federal Home Loan Bank. There has been no material adverse change during three-month period ended March 31, 2002 in the ability of the Company and its subsidiaries to fund their operations.

At March 31, 2002, the Company had commitments outstanding under letters of credit of \$1.6 million, commitments to originate loans of \$12.1 million, and commitments to fund undisbursed balances of closed loans and unused lines of credit of \$27.6 million.

Capital Requirements

The Bank is in compliance with all of its capital requirements as of March 31, 2002.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Asset and Liability Management

The Company's market risk exposure is predominately caused by interest rate risk, which is defined as the sensitivity of the Company's current and future earnings, the values of its assets and liabilities, and the value of its capital to changes in the level of market interest rates. Management of the Company believes that there has not been a material adverse change in market risk during the three months ended March 31, 2002.

TF FINANCIAL CORPORATION AND SUBSIDIARIES

PART II

- ITEM 1. LEGAL PROCEEDINGS
Not applicable.
- ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS
Not applicable.
- ITEM 3. DEFAULTS UPON SENIOR SECURITIES
Not applicable.
- ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

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The Annual Meeting of Stockholders (the "Meeting") of the Company was held on April 24, 2002. There were outstanding and entitled to vote at the Meeting 2,727,994 shares of Common Stock of the Company. There were present at the meeting or by proxy the holders of 2,375,554 shares of Common Stock representing 87.08% of the total eligible votes to be cast. Proposal 1 was to elect one director of the Company. The result of the voting at the Meeting is as follows (percentages in terms of votes cast):

Proposal 1
John R. Stranford FOR: 2,177,233 PERCENT FOR: 91.65%

ITEM 5. OTHER INFORMATION
None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K
(a) Exhibits
None
(b) Reports on Form 8-K
On April 24, 2002 the Company filed a Form 8-K wherein the Company disclosed that it had adopted Amended and Restated Bylaws in order to add sections which impose additional qualifications for Directors of the Company.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TF FINANCIAL CORPORATION

Date: May 14, 2002 /s/ John R. Stranford

John R. Stranford
President and CEO
(Principal Executive Officer)

Date: May 14, 2002 /s/ Dennis R. Stewart

Dennis R. Stewart
Senior Vice President and
Chief Financial Officer
(Principal Financial & Accounting Officer)

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