PROVIDENT FINANCIAL SERVICES INC
Form S-4
March 25, 2004

As filed with the Securities and Exchange Commission on March 25, 2004

Registration No. 333- _____

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

PROVIDENT FINANCIAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	6712	42-1547151
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

830 Bergen Avenue

Jersey City, New Jersey 07306

(201) 333-1000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Paul M. Pantozzi

830 Bergen Avenue

Jersey City, New Jersey 07306

(201) 333-1000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

John J. Gorman, Esq.
Marc P. Levy, Esq.
Luse Gorman Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, N.W., Suite 400
Washington, D.C. 20015
Phone: (202) 274-2000

Robert C. Azarow, Esq.
Thacher Proffitt & Wood LLP
Two World Financial Center
New York, New York 10281
Phone: (212) 912-7400

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: x

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, $0.01 par value per share	19,354,248 shares (1)	(2)	$621,066,957(2)	$78,690

(1) Represents the maximum number of shares of Provident Financial Services, Inc. common stock that may be issued in connection with the proposed merger to which this Registration Statement relates.
(2) Pursuant to Rule 457(f), the registration fee was computed on the basis of $21.025, the market value of the common stock of First Sentinel Bancorp, Inc. to be exchanged or cancelled in the merger, computed in accordance with Rule 457(c) on the basis of the average of the high and low price per share of such common stock quoted on the Nasdaq National Market on March 22, 2004, and 29,539,451 shares of common stock of First Sentinel Bancorp, Inc. that may be received by the Registrant and/or cancelled upon consummation of the merger.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

[Provident Financial Services, Inc. Logo]	[First Sentinel Bancorp, Inc. Logo]

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The boards of directors of Provident Financial Services, Inc. and First Sentinel Bancorp, Inc. have both unanimously approved the merger agreement between Provident and First Sentinel pursuant to which First Sentinel will be merged with and into Provident.

A First Sentinel stockholder will have the opportunity to elect the form of merger consideration to be received for each share of First Sentinel common stock owned. Each First Sentinel stockholder may elect to receive 1.0920 shares of Provident common stock, a cash payment of $22.25, or a combination of Provident common stock and cash. However, because the total amount of stock consideration payable in the merger is fixed at 60% of the total number of shares of First Sentinel common stock outstanding, regardless of your election, you may receive a combination of cash and shares of Provident common stock for your First Sentinel shares different than what you elected depending on the elections made by other First Sentinel stockholders. Provident common stock is listed on the New York Stock Exchange under the symbol PFS. First Sentinel common stock is listed on the Nasdaq National Market under the symbol FSLA.

The merger cannot be completed unless the stockholders of both companies approve the merger agreement. First Sentinel has scheduled an annual meeting so its stockholders can vote on the merger agreement, as well as vote on the election of three directors and ratify the appointment of First Sentinel s independent auditors for the year ending December 31, 2004. Provident s stockholders will vote on the merger agreement at Provident s annual meeting, as well as vote on the election of four directors and ratify the appointment of Provident s independent auditors for the year ending December 31, 2004. Each board of directors unanimously recommends that its stockholders vote **FOR** the merger agreement. First Sentinel s board of directors recommends that its stockholders vote **FOR** First Sentinel s nominees to the First Sentinel board of directors. First Sentinel also recommends that its stockholders vote **FOR** the ratification of KPMG LLP as its independent auditors for the year ending December 31, 2004. Provident s board of directors recommends that its stockholders vote **FOR** Provident s nominees to the Provident board of directors. Provident also recommends that its stockholders vote **FOR** the ratification of KPMG LLP as its independent auditors for the year ending December 31, 2004.

This document serves two purposes. It is the proxy statement being used by both the First Sentinel board of directors and the Provident board of directors to solicit proxies for use at their annual meetings. It is also the prospectus of Provident regarding the Provident common stock to be issued if the merger is completed. This document describes the merger in detail and includes a copy of the merger agreement as *Appendix A*.

The dates, times and places of the annual meetings are as follows:

FOR PROVIDENT STOCKHOLDERS:	**FOR FIRST SENTINEL STOCKHOLDERS:**
June 23, 2004 10:00 a.m.	**June 23, 2004 10:00 a.m.**
Hilton Newark Airport	**The Pines Manor**
1170 Spring Street	**2085 Route 27**
Elizabeth, New Jersey	**Edison, New Jersey**

Only stockholders of record as of April 30, 2004 are entitled to attend and vote at their respective annual meetings. This document describes the annual meetings, the merger, the documents related to the merger, and other related matters of First Sentinel and Provident. **Please read this entire document carefully, including the section discussing risk factors beginning on page . You can also obtain information about our companies from documents that we have filed with the Securities and Exchange Commission.**

Your vote is very important. Whether or not you plan to attend your company s annual meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** the merger agreement and the other proposals being considered at your annual meeting. If you do not return the proxy card, it will have the same effect as a vote against the merger agreement.

PAUL M. PANTOZZI **Chairman, Chief Executive Officer and President**	**CHRISTOPHER MARTIN** **President and Chief Executive Officer**
Provident Financial Services, Inc.	**First Sentinel Bancorp, Inc.**

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY BANK REGULATORY AGENCY, NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Joint Proxy Statement/Prospectus is dated , 2004 and is first being mailed to stockholders of Provident and First Sentinel on or about , 2004.

Table of Contents

HOW TO GET COPIES OF RELATED DOCUMENTS

This document incorporates important business and financial information about Provident Financial Services, Inc. and First Sentinel Bancorp, Inc. that is not included in or delivered with this document. Provident and First Sentinel stockholders may receive the information free of charge by writing or calling the persons listed below. For Provident documents, make your request to John F. Kuntz, Esq., Corporate Secretary, Provident Financial Services, Inc., 830 Bergen Avenue, Jersey City, New Jersey 07306; telephone number (201) 333-1000. For First Sentinel documents, make your request to Ann C. Clancy, Esq., Corporate Secretary, First Sentinel Bancorp, Inc., 1000 Woodbridge Center Drive, Woodbridge, New Jersey 07095; telephone number (732) 726-9700. We will respond to your request within one business day by sending the requested documents by first class mail or other equally prompt means. **In order to ensure timely delivery of the documents in advance of the meetings, any request should be made by , 2004. Also see Where You Can Find More Information on page .**

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

APPENDICES

Table of Contents

PROVIDENT FINANCIAL SERVICES, INC.

830 Bergen Avenue

Jersey City, New Jersey 07306

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Provident Financial Services, Inc., a Delaware corporation, will hold its Annual Meeting of Stockholders at the Hilton Newark Airport, 1170 Spring Street, Elizabeth, New Jersey on Wednesday, June 23, 2004 at 10:00 a.m. local time for the following purposes:

1. To consider and vote on the Agreement and Plan of Merger, dated as of December 19, 2003, by and between Provident Financial Services, Inc., and First Sentinel Bancorp, Inc., a Delaware corporation, and all of the matters contemplated therein pursuant to which, among other things, First Sentinel Bancorp, Inc. will merge with and into Provident Financial Services, Inc. with Provident Financial Services, Inc. being the surviving corporation.

2. To elect four persons to serve as directors of Provident Financial Services, Inc. for the terms specified in the Joint Proxy Statement/Prospectus.

3. To ratify the appointment of KPMG LLP as independent auditors for Provident Financial Services, Inc. for the year ending December 31, 2004.

4. To transact such other business as may properly come before the Provident Financial Services, Inc. annual meeting, or any adjournment or postponement of the meeting.

We more fully describe the merger and the other proposals in the attached Joint Proxy Statement/Prospectus.

We have fixed the close of business on April 30, 2004 as the record date for determining the stockholders of Provident Financial Services, Inc. entitled to vote at the Provident Financial Services, Inc. annual meeting of stockholders and any adjournments or postponements of the meeting. Only holders of record of Provident Financial Services, Inc. common stock at the close of business on that date are entitled to notice of and to vote at the Provident Financial Services, Inc. annual meeting.

The board of directors of Provident Financial Services, Inc. unanimously recommends that you vote **FOR** approval of the merger agreement and the other matters contemplated therein. The affirmative vote of a majority of the outstanding shares of Provident Financial Services, Inc. common stock entitled to vote at the annual meeting is required to approve the merger agreement and transactions contemplated therein. The board of directors of Provident Financial Services, Inc. also unanimously recommends that you vote **FOR** each of the nominees for director listed in the Joint Proxy Statement/Prospectus and **FOR** ratification of the appointment of KPMG LLP as our independent auditors for the year ending December 31, 2004.

The board of directors of Provident Financial Services, Inc. requests that you complete, sign and mail the enclosed [INSERT COLOR] proxy card promptly in the enclosed postage-paid envelope. You may revoke any proxy that you deliver prior to the Provident Financial Services, Inc. annual meeting of stockholders by delivering a letter addressed to the Secretary of Provident Financial Services, Inc. stating that you have revoked your proxy or by delivering a later dated proxy. Stockholders of record of Provident Financial Services, Inc. common stock who attend the Provident Financial Services, Inc. annual meeting may vote in person, even if they have previously delivered a signed proxy.

By Order of the Board of Directors
PROVIDENT FINANCIAL SERVICES, INC.

John F. Kuntz
Corporate Secretary

Jersey City, New Jersey

May , 2004

Table of Contents

FIRST SENTINEL BANCORP, INC.

1000 Woodbridge Center Drive

Woodbridge, New Jersey 07095

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on June 23, 2004

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of First Sentinel Bancorp, Inc. will be held at The Pines Manor, 2085 Route 27, Edison, New Jersey, on June 23, 2004 at 10:00 a.m., local time, for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of December 19, 2003, by and between Provident Financial Services, Inc. and First Sentinel Bancorp, Inc., and all of the matters contemplated in the agreement, pursuant to which First Sentinel will merge with and into Provident, with Provident being the surviving corporation.

2. To elect three persons to serve as directors of First Sentinel until the merger with Provident is consummated or, if the merger is not consummated, for a term of three years each.

3. To ratify the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004.

In addition, such other matters as may properly come before the First Sentinel annual meeting or any adjournment or postponement of the meeting will be considered and voted upon at the annual meeting.

We more fully describe the merger with Provident and the other proposals in the attached Joint Proxy Statement/Prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as *Appendix A* to the accompanying Joint Proxy Statement/Prospectus.

We have established April 30, 2004 as the record date for determining the stockholders entitled to notice of and to vote at the annual meeting. Only record holders of First Sentinel common stock as of the close of business on that date will be entitled to vote at the annual meeting or any adjournment or postponement of the meeting. If there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the annual meeting, the annual meeting may be adjourned in order to permit further solicitation of proxies by First Sentinel. A list of stockholders entitled to vote at the annual meeting will be available at First Sentinel Bancorp, Inc., 1000 Woodbridge Center Drive, Woodbridge, New Jersey, for ten days prior to the annual meeting and also will be available at the annual meeting.

Our board of directors unanimously recommends that you vote **FOR** approval of the merger agreement and the transactions contemplated in the merger agreement, **FOR** each of the nominees for director listed in the Joint Proxy Statement/Prospectus and **FOR** ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004.

Please complete, sign and return the enclosed [INSERT COLOR] proxy card promptly in the enclosed postage-paid envelope. Your vote is important, regardless of the number of shares that you own. Voting by proxy will not prevent you from voting in person at First Sentinel s annual meeting, but will assure that your vote is counted if you are unable to attend.

By Order of the Board of Directors,

Ann C. Clancy
Secretary

Woodbridge, New Jersey

May , 2004

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE VOTING

PROCEDURES FOR THE ANNUAL MEETINGS

Q: WHAT DO I NEED TO DO NOW?

A: After you have carefully read this Joint Proxy Statement/Prospectus, just indicate on your proxy card how you want your shares to be voted, then sign and mail it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the Provident annual meeting or the First Sentinel annual meeting. If you sign and send in your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote in favor of the merger agreement and the other proposals to be voted on at your company s annual meeting.

Q: WHY IS MY VOTE IMPORTANT?

A. If you do not return your proxy card at or prior to the appropriate annual meeting, it will be more difficult for Provident and First Sentinel to obtain the necessary quorum to hold their annual meetings. The failure of a Provident or a First Sentinel stockholder to vote, by proxy or in person, will have the same effect as a vote against the merger agreement. The merger must be approved by the holders of a majority of the outstanding shares of Provident common stock entitled to vote at the Provident annual meeting and by the holders of a majority of the outstanding shares of First Sentinel common stock entitled to vote at the First Sentinel annual meeting.

Q: HOW DO I VOTE?

A: You can vote by mail. For this method you will need to complete, sign, date and return your proxy card in the postage-paid envelope provided. You can also vote in person at your company s annual meeting.

Q: IF MY SHARES ARE HELD IN STREET NAME BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A: No. Your broker can not vote on the merger proposal on your behalf without specific instructions from you. Your broker will vote your shares on the merger proposal only if you provide instructions on how to vote. You should follow the directions provided by your broker. Your broker can vote your shares on all other proposals without your instructions.

Q. WHAT IF I FAIL TO INSTRUCT MY BROKER?

A. If you fail to instruct your broker how to vote your shares and the broker submits an unvoted proxy, the resulting broker non-vote will be counted toward a quorum at your company s annual meeting, but it will have the same effect as a vote against the merger agreement.

Q. I OWN SHARES OF BOTH FIRST SENTINEL AND PROVIDENT. SHOULD I ONLY VOTE ONCE?

A. No. If you own shares of both companies, you will receive separate proxy cards: the **[Insert Color]** proxy card is for the First Sentinel annual meeting; the **[Insert Color]** proxy card is for the Provident annual meeting. It is important that you vote at both meetings, so please complete, sign, date and return both cards as instructed.

Q. CAN I ATTEND THE ANNUAL MEETING AND VOTE MY SHARES IN PERSON?

A. Yes. All stockholders are invited to attend their company s annual meeting. Stockholders of record can vote in person at the annual meeting. If a broker holds your shares in street name, then you are not the stockholder of record and you must ask your broker how you can vote at the annual meeting in person.

Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. If you have not voted through your broker, there are three ways for you to revoke your proxy and change your vote. First, you may send written notice to the Corporate Secretary of your company stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card. Third, you may vote in person at your company s annual meeting. If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote. Your last vote will be the vote that is counted.

Table of Contents

Q: I AM A FIRST SENTINEL STOCKHOLDER. SHOULD I SEND IN MY FIRST SENTINEL STOCK CERTIFICATES NOW?

A: No. You should not send in your stock certificates at this time. We will separately send you an election form with instructions for exchanging your First Sentinel stock certificates.

Q: I AM A PROVIDENT STOCKHOLDER. DO I NEED TO DO ANYTHING WITH MY PROVIDENT STOCK CERTIFICATES?

A. No. Provident stockholders will not exchange their certificates in the merger. The certificates currently representing shares of Provident common stock will represent an equal number of shares of common stock of the combined company after the merger.

Q: WHEN DO YOU EXPECT TO MERGE?

A: We are working toward completing the merger as quickly as possible. We expect to complete the merger in the second quarter of 2004. However, we cannot assure you when or if the merger will occur. We must first obtain the approvals of stockholders of both Provident and First Sentinel and all necessary regulatory approvals.

Q: WHOM SHOULD I CALL WITH QUESTIONS OR TO OBTAIN ADDITIONAL COPIES OF THIS JOINT PROXY STATEMENT/PROSPECTUS?

Provident stockholders should contact:

Provident Financial Services, Inc.

830 Bergen Avenue

Jersey City, New Jersey 07306

Attention: John F. Kuntz, Esq.

General Counsel and Corporate Secretary

Phone Number: (201) 333-1000

First Sentinel stockholders should contact:

First Sentinel Bancorp, Inc.

1000 Woodbridge Center Drive

Woodbridge, New Jersey 07095

Attention: Ann C. Clancy, Esq.

General Counsel and Corporate Secretary

Phone Number: (732) 726-9700

Table of Contents

SUMMARY

This is a summary of certain information regarding the proposed merger and the stockholder meetings to vote on the merger agreement contained in this document. It does not contain all of the information that may be important to you. We urge you to carefully read the entire document, including the Appendices, before deciding how to vote.

What This Document Is About

The boards of directors of First Sentinel Bancorp, Inc. and Provident Financial Services, Inc. have approved the merger agreement between First Sentinel and Provident pursuant to which First Sentinel will merge with and into Provident. The merger cannot be completed unless the stockholders of both companies approve the merger agreement. Provident s stockholders will vote on the merger agreement at Provident s annual meeting, at which they will also vote on the election of four directors and the ratification of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004. First Sentinel s stockholders will vote on the merger agreement at First Sentinel s annual meeting, at which they will also vote on the election of three directors and the ratification of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004. This document is the Joint Proxy Statement used by both boards to solicit proxies for those annual meetings. It is also the Prospectus of Provident regarding the Provident common stock to be issued to First Sentinel stockholders if the merger is completed.

The Provident Annual Meeting

Date, Time and Place	Provident will hold its annual meeting of stockholders on June 23, 2004, 10:00 a.m., at the Hilton Newark Airport, 1170 Spring Street, Elizabeth, New Jersey.
Record Date	April 30, 2004.
Shares Entitled to Vote	shares of Provident common stock were outstanding on the Record Date and entitled to vote at the Provident annual meeting.
Purpose of the Annual Meeting	To consider and vote on the merger agreement, the election of four directors and the ratification of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004.
Vote Required	A majority of the outstanding shares of Provident common stock entitled to vote must be cast in favor of the merger agreement for it to be approved. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is withheld. The ratification of KPMG LLP as independent auditors is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN.
	As of the record date, the directors and executive officers of Provident and their affiliates beneficially owned, as of , 2004, shares, or approximately % of the outstanding shares of Provident common stock, and all such persons have indicated their intention to vote their shares in favor of the merger agreement with First Sentinel.

3

Table of Contents

The Provident Board Recommends You Vote in Favor of the Proposals	Provident s directors have unanimously approved the merger agreement and unanimously recommend that Provident stockholders vote **FOR** the merger agreement, **FOR** each of the nominees listed in this Joint Proxy Statement/Prospectus for the Provident board and **FOR** the ratification of KPMG LLP as independent auditors of Provident for the year ending December 31, 2004.
The First Sentinel Annual Meeting	
Date, Time and Place	First Sentinel will hold its annual meeting of stockholders on June 23, 2004, 10:00 a.m., at The Pines Manor, 2085 Route 27, Edison, New Jersey.
Record Date	April 30, 2004.
Shares Entitled to Vote	shares of First Sentinel common stock were outstanding on the Record Date and entitled to vote at the First Sentinel annual meeting.
Purpose of the Annual Meeting	To consider and vote on the merger agreement, the election of three directors and the ratification of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004.
Vote Required	A majority of the outstanding shares of First Sentinel common stock entitled to vote must be cast in favor of the merger agreement for it to be approved. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is withheld. The ratification of KPMG LLP as independent auditors is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN. As of the record date, the directors and executive officers of First Sentinel and their affiliates beneficially owned shares, or approximately % of the outstanding shares, of First Sentinel common stock, and all such persons have indicated their intention to vote their shares in favor of the merger agreement with Provident. In addition, at the time the merger agreement with Provident was signed, each director of First Sentinel and Ms. Nancy E. Graves, Mr. Thomas M. Lyons and Mr. Richard Spengler, all of whom are executive officers of First Sentinel, entered into a separate letter agreement with Provident, pursuant to which, among other things, they agreed to vote or cause to be voted all shares over which they maintain sole or shared voting power in favor of approval and adoption of the merger agreement.

4

Table of Contents

The First Sentinel Board Recommends You Vote in Favor of the Proposals	First Sentinel s directors have unanimously approved the merger agreement and unanimously recommend that First Sentinel stockholders vote **FOR** the merger agreement, **FOR** each of the nominees listed in this Joint Proxy Statement/Prospectus for the First Sentinel board and **FOR** the ratification of KPMG LLP as independent auditors for the year ending December 31, 2004.
The Companies	
Provident	Provident, a Delaware corporation, is the bank holding company for The Provident Bank. The Provident Bank is a New Jersey savings bank that operates 54 full-service banking offices in northern and central New Jersey. The Federal Deposit Insurance Corporation insures its deposits. At December 31, 2003, Provident had $4.3 billion in total consolidated assets. Provident s principal executive offices are located at 830 Bergen Avenue, Jersey City, New Jersey 07306. Provident s telephone number is (201) 333-1000.
First Sentinel	First Sentinel, a Delaware corporation, is the savings and loan holding company for First Savings Bank. First Savings Bank is a New Jersey savings bank that operates 22 full-service banking offices in central New Jersey. At December 31, 2003, First Sentinel had $2.2 billion in total consolidated assets. First Sentinel s principal executive offices are located at 1000 Woodbridge Center Drive, Woodbridge, New Jersey 07095. First Sentinel s telephone number is (732) 726-9700.
The Merger	
General Description	First Sentinel will merge with and into Provident, with Provident as the surviving entity. The merger will be completed on the fifth business day after all material conditions to closing have been met, unless Provident and First Sentinel agree on a different closing date. A copy of the merger agreement is attached as *Appendix A* to this document and is incorporated by reference.
Consideration Payable to First Sentinel Stockholders	First Sentinel stockholders will be offered the opportunity to elect to receive merger consideration in the form of 1.0920 shares of Provident common stock, $22.25 in cash or a combination of Provident common stock and cash in exchange for their shares of First Sentinel common stock. However, because 60% of the total number of shares of First Sentinel common stock outstanding at the closing will be converted into Provident common stock and the remainder will be converted into cash, regardless of a First Sentinel stockholder s election, a First Sentinel stockholder may actually receive a combination of cash and shares of Provident common stock for his, her or its First Sentinel shares that is different than

Table of Contents

	what such stockholder elected depending on the elections made by other First Sentinel stockholders. All elections will be subject to the allocation and proration procedures described in the merger agreement. These procedures are intended to ensure that 60% of the total number of shares of First Sentinel common stock outstanding at the closing will be converted into Provident common stock and the remaining outstanding shares will be converted into cash.
Election of Cash or Stock Consideration	No later than 40 days before the expected date of completion of the merger, Provident will send an election form to First Sentinel stockholders that you may use to indicate whether your preference is to receive cash, Provident common stock or a combination of cash and Provident common stock, or whether you have no preference for your shares of First Sentinel common stock. FIRST SENTINEL STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE INSTRUCTIONS FROM THE PROVIDENT EXCHANGE AGENT. The merger agreement contains allocation and proration provisions that are designed to ensure that 60% of the outstanding shares of common stock of First Sentinel will be exchanged for shares of Provident common stock and the remaining outstanding shares of common stock of First Sentinel will be exchanged for cash. Therefore, if the holders of more than 60% of the outstanding First Sentinel common stock elect to receive Provident common stock for such shares, the amount of Provident common stock that each such stockholder would receive from Provident will be reduced on a pro rata basis. As a result, these First Sentinel stockholders will receive cash consideration for any First Sentinel shares for which they do not receive Provident common stock. Similarly, if the holders of more than 40% of the outstanding First Sentinel common stock elect to receive cash for such shares, the amount of cash that each such stockholder would receive from Provident will be reduced on a pro rata basis. As a result, such stockholders will receive Provident common stock for any First Sentinel shares for which they do not receive cash. THE DEADLINE FOR RETURNING THE ELECTION FORM IS THE CLOSE OF BUSINESS ON THE TWENTIETH BUSINESS DAY FOLLOWING THE MAILING DATE OF THE ELECTION FORM, NOT INCLUDING THE DATE OF MAILING, UNLESS FIRST SENTINEL AND PROVIDENT MUTUALLY AGREE UPON ANOTHER DEADLINE DATE. IF YOU DO NOT MAKE AN ELECTION, YOU WILL BE

	ALLOCATED EITHER CASH OR PROVIDENT COMMON STOCK, OR A COMBINATION OF CASH AND PROVIDENT COMMON STOCK, DEPENDING ON THE ELECTIONS MADE BY OTHER FIRST SENTINEL STOCKHOLDERS.
Cash In Lieu of Fractional Shares	First Sentinel stockholders will not receive fractional shares of Provident common stock in the merger. Instead they will receive, without interest, a cash payment equal to the fractional share interest they otherwise would have received, multiplied by the value of Provident common stock. For this purpose, Provident common stock will be valued at the average of its daily closing sales prices during the five consecutive trading days immediately preceding the completion date of the merger.
Dissenters Rights for First Sentinel Stockholders	Under Delaware General Corporation Law, holders of First Sentinel common stock may have the right to obtain an appraisal of the value of their shares of First Sentinel common stock in connection with the merger. To perfect appraisal rights, a First Sentinel stockholder must not vote for the adoption of the merger agreement and must strictly comply with all of the procedures required under Section 262 of the Delaware General Corporation Law. These procedures are described more fully beginning on page . We have included a copy of the Delaware General Corporation Law Section 262 Appraisal Rights as *Appendix D* to this document.
Federal Income Tax Consequences of the Merger	Provident and First Sentinel will not be required to complete the merger unless they receive legal opinions to the effect that the merger constitutes a tax-free reorganization for United States federal income tax purposes. We expect that, for United States federal income tax purposes, First Sentinel stockholders will generally not recognize any taxable gain or loss with respect to the exchange of their First Sentinel shares if they receive only Provident common stock (except for cash received in lieu of any fractional shares). If you receive only cash in exchange for your First Sentinel common stock, you will recognize gain or loss in an amount equal to the difference between the amount of cash received and your tax basis in your shares of First Sentinel common stock exchanged. If you receive a combination of Provident common stock and cash in exchange for your shares of First Sentinel common stock, you will generally recognize a taxable gain (but not loss) in an amount equal to the lesser of: (a) the excess, if any of: (1) the sum of the cash and the fair market value of the Provident common stock you receive; over

	(2) your tax basis in the First Sentinel common stock exchanged in the merger; or
	(b) the cash that you receive in the merger.
	Your tax basis in the Provident common stock that you receive in the merger will equal your tax basis in the First Sentinel common stock you exchange in the merger, increased by the amount of any taxable gain you recognize in the merger.
	Your holding period for the Provident common stock that you receive in the merger will include your holding period for the shares of First Sentinel common stock that you exchange in the merger.
	If you acquired different blocks of shares of First Sentinel common stock at different times and at different prices, any taxable gain or loss you recognize will be determined separately with respect to each block of shares of First Sentinel common stock, and the cash and Provident common stock you receive will be allocated pro rata to each such block of First Sentinel common stock. In addition, your basis and holding period in your Provident common stock may be determined with reference to each block of First Sentinel common stock exchanged.
	FIRST SENTINEL STOCKHOLDERS ARE URGED TO READ THE MORE COMPLETE DESCRIPTION OF THE MERGER S UNITED STATES FEDERAL INCOME TAX CONSEQUENCES ON PAGE AND TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO THEM UNDER APPLICABLE LAWS.
Treatment of First Sentinel Stock Options	In the merger, the outstanding and unexercised options to acquire First Sentinel common stock will be cancelled and all rights under the options will be extinguished in exchange for a cash payment determined by multiplying the number of First Sentinel common stock subject to the option by an amount equal to $22.25 less the exercise price per share of the option.
Reselling the Stock You Receive in the Merger	The shares of Provident common stock to be issued in the merger will be registered under the Securities Act of 1933. Except as noted below, stockholders may freely transfer those shares after they receive them. First Sentinel has identified certain of its directors, executive officers and others who may be deemed affiliates of First Sentinel, and those persons have entered into agreements with Provident restricting their ability to transfer the shares they will receive in the merger.

Differences in Stockholders Rights	In the merger, each First Sentinel stockholder who receives Provident common stock will become a Provident stockholder. The rights of First Sentinel stockholders are currently governed by the Delaware General Corporation Law and First Sentinel s certificate of incorporation and by-laws. The rights of Provident stockholders are currently governed by Delaware General Corporation Law and Provident s certificate of incorporation and by-laws. The rights of First Sentinel and Provident stockholders are substantially similar with respect to voting requirements in the merger and various other matters. See page .
Reasons for the Merger	On January 15, 2003, The Provident Bank completed its conversion from the mutual to stock form of ownership. As part of the conversion, Provident raised approximately $600 million in new capital. Over the last several years, Provident has expanded its operations through branching (de novo and through acquisition). Provident identified First Sentinel as a merger candidate that would add to its franchise by expanding its banking operations in the central New Jersey market area, primarily in Middlesex County, New Jersey, which Provident believes is an attractive market area.
	First Sentinel entered into the merger agreement at the conclusion of a process in which First Sentinel determined that a merger with Provident was in the best interests of its stockholders. The First Sentinel board of directors believes that the merger is fair to First Sentinel stockholders and that the combined entity will be better positioned for future success than if First Sentinel remains independent.
Opinion of Provident s Financial Advisor	Lehman Brothers Inc., or Lehman Brothers, Provident s financial advisor, rendered its opinion orally on December 18, 2003, subsequently confirmed in writing on December 19, 2003, to Provident s board of directors that, as of that date, and based upon and subject to the matters stated in its opinion, from a financial point of view, the consideration to be paid by Provident in the merger with First Sentinel was fair to Provident.
	A copy of the full text of Lehman Brothers opinion, dated December 19, 2003, which discusses the assumptions made, factors considered and limitations upon the review undertaken by Lehman Brothers in rendering its opinion, is included as *Appendix B* to this Joint Proxy Statement/Prospectus. Holders of Provident common stock are encouraged to carefully read Lehman Brothers opinion in its entirety. Lehman Brothers provided its opinion for the information and assistance of Provident s board of directors in connection with its consideration of the transaction. Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any holder of Provident common stock as to how such holder should vote in connection with the merger transaction.

Table of Contents

Pursuant to an engagement letter between Provident and Lehman Brothers, Provident agreed to pay Lehman Brothers a fee, the substantial portion of which is payable upon completion of the merger.

Opinion of First Sentinel s Financial Advisor

Sandler O Neill & Partners, L.P., First Sentinel s financial advisor, has rendered its written opinion to First Sentinel s board of directors that, as of the date of this Joint Proxy Statement/Prospectus, and based upon and subject to the assumptions made, matters considered and qualifications and limitations stated in its opinion, the consideration to be received by First Sentinel s stockholders in the merger with Provident is fair to such stockholders from a financial point of view. Holders of First Sentinel common stock are encouraged to carefully read Sandler O Neill s opinion in its entirety. A copy of the full text of Sandler O Neill s fairness opinion is included as *Appendix C* to this Joint Proxy Statement/Prospectus. For information on how Sandler O Neill arrived at its opinion, see page . Sandler O Neill s opinion is not intended to be and does not constitute a recommendation to any holder of First Sentinel common stock as to how such holder should vote in connection with the merger transaction.

Pursuant to an engagement letter between First Sentinel and Sandler O Neill, First Sentinel agreed to pay Sandler O Neill a fee, the substantial portion of which has already been paid.

Financial Interests of First Sentinel s Directors and Officers in the Merger

Some of First Sentinel s directors and executive officers have interests in the merger that are in addition to their interests as stockholders. The Provident and First Sentinel boards of directors considered these interests in deciding to approve the merger agreement.

Provident has agreed that two current directors of First Sentinel will be appointed as directors of Provident and The Provident Bank when the merger is completed. In addition, during calendar year 2005, the boards of directors of Provident and The Provident Bank shall appoint either Christopher Martin or one of the members of the advisory board established as part of this merger as a director of Provident and of The Provident Bank for a term of office expiring at the annual meeting of stockholders to be held following the year ending December 31, 2005. Provident will also establish an advisory board consisting of those persons, other than Christopher Martin, who currently serve on the board of directors of First Sentinel but will not join the Provident board of directors.

Christopher Martin will be appointed President of Provident and The Provident Bank at the time the merger is completed. Mr. Martin has entered into an employment agreement with Provident,

Table of Contents

effective only upon the closing of the merger, that provides for an initial base salary of $365,000 and the ability to participate in Provident s compensation and benefit plans. In addition, Thomas M. Lyons, Richard Spengler and Nancy E. Graves will be offered management level positions at Provident and/or The Provident Bank, and each of such officers has entered into a two-year change in control agreement with Provident, effective only upon the closing of the merger.

In addition, Mr. Martin will receive a payment in consideration of the termination of his existing employment agreement with First Sentinel, and certain other executive and non-executive officers will receive a payment in consideration of the termination of their existing change in control agreements with First Sentinel.

In addition, certain First Sentinel non-executive officers will receive severance payments upon the completion of the merger.

Provident has agreed to indemnify the directors and officers of First Sentinel against certain liabilities for a six-year period following the merger.

On the Record Date, directors and executive officers of First Sentinel and their affiliates owned shares or % of the First Sentinel common stock.

For additional information on the benefits of the merger to First Sentinel s management, see page .

Conditions to the Merger

Completion of the merger is contingent on a number of conditions, including approval of the merger agreement by First Sentinel and Provident stockholders at their annual meetings.

Regulatory Approval

The merger is subject to the approval of the Federal Deposit Insurance Corporation and the New Jersey Department of Banking and Insurance and the non-objection of the Federal Reserve Bank of New York. We have filed the applications required to obtain the necessary regulatory approvals. As of the date of this document, we had not received the required approvals. We will file a waiver notice with the Federal Reserve Bank of New York after we receive the Federal Deposit Insurance Corporation approval. Approval does not constitute an endorsement of the merger or a determination that the terms of the merger are fair to First Sentinel stockholders or Provident stockholders.

Terminating the Merger Agreement

First Sentinel will be required to pay Provident a termination fee in the amount of $24.0 million if, among other things, in connection with First Sentinel s receipt of a superior proposal (as

	defined in the merger agreement), First Sentinel (i) enters into an acquisition agreement with respect to such superior proposal, (ii) terminates the merger agreement or (iii) withdraws or adversely modifies its recommendation to its stockholders to vote in favor of the merger agreement. Additionally, if the average of the daily closing sales prices of Provident common stock for the twenty consecutive trading days immediately preceding the first date on which all regulatory approvals have been received is less than $16.30 and the decline in value of Provident common stock relative to the change in value of an index of financial institution holding companies over a similar period exceeds 17.5%, then First Sentinel can terminate the merger agreement unless Provident increases the consideration to be received by the holders of First Sentinel common stock utilizing the formula agreed to in the merger agreement. See Section 11.1.9 of the merger agreement for the specific formula referenced above. The merger agreement also may be terminated by either First Sentinel or Provident if the merger has not occurred by September 30, 2004. First Sentinel will not be required to pay a termination fee in either circumstance. For a more complete description of these and other termination rights available to First Sentinel and Provident, see page .
Amending the Merger Agreement	The merger agreement may be amended by the written consent of Provident and First Sentinel at any time prior to the completion of the merger. However, under applicable law, an amendment that reduces the amount or value, or changes the form of the merger consideration payable to First Sentinel stockholders and certain other types of amendments cannot be made following adoption of the merger agreement by First Sentinel stockholders without their approval.
Purchase Accounting Treatment of the Merger	Provident will account for the merger as a purchase for financial reporting purposes.
First Sentinel has Agreed Not to Solicit Alternative Transactions	In the merger agreement, First Sentinel has agreed not to initiate, solicit or knowingly encourage, negotiate with, or provide any information to any person other than Provident concerning an acquisition transaction involving First Sentinel or First Savings Bank. This restriction may deter other potential acquirors of control of First Sentinel. However, First Sentinel may take certain of these actions if its board of directors determines that it should do so. This determination by the First Sentinel board of directors must be made after the First Sentinel board of directors consults with its legal counsel, and must be based on the First Sentinel board s fiduciary duties.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF

PROVIDENT FINANCIAL SERVICES, INC.

Set forth below are highlights from Provident s consolidated financial data as of and for the years ended December 31, 1999 through 2003. In the opinion of Provident management, this information reflects all adjustments necessary for the fair presentation of the financial data. Prior to January 15, 2003, Provident had no significant assets, liabilities or operations, and accordingly, the data presented below represents the financial condition and results of operations of The Provident Bank for periods presented prior to January 15, 2003. On January 15, 2003, The Provident Bank completed its conversion from a mutual savings bank to a stock savings bank, and in connection with the conversion, Provident sold 59,618,300 shares of common stock at $10.00 per share which resulted in $586.2 million of net proceeds of which $293.1 million was used to acquire all of the outstanding common stock of The Provident Bank. In addition, Provident contributed $4.8 million in cash and 1,920,000 shares of its common stock to The Provident Bank Foundation. This information is only a summary, and you should read it in conjunction with Provident s consolidated financial statements and notes thereto contained in Provident s Annual Report on Form 10-K for the year ended December 31, 2003, which has been incorporated by reference into this document. The balance sheet and share data as of December 31, 2003 and 2002 and the earnings data for each of the years in the three year period ended December 31, 2003 have been derived from these financial statements. All other data has been derived from other sources. See Where You Can Find More Information on page .

Table of Contents

	At or for the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Balance Sheet Summary:					
Total assets	$ 4,284,878	$ 3,919,208	$ 2,869,717	$ 2,641,579	$ 2,578,249
Total deposits	2,695,976	3,243,334	2,341,723	2,168,336	2,096,604
Securities available for sale, net	1,151,829	1,242,118	494,716	335,039	361,832
Loans receivable, net	2,216,736	2,031,869	1,994,636	1,954,992	1,876,433
Borrowings	736,328	323,081	195,767	179,903	216,641
Stockholders equity	817,119	326,009	292,130	263,072	236,664
Common shares outstanding	60,600,100				
Earnings Summary:					
Interest income	$ 184,506	$ 177,307	$ 180,979	$ 179,520	$ 166,046
Interest expense	54,633	63,241	84,523	89,690	77,244
Net interest income	129,873	114,066	96,456	89,830	88,802
Provision for loan losses	1,160	12,800	1,900	2,060	2,100
Net interest income after provision for loan losses	128,713	101,266	94,556	87,770	86,702
Noninterest income	23,834	24,147	21,236	18,276	15,688
Noninterest expense(2)	126,779	89,087	80,629	75,865	71,853
Income before tax expense	25,768	36,326	35,163	30,181	30,537
Income tax expense	7,024	9,231	11,083	9,283	10,907
Cumulative effect of change in accounting principle(1)		(519)			
Net income	$ 18,744	$ 26,576	$ 24,080	$ 20,898	$ 19,630
Performance Ratios(3):					
Return on average assets(2)	0.46%	0.86%	0.88%	0.80%	0.80%
Return on average stockholders equity(2)	2.31	8.71	8.70	8.37	8.53
Dividend payout	45.91				
Average equity to average assets	19.73	9.92	10.10	9.56	9.34
Net interest rate spread	2.91	3.59	3.26	3.20	3.43
Net interest margin	3.37	3.96	3.97	3.70	3.87
Efficiency ratio(5)	66.87	64.46	68.51	70.18	68.77
Noninterest income to average assets	0.58	0.78	0.77	0.70	0.64
Noninterest expense to average assets	3.08%	2.90%	2.94%	2.90%	2.92%
Asset Quality Ratios:					
Allowance for loan losses to loans receivable, net	0.92%	1.02%	1.09%	1.02%	0.99%
Nonperforming loans	$ 6,128	$ 8,512	$ 8,084	$ 9,480	$ 8,034
Nonperforming loans to total loans	0.27%	0.41%	0.40%	0.48%	0.43%
Nonperforming assets to total assets	0.14%	0.22%	0.28%	0.37%	0.31%
Capital Ratios:					
Regulatory Tier 1 leverage capital	18.81%	8.98%	9.41%	9.12%	8.47%
Tier 1 risk-based capital	30.54%	12.42%	13.06%	13.26%	12.83%
Total risk-based capital	31.44%	13.32%	14.15%	14.38%	13.96%
Share Data:					
Weighted average common shares outstanding (in thousands):					
Basic	57,835,726				
Diluted	57,965,640				
Basic earnings per common share(4):					
Net income	0.31				
Diluted earnings per common share(4):					
Net income	0.31				

Cash dividends paid per common share	0.14				
Book value per common share	13.48				
Other Data:					
Number of branch offices	54	49	48	49	52
Number of full-time equivalent employees	717	656	688	613	604

(footnotes on following page)

Table of Contents

(1) In accordance with FASB Statement No. 142, Provident performed a goodwill impairment test on the goodwill associated with the purchase of Provident Mortgage Company. It was determined that goodwill was impaired and a charge of $519,000 was recorded as a cumulative effect of change in accounting principle.
(2) On January 15, 2003, Provident became the holding company for The Provident Bank following the completion of the conversion of The Provident Bank to a stock chartered savings bank. Concurrent with the conversion, Provident contributed an additional 1,920,000 shares of its common stock and $4.8 million in cash to The Provident Bank Foundation, resulting in a one time expense of $15.6 million, net of tax.
(3) Computed using daily averages.
(4) Basic and diluted earnings per share for the year ended December 31, 2003 includes the results of operations from January 15, 2003, the date The Provident Bank completed its conversion, in the amount of $17,755,000.
(5) Represents the ratio of non-interest expense divided by the sum of net interest income and non-interest income, and is adjusted for the one time expense associated with The Provident Bank Foundation contribution:

	December 31, 2003
Efficiency Ratio Calculation:	
Net interest income	$ 129,873
Noninterest income	23,834
Total income	$ 153,707
Noninterest expense	$ 126,779
Expense/Income	82.48%
Less: Provident Bank Charitable Foundation Contribution	(24,000)
Adjusted noninterest expense	$ 102,779
Expense/income	66.87%

15

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF

FIRST SENTINEL BANCORP, INC.

Set forth below are highlights from First Sentinel s consolidated financial data as of and for the years ended December 31, 1999 through 2003. In the opinion of First Sentinel management, this information reflects all adjustments necessary for the fair presentation of the financial data. This information is only a summary, and you should read it in conjunction with First Sentinel s consolidated financial statements and notes thereto contained in First Sentinel s Report on Form 10-K for the year ended December 31, 2003, which has been incorporated by reference into this document. The balance sheet and share data as of December 31, 2003 and 2002 and the earnings data for each of the years in the three year period ended December 31, 2003 have been derived from these financial statements. All other data has been derived from other sources. See Where You Can Find More Information on page .

Table of Contents

	At or for the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Balance Sheet Summary:					
Total assets	$ 2,204,670	$ 2,261,479	$ 2,142,734	$ 1,972,080	$ 1,907,139
Total deposits	1,339,858	1,387,986	1,315,264	1,219,336	1,213,724
Securities available for sale, net	829,253	904,781	750,704	681,992	788,749
Loans receivable, net	1,210,721	1,201,210	1,242,779	1,184,802	1,016,116
Borrowings	591,500	596,663	545,814	505,955	422,000
Subordinated debentures(1)	25,774				
Preferred capital securities(1)		25,000	25,000		
Stockholders equity	$ 227,574	$ 211,572	$ 221,703	$ 214,630	$ 238,700
Earnings Summary:					
Interest income	$ 108,959	$ 126,002	$ 133,585	$ 136,789	$ 123,388
Interest expense	50,393	62,421	74,684	78,872	65,006
Net interest income	58,566	63,581	58,901	57,917	58,382
Provision for loan losses		1,310	650	1,441	1,650
Net interest income after provision for loan losses	58,566	62,271	58,251	56,476	56,732
Noninterest income(2)	9,703	6,543	4,455	2,269	3,631
Noninterest expense(3)	37,736	31,058	27,205	26,634	24,556
Income before tax expense	30,533	37,756	35,501	32,111	35,807
Income tax expense	12,197	12,852	11,016	10,414	12,155
Net income	$ 18,336	$ 24,904	$ 24,485	$ 21,697	$ 23,652
Performance Ratios:					
Return on average assets(2)(3)	0.81%	1.12%	1.21%	1.11%	1.25%
Return on average stockholders equity(2)(3)	8.83	11.11	10.92	9.77	8.07
Dividend payout	59.78	40.43	36.19	36.13	59.88
Average equity to average assets	9.22	10.06	11.09	11.32	15.53
Net interest rate spread	2.41	2.55	2.45	2.33	2.46
Net interest margin	2.71	2.96	3.01	2.99	3.17
Efficiency ratio(4)	55.28	44.29	42.94	44.25	39.60
Noninterest income to average assets(2)	0.43	0.29	0.22	0.12	0.19
Noninterest expense to average assets(3)	1.67%	1.39%	1.35%	1.36%	1.30%
Asset Quality Ratios:					
Allowance for loan losses to loans receivable, net	1.04%	1.06%	1.03%	1.03%	1.07%
Nonperforming loans	$ 1,827	$ 1,764	$ 1,849	$ 2,389	$ 2,682
Nonperforming loans to total loans receivable	0.15%	0.15%	0.15%	0.20%	0.26%
Nonperforming assets to total assets	0.08%	0.08%	0.09%	0.13%	0.17%
Capital Ratios:					
Regulatory Tier 1 leverage capital	9.18%	8.03%	8.68%	9.36%	10.25%
Tier 1 risk-based capital	18.29	16.86	16.64	17.91	24.14
Total risk-based capital	19.43%	18.05%	17.83%	19.14%	25.39%
Share Data:					
Weighted average common shares outstanding (in thousands):					
Basic	25,706,054	27,630,380	29,313,479	32,488,800	38,398,878
Diluted	26,698,962	28,401,420	29,998,256	32,807,270	39,142,251
Basic earnings per common share:					
Net income	$ 0.71	$ 0.90	$ 0.84	$ 0.67	$ 0.62
Diluted earnings per common share:					
Net income	0.69	0.88	0.82	0.66	0.60

Cash dividends paid per common share	0.42	0.36	0.30	0.24	0.37
Book value per common share	8.35	7.71	7.40	6.75	6.39
Other Data:					
Number of branch offices	22	23	23	22	23
Number of full-time equivalent employees	299	314	299	292	294

Table of Contents

(1) First Sentinel adopted FIN 46 on December 31, 2003, and in accordance with its provisions, deconsolidated the capital trust and reported the associated liabilities as subordinated debentures.
(2) Includes gain on sale of branch and deposits of $2.4 million, or $1.6 million net of tax, in 2003.
(3) Includes non-tax deductible merger related charges of $4.3 million in 2003.
(4) Represents the ratio of noninterest expense divided by the sum of net interest income plus noninterest income.

CONDENSED CONSOLIDATED UNAUDITED PRO FORMA FINANCIAL DATA

(In thousands, except shares and per share amounts)

The following table shows information about our financial condition and operations, including per share data and financial ratios, after giving effect to the merger. This information is called pro forma information in this Joint Proxy Statement/Prospectus. The table sets forth the information as if the merger had become effective on December 31, 2003, with respect to financial condition data, and at the beginning of the periods presented, with respect to operations data. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting. The fair value adjustments contained in the pro forma financial data are preliminary estimates based on data as of December 31, 2003. Final fair value adjustments will be determined as of the closing date and could differ significantly. See Proposal I The Proposed Merger Accounting Treatment on page . This table should be read in conjunction with, and is qualified in its entirety by, the historical financial statements, including the notes thereto, of Provident and First Sentinel incorporated by reference in this document.

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

Table of Contents

Unaudited Pro Forma Combined Condensed Consolidated Statement of Financial Condition

	As of December 31, 2003[1]			
	Provident Financial Services, Inc. Historical	First Sentinel Bancorp, Inc. Historical	Pro Forma Adjustment[2]	Pro Forma Combined
	(In thousands)			
Assets:				
Cash and cash equivalents	$ 175,852	$ 16,007	$	$ 191,859
Federal funds sold		59,800		59,800
Securities available for sale	1,151,829	829,253	(283,156)(13)	1,697,926
Securities held to maturity	517,789			517,789
Loans, net	2,216,736	1,210,721	16,994(3)	3,444,451
Premises and fixed assets	46,741	15,160	4,000(4)	65,901
Goodwill	19,908		368,179(5)	388,087
Core deposit intangible	2,982	3,730	21,637(7)	28,349
Other intangibles	1,048			1,048
Other assets	151,993	69,999	11,721(7)(8)	233,713
Total assets	$ 4,284,878	$ 2,204,670	$ 139,375	$ 6,628,923
Liabilities and Stockholders Equity:				
Liabilities:				
Deposits and mortgage escrow accounts	$ 2,707,037	$ 1,339,858	$ 7,438(9)	$ 4,054,333
Federal funds purchased and securities sold under agreements to repurchase	44,664	466,000	13,844(10)	524,508
Borrowed funds	691,664	125,500	6,975(10)	824,139
Subordinated debentures		25,774	1,234(10)	27,008
Other liabilities	24,394	19,964		44,358
Total liabilities	3,467,759	1,977,096	29,491	5,474,346
Stockholders Equity:				
Common stock	615	430	(251)(11)	794
Additional paid in capital	606,541	208,523	128,756 (11)	943,820
Retained earnings	324,250	166,902	(166,902)(11)	324,250
Treasury stock		(150,571)	150,571 (11)	
Common stock held by ESOP	(78,816)	(8,486)	8,486 (11)	(78,816)
Common stock acquired by stock award plan	(41,887)	(280)	280 (11)	(41,887)
Common stock acquired by the Directors Deferred Fee Plan (DDFP)		(2,768)	(21,018)(12)	(23,786)
DDFP transition differential		(7,674)	7,674 (12)	
Deferred compensation DDFP		17,439	6,347 (12)	23,786
Accumulated other comprehensive income, net of tax effect	6,416	4,059	(4,059)(11)	6,416
Total stockholders equity	817,119	227,574	109,884	1,154,577
Total liabilities and stockholders equity	$ 4,284,878	$ 2,204,670	$ 139,375	$ 6,628,923

	Provident Financial Services, Inc. Historical	First Sentinel Bancorp, Inc. Historical	Pro Forma Combined
Capital Ratios			

Regulatory Tier 1 leverage capital	18.81%	9.18%	12.10%
Tier 1 risk-based capital	30.54%	18.29%	19.89%
Total risk-based capital	31.44%	19.43%	20.87%

(footnotes follow)

Table of Contents

Unaudited Pro Forma Combined Condensed Consolidated Statement of Income

	For the year ended December 31, 2003[1]			
	Provident Financial Services, Inc. Historical	**First Sentinel Bancorp, Inc. Historical**	**Pro Forma Adjustment**	**Pro Forma Combined**
	(Dollars in thousands)			
Interest income:				
Loans	$ 123,450	$ 73,333	$ (5,665)(14)	$ 191,118
Securities	61,056	35,626	(10,873)(13)	85,809
Total interest income	184,506	108,959	(16,538)	276,927
Interest expense:				
Deposits	39,171	21,533	(3,719)(14)	56,985
Borrowed funds	15,462	28,860	(7,763)(14)	36,559
Total interest expense	54,633	50,393	(11,482)(14)	93,544
Provision for loan losses	1,160			1,160
Net income after provision for loan losses	128,713	58,566	(5,056)	182,223
Noninterest income:				
Net gain on sale of loans and securities	2,351	825		3,176
Net gain on sale of branch and deposits		2,442		2,442
Fee and other	21,483	6,436		27,919
Total noninterest income	23,834	9,703		33,537
Noninterest expense:				
General and administrative expense:				
Compensation and benefits	54,683	21,152		75,835
Occupancy and equipment	14,157	4,023	160(14)	18,340
Other	56,790(15)	11,722		68,512
Amortization of core deposit intangible	1,149	839	3,934(14)	5,922
Total noninterest expense	126,779	37,736	4,094	168,609
Income before income tax expense	25,768	30,533	(9,150)	47,151
Income tax expense	7,024	12,197	(3,738)	15,483
Net income	18,744	18,336	(5,412)	31,668
Income per share:				
Basic	0.31	0.71		0.42
Diluted	0.31	0.69		0.42
Weighted average common shares:				
Basic	57,835,726	25,706,054	16,842,607	74,678,333(16)
Diluted	57,965,640	26,698,962	16,842,607	74,808,247(16)

(footnotes on following page)

Table of Contents

(1) Assumes that the acquisition of First Sentinel Bancorp was completed at December 31, 2003 utilizing the purchase method of accounting. Estimated fair value adjustments for loans, premises & equipment, deposits, borrowed funds and the director deferred fee plan were determined by the management of Provident and First Sentinel with the assistance of certain valuation consultants. The resulting premiums and discounts for purposes of the Pro Forma Financial Statements, where appropriate, are being amortized and accreted into income as more fully described in the notes below. Actual fair value adjustments, where appropriate, will be determined as of the merger date and will be amortized and accreted into income.

(2) Reflects the purchase accounting and acquisition adjustments related to the acquisition of First Sentinel for a price of $22.25 per share in cash and stock. Merger consideration assumes that 40 percent of the 27,251,064 First Sentinel shares receive cash of $22.25 per share and 60 percent of First Sentinel's shares are exchanged for 1.092 shares of Provident stock at a market value of $18.90 per share as of December 31, 2003. Cash proceeds from the exercise of 1,314,149 First Sentinel stock options amounted to $18.6 million, and is based on the difference between $22.25 and $8.10, the weighted average exercise price of the options. This assumes all First Sentinel stock options are exercised for cash at the merger date. Purchase accounting adjustments assume that purchase price, goodwill and intangible assets are reflected on the financial statements of Provident Financial Services pursuant to the application of purchase accounting.

(3) Yield adjustment to reflect the difference between portfolio yields and market rates as of December 31, 2003 for loans acquired in the acquisition. The adjustment was calculated using present value analysis applied to the loan portfolio. Loans were segregated into pools of similar loans. Cash flow was projected using the loan data plus estimates of prepayment speeds. The resulting cash flow was discounted to present value using risk adjusted discount rates applied to each pool of loans. The difference between carrying value and the present value of future cash flows was the yield adjustment. The yield adjustments are amortized into expense on an accelerated basis over the estimated lives or repricing periods of the loans.

(4) Reflects the difference between market values and net carrying values of fixed assets acquired in the acquisition. Adjustment is amortized as depreciation expense on a straight line basis.

(5) A reconciliation of the excess consideration paid by Provident over First Sentinel's net assets acquired ("Goodwill") is as follows (in thousands):

Cost to Acquire First Sentinel:	Note			
Cash	2			$ 242,534
Provident common stock issued	2			337,458
Estimated cash paid for transaction costs, net of taxes (*)	6,8			24,817
Consideration paid for First Sentinel				604,809
First Sentinel Net Assets at Fair Value:				
First Sentinel Stockholders' Equity at December 31, 2003		$ 227,574		
Add: Repayment of ESOP Loan by First Sentinel		10,380		
Less: Cash received for stock options, net of taxes (*)	2,8	(12,087)		
Add: Adjustment to director deferred fee plan assets	12	6,347		
Subtotal			$ 232,214	
Fair Value Adjustments:				
Loans	3	(16,994)		
Premise & fixed assets	4	(4,000)		
Deposits	9	7,438		
Borrowed funds	10	6,975		
Repurchase agreements	10	13,844		
Subordinated debentures	10	1,234		
Director deferred fee plan	12	6,347		
Fair Value Adjustments		14,844		
Tax effect of fair value adjustments (*)	8	(5,196)		
Total adjustments to net assets acquired			9,648	
Adjusted net assets acquired				222,566

Subtotal			382,243
Core Deposit Intangible	7	21,637	
Tax effect of Core Deposit Intangible (*)	7	(7,573)	
Net Core deposit intangible			14,064
Estimated Goodwill Recognized			$ 368,179

(*) Assumed effective tax rate of 35%

22

(6) Transaction costs associated with the merger are estimated to be $24.8 million, net of taxes. Estimated transaction costs have been recorded as a component of goodwill on the Pro Forma Financial Statements (see Note 5). Based on Provident's and First Sentinel's preliminary estimates. A summary of these costs is as follows (in thousands):

Professional Fees	$ 11,000
Merger related compensation & benefits	15,775
Facilities and systems	3,862
Other merger related expenses	1,770
Estimated pre-tax transaction costs	32,407
Less related tax benefit	7,590
Estimated transaction costs, net of taxes	$ 24,817

Professional fees include investment banking, legal and other professional fees and expenses associated with shareholder and customer notifications. Merger related compensation and severance costs include employee severance, compensation arrangements, transitional staffing and related employee benefit expenses. Facilities and system costs include lease termination charges and equipment write-offs resulting from the consolidation of duplicate facilities. Other merger related expenses are associated with the integration of operations. The foregoing estimates may be refined subsequent to the completion of the merger.

(7) Core deposit intangible is an identifiable intangible asset representing the economic value of the acquired deposit base, calculated as the present value benefit of funding operations with the acquired deposit base versus using an alternative wholesale funding source. The core deposit intangible asset is amortized into expense using the sum of the years digits method over 10 years. Deferred taxes related to the core deposit intangible amounted to $7.6 million, and were based on an assumed tax rate of 35%.

(8) Deferred tax assets on the cash out of options and taxable transaction costs amounted to $14.1 million. Deferred tax assets on purchase accounting adjustments amounted to $5.2 million, and were based on an assumed tax rate of 35%.

(9) Yield adjustment to reflect the difference between portfolio yields and market rates as of December 31, 2003 for time deposits acquired in the acquisition. Yield adjustments were calculated using present value analysis. Cash flow each month was the difference between projected interest costs of the remaining deposit base and hypothetical costs calculated using market rates based on a survey of competitor s rates. Cash flow was discounted to present value using market rates for similar deposits. The yield adjustment is the aggregate present value of the difference. The yield adjustment is accreted into income on an accelerated basis over the lives of the acquired time deposits.

(10) Reflects yield adjustment of $13.8 million on repurchase agreements, $7.0 million on borrowed funds, and $1.2 million on subordinated debentures. Yield adjustments reflect the difference between portfolio yields and market rates as of December 31, 2003 for borrowings acquired in the acquisition. Yield adjustments were calculated using present value analysis. Cash flow for each month was the difference between projected interest costs of the remaining borrowings and hypothetical costs using current market rates based on advances from the FHLB of New York. Cash flow was discounted to present value using market rates. The yield adjustment is the aggregate present value of the difference. The yield adjustment is accreted into income on an accelerated basis over the lives of the acquired borrowings.

(11) Reflects the issuance of 17,854,897 shares of Provident's common stock in the transaction and the elimination of First Sentinel's equity accounts.

(12) Reflects the adjustment to record the director deferred fee plan ("DDFP") at market value ($6.3 million) and to adjust the DDFP plan assets to market value ($13.3 million) and the elimination of the DDFP transitional differential ($7.7 million).

(13) Interest income is reduced approximately $10.9 million on a pre tax basis, related to the portion of the purchase price that is paid in cash ($283.2 million) and the direct costs of the merger and liabilities assumed to be paid in cash. These funds were assumed to have yielded a pre tax rate of 3.84% for the year ended December 31, 2003, which represents the actual yield earned on Provident's available for sale portfolio for the period.

(14) The following table summarizes the estimated full year impact of the amortization / (accretion) of the purchase accounting adjustments on the pro-forma statement of income.

Category	Premiums / (Discounts)	Estimated Life in Years	Amortization/ (Accretion) Method	2003 Amortization / (Accretion)
Core Deposit Intangibles	$ 21,637	10	SYD	$ 3,934
Deposits	(7,438)	3	SYD	