PROVIDENT FINANCIAL SERVICES INC
Form DEFM14A
May 10, 2004
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14-A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under Rule 14a-12

PROVIDENT FINANCIAL SERVICES, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

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x No fee required

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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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.

First Sentinel stockholders will have the opportunity to elect to receive merger consideration in the form of 1.092 shares of Provident common stock, a cash payment of $22.25, or a combination of Provident common stock and cash for each of their shares of First Sentinel common stock. However, because First Sentinel and Provident have agreed that 60% of the total number of shares of First Sentinel common stock outstanding will be exchanged for Provident common stock, 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. Based on the closing price of $20.37 per share of Provident common stock on December 19, 2003 (the business day immediately preceding the public announcement of the proposed merger), each share of First Sentinel common stock that is exchanged solely for Provident common stock would be converted into 1.092 shares of Provident common stock having a value of $22.24. Based on the closing price of $18.00 per share of Provident common stock on April 30, 2004, each share of First Sentinel common stock that is exchanged solely for Provident common stock would be converted into 1.092 shares of Provident common stock having a value of $19.66. We cannot give you any assurance as to whether or when the merger will be completed, and you are advised to obtain current market quotations for Provident common stock. The market value of Provident common stock will fluctuate prior to the completion of the merger. 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 the ratification of 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 the ratification of 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 also recommends that its stockholders vote **FOR** First Sentinel s three nominees to the First Sentinel board of directors and **FOR** the ratification of the appointment 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 four nominees to the Provident board of directors. Provident also recommends that its stockholders vote **FOR** the ratification of the appointment 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 to First Sentinel stockholders 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 26. 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 May 7, 2004 and is first being mailed to stockholders of Provident and First Sentinel on or about May 10, 2004.

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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 annual meetings, any request should be made by June 16, 2004. Also see Where You Can Find More Information on page 131.**

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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., 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 authorize the board of directors, in its discretion, to vote upon such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting, including, without limitation, a motion to adjourn the annual meeting to another time or place for the purpose of soliciting additional proxies to approve the Agreement and Plan of Merger.

We more fully describe the merger 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 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, **FOR** ratification of the appointment of KPMG LLP as our independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the Provident annual meeting of stockholders or vote on other matters properly before the annual meeting.

The board of directors of Provident Financial Services, Inc. requests that you complete, sign and mail the enclosed 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 Corporate 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 7, 2004

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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.

4. To authorize the board of directors, in its discretion, to vote upon such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting, including, without limitation, a motion to adjourn the annual meeting to another time or place for the purpose of soliciting additional proxies to approve the Agreement and Plan of Merger.

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. 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, **FOR** ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the First Sentinel annual meeting of stockholders or vote on other matters properly before the annual meeting.

Please complete, sign and return the enclosed 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
Corporate Secretary

Woodbridge, New Jersey

May 7, 2004

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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, 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. In addition, if you fail to vote, by proxy or in person, it 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: 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 on the merger proposal 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 for each annual meeting. It is important that you vote at both meetings, so please complete, sign, date and return both proxy 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.

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

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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 on or about June 30, 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 call Georgeson Shareholder Communications, Inc. at (800) 377-0321 with questions or to obtain additional copies of this document. First Sentinel stockholders should call Georgeson Shareholder Communication, Inc. at (800) 368-9818 with questions or to obtain additional copies of this document.

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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, and they will also vote on the election of four directors, the ratification of the appointment of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting. First Sentinel s stockholders will vote on the merger agreement at First Sentinel s annual meeting, and they will also vote on the election of three directors, the ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting. This document 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 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., local time, at the Hilton Newark Airport, 1170 Spring Street, Elizabeth, New Jersey.
Record Date	April 30, 2004.
Shares Entitled to Vote	60,149,600 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, the ratification of the appointment of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.
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 the appointment of KPMG LLP as independent auditors and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting are 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 1,700,234 shares, or approximately 2.8% 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.

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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 election to the Provident board, **FOR** the ratification of the appointment of KPMG LLP as independent auditors of Provident for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the Provident annual meeting of stockholders or vote on other matters properly before the annual meeting.
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., local time, at The Pines Manor, 2085 Route 27, Edison, New Jersey.
Record Date	April 30, 2004.
Shares Entitled to Vote	28,299,252 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, the ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.
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 the appointment of KPMG LLP as independent auditors and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting are 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 5,380,311 shares, or approximately 18.33% 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 or First Savings Bank, 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.

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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 election to the First Sentinel board, **FOR** the ratification of the appointment of KPMG LLP as independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the First Sentinel annual meeting of stockholders or vote on other matters properly before the annual meeting.

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 in this document 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 1.092 shares of Provident common stock, $22.25 in cash or a combination of Provident common stock and cash in exchange for each of their shares of First Sentinel common stock. 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. Therefore, regardless of a First Sentinel stockholder s election, a

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	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 what such stockholder elected depending on the elections made by other First Sentinel stockholders.
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 regarding the consideration you would like to receive 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 PRIOR TO THE

ELECTION DEADLINE, 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 a share of Provident common stock. For this purpose, a share of 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 the Delaware General Corporation Law, holders of First Sentinel common stock 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 80.

We have included a copy of Section 262 of the Delaware General Corporation Law 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 a taxable 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 MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES ON PAGE 75 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 shares 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 Provident 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 the Delaware General Corporation Law and Provident s certificate of incorporation and by-laws. There are no material differences in the rights of First Sentinel and Provident stockholders. See page 84.
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., 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 December 19, 2003, 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. For information on how Lehman Brothers arrived at its opinion, see page 53. 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 merger with First Sentinel. 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.

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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 44. 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 is payable upon completion of the merger.

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, John P. Mulkerin and Jeffries Shein, 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, First Sentinel s President and Chief Executive Officer, or one of the members of the advisory board established as part of the 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 Mr. Martin, who currently serve on the board of directors of First Sentinel but will not join the Provident board of directors.

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	Mr. 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, 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 completion of the merger. For additional information on the benefits of the merger to First Sentinel s management, see page 65.
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 have received the approval of the New Jersey Department of Banking and Insurance. 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. For additional information regarding the required regulatory approvals, see page 70.
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 72.
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 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 in order to fulfill its fiduciary duties. This determination by the First Sentinel board of directors must be made after the First Sentinel board of directors consults with its legal counsel.

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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 $586.4 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 131.

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	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:					
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)

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(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 noninterest expense divided by the sum of net interest income and noninterest 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: The Provident Bank Foundation Contribution	(24,000)
Adjusted noninterest expense	$ 102,779
Expense/income	66.87%

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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 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 131.

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	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:					
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

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(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.

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UNAUDITED COMBINED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL DATA

(In thousands, except share and per share amounts)

The following table shows information regarding 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 79. 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.

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Unaudited Combined Condensed Consolidated Pro Forma 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	(291,970)(13)	1,689,112
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		389,256(5)	409,164
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	$ 151,638	$ 6,641,186
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	(245)(11)	800
Additional paid in capital	606,541	208,523	141,013 (11)	956,077
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	122,147	1,166,840
Total liabilities and stockholders equity	$ 4,284,878	$ 2,204,670	$ 151,638	$ 6,641,186

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

Regulatory Tier 1 leverage capital	18.81%	9.18%	11.99%
Tier 1 risk-based capital	30.54%	18.29%	19.66%
Total risk-based capital	31.44%	19.43%	20.64%

(footnotes follow)

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Unaudited Combined Condensed Consolidated Pro Forma 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	(11,212)[13]	85,470
Total interest income	184,506	108,959	(16,877)	276,588
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 interest income after provision for loan losses	128,713	58,566	(5,395)	181,884
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	(9,489)	46,812
Income tax expense	7,024	12,197	(3,875)	15,346
Net income	$ 18,744	$ 18,336	$ (5,614)	$ 31,466
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)

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(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 and equipment, deposits, borrowed funds and the DDFP 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 28,241,399 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 consideration paid for 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 exchanged 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 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			$ 251,348
Provident common stock issued	2			349,721
Estimated cash paid for transaction costs, net of taxes (*)	6,8			24,817
Consideration paid for First Sentinel				625,886
First Sentinel Net Assets at Fair Value:				
First Sentinel stockholders equity at December 31, 2003		$ 227,574		
Repayment of ESOP loan by First Sentinel		10,380		
Cash consideration paid for stock options, net of taxes (*)	2,8	(12,087)		
Adjustment to DDFP assets	12	6,347		
Subtotal			$ 232,214	
Fair Value Adjustments:				
Loans	3	(16,994)		
Premises and fixed assets	4	(4,000)		
Deposits	9	7,438		
Borrowed funds	10	6,975		
Repurchase agreements	10	13,844		
Subordinated debentures	10	1,234		
DDFP	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			403,320
Core deposit intangible	7	21,637	
Tax effect of core deposit intangible (*)	7	(7,573)	
Net core deposit intangible			14,064
Estimated Goodwill Recognized			$ 389,256

(*) Assumed effective tax rate of 35%

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(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 and 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 stockholder 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 18,503,765 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 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 $11.2 million on a pre tax basis, related to the portion of the purchase price that is paid in cash ($292.0 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	(3,719)
Borrowed funds	(6,975)	5	SYD	(2,325)
Repurchase agreements	(13,844)	5	SYD	(4,615)
Subordinated debentures	(1,234)	2	SYD	(823)
Loans	16,994	5	SYD	5,665
Premises and fixed assets	4,000	25	SL	160
Net Total	$ 13,140			($ 1,723)

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Sum of the years digits (SYD) and straight line (SL) methods were utilized in preparing the pro forma statement of income for amortizing and/or accreting the related purchase accounting adjustments. Provident has determined that these methods approximate the level yield method that will be utilized for the merger for all adjustments.

The following table summarizes the estimated impact of the amortization / (accretion) of the purchase accounting adjustments made in connection with the merger on Provident's result of operations for the following years:

Projected Future Amounts for the Years Ended December 31,	Core Deposit Intangible	Net (Accretion) / Amortization	Net (Increase)/ Decrease in Income Before Taxes
2003	$ 3,934	($ 5,657)	($ 1,723)
2004	3,541	(3,751)	(210)
2005	3,147	(1,844)	1,303
2006	2,754	(350)	2,404
2007	2,360	(95)	2,265
2008	1,967	160	2,127

(15) Provident Financial recorded a one time expense of $15.6 million, net of tax, as a result of the $24.0 million contribution to The Provident Bank Foundation made in the first quarter of 2003.

(16) Basic and fully diluted weighted average common shares outstanding was determined by adding 60 percent of First Sentinel's historical average basic outstanding common shares at the exchange ratio of 1.092 to Provident's historical average basic and diluted outstanding common shares. No common stock equivalents were considered as it is assumed all First Sentinel stock options are cashed out in the transaction.

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COMPARATIVE PER SHARE DATA

The following table sets forth for Provident common stock and First Sentinel common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the merger had been effective on the dates presented, in the case of the book value data presented, and as if the merger had become effective at the beginning of the periods presented, in the case of the net income and dividends declared data presented. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting. See Proposal I The Proposed Merger Accounting Treatment on page 79. The information in the following table is based on, and should be read together with, the historical financial information that we have presented in our prior filings with the Securities and Exchange Commission and the pro forma financial information that appears elsewhere in this document. See Where You Can Find More Information on page 131 and Unaudited Combined Condensed Consolidated Pro Forma Financial Data on page 19.

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.

	Provident Financial Services, Inc. Historical	First Sentinel Bancorp, Inc. Historical	Pro Forma Combined(1)	Per Equivalent First Sentinel Share(2)
Net Income Per Common Share for the Twelve Months Ended December 31, 2003:				
Basic	$ 0.31	$ 0.71	$ 0.42	$ 0.46
Diluted	0.31	0.69	0.42	0.46
Cash Dividends Declared Per Common Share:				
For the twelve months ended December 31, 2003	0.14	0.42	0.14(3)	0.15
Book Value Per Common Share:				
As of December 31, 2003	13.48	8.35	14.72(4)	16.07

(1) Pro forma combined assumes the merger of First Sentinel was completed at the beginning of the period presented.
(2) Per equivalent share of First Sentinel s common stock is calculated by taking the product of the pro forma combined and an exchange ratio of 1.092.
(3) Pro forma cash dividends represent the historical dividends of Provident.
(4) Pro forma book value per common share is based on the pro forma total stockholder s equity of the combined entity divided by the total pro forma common shares of the combined entity assuming conversion of 60% of the outstanding shares of First Sentinel common stock into shares of Provident common stock at an implied exchange ratio of 1.092.

RISKS RELATED TO THE MERGER

In addition to the other information contained in or incorporated by reference into this Joint Proxy Statement/Prospectus, including the matters addressed under the caption Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risk factors in deciding whether to vote for approval of the merger agreement.

You May Not Receive the Form of Merger Consideration that You Elect.

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. Accordingly, there is a risk that you will receive a portion of the merger consideration in a form that you did not elect, which could result in, among other things, tax consequences that differ from those that would have resulted had you received the form of consideration you elected (including the recognition of taxable gain to the extent cash is received).

Provident May Fail to Realize the Anticipated Benefits of the Merger.

The success of the merger will depend on, among other things, Provident s ability to realize anticipated cost savings and to combine the businesses of The Provident Bank and First Savings Bank in a manner that does not materially disrupt the existing customer relationships of First Savings Bank or The Provident Bank or result in decreased revenues from any loss of customers. If Provident is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Provident and First Sentinel have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of Provident s or First Sentinel s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect Provident s ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

Because the Market Price of Provident Common Stock May Fluctuate, You Cannot Be Sure of the Value of the Merger Consideration That You Will Receive.

Upon completion of the merger, each share of First Sentinel common stock will be converted into merger consideration consisting of shares of Provident common stock and/or cash pursuant to the terms of the merger agreement. The value of the merger consideration to be received by First Sentinel stockholders will be based on the price of Provident common stock immediately prior to the completion of the merger. Accordingly, at the time of the annual meetings, First Sentinel stockholders will not necessarily know or be able to calculate the value of the merger consideration they will receive upon completion of the merger.

Any change in the price of Provident common stock prior to completion of the merger will affect the value of the merger consideration that a First Sentinel stockholder will receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control.

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First Sentinel Stockholders Will be Unable to Sell Their First Sentinel Shares in the Market After Making Their Election.

First Sentinel stockholders may elect to receive the merger consideration in the form of cash, Provident common stock or a combination of cash and Provident common stock. Stockholders making an election must turn in their First Sentinel stock certificates with their election form. During the time between when the election is made and the merger is completed, First Sentinel stockholders will be unable to sell their First Sentinel common stock, unless they revoke their election before the election deadline. If the merger is unexpectedly delayed, this period could extend for a significant period of time. First Sentinel stockholders can shorten the period during which they cannot sell their shares by delivering their election form shortly before the close of the election period. However, elections received after the close of the election period will not be accepted or honored.

First Sentinel Directors and Officers Have Interests in the Merger Besides Those of a Stockholder.

First Sentinel s executive officers negotiated the merger agreement with Provident, and the board of directors approved the merger agreement and is recommending that First Sentinel stockholders vote for the merger agreement. In considering these facts and the other information contained in this Joint Proxy Statement/Prospectus, you should be aware that First Sentinel s executive officers and directors have various interests in the merger besides being First Sentinel stockholders. See Proposal I The Proposed Merger Interests of Directors and Officers in the Merger.

Provident May be Subject to Adverse Regulatory Conditions.

Before the merger may be completed, various approvals must be obtained from, or notifications submitted to, the Federal Deposit Insurance Corporation, the New Jersey Department of Banking and Insurance and the Federal Reserve Bank of New York. Some of the governmental authorities from whom those approvals must be obtained may impose conditions on the completion of the merger or require changes in the terms of the merger. These conditions or changes could have the effect of delaying the merger or imposing additional costs or limiting the possible revenues of the combined company. See Proposal I The Proposed Merger Regulatory Approvals Required for the Merger.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference a number of forward-looking statements regarding the financial condition, results of operations and business of Provident and First Sentinel, and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as plan, believe, expect, intend, anticipate, estimate, project, potential similar expressions.

The ability of Provident and First Sentinel to predict results or the actual effects of its plans and strategies is inherently uncertain. Accordingly, actual results may differ materially from anticipated results. Some of the factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, the following:

difficulties in obtaining required stockholder and regulatory approvals for the merger;

increases in competitive pressure among financial institutions or from non-financial institutions;

changes in the interest rate environment;

changes in deposit flows, loan demand or real estate values;

changes in accounting principles, policies or guidelines;

legislative or regulatory changes;

changes in general economic conditions, either nationally or in some or all of the operating areas in which the combined company will be doing business, or conditions in securities markets or the banking industry;

a materially adverse change in the financial condition of Provident or First Sentinel;

the level and timeliness of realization, if any, of expected cost savings from the merger;

difficulties related to the consummation of the merger and the integration of the businesses of Provident and First Sentinel;

lower than expected revenues following the merger; and

other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting operations, pricing and services.

Because such forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Provident stockholders and First Sentinel stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date of this document or the date of any document incorporated by reference.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to Provident or First Sentinel or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, Provident and First Sentinel undertake no obligation to update such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

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THE PROVIDENT FINANCIAL SERVICES, INC. ANNUAL MEETING

This section contains information for Provident stockholders about the annual meeting of stockholders Provident has called to consider and adopt the merger agreement as well as vote on the election of four directors, the ratification of the appointment of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004 and the authorization of the Provident board of directors to adjourn the annual meeting of stockholders or vote on other matters properly before the annual meeting.

Together with this document, Provident is also sending you a notice of the Provident annual meeting of stockholders and a proxy card that is solicited by Provident s board of directors. The Provident annual meeting of stockholders will be held on June 23, 2004, at 10:00 a.m., local time, at the Hilton Newark Airport, 1170 Spring Street, Elizabeth, New Jersey. This Joint Proxy Statement/Prospectus is first being mailed to stockholders of Provident on or about May 10, 2004.

Matters to Be Considered

The purpose of the Provident annual meeting of stockholders is to vote on a proposal to approve the merger agreement as well as vote on the election of four directors, the ratification of the appointment of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.

Proxies

Each copy of this document mailed to Provident stockholders is accompanied by a proxy card with voting instructions for submission by mail. You should complete and return the proxy card accompanying this document in order to ensure that your vote is counted at the Provident annual meeting, or at any adjournment or postponement of the meeting, regardless of whether you plan to attend the Provident annual meeting. You may revoke your proxy at any time before the vote is taken at the Provident annual meeting. If your shares are held in street name, your broker will vote your shares on Proposal I The Proposed Merger only if you provide instructions to your broker on how to vote. If you have not voted through your broker, you may revoke your proxy by:

- submitting written notice of revocation to the Corporate Secretary of Provident prior to the voting of such proxy;
- submitting a properly executed proxy bearing a later date; or
- voting in person at the annual meeting; however, simply attending the annual meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications regarding the revocation of your proxy should be addressed to:

Provident Financial Services, Inc.

830 Bergen Avenue

Jersey City, New Jersey 07306

Attention: John F. Kuntz, Esq.

Corporate Secretary

If your shares are held in street name, you should follow your broker s instructions regarding the revocation of proxies.

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All shares represented by valid proxies that Provident receives through this solicitation, and that are not revoked, will be voted in accordance with the instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted **FOR** approval of the merger agreement, **FOR** the election of the four nominees for director, **FOR** the ratification of the appointment of KPMG LLP as Provident s independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting. The Provident board of directors is currently unaware of any other matters that may be presented for action at the annual meeting.

Provident stockholders should NOT send their stock certificates with their proxy cards. If the merger is completed, Provident stockholders will not need to exchange their current stock certificates.

Solicitation of Proxies

Provident will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Provident will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Provident common stock and secure their voting instructions, if necessary. Provident will reimburse the record holders for their reasonable expenses in taking those actions. Provident has also made arrangements with Georgeson Shareholder Communications, Inc. to assist Provident in soliciting proxies and has agreed to pay them a fee of $12,500 plus reasonable expenses for these services. If necessary, Provident may also use several of its regular employees, who will not be specially compensated, to solicit proxies from Provident stockholders, either personally or by telephone, telegram, facsimile or letter.

Record Date

The Provident board of directors has fixed the close of business on April 30, 2004 as the record date for determining the Provident stockholders entitled to receive notice of and to vote at the Provident annual meeting of stockholders. On April 30, 2004, 60,149,600 shares of Provident common stock were outstanding and held by approximately 4,967 holders of record.

Voting Rights and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Provident common stock is necessary to constitute a quorum at the annual meeting of stockholders. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present. An unvoted proxy submitted by a broker is sometimes referred to as a broker non-vote.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Provident common stock entitled to vote at the Provident annual meeting. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which the authority to vote for the nominees being proposed is withheld. The ratification of the appointment of the independent auditors and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting are determined by a majority of the votes cast, without regard to broker non-votes or proxies marked Abstain. You are entitled to one vote for each share of Provident common stock you held as of the record date. However, Provident s certificate of incorporation provides that stockholders of record who beneficially own in excess of 10% of the then outstanding shares of common stock of Provident are not entitled to any vote with respect to the shares held in excess of the 10% limit. A person or entity is deemed to beneficially own shares that are owned by an affiliate as well as by any person acting in concert with such person or entity.

Because the affirmative vote of the holders of a majority of the outstanding shares of Provident common stock entitled to vote at the Provident annual meeting is needed for us to proceed with the

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merger, the failure to vote by proxy or in person will have the same effect as a vote against the merger agreement. Abstentions and broker non-votes also will have the same effect as a vote against the merger agreement. Accordingly, the Provident board of directors urges Provident stockholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.

As of the record date, directors and executive officers of Provident and their affiliates had the right to vote 1,700,234 shares of Provident common stock, or 2.8% of the Provident common stock outstanding on that date.

Recommendation of the Board of Directors

The Provident board of directors has unanimously approved the merger agreement and the transactions contemplated in the merger agreement. The Provident board of directors has determined that the merger agreement and the transactions contemplated in the merger agreement are advisable and in the best interests of Provident and its stockholders and unanimously recommends that you vote **FOR** approval of the merger agreement. The Provident board also unanimously recommends that you vote **FOR** each of the Provident nominees for director listed in this Joint Proxy Statement/Prospectus, **FOR** the ratification of the appointment of KPMG LLP as independent auditors of Provident for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.

See Proposal I The Proposed Merger Recommendation of the Provident Board of Directors and Reasons for the Merger on page 51 for a more detailed discussion of the Provident board of directors recommendation.

Attending the Provident Annual Meeting

If you want to vote your shares of Provident common stock held in street name in person at the annual meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Participants in Provident Benefit Plans

If you are a participant in The Provident Bank Employee Stock Ownership Plan or The Provident Bank Employee Savings Incentive Plan, or any other benefit plans through which you own shares of Provident common stock, you will have received with this Joint Proxy Statement/Prospectus voting instruction forms that reflect all shares you may vote under these plans. Under the terms of these plans, the trustee or administrator votes all shares held by the plan, but each participant may direct the trustee or administrator how to vote the shares of Provident common stock allocated to his or her plan account. If you own shares through any of these plans and do not vote, the respective plan trustees or administrators will vote the shares in accordance with the terms of the respective plans. The deadline for returning your voting instructions is June 16, 2004.

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Security Ownership of Certain Beneficial Owners of Provident

Persons and groups who beneficially own in excess of five percent of Provident s common stock are required to file certain reports with the Securities and Exchange Commission regarding such beneficial ownership. The following table sets forth, as of March 1, 2004, certain information as to those persons that Provident believes beneficially own more than five percent of Provident s issued and outstanding shares of common stock:

Name and Address of Beneficial Owners	Number of Shares Owned and Nature of Beneficial Ownership	Percent of Shares of Common Stock Outstanding (3)
The Provident Bank Employee Stock Ownership Plan Trust GreatBanc Trust Company, Trustee 45 Rockefeller Plaza, Suite 2055 New York, New York 10111-2000	4,769,464(1)	7.9%
Private Capital Management, L.P. Bruce S. Sherman and Gregg J. Powers 8889 Pelican Bay Blvd. Naples, Florida 34108	4,369,900(2)	7.2%

(1) A Schedule 13G filed with the Securities and Exchange Commission on January 30, 2004 on behalf of The Provident Bank Employee Stock Ownership Trust reported that the Employee Stock Ownership Trust had: (i) sole power to vote or direct the vote of 4,620,653 shares of Provident common stock; (ii) the shared power to vote or direct the vote of 148,811 shares of Provident common stock; and (iii) sole power to dispose or direct the disposition of 4,769,464 shares of Provident common stock.

(2) A Schedule 13G filed with the Securities and Exchange Commission on February 13, 2004 by Private Capital Management, L.P., Bruce Sherman and Gregg J. Powers reported that Private Capital Management and Messrs. Sherman and Powers had: (i) sole power to vote or direct the vote of no shares of Provident common stock; (ii) shared power to vote or direct the vote of 4,369,900 shares of Provident common stock; (iii) sole power to dispose or direct the disposition of no shares of Provident common stock; and (iv) shared power to dispose or to direct the disposition of 4,369,900 shares of Provident common stock. The Schedule 13G further disclosed that Messrs. Sherman and Powers in their capacities as Chief Executive Officer and President, respectively, of Private Capital Management, exercise shared dispositive and shared voting power with respect to shares held by Private Capital Management s clients and managed by Private Capital Management. Messrs. Sherman and Powers each disclaim beneficial ownership of shares held by Private Capital Management s clients and each disclaim the existence of a group.

(3) Based on 60,328,600 shares of Provident common stock outstanding.

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THE FIRST SENTINEL BANCORP, INC. ANNUAL MEETING

This section contains information for First Sentinel stockholders about the annual meeting of stockholders First Sentinel has called to consider and approve the merger agreement as well as vote on the election of three directors, the ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.

Together with this document, First Sentinel is also sending you a notice of the First Sentinel annual meeting of stockholders and a proxy card that is solicited by First Sentinel s board of directors. The annual meeting of stockholders will be held on June 23, 2004 at 10:00 a.m., local time, at The Pines Manor, 2085 Route 27, Edison, New Jersey. This Joint Proxy Statement/ Prospectus is first being mailed to stockholders of First Sentinel on or about May 10, 2004.

Matters to Be Considered

The purpose of the First Sentinel annual meeting of stockholders is to vote on a proposal to approve the merger agreement as well as vote on the election of three directors, the ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.

Proxies

Each copy of this document mailed to First Sentinel stockholders is accompanied by a proxy card with voting instructions for submission by mail. You should complete and return the proxy card to ensure that your vote is counted at the First Sentinel annual meeting, or at any adjournment or postponement of the meeting, regardless of whether you plan to attend the First Sentinel annual meeting. You can revoke your proxy at any time before the vote is taken at the First Sentinel annual meeting. If your shares are held in street name, your broker will vote your shares on Proposal I The Proposed Merger only if you provide instructions to your broker on how to vote. If you have not voted through your broker, you may revoke your proxy by:

- submitting written notice of revocation to the Corporate Secretary of First Sentinel prior to the voting of such proxy;
- submitting a properly executed proxy bearing a later date; or
- voting in person at the annual meeting; however, simply attending the annual meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

First Sentinel Bancorp, Inc.

1000 Woodbridge Center Drive

Woodbridge, New Jersey 07095

Attention: Ann C. Clancy, Esq.

Corporate Secretary

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

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All shares represented by valid proxies First Sentinel receives through this solicitation that are not revoked will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted **FOR** approval of the merger agreement, **FOR** the election of First Sentinel s three nominees for director, **FOR** the ratification of the appointment of KPMG LLP as First Sentinel s independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting. The First Sentinel board of directors is presently unaware of any other matters that may be presented for action at the annual meeting.

First Sentinel stockholders should NOT send stock certificates with their proxy cards. First Sentinel stockholders will separately receive election forms and instructions, at which time they will be requested to submit their stock certificates. If the merger is completed, First Sentinel stockholders who did not make a timely or proper election will be mailed a transmittal form promptly following the completion of the merger with instructions on how to exchange their First Sentinel stock certificates for the merger consideration.

Solicitation of Proxies

First Sentinel will bear the entire cost of soliciting proxies from its stockholders. In addition to solicitation of proxies by mail, First Sentinel will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of First Sentinel common stock and secure their voting instructions, if necessary. First Sentinel will reimburse the record holders for their reasonable expenses in taking those actions. First Sentinel has also made arrangements with Georgeson Shareholder Communications, Inc. to assist it in soliciting proxies and has agreed to pay them a fee of $10,000 plus reasonable expenses for these services. If necessary, First Sentinel may use several of its regular employees, who will not be specially compensated, to solicit proxies from First Sentinel stockholders, either personally or by telephone, telegram, facsimile or letter.

Record Date

The First Sentinel board of directors has fixed the close of business on April 30, 2004 as the record date for determining the First Sentinel stockholders entitled to receive notice of and to vote at the First Sentinel annual meeting of stockholders. On April 30, 2004, 28,299,252 shares of First Sentinel common stock were outstanding and held by approximately 2,486 holders of record.

Voting Rights and Vote Required

The presence, in person or by properly executed proxy, of a majority of the total number of outstanding shares of First Sentinel common stock entitled to vote (after giving effect to the 10% limit described below) is necessary to constitute a quorum at the First Sentinel annual meeting of stockholders. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present. An unvoted proxy submitted by a broker is sometimes referred to as a broker non-vote.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of First Sentinel common stock entitled to vote at the First Sentinel annual meeting. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which the authority to vote for the nominees being proposed is withheld. The ratification of the appointment of the independent auditors and the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting are determined by a majority of the votes cast, without regard to broker non-votes or proxies marked Abstain. You are entitled to one vote for each share of First Sentinel common stock you held as of the record date. However, First Sentinel s certificate of incorporation provides that stockholders of record who beneficially own in excess of 10% of the then-outstanding shares of common stock of First Sentinel are not entitled to any vote with respect to the shares held in excess of the 10% limit.

A person or entity is deemed to beneficially own shares owned by an affiliate of, as well as by persons acting in concert with, such person or entity. First Sentinel s certificate of incorporation authorizes its board of directors to make all determinations necessary to implement and apply the 10% limit, including determining the number of shares of First Sentinel common stock beneficially owned by any person and whether persons or entities are acting in concert. The First Sentinel board of directors is also authorized to demand that any person who is reasonably believed to beneficially own stock in excess of the 10% limit supply information to First Sentinel to enable its board of directors to implement and apply the 10% limit.

Because the affirmative vote of the holders of a majority of the outstanding shares of First Sentinel common stock entitled to vote at the First Sentinel annual meeting is needed for us to proceed with the merger, the failure to vote by proxy or in person will have the same effect as a vote against the merger agreement. Abstentions and broker non-votes also will have the same effect as a vote against the merger agreement. Accordingly, the First Sentinel board of directors urges First Sentinel stockholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.

As of the record date, directors and executive officers of First Sentinel and their affiliates had the right to vote 5,380,311 shares of First Sentinel common stock, or 18.33% of the outstanding First Sentinel common stock on that date.

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 or First Savings Bank, 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.

Recommendation of the Board of Directors

The First Sentinel board of directors has unanimously approved the merger agreement and the transactions contemplated in the merger agreement. The First Sentinel board of directors has determined that the merger agreement and the transactions contemplated in the merger agreement are advisable and in the best interests of First Sentinel and its stockholders and unanimously recommends that you vote **FOR** approval of the merger agreement. The First Sentinel board of directors also recommends that you vote **FOR** each of the First Sentinel nominees for director listed in this Joint Proxy Statement/Prospectus, **FOR** the ratification of the appointment of KPMG LLP as independent auditors for the year ending December 31, 2004 and **FOR** the authorization of the board of directors to adjourn the annual meeting or vote on other matters properly before the annual meeting.

See Proposal I The Proposed Merger Recommendation of First Sentinel s Board of Directors and Reasons for the Merger on page 43 for a more detailed discussion of the First Sentinel board of directors recommendation.

Attending the First Sentinel Annual Meeting

If you want to vote your shares of First Sentinel common stock held in street name in person at the annual meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Participants in First Sentinel s and First Savings Bank s Benefit Plans

Participants in the First Savings Bank Employee Stock Ownership Plan and the Incentive Savings Plan for Employees of First Savings Bank have the right to direct the voting of First Sentinel common stock held in their plan accounts but do not have the right to vote these shares personally at First Sentinel s annual meeting. Such participants should refer to the voting instructions provided by the plan trustees for information on how to direct the voting of these shares.

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Security Ownership of Certain Beneficial Owners of First Sentinel

The following table sets forth certain information as to those persons that First Sentinel believes are beneficial owners of more than 5% of First Sentinel s outstanding common stock as of March 1, 2004. Persons and groups that beneficially own in excess of 5% of First Sentinel s common stock are required to file certain reports with First Sentinel and with the Securities and Exchange Commission regarding such beneficial ownership. For purposes of the table below and the table set forth under First Sentinel Proposal II Election of Directors Who Our Directors and Executive Officers Are, a person is deemed to be the beneficial owner of any shares of common stock (1) over which the person has or shares, directly or indirectly, voting or investment power, or (2) of which the person has a right to acquire beneficial ownership at any time within 60 days after March 1, 2004. Voting power is the power to vote or direct the voting of shares and investment power includes the power to dispose or direct the disposition of shares.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Common Stock	First Savings Bank Employee Stock Ownership Plan and Trust c/o First Savings Bank 1000 Woodbridge Center Drive Woodbridge, New Jersey 07095	2,070,991(2)	7.3%
Common Stock	Private Capital Management, L.P. Bruce S. Sherman and Gregg J. Powers 8889 Pelican Bay Blvd. Naples, Florida 34108	2,551,623(3)	9.0%

(1) Based on 28,268,402 total outstanding shares of First Sentinel Bancorp, Inc. as of March 1, 2004.

(2) Based on a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2004. The assets of the First Savings Bank Employee Stock Ownership Plan are held in trust by First Bankers Trust Company, the First Savings Bank Employee Stock Ownership Plan Trustee. First Bankers Trust Company, subject to its fiduciary duty, must vote all allocated shares held in the First Savings Bank Employee Stock Ownership Plan in accordance with the instructions of the participating employees. At March 1, 2004, 1,137,485 shares of common stock had been allocated to participating employee accounts and the First Bankers Trust Company shared voting power with the participants with respect to such shares. As of this same date, 933,506 unallocated shares remained in the First Savings Bank Employee Stock Ownership Plan and the First Bankers Trust Company had sole voting power with respect to such shares. Subject to its fiduciary duty, the First Bankers Trust Company will vote unallocated shares and allocated shares for which no instructions are provided by participants in a manner calculated to most accurately reflect the voting instructions received from participants on allocated shares. The First Savings Bank Employee Stock Ownership Plan Committee, comprised of the Compensation Committee of First Sentinel s board of directors, had sole power to direct the disposition of all 2,070,991 shares.

(3) Based on a Schedule 13G filed with the Securities and Exchange Commission on February 13, 2004 by Private Capital Management, Bruce S. Sherman and Gregg J. Powers. Private Capital Management reported that it filed as an investment advisor registered under Section 203 of the Investment Advisors Act of 1940. Mr. Sherman is Chief Executive Officer of Private Capital Management and Mr. Powers is President of Private Capital Management. According to the Schedule 13G (i) Private Capital Management and Messrs. Sherman and Powers had shared voting and dispositive power over 2,551,623 shares of First Sentinel common stock and (ii) Mr. Sherman had sole voting and dispositive power over 13,700 shares of First Sentinel Common Stock. The Schedule 13G also disclosed that Mr. Sherman and Mr. Powers exercise such shared voting and dispositive power over shares of First Sentinel common stock held by Private Capital Management s clients and managed by Private Capital Management in their capacities as officers of Private Capital Management. Messrs. Sherman and Powers each disclaim beneficial ownership for the shares held by Private Capital Management s clients and disclaim the existence of a group.

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INFORMATION ABOUT THE COMPANIES

Provident Financial Services, Inc.

830 Bergen Avenue

Jersey City, New Jersey 07306

(201) 333-1000

Provident Financial Services, Inc. is a Delaware corporation which, on January 15, 2003, became the holding company for The Provident Bank, following the completion of the conversion of The Provident Bank from a mutual savings bank to a stock chartered savings bank. On January 15, 2003, Provident issued an aggregate of 59,618,300 shares of its common stock, par value $0.01 per share, in a subscription offering and contributed cash and 1,920,000 shares of its common stock to The Provident Bank Foundation, a charitable foundation established by The Provident Bank. As a result of the conversion and its related stock offering, Provident raised $586.4 million in net proceeds, of which $293.1 million was infused into The Provident Bank. As of the completion of the conversion on January 15, 2003, Provident owned all of the outstanding common stock of The Provident Bank. Currently, Provident s activities consist solely of managing The Provident Bank and investing its portion of the net proceeds received in the subscription offering. At December 31, 2003, Provident had total consolidated assets of $4.3 billion, net loans of $2.2 billion, total deposits of $2.7 billion, and total stockholders equity of $817.1 million.

Originally established in 1839, The Provident Bank is a New Jersey chartered capital stock savings bank headquartered in Jersey City, New Jersey. The Provident Bank is a community- and customer-oriented bank operating 54 full-service branch offices in the New Jersey counties of Hudson, Bergen, Essex, Mercer, Middlesex, Monmouth, Morris, Ocean, Somerset and Union, which it considers its primary market area. As part of its Customer-Centric Strategy, The Provident Bank emphasizes personal service and customer convenience in serving the financial needs of the individuals, families and businesses residing in Provident s markets. The Provident Bank attracts deposits from the general public in the areas surrounding its banking offices and uses those funds, together with funds generated from operations and borrowings, to originate commercial real estate loans, residential mortgage loans, commercial business loans and consumer loans. The Provident Bank also invests in mortgage-backed securities and other permissible investments.

The Provident Bank is subject to regulation and supervision by the New Jersey Department of Banking and Insurance, its chartering agency, and by the Federal Deposit Insurance Corporation. Provident is a bank holding company subject to regulation and supervision by the Board of Governors of the Federal Reserve System.

Provident routinely evaluates opportunities to expand through merger or acquisition. As a result, merger or acquisition discussions and, in some cases, negotiations may take place in the future, and mergers and acquisitions involving cash, debt or equity securities may occur. The impact of a merger or an acquisition would likely be reflected in Provident s financial condition and results of operations.

Additional information about Provident and its subsidiaries is included in documents incorporated by reference in this Joint Proxy Statement/Prospectus. See Where You Can Find More Information on page 131.

First Sentinel Bancorp, Inc.

1000 Woodbridge Center Drive

Woodbridge, New Jersey 07095

(732) 726-9700

First Sentinel Bancorp, Inc. is a Delaware corporation and the parent holding company for First Savings Bank. First Savings Bank is a New Jersey chartered savings bank whose deposits are insured by the Savings Association Insurance Fund, as administered by the Federal Deposit Insurance Corporation. First Savings Bank operates 22 full-service banking offices in central New Jersey. At December 31, 2003, First Sentinel had total consolidated assets of $2.2 billion, net loans of $1.2 billion, total deposits of $1.3 billion, and total stockholders equity of $227.6 million.

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First Savings Bank s principal business consists of accepting retail deposits from the general public in the areas surrounding its branch offices and investing those deposits, together with funds generated from operations and borrowings, primarily in single-family residential mortgage loans, real estate construction loans, commercial real estate loans, home equity loans and lines of credit, multi-family residential mortgage loans, mortgage-backed and mortgage related securities and various debt and equity securities. First Savings Bank s revenues are derived principally from the interest income generated by its loan and mortgage-backed securities portfolios, interest and dividends on its investment securities and, to a lesser extent, from retail banking fees.

First Savings Bank is subject to regulation and supervision by the New Jersey Department of Banking and Insurance, its chartering agency, and by the Federal Deposit Insurance Corporation. First Sentinel has elected to be a savings and loan holding company subject to regulation and supervision by the Office of Thrift Supervision.

Additional information about First Sentinel and its subsidiaries is included in documents incorporated by reference in this Joint Proxy Statement/Prospectus. See Where You Can Find More Information on page 131.

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PROPOSAL I THE PROPOSED MERGER

(FOR CONSIDERATION AND VOTE BY PROVIDENT AND FIRST SENTINEL STOCKHOLDERS)

The description of the merger and the merger agreement contained in this Joint Proxy Statement/Prospectus describes the material terms of the merger agreement; however, it does not purport to be complete. It is qualified in its entirety by reference to the merger agreement. We have attached a copy of the merger agreement as Appendix A.

We encourage you to read the merger agreement.

General

Pursuant to the merger agreement, First Sentinel will merge into Provident, with Provident as the surviving entity. Outstanding shares of First Sentinel common stock will be converted into the right to receive cash, shares of Provident common stock or a combination of cash and shares of Provident common stock. Cash will be paid in lieu of any fractional share of Provident common stock. See Merger Consideration; Cash or Stock Election below. As a result of the merger, the separate corporate existence of First Sentinel will cease and Provident will succeed to all of the rights and be responsible for all of the obligations of First Sentinel. Following the merger of First Sentinel into Provident, First Savings Bank will merge into The Provident Bank and the separate corporate existence of First Savings Bank shall cease.

Background of the Merger

Since First Sentinel s conversion from the mutual holding company form of organization to a fully public company in 1998, the board of directors of First Sentinel has endeavored to enhance stockholder value by pursuing the strategy of operating as an independent community bank. In doing so, the board of directors periodically evaluated First Sentinel s business plan as compared to other strategic alternatives, including acquisitions of other institutions and strategic combinations. From time to time, management of First Sentinel received expressions of interest from other financial institutions that were pursuing aggressive growth strategies in the context of a continuously consolidating financial services industry.

In connection with the mutual to stock conversion of The Provident Bank in January 2003, Provident disclosed that conversion proceeds would be deployed for, among other things, an expansion of Provident s retail banking franchise through de novo branching and by acquiring other financial institutions. From time to time, Provident s management evaluates potential acquisition targets with a view to expanding Provident s market presence and franchise.

On April 14, 2003, Mr. Christopher Martin, First Sentinel s Chief Executive Officer, met with the Chief Executive Officer of another financial institution (the Other Institution) at First Sentinel s offices in Woodbridge, New Jersey at the request of such Other Institution. During the meeting, the Chief Executive Officer of the Other Institution indicated that the Other Institution was interested in a possible strategic combination with First Sentinel. After the meeting, Mr. Martin advised each First Sentinel board member of the details of his conversation with the Chief Executive Officer of the Other Institution.

Independent of this expression of interest, in April 2003, First Sentinel s board of directors and management had begun to re-evaluate First Sentinel s business plan in response to First Sentinel s operating, market and financial performance relative to its peer group, particularly taking into account the impact of the then-current interest rate levels, which had not risen as previously anticipated. At a regularly scheduled meeting of First Sentinel s board held on April 28, 2003, the board, having been advised of both management s ongoing evaluation of the business plan and the oral expression of interest from the Other Institution, determined to have an investment banking firm perform a market analysis of First Sentinel.

At a special meeting of First Sentinel s board held on May 12, 2003, which was attended by members of Lehman Brothers and First Sentinel s outside legal counsel, Thacher Proffitt & Wood LLP, the board discussed the business plan, including modifications to the business plan to enhance First Sentinel s transition to a community bank, various strategic alternatives that were available at that time and the Other Institution s oral indication of interest. Following discussions with First Sentinel s management and financial and legal advisors, the board determined to explore the possibility of a business combination with the Other Institution and requested that Lehman Brothers present an analysis of the Other Institution at a subsequent board meeting. In addition, Mr. Martin was requested by the board to ask whether the Other Institution could provide a non-binding preliminary indication of the range of consideration that the Other Institution would offer to First Sentinel s stockholders in a possible combination.

During a telephone conversation between Mr. Martin and the Chief Executive Officer of the Other Institution on May 12, 2003, the Other Institution indicated to Mr. Martin that it was considering a possible price range of $17.50 to $18.50 for each share of First Sentinel s outstanding common stock.

At a special meeting of First Sentinel s board of directors held on June 5, 2003, Lehman Brothers presented a detailed analysis of the Other Institution s operations and financial and market performance. Lehman Brothers also presented an extensive valuation analysis of First Sentinel on both a stand-alone basis and a general acquisition basis, as well as a pro forma analysis of a combination between the Other Institution and First Sentinel. During discussions, members of the board expressed concerns that an analysis of alternatives was difficult because of the negative impact of the current interest rate environment on First Sentinel s short-term prospects, and that the combined institution s prospects were speculative, thereby providing no assurance that the combined institution would outperform First Sentinel on a stand-alone basis over the long term. At the conclusion of the meeting, the board determined to follow First Sentinel s business plan and not to pursue a possible strategic combination with the Other Institution. First Sentinel and Lehman Brothers did not enter into a formal engagement letter with respect to the services provided by Lehman Brothers in connection with First Sentinel s consideration of a possible strategic combination with the Other Institution, and Lehman Brothers did not receive any fees for such services to First Sentinel.

Approximately three months later, on September 25, 2003, while attending a management conference sponsored by the New Jersey League, a trade association of community banks in New Jersey, Mr. Martin and Mr. Paul M. Pantozzi, the Chairman, Chief Executive Officer and President of Provident, engaged in a conversation, during which Mr. Pantozzi asked Mr. Martin if First Sentinel was considering any strategic business combinations. Mr. Martin responded by saying that First Sentinel s board was not thinking along those lines at that time.

During meetings held on September 29, 2003, as part of First Sentinel s annual board retreat, representatives from three investment banking firms, Sandler O Neill & Partners, L.P., Friedman, Billings, Ramsey & Co., Inc. and Lehman Brothers, made presentations to the board regarding a variety of topics including (i) a current market analysis and overview of First Sentinel s performance, (ii) potential acquisitions by First Sentinel of selected target companies, (iii) merger of equals opportunities and (iv) affiliation options with companies who might have an interest in First Sentinel. The representatives from each of these firms stressed that the alternatives and analyses presented were based upon publicly available information and proprietary modeling analyses and not on discussions with any other financial institution. One of the companies mentioned as an affiliation option was Provident. During a board meeting held the following day, First Sentinel s board reviewed the various strategic alternatives presented during the board retreat and determined to continue to execute First Sentinel s community banking strategy as set forth in its business plan.

At an off-site board retreat held on October 29 and 30, 2003, presentations were made to the Provident board regarding the capital markets landscape and various capital deployment opportunities available to Provident. The presentations included analyses of franchise expansion opportunities in New Jersey. These presentations discussed a number of acquisition opportunities that may be of consideration to Provident, including First Sentinel.

At a financial services investor conference sponsored by Sandler O Neill and held from November 12, 2003 through November 14, 2003, representatives of Sandler O Neill discussed with Mr. Martin the possibility of a

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potential business combination between Provident and First Sentinel. Mr. Martin met with Mr. Pantozzi (who was also attending the conference) on November 13, 2003, at which time they engaged in a broad discussion regarding Provident s business and overall business philosophy. During this meeting, Mr. Pantozzi informed Mr. Martin that he was enthusiastic over a potential business combination between First Sentinel and Provident and wished to continue a dialogue regarding a strategic combination. Mr. Martin told Mr. Pantozzi that he would inform First Sentinel s board of Provident s interest in a combination.

Mr. Martin reported his conversations with Sandler O Neill and Mr. Pantozzi to First Sentinel s board at a regularly scheduled meeting held on November 19, 2003. First Sentinel s board discussed Provident s interest in a transaction, the various strategic alternatives presented during the board retreat, First Sentinel s financial projections, the elevated trading levels of First Sentinel s common stock, the current economic environment and First Sentinel s future prospects, and the board determined it would be appropriate to further investigate Provident s interest in a possible business combination. The board also decided that, in order to do so, it would need detailed information on Provident s operations, financial condition and management structure and requested that Sandler O Neill prepare a presentation of such information.

At a special meeting of First Sentinel s board held on November 24, 2003 and attended by representatives of Sandler O Neill and Thacher Proffitt, the board considered the strategic opportunities available to First Sentinel, including remaining independent and exploring a possible business combination with Provident. The board received a presentation from Sandler O Neill consisting of a detailed analysis of Provident and a projected financial analysis of First Sentinel and Provident on a combined basis, including an analysis of what each company would contribute to the financial makeup of the combined organization, focusing on loans, deposits, assets, borrowings, capital, the last twelve months income, projected income and market capitalization. During discussions following Sandler O Neill s presentation, the board noted the following: Provident appeared to be further ahead of First Sentinel in implementing the commercial banking aspect of its community banking strategy; Provident had a variety of strategies available to it as a recently converted institution to increase returns to stockholders; Provident s trading multiples reflected its large capital base and that potential existed for earnings growth as that capital base became more fully utilized, which could result in enhancements to stockholder value; the existence of opportunities for improved efficiencies at Provident through economies of scale that a strategic combination with First Sentinel would bring; efforts taken by Provident in recent years to enhance the depth and strength of its management team and board of directors; and Provident s balance sheet composition and capital base could provide a unique opportunity for a transaction that could result in significant value to First Sentinel s stockholders, both short and long term, assuming all or a portion of the consideration Provident would offer consists of Provident stock. After extensive discussions, the First Sentinel board determined that a possible transaction with Provident could be a viable alternative for enhancing stockholder value, but that more information was needed with respect to the possible transaction. The board authorized Mr. Martin to further discuss with Mr. Pantozzi various issues related to a possible combination of operations and alternatives for structuring the management team and board of directors of a combined entity. In addition, First Sentinel s board retained Sandler O Neill as its independent financial advisor and authorized Sandler O Neill to contact Provident to request a non-binding indication of interest as to the level of consideration that Provident would offer to First Sentinel s stockholders in a possible transaction with Provident.

On November 25, 2003, Mr. Martin and Mr. Pantozzi had a telephone conversation during which they discussed continuing their dialogue with respect to a possible business combination, and Provident executed a confidentiality agreement as a prelude to receiving non-public confidential information regarding First Sentinel. On November 26, 2003, during a special meeting of The Provident Bank s Executive Committee, Mr. Pantozzi reported that he had preliminary discussions with Mr. Martin regarding a proposed business combination between First Sentinel and Provident. On November 29, 2003, Mr. Martin met with Mr. Pantozzi and discussed various issues, including (i) the operations of First Sentinel and Provident, (ii) why the proposed business combination would benefit both institutions and their stockholders and (iii) various issues related to management and the board of directors of a combined entity.

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During the following week, Mr. Martin and Mr. Pantozzi had several telephone conversations regarding the potential business combination between First Sentinel and Provident, and Provident retained Lehman Brothers as its financial advisor. At a special meeting of Provident s board held on December 4, 2003, the board discussed and analyzed the potential business combination with First Sentinel, including a detailed presentation and analysis by Lehman Brothers of the business operations, financial condition and prospects of First Sentinel, as well as the pro forma financial impact of a proposed acquisition of First Sentinel. After lengthy deliberations, Provident s board authorized Mr. Pantozzi to submit a preliminary, non-binding indication of interest regarding a possible business combination with First Sentinel. On the following day, Provident submitted to Sandler O Neill a letter setting forth Provident s non-binding indication of interest to engage in a business combination with First Sentinel, including the proposed consideration to be received by First Sentinel s stockholders with a value ranging from $21.75 to $22.25 per share of First Sentinel common stock, as well as other proposed terms and conditions.

Following discussions between First Sentinel and Sandler O Neill, Sandler O Neill requested that Provident submit a revised non-binding indication of interest to further clarify the proposed terms with respect to the combination of the senior management and boards of directors of the two companies. On December 8, 2003, Provident submitted to Sandler O Neill a revised letter setting forth its revised non-binding indication of interest regarding a potential merger with First Sentinel. At a special meeting held that same day, the First Sentinel board reviewed and considered the events that had transpired during the previous two weeks and considered the proposed terms outlined in Provident s letter. During the meeting, Mr. Martin discussed the results of his recent meetings with Mr. Pantozzi. In addition, Sandler O Neill presented a detailed overview of both First Sentinel and Provident along with a pro forma analysis of a strategic combination between the two entities. Sandler O Neill s presentation also included an analysis of the financial impact of the proposed strategic combination based on the deal prices outlined in the letter received from Provident. Thacher Proffitt then reviewed with the board its fiduciary duties with respect to the proposed transaction. At the conclusion of the meeting, First Sentinel s board voted to continue negotiations with Provident with the goal of presenting to the board for its consideration a negotiated draft definitive agreement with respect to the strategic combination. First Sentinel executed a confidentiality agreement with Provident the following day so that First Sentinel could begin reviewing non-public information regarding Provident.

On December 12, 2003, First Sentinel received the first draft of a proposed merger agreement from Provident s outside legal counsel, Luse Gorman Pomerenk & Schick, P.C. During the weekend beginning Friday, December 12, 2003, First Sentinel commenced its due diligence review of Provident and Provident continued its due diligence review of First Sentinel. At the same time, First Sentinel, Provident and their respective legal and financial advisors began to negotiate the terms of the definitive transaction documents.

At a regularly scheduled meeting of First Sentinel s board held on December 17, 2003, the board discussed and reviewed with management, Sandler O Neill and Thacher Proffitt the results of their respective due diligence reviews of Provident. Thacher Proffitt also provided the board with an update on the status of the negotiations with respect to reaching a definitive agreement and a term sheet describing the primary terms of the proposed strategic combination. Following the presentations, First Sentinel s board had a lengthy discussion regarding the results of the due diligence, Provident s proposed terms and the remaining issues that needed to be resolved, after which the board authorized First Sentinel s management and legal and financial advisors to continue negotiating the terms of a strategic combination with Provident, with the objective of reaching a fully negotiated agreement to be presented to the board for its approval.

On December 18, 2003, a special meeting of Provident s board was held to consider and vote on the terms and conditions of a proposed merger agreement with First Sentinel. At the meeting, Lehman Brothers presented its financial analyses with respect to the proposed merger consideration and delivered its oral opinion, subsequently confirmed in writing on December 19, 2003, as to the fairness, from a financial point of view, of the merger consideration to Provident. Luse Gorman Pomerenk & Schick, P.C. discussed the terms and conditions of the merger agreement, the commitment to add First Sentinel directors to the Provident board, the proposed employment agreement with Mr. Martin, and the board s fiduciary duties in connection with its evaluation of the proposed transaction. In addition, management provided to the board a favorable report concerning due diligence of the operations of First Sentinel conducted on December 13 and 14, 2003. Following the presentations and a lengthy discussion among the members of the board of directors, the Provident board unanimously approved the merger agreement.

On December 19, 2003, a special meeting of First Sentinel s board was held to consider and vote on the terms and conditions of the proposed merger agreement. At the meeting, Sandler O Neill presented a detailed evaluation of the merger consideration and its opinion regarding the fairness of the merger consideration, from a financial point of view, to First Sentinel s stockholders. Thacher Proffitt discussed the terms and conditions of the merger agreement and the board s fiduciary duties in connection with its evaluation. In addition, the board discussed with Sandler O Neill and Thacher Proffitt the merits of conducting a market check at that time with respect to the consideration being offered by Provident and the flexibility provided by the merger agreement to the First Sentinel board to consider unsolicited proposals from other institutions. Following the presentations and a lengthy discussion among the board members, the First Sentinel board unanimously approved the merger agreement.

Immediately after the meeting, the senior management, legal and financial advisors and independent auditors for both parties participated in a conference call to discuss First Sentinel s pending restatement of financial results for the accounting of First Sentinel s Directors Deferred Fee Plan, which had also been discussed extensively during First Sentinel s board meeting. Over the following weekend, First Sentinel provided Provident with detailed information regarding the restatement and a draft press release announcing the restatement. After Provident reviewed this information with its independent auditors, the parties exchanged signature pages for the merger agreement. On December 22, 2003, First Sentinel and Provident issued a joint press release announcing the execution of the merger agreement.

Recommendation of First Sentinel s Board of Directors and Reasons for the Merger

First Sentinel s board of directors believes that the merger is in the best interests of First Sentinel and its stockholders. Accordingly, First Sentinel s board of directors has approved the merger agreement and recommends that stockholders vote **FOR** the approval of the merger agreement.

In reaching its decision to approve the merger agreement, First Sentinel s board of directors consulted with its outside legal counsel and its financial advisor and considered a variety of factors, including the following:

(i) The First Sentinel board s familiarity with and review of First Sentinel s business, financial condition, results of operations and prospects, including, but not limited to, its potential growth, development, productivity and profitability;

(ii) The current and prospective environment in which First Sentinel operates, including national and local economic conditions, the competitive environment for financial institutions generally, the increased regulatory burden on financial institutions generally and the trend toward consolidation in the financial services industry;

(iii) The First Sentinel board s review with its legal and financial advisors of strategic alternatives to the merger, including potential acquisitions of selected target companies, the proposal of the Other Institution received in May 2003 and the possibility of remaining independent and transitioning from a traditional thrift to a community bank;

(iv)

The First Sentinel board s review, based in part on presentations by First Sentinel s management and advisors, of Provident s business, financial condition, results of operations and management and the recent performance of Provident s common stock on both a historical and prospective basis, the strategic fit between the parties, the potential synergies expected from the merger and the business risks associated with the merger;

(v) The expectation that the merger will provide holders of First Sentinel common stock with the opportunity to receive a substantial premium over the historical trading prices for their shares and that a portion of the consideration received will be tax-free for federal income tax purposes;

(vi) The cash/stock combination feature of the merger consideration offers First Sentinel stockholders both the opportunity to participate in the growth and opportunities of Provident through the stock component and to realize cash for the value of their shares through the cash component, subject to the allocation procedures in the merger agreement;

(vii) The First Sentinel board s review with its legal and financial advisors of the provisions of the merger agreement, including the flexibility of the First Sentinel board to consider unsolicited proposals from other institutions after the execution of the merger agreement and the $24.0 million termination fee in favor of Provident in the event the merger agreement is terminated under certain specified circumstances;

(viii) The opinion of Sandler O Neill that the consideration to be received by First Sentinel s stockholders is fair to those stockholders from a financial point of view;

(ix) The similarity between First Sentinel s and Provident s management philosophies, approaches and commitments to the communities, customers and stockholders they each serve and their respective employees;

(x) The impact of the merger on depositors, customers, employees and communities served by First Sentinel and the expectation that the combined entity will continue to provide quality service to the communities and customers currently served by First Sentinel;

(xi) Provident s agreement, upon the closing of the merger, to appoint two persons who are directors of First Sentinel as directors of Provident and The Provident Bank, to establish an advisory board consisting of the remaining members of First Sentinel s board, other than Mr. Martin, and to appoint during the calendar year 2005 either Mr. Martin or one of the members of the advisory board as a director of Provident and The Provident Bank, all of which are expected to provide a degree of continuity and involvement by First Sentinel following the merger; and

(xii) Provident s agreement to appoint Mr. Martin as President of Provident and The Provident Bank and to appoint Mr. Lyons, Ms. Graves and Mr. Spengler to management level positions, all of which are also expected to provide a degree of continuity and involvement by First Sentinel following the merger.

In reaching its determination to approve and recommend the merger, First Sentinel s board did not assign any specific or relative weights to the factors under consideration, and individual directors may have given different weights to different factors.

On the basis of these considerations, First Sentinel s board of directors unanimously approved the merger agreement.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF FIRST SENTINEL APPROVE THE MERGER AGREEMENT.

Opinion of First Sentinel Bancorp, Inc. s Financial Advisor

By letter dated as of November 25, 2003, First Sentinel retained Sandler O Neill to act as its financial advisor in connection with a possible strategic business combination with Provident. Sandler O Neill is a nationally-recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

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Sandler O Neill acted as financial advisor to First Sentinel in connection with the proposed merger and participated in certain of the negotiations leading up to the execution of the merger agreement. At the December 19, 2003 meeting at which First Sentinel s board considered and approved the merger agreement, Sandler O Neill delivered to the board its oral opinion, which it also confirmed in writing, that, as of such date, the merger consideration to be received by First Sentinel s stockholders was fair to such stockholders from a financial point of view. Sandler O Neill has confirmed its December 19, 2003 opinion by delivering to the First Sentinel board a written opinion dated the date of this Joint Proxy Statement/Prospectus. In rendering its updated opinion, Sandler O Neill confirmed the appropriateness of its reliance on the analyses used to render its earlier opinion by reviewing the assumptions upon which its analyses were based, performing procedures to update certain of its analyses and reviewing the other factors considered in rendering its opinion. Sandler O Neill also reviewed the impact on its analyses of the restatement of First Sentinel s financial statements as filed by First Sentinel on Forms 10-Q/A and 10-K/A on January 28, 2004. **The full text of Sandler O Neill s updated opinion is attached as *Appendix C* to this Joint Proxy Statement/Prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion attached as *Appendix C*. We urge you to read the entire opinion carefully in connection with your consideration of the proposed merger.**

Sandler O Neill s opinion speaks only as of the date of the opinion. The opinion was directed to the First Sentinel board and is directed only to the fairness of the merger consideration to First Sentinel s stockholders from a financial point of view. It does not address the underlying business decision of First Sentinel to engage in the merger or any other aspect of the merger and is not a recommendation to any First Sentinel stockholder as to how such stockholder should vote at the First Sentinel annual meeting with respect to the merger, the form of consideration a stockholder should elect to receive in the merger or any other matter.

In connection with rendering its opinion, Sandler O Neill reviewed and considered, among other things:

(1) the merger agreement;

(2) certain publicly available financial statements and other historical financial information of First Sentinel that it deemed relevant;

(3) certain publicly available financial statements and other historical financial information of Provident that it deemed relevant;

(4) internal financial projections for First Sentinel for the year ending December 31, 2004 prepared by management of First Sentinel and the views of certain members of senior management of First Sentinel, based on discussions with them, regarding First Sentinel s business, financial condition, results of operations and prospects;

(5) internal financial projections for Provident for the year ending December 31, 2004 prepared by management of Provident, earnings per share estimates for Provident for the year ending December 31, 2004 published by I/B/E/S and the views of certain members of senior management of Provident, based on discussions with them, regarding Provident s business, financial condition, results of operations and prospects;

(6) the pro forma financial impact of the merger on Provident, based on assumptions relating to transaction expenses and cost savings determined by senior management of Provident;

(7) the publicly-reported historical price and trading activity for First Sentinel s and Provident s common stock, including a comparison of certain financial and stock market information for First Sentinel and Provident with similar publicly available information for certain other companies the securities of which are publicly traded;

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(8) the financial terms of certain recent business combinations in the savings institutions industry, to the extent publicly available;

(9) the current market environment generally and the banking environment in particular; and

(10) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O Neill considered relevant.

In performing its reviews and analyses and in rendering its opinion, Sandler O Neill assumed and relied upon the accuracy and completeness of all the financial information, analyses and other information that was publicly available or otherwise furnished to, reviewed by or discussed with it and further relied on the assurances of management of First Sentinel and Provident that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. Sandler O Neill was not asked to and did not independently verify the accuracy or completeness of any of such information, and Sandler O Neill did not assume any responsibility or liability for the accuracy or completeness of any of such information. Sandler O Neill did not make an independent evaluation or appraisal of the assets, the collateral securing the assets or the liabilities, contingent or otherwise, of First Sentinel or Provident or any of their respective subsidiaries, or the collectibility of any such assets, nor was it furnished with any such evaluations or appraisals. Sandler O Neill is not an expert in the evaluation of allowances for loan losses, and it did not make an independent evaluation of the adequacy of the allowance for loan losses of First Sentinel or Provident, nor did it review any individual credit files relating to First Sentinel or Provident. With First Sentinel s consent, Sandler O Neill assumed that the respective allowances for loan losses for both First Sentinel and Provident were adequate to cover such losses and would be adequate on a pro forma basis for the combined entity. In addition, Sandler O Neill did not conduct any physical inspection of the properties or facilities of First Sentinel or Provident. Sandler O Neill s opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of its opinion. Sandler O Neill assumed, in all respects material to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements were true and correct, that each party to such agreements would perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement were not waived. Sandler O Neill also assumed, with First Sentinel s consent, that there had been no material change in First Sentinel s and Provident s assets, financial condition, results of operations, business or prospects since the date of the last financial statements made available to them; that First Sentinel and Provident would remain as going concerns for all periods relevant to its analyses; and that the merger would qualify as a tax-free reorganization for federal income tax purposes. With First Sentinel s consent, Sandler O Neill also relied upon the advice First Sentinel received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the transactions contemplated by the merger agreement prepared and furnished by the managements of First Sentinel and Provident.

Sandler O Neill was not asked to, and did not, solicit indications of interest in a potential transaction with First Sentinel from other third parties. First Sentinel s board of directors did not otherwise limit the investigations made or the procedures followed by Sandler O Neill in giving its opinion.

In rendering its opinion, Sandler O Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O Neill, but is not a complete description of all the analyses underlying Sandler O Neill s opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses performed by Sandler O Neill.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the

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evaluation process underlying its opinion. Also, no company included in Sandler O Neill s comparative analyses described below is identical to First Sentinel or Provident, and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of First Sentinel or Provident and the companies to which they are being compared.

The earnings projections used and relied upon by Sandler O Neill for First Sentinel and Provident in its analyses were based upon internal financial projections for the respective companies. With respect to such financial projections and all projections of transaction costs, purchase accounting adjustments and expected cost savings relating to the merger, First Sentinel s and Provident s managements confirmed to Sandler O Neill that they reflected the best currently available estimates and judgments of such managements of the future financial performance of First Sentinel and Provident, respectively, and Sandler O Neill assumed for purposes of its analyses that such performances would be achieved. Sandler O Neill expressed no opinion as to such financial projections or the assumptions on which they were based. The financial projections for First Sentinel and Provident were prepared for internal purposes only and not with a view towards public disclosure. These projections, as well as the other estimates used by Sandler O Neill in its analyses, were based on numerous variables and assumptions which are inherently uncertain and, accordingly, actual results could vary materially from those set forth in such projections.

In performing its analyses, Sandler O Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of First Sentinel, Provident and Sandler O Neill. The analyses performed by Sandler O Neill are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Sandler O Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the First Sentinel board at the December 19, 2003 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O Neill s analyses do not necessarily reflect the value of First Sentinel s common stock or Provident s common stock or the prices at which First Sentinel s or Provident s common stock may be sold at any time.

Summary of Proposal. Sandler O Neill reviewed the financial terms of the proposed transaction. Based upon the average closing price of Provident s common stock on the New York Stock Exchange for the 20 trading days ending on December 18, 2003 ($20.3755) and assuming 60% of First Sentinel s shares are converted into Provident common stock and the remaining 40% are converted into cash in the merger, Sandler O Neill calculated an implied transaction value of $22.25 per share. Based upon First Sentinel s September 30, 2003 financial information (as reported prior to a restatement of financial results that included results for that period), Sandler O Neill calculated the following ratios:

Transaction Ratios	
Deal price / last twelve months earnings per share	23.9x
Deal price / management s 2004 earnings per share estimate	21.6x
Deal price /stated book value per share	283.1%
Deal price / tangible book value per share	288.2%
Tangible book premium / core deposits (1)	32.7%

(1) Assumes First Sentinel s total core deposits are $1.31 billion (excluding approximately $74 million of certificates of deposit having a face amount greater than $100,000).

For purposes of Sandler O Neill s analyses, earnings per share were based on fully diluted earnings per share. The aggregate transaction value was approximately $641.9 million, based upon 27,671,281 shares of First

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Sentinel common stock outstanding plus the intrinsic value of outstanding options to purchase 1,874,838 shares of First Sentinel common stock having a weighted average exercise price of $8.26. Sandler O Neill noted that the transaction value represented a 20.6% premium over the December 18, 2003 closing price of First Sentinel s common stock.

Stock Trading History. Sandler O Neill reviewed the history of the reported trading prices and volume of First Sentinel s common stock and Provident s common stock and the relationship between the movements in the prices of First Sentinel s common stock and Provident s common stock, respectively, to movements in certain stock indices, including the Standard & Poor s 500 Index, the Standard & Poor s Bank Index, the Nasdaq Bank Index and the median performance of a composite peer group of publicly traded savings institutions for First Sentinel and Provident selected by Sandler O Neill. The composition of the peer groups is discussed under Comparable Company Analysis below.

During the one-year period ended December 18, 2003, First Sentinel s common stock outperformed all indices to which it was compared, except that it under-performed the regional peer group.

First Sentinel s One-Year Stock Performance

	Beginning Index Value December 17, 2002	Ending Index Value December 18, 2003
First Sentinel	100.00%	127.59%
Peer Group (1)	100.00	135.80
Nasdaq Bank Index	100.00	127.41
S&P Bank Index	100.00	120.61
S&P 500 Index	100.00	120.62

(1) The peer group used in this analysis is the regional group described below.

During the approximately 11-month period commencing with January 16, 2003, the date Provident s common stock began trading on the New York Stock Exchange, and ending on December 18, 2003, Provident s common stock outperformed all indices to which it was compared.

Provident s Stock Performance Since Its IPO Date

	Beginning Index Value January 16, 2003	Ending Index Value December 18, 2003(2)
Provident	100.00%	205.30%
Peer Group (1)	100.00	134.02
Nasdaq Bank Index	100.00	126.06
S&P Bank Index	100.00	118.57
S&P 500 Index	100.00	119.09

(1) The peer group used in this analysis is the regional group described below.
(2) Based on Provident s initial public offering price of $10.00 per share.

Comparable Company Analysis. Sandler O Neill used publicly-available information to compare selected financial and market trading information for First Sentinel and Provident to a group of publicly-traded savings institutions located in the mid-Atlantic region of the United States. This regional group consisted of the following institutions:

Independence Community Bank Corp.	Hudson River Bancorp, Inc.
Waypoint Financial Corp.	PennFed Financial Services, Inc.
First Niagara Financial Group, Inc.	OceanFirst Financial Corp.
Dime Community Bancshares, Inc.	

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Sandler O Neill also compared First Sentinel and Provident to a group of publicly-traded savings institutions that had a return on average equity (based on earnings for the twelve months ended September 30, 2003) greater than 14% and a price to tangible book value multiple greater than 197%. This high performing group consisted of the following institutions:

Independence Community Bank Corp.
Washington Federal, Inc.
MAF Bancorp, Inc.
BankAtlantic Bancorp, Inc.
Sterling Financial Corporation
Anchor BanCorp Wisconsin, Inc.
Dime Community Bancshares, Inc.
First Federal Capital Corp.
Harbor Florida Bancshares, Inc.
Flushing Financial Corporation
OceanFirst Financial Corp.

The analysis compared publicly-available financial information for First Sentinel and Provident and the median data for the regional group and the high performing group as of or for the twelve-month period ended September 30, 2003 (in the case of First Sentinel prior to the restatement of such information for that period). The table below sets forth the comparative data as of or for the twelve-month period ended September 30, 2003 with pricing data as of December 18, 2003.

Comparable Group Analysis

	Provident	First Sentinel	Regional Group	High Performing Group
Total assets *(in thousands)*	$ 4,171,198	$ 2,245,130	$ 3,085,131	$ 3,661,558
Tangible equity/tangible assets	19.54%	9.52%	7.49%	7.46%
Intangible assets/total equity	2.78	1.81	15.92	17.35
Net loans/total assets	50.16	53.55	64.68	71.27
Gross loans/total deposits	78.58	87.66	108.12	110.68
Total borrowings/total assets	14.71	26.35	24.83	23.99
Non-performing assets/total assets	0.14	0.04	0.19	0.40
Loan loss reserve/gross loans	1.01	1.05	1.09	0.75
Net interest margin	3.48	2.73	3.50	3.46
Noninterest income/average assets	0.60	0.27	0.91	0.95
Fees/revenues	15.41	9.37	21.51	21.97
Noninterest expense/average assets	2.51	1.32	2.31	1.96
Efficiency ratio	64.86	45.44	53.17	47.36
Return on average assets	0.48	1.13	1.19	1.31
Return on average equity	2.58	11.63	11.61	15.35
Price/stated book value per share	151.38	234.81	203.15	203.54
Price/tangible book value per share	155.71	239.15	252.46	252.46
Price/last twelve months earnings per share	36.66x	19.84x	17.67x	14.39x
Price/2003 estimated earnings per share	35.40	19.84	17.04	14.81
Price/2004 estimated earnings per share	27.37	17.74	15.62	13.10
Dividend payout ratio	35.71%	44.09%	25.87%	25.10%
Dividend yield	0.97	2.22	1.59	1.70
Market capitalization *(in thousands)*	$ 1,262,137	$ 510,160	$ 741,663	$ 722,428

Analysis of Selected Merger Transactions. Sandler O Neill reviewed 32 nationwide merger transactions announced from January 1, 2003 through December 18, 2003 involving savings institutions as acquired institutions with transaction values greater than $15 million. Sandler O Neill also reviewed 15 merger transactions announced during the same period involving savings institutions in the mid-Atlantic region of the United States with transaction values greater than $30 million. Sandler O Neill reviewed the multiples of transaction price at announcement to last twelve months earnings per share, transaction price to estimated 2004 year earnings per share, transaction price to stated book value per share, transaction price to tangible book value per share, tangible book premium to core deposits and premium to the seller s market price one month before the announcement of the transaction and computed median multiples and premiums for both groups of transactions. These median multiples were applied to First Sentinel s financial information as of and for the twelve months ended September 30, 2003 (prior to the restatement of such information). As illustrated in the following table,

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Sandler O Neill derived an imputed range of values per share of First Sentinel common stock of $13.98 to $22.73 based upon the median multiples for nationwide savings institution transactions and $17.24 to $22.58 based upon the median multiples for the mid-Atlantic savings institution transactions. The implied transaction value of the merger as calculated by Sandler O Neill was $22.25 per share.

Nationwide and Regional Transaction Multiples

	Nationwide		Regional	
	Median Multiple	**Implied Value**	**Median Multiple**	**Implied Value**
Transaction price/last twelve months earnings per share	19.06x	$ 17.50	20.39x	$ 18.72
Transaction price/estimated 2004 earnings per share	17.78x	$ 18.25	19.29x	$ 19.80
Transaction price/stated book value per share	177.96%	$ 13.98	224.63%	$ 17.65
Transaction price/tangible book value per share	197.87%	$ 15.27	259.62%	$ 20.03
Tangible book premium/core deposits (1)	17.69%	$ 16.09	20.11%	$ 17.24
Premium to market price (2)	23.20%	$ 22.73	22.41%	$ 22.58

(1) Assumes First Sentinel s total core deposits are $1.31 billion (excluding approximately $74 million of certificates of deposit having a face amount greater than $100,000).

(2) Based on First Sentinel s December 18, 2003 closing price of $18.45.

Discounted Dividend Stream and Terminal Value Analysis. Sandler O Neill performed an analysis that estimated the future stream of after-tax dividend flows of First Sentinel through December 31, 2006 under various circumstances, assuming First Sentinel s projected dividend stream and that First Sentinel performed in accordance with the earnings projections reviewed with First Sentinel s management. For periods after 2004, Sandler O Neill assumed an annual growth rate of earnings per share of approximately 7%. To approximate the terminal value of First Sentinel common stock at December 31, 2006, Sandler O Neill applied price/earnings multiples ranging from 10x to 25x. The dividend income streams and terminal values were then discounted to present values using different discount rates ranging from 9% to 15%, chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Sentinel common stock. As illustrated in the following table, this analysis indicated an imputed range of present values per share of First Sentinel common stock of $8.73 to $23.76. The implied transaction value of the merger as calculated by Sandler O Neill was $22.25 per share.

Earnings Per Share Multiples

Discount Rate	**10x**	**13x**	**16x**	**19x**	**22x**	**25x**
9.0%	$10.31	$13.00	$15.69	$18.38	$21.07	$23.76
10.0%	10.02	12.63	15.24	17.86	20.47	23.08
11.0%	9.74	12.28	14.82	17.35	19.89	22.42
12.0%	9.48	11.94	14.40	16.87	19.33	21.79
13.0%	9.22	11.61	14.01	16.40	18.79	21.19
14.0%	8.97	11.30	13.62	15.95	18.28	20.60
15.0%	8.73	10.99	13.26	15.52	17.78	20.04

Sandler O Neill performed a similar analysis that estimated the future stream of after-tax dividend flows of Provident through December 31, 2006 under various circumstances, assuming Provident s projected dividend stream and that Provident performed in accordance with the earnings projections reviewed with Provident s management. For periods after 2004, Sandler O Neill assumed an annual growth rate of earnings per share of approximately 10% in 2005 and approximately 9.6% in 2006. To approximate the terminal value of Provident common stock at December 31, 2006, Sandler O Neill applied price/earnings multiples ranging from 10x to 30x. The dividend income streams and terminal values were then discounted to present values using different discount rates ranging from 9% to 15%, chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Provident common stock. As illustrated in the following table, this analysis indicated an imputed range of present values per share of Provident common stock of $6.53 to $21.66. The average closing price of Provident s common stock on the New York Stock Exchange for the twenty-day period ending December 18, 2003 was $20.3755.

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Earnings Per Share Multiples

Discount Rate	10x	14x	18x	22x	26x	30x
9.0%	$7.72	$10.51	$13.30	$16.09	$18.87	$21.66
10.0%	7.50	10.21	12.92	15.62	18.33	21.04
11.0%	7.29	9.92	12.55	15.18	17.81	20.43
12.0%	7.09	9.64	12.20	14.75	17.30	19.86
13.0%	6.90	9.38	11.86	14.34	16.82	19.30
14.0%	6.71	9.12	11.53	13.94	16.35	18.76
15.0%	6.53	8.87	11.21	13.56	15.90	18.24

In connection with its analyses, Sandler O Neill considered and discussed with the First Sentinel board how the present value analyses would be affected by changes in the underlying assumptions, including variations with respect to net income and dividend payout ratio. Sandler O Neill noted that the discounted dividend stream and terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results of such analysis are not necessarily indicative of actual values or future results.

Pro Forma Merger Analysis. Sandler O Neill analyzed certain potential pro forma effects of the merger, assuming the following: (1) the merger closes in the second quarter of 2004; (2) 40% of the First Sentinel shares are exchanged for cash at a value of $22.25 per share; (3) 60% of the First Sentinel shares are exchanged for Provident common stock at an exchange ratio of 1.092; (4) stock options are cashed out at their intrinsic value based on a weighted average exercise price; and (5) purchase accounting adjustments, charges and transaction costs associated with the merger and cost savings determined by the senior managements of First Sentinel and Provident. The financial information for First Sentinel used in this analysis for the period ending September 30, 2003 does not reflect the restatement announced on December 22, 2003. The analysis indicated that, for the year ending December 31, 2004, the merger would be accretive to Provident s projected earnings per share and that at closing, the merger would be dilutive to Provident s tangible book value per share. The actual results achieved by the combined company may vary from projected results and the variations may be material.

First Sentinel has agreed to pay Sandler O Neill a transaction fee in connection with the merger equal to 0.80% of the aggregate transaction value, of which $1,227,076 (including a fee of $200,000 for rendering its opinion) has been paid, with the remainder being payable and contingent upon closing of the merger. Based upon the closing price of Provident s common stock on May 5, 2004, the fee to be paid to Sandler O Neill at closing would be approximately $3.7 million. First Sentinel has also agreed to reimburse certain of Sandler O Neill s reasonable out-of-pocket expenses incurred in connection with its engagement up to $15,000 and to indemnify Sandler O Neill and its affiliates and their respective partners, directors, officers, employees, agents and controlling persons against certain expenses and liabilities, including liabilities under securities laws.

Sandler O Neill has in the past provided certain investment banking services to Provident, including managing The Provident Bank s conversion to stock form and Provident s related public offering completed in January 2003, as well as to First Sentinel, and has received compensation for such services, and Sandler O Neill may provide, and receive compensation for, services to Provident and First Sentinel in the future, including during the pendency of the merger. In the ordinary course of its business as a broker-dealer, Sandler O Neill may purchase securities from and sell securities to First Sentinel and Provident and their respective affiliates and may actively trade the debt and/or equity securities of First Sentinel and Provident and their respective affiliates for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Recommendation of the Provident Board of Directors and Reasons for the Merger

The Provident board of directors expects the merger to enhance Provident s banking franchise and competitive position in central New Jersey, in particular in Middlesex County, one of New Jersey s most attractive banking markets. The merger also increases Provident s operating and marketing scale. In addition, the merger is consistent with Provident s plans to deploy the capital raised in The Provident Bank s recent mutual to stock conversion.

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The Provident board of directors consulted with Provident s management as well as its financial and legal advisors and determined that the merger is in the best interest of Provident and Provident s stockholders. In reaching its conclusion to approve the merger agreement, the Provident board considered the following factors as generally supporting its decision to enter into the merger agreement:

(i) The effectiveness of the merger as a method of implementing and accelerating Provident s strategies for expanding Provident s franchise in one of the most desirable banking markets in New Jersey;

(ii) The effectiveness of the merger as a means of deploying a portion of the conversion proceeds of The Provident Bank s mutual to stock conversion and the strong pro forma tangible common equity of the combined company;

(iii) Its understanding of Provident s business, operations, financial condition, earnings and prospects and of First Sentinel s business, operations, financial condition, earnings and prospects, including First Sentinel s strong franchise in the central New Jersey market in which it operates;

(iv) The reports of Provident s management and the financial presentation by Lehman Brothers to Provident s board of directors concerning the operations, financial condition and prospects of First Sentinel and the expected financial impact of the merger on the combined company;

(v) The similarity between Provident s and First Sentinel s management, philosophies, approaches and commitments to the communities and customers they serve and their respective employees;

(vi) The proposed retention of key First Sentinel senior executives which would help assure the continuity of management, the likelihood of successful integration and the successful operation of the combined companies;

(vii) The opinion delivered to the Provident board of directors by Lehman Brothers to the effect that, as of the date of the opinion and based upon and subject to the conditions described in the opinion and other matters as Lehman Brothers considered relevant, the merger consideration to be paid by Provident was fair, from a financial point of view, to Provident.

The Provident board of directors also considered potential risks associated with the merger in connection with its deliberations of the proposed transaction, including the challenges of integrating First Sentinel s business, operations and workforce with those of Provident, the need to obtain stockholder and regulatory approvals in order to complete the transaction, and the risks associated with achieving the anticipated cost savings.

The Provident board of directors considered all of these factors as a whole and, on balance, concluded that they supported a favorable determination to enter into the merger agreement.

The foregoing discussion of the information and factors considered by the Provident board of directors is not exhaustive, but includes the material factors considered by the Provident board of directors. In view of the wide variety of factors considered by the Provident board of directors in connection with its evaluation of the merger and the complexity of these matters, the Provident board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. In considering the factors described above, individual members of the Provident board of directors may have given different weights to different factors.

On the basis of these considerations, the merger agreement was unanimously approved by Provident s board of directors.

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THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF PROVIDENT APPROVE THE MERGER AGREEMENT.

Opinion of Provident s Financial Advisor

Provident engaged Lehman Brothers to act as its financial advisor and render its opinion to Provident s board of directors with respect to the fairness, from a financial point of view, to Provident of the consideration to be paid by Provident in connection with the merger with First Sentinel. Lehman Brothers rendered its oral opinion on December 18, 2003, subsequently confirmed in writing on December 19, 2003, to Provident s board of directors that as of December 19, 2003, and based upon and subject to certain 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.

Subsequent to December 19, 2003, Provident informed Lehman Brothers that First Sentinel intended to announce on December 22, 2003 a restatement of certain historical financial information for the accounting of First Sentinel s Directors Deferred Fee Plan and a related amendment to that plan. On December 21, 2003, Lehman Brothers, after evaluating the impact of the financial restatement on its financial analyses, advised Provident that the financial restatement by First Sentinel would not change Lehman Brothers conclusions as to the fairness, from a financial point of view, to Provident of the consideration to be paid by Provident in the merger.

The full text of the Lehman Brothers opinion is attached as *Appendix B* to this Joint Proxy Statement/Prospectus. Holders of Provident common stock are encouraged to read Lehman Brothers opinion carefully in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Lehman Brothers in connection with the rendering of that opinion.

The Lehman Brothers opinion was provided for the information and assistance of Provident s board of directors in connection with its evaluation of the consideration to be paid by Provident in the merger. The Lehman Brothers opinion does not address any other aspect of the transaction and is not intended to be and does not constitute a recommendation to any stockholder of Provident as to how a stockholder should vote in connection with the merger. Lehman Brothers was not requested to opine as to, and the Lehman Brothers opinion does not address, Provident s underlying business decision to proceed with or reject the merger or any potential adjustment to the exchange ratio pursuant to the termination provisions of the merger agreement.

In arriving at its opinion, Lehman Brothers reviewed and analyzed:

- the merger agreement and the specific terms of the proposed transaction;
- publicly available information concerning Provident that Lehman Brothers believed to be relevant to its analysis, including Provident s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003;
- publicly available information concerning First Sentinel that Lehman Brothers believed to be relevant to its analysis, including First Sentinel s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003;

financial and operating information with respect to the business, operations and prospects of First Sentinel furnished to Lehman Brothers by First Sentinel, including financial projections of First Sentinel prepared by management of First Sentinel;

independent research analysts estimates of the future financial performance of First Sentinel published by I/B/E/S;

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financial and operating information with respect to the business, operations and prospects of Provident furnished to Lehman Brothers by Provident;

independent research analysts estimates of the future financial performance of Provident published by I/B/E/S, which we refer to below as the Provident research estimates;

a trading history of First Sentinel common stock from December 18, 1998 to December 17, 2003 and a comparison of that trading history with those of other companies that Lehman Brothers deemed relevant;

a trading history of Provident common stock from January 16, 2003 to December 17, 2003 and a comparison of that trading history with those of other companies that Lehman Brothers deemed relevant;

a comparison of the historical financial results and present financial condition of Provident with those of other companies that Lehman Brothers deemed relevant;

a comparison of the historical financial results and present financial condition of First Sentinel with those of other companies that Lehman Brothers deemed relevant;

the potential pro forma impact on Provident of the proposed transaction, including (1) the cost savings which management of Provident expects to result from a combination of the businesses of Provident and First Sentinel and (2) the effect on Provident s pro forma earnings per share; and

a comparison of the financial terms of the proposed transaction with the financial terms of certain other recent transactions that Lehman Brothers deemed relevant.

In addition, Lehman Brothers had discussions with the managements of Provident and First Sentinel concerning their respective businesses, operations, assets, liabilities, financial condition and prospects and the strategic benefits expected by the managements of Provident and First Sentinel to result from a combination of the businesses of Provident and First Sentinel. Lehman Brothers also undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by it without assuming any responsibility for independent verification of such information and further relied upon the assurances of the management of Provident and First Sentinel that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the First Sentinel projections referenced above, upon advice of First Sentinel, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of First Sentinel s management as to the future performance of First Sentinel, and following discussions with the management of Provident, Lehman Brothers further assumed that First Sentinel would perform substantially in accordance with these projections. Lehman Brothers was not provided with any financial projections of Provident prepared by management of Provident. Accordingly, upon advice of Provident, Lehman Brothers assumed that the Provident research estimates referenced above are a reasonable basis upon which to evaluate the future financial performance of Provident and that Provident would perform substantially in accordance with such estimates. Upon advice of Provident, Lehman Brothers also assumed that the expected cost savings would be realized substantially in accordance with Provident s expectations.

In arriving at its opinion, Lehman Brothers did not conduct a physical inspection of the properties and facilities of Provident or First Sentinel and did not make or obtain any evaluations or appraisals of the assets or liabilities of Provident or First Sentinel. In addition, Lehman Brothers is not an expert in the evaluation of loan portfolios or allowances for loan losses and, upon advice of Provident, it assumed that First Sentinel s current

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allowances for loan losses will be in the aggregate adequate to cover all such losses. The Lehman Brothers opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of the Lehman Brothers opinion.

The following is a summary of the material financial analyses used by Lehman Brothers in connection with providing its opinion to Provident s board of directors on December 19, 2003. **Certain of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Lehman Brothers, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Accordingly, the analyses listed in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the Lehman Brothers opinion.**

Valuation Analysis

Lehman Brothers performed a valuation analysis of Provident and First Sentinel using the following methodologies: comparable transaction analysis; comparable company analysis; and discounted cash flow analysis. Each of these methodologies was used to generate a reference implied value range for First Sentinel common stock. These values were compared to an implied value of per share merger consideration of $22.25. The implied values for First Sentinel common stock derived from those analyses are as follows:

Methodology	Implied Value Per Share
Comparable Transactions Analysis	$20.27 - $25.96
Comparable Company Analysis (with 25% control premium)	$18.60 - $24.13
Discounted Cash Flow Analysis	$19.20 - $22.78
Implied Transaction Price	**$22.25**

Comparable Transactions Analysis

Lehman Brothers reviewed publicly available information for eight transactions involving, as acquired institutions, publicly traded banks and thrifts based in the mid-Atlantic region of the United States that were announced from January 1, 2002 to December 17, 2003 with transaction values between $200 million and $1 billion. The selected transactions considered by Lehman Brothers included (in each case, the first named company was the acquirer and the second named company was the acquired company in the transactions):

North Fork Bancorporation, Inc. / The Trust Company of New Jersey

Susquehanna Bancshares, Inc. / Patriot Bank Corp.

Provident Bankshares Corporation / Southern Financial Bancorp

FleetBoston Financial Corporation / Progress Financial Corporation

The PNC Financial Services Group, Inc. / United National Bancorp

First Niagara Financial Group, Inc. / Troy Financial Corporation

Mercantile Bankshares Corporation / F&M Bancorp

The Royal Bank of Scotland Group / Commonwealth Bancorp. Inc.

For these selected merger transactions, Lehman Brothers used publicly available financial information, including information obtained from SNL Financial s online databases to determine:

- The multiples of the transaction price per share to the median of earnings per share for the last twelve months (LTM) at the time of announcement;
- The multiples of the transaction price per share to the median forward consensus of earnings estimates per share at the time of announcement;
- The multiples of the transaction price per share to both the book value per share and the tangible book value per share using the acquired companies most recent financial reports at the time of announcement of the transactions;
- The implied tangible book premium to core deposits (defined as total deposits less certificates of deposit greater than $100,000); and
- The premiums per share paid by the acquirer compared to the share price of the acquired company prevailing one day prior to the announcement of those transactions.

Lehman Brothers considered these selected merger transactions to be reasonably similar, but not identical, to the proposed merger of First Sentinel and Provident. A complete analysis involves complex considerations and judgments concerning differences in the selected merger transactions and other factors that could affect the premiums paid in such comparable transactions to which the merger is being compared; mathematical analysis (such as determining the median) is not by itself a meaningful method of using selected merger transaction data. SNL Financial is a recognized data service that collects, standardizes and disseminates relevant corporate, financial, market and merger and acquisitions data for companies in the industries it covers.

The following table summarizes the results from the comparable transaction analysis:

Metric	High	Median	Low
Price to:			
LTM EPS	52.3x	23.6x	19.7x
Current estimated EPS	25.5x	22.2x	18.5x
Book value	3.15x	2.74x	2.12x
Tangible book value	3.83x	3.36x	2.58x
Implied tangible book premium to core deposits	74.0%	26.5%	17.3%
One-day market premium	65.4%	26.8%	6.1%

Lehman Brothers then applied these median multiples and premiums to the corresponding financial data for First Sentinel (using market data as of December 17, 2003). This analysis yielded a range of implied values for First Sentinel common stock of $20.27 to $25.96.

Comparable Companies Analysis

Lehman Brothers analyzed the public market statistics of certain comparable companies to each of First Sentinel and Provident, and examined various trading statistics and information. As part of this comparable companies analysis, Lehman Brothers examined public market data, including market multiples, including:

- The multiple of market price per share to median estimated 2003 earnings per share;
- The multiple of market price per share to median estimated 2004 earnings per share;
- The multiple of market price per share to book value per share; and
- The multiple of market price per share to tangible book value per share.

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For each of the multiples analyzed, Lehman Brothers determined a range of those multiples, centered around the mean, that Lehman Brothers determined to be the relevant range of those multiples. The estimated 2003 and 2004 earnings per share were obtained from I/B/E/S and the remaining information was obtained from publicly available financial information at or for the quarter ended September 30, 2003 and SNL Financial s online database. The stock price data used for this analysis was the closing price for the selected companies on December 17, 2003.

Lehman Brothers selected the companies below because their businesses and operating profiles are reasonably similar to that of First Sentinel and Provident, respectively. No comparable company identified below is identical to either First Sentinel or Provident, respectively. A complete analysis involves complex considerations and qualitative judgments concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect public trading values of such comparable companies; mathematical analysis (such as determining the median) is not by itself a meaningful method of using selected company data.

First Sentinel Bancorp, Inc. In choosing comparable companies to analyze, Lehman Brothers selected a peer group of publicly traded thrifts operating in the mid-Atlantic region of the United States with a market capitalization of between $200 million and $800 million. The selected comparable companies for First Sentinel included:

Dime Community Bancshares, Inc.

Waypoint Financial Corporation

Seacoast Financial Services Corporation

Hudson River Bancorp, Inc.

Fidelity Bankshares, Inc.

First Financial Holdings, Inc.

OceanFirst Financial Corporation

Flushing Financial Corporation

WSFS Financial Corporation

PennFed Financial Services Inc.

Lehman Brothers reviewed the ratio of price to estimated 2003 and 2004 earnings per share (EPS) (19.8x for 2003 and 17.7x for 2004 for First Sentinel and a relevant range of 16.0x to 18.0x for 2003 and 15.0x to 17.0x for 2004 for the First Sentinel comparable group); the ratio of price-to-book value (2.34x for First Sentinel and a relevant range of 2.00x to 2.25x for the First Sentinel comparable group) and the ratio of price-to-tangible book value (2.38x for First Sentinel and a relevant range of 2.25x to 2.50x for the First Sentinel comparable group). Lehman Brothers then applied the relevant range of selected multiples from the First Sentinel comparable group to corresponding financial data of First

Sentinel.

December 17, 2003 Closing Price to:	First Sentinel	Relevant Range		Implied Value Per First Sentinel Share (with 25% control premium)	
Estimated 2003 EPS	19.8 x	16.0 x	18.0 x	$18.60	$20.93
Estimated 2004 EPS	17.7 x	15.0 x	17.0 x	$19.50	$22.10
Book value	2.34 x	2.00 x	2.25 x	$19.65	$22.11
Tangible book value	2.38 x	2.25 x	2.50 x	$21.71	$24.13

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Based on an assumed control premium of 25%, this analysis suggested an implied value range of $18.60 to $24.13 per First Sentinel share.

Provident Financial Services, Inc. In choosing comparable companies to analyze, Lehman Brothers selected a peer group of publicly traded banks and thrifts which have recently completed a standard conversion or second-step conversion from a mutual holding company form of organization. The selected comparable companies for Provident included:

First Niagara Financial Group, Inc.

Bank Mutual Corporation

Brookline Bancorp, Inc.

TierOne Corporation

KNBT Bancorp, Inc.

Sound Federal Bancorp, Inc.

Willow Grove Bancorp, Inc.

Citizens South Banking Corporation

Lehman Brothers reviewed the ratio of price to estimated 2003 and 2004 EPS (35.0x for 2003 and 27.1x for 2004 for Provident and a median of 30.0x for 2003 and 23.8x for 2004 for the Provident comparable group); the ratio of price-to-book value (1.50x for Provident and a median of 1.44x for the Provident comparable group) and the ratio of price-to-tangible book value (1.54x for Provident and a median of 1.61x for the Provident comparable group). Lehman Brothers then applied the relevant median multiples from the Provident comparable group to corresponding financial data of Provident.

December 17, 2003 Closing Price to:	Provident	Median	Implied Value Per Provident Share (based on median)
Estimated 2003 EPS	35.0 x	30.0 x	$17.42
Estimated 2004 EPS	27.1 x	23.8 x	$17.82
Book value	1.50 x	1.44 x	$19.59
Tangible book value	1.54 x	1.61 x	$21.19

This analysis suggested an implied stand-alone value range of $17.42 to $21.19 per share of Provident common stock.

Discounted Cash Flow Analysis

Lehman Brothers performed a discounted cash flow analysis to estimate a range of implied present values per share of the common stock for each of First Sentinel and Provident.

First Sentinel Bancorp, Inc. For First Sentinel, Lehman Brothers, at the discretion of the management of Provident, assumed I/B/E/S earnings estimates for 2004 and an annual growth of earnings at the long-term growth rate of 10%. The cash flows were modeled assuming the cost savings and operating synergies which management of Provident expects from the merger are realized and that management s estimates of one-time costs resulting from the merger are accurate. The valuation range was determined by adding (i) the present value of First Sentinel s dividendable earnings, net of earnings necessary to maintain a tangible common equity to tangible assets ratio of 5.5%, from June 30, 2004 through December 31, 2008 and (ii) the present value of the terminal value of First Sentinel common stock.

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In calculating the terminal value of First Sentinel common stock, Lehman Brothers applied multiples ranging from 14.0x to 16.0x to 2009 forecasted earnings. The dividend stream and the terminal value were then discounted back to December 17, 2003 using discount rates ranging from 11.0% to 13.0%, which rates Lehman Brothers viewed as the appropriate range for a company with First Sentinel s risk characteristics. Based on the above assumptions, Lehman Brothers calculated a range of implied present values for First Sentinel common stock from $19.20 to $22.78.

Provident Financial Services, Inc. For Provident, Lehman Brothers, after discussions with the management of Provident, assumed I/B/E/S earnings estimates for 2004 and an annual growth of earnings at the long-term growth rate of 10% as provided by the management of Provident. The valuation range was determined by adding (i) the present value of Provident s dividendable earnings, net of earnings necessary to maintain a tangible common equity to tangible assets ratio of 6.0%, from June 30, 2004 through December 31, 2008 and (ii) the present value of the terminal value of Provident common stock.

In calculating the terminal value of Provident common stock, Lehman Brothers applied multiples ranging from 14.0x to 16.0x to 2009 forecasted earnings. The dividend stream and the terminal value were then discounted back to December 17, 2003 using discount rates ranging from 11.0% to 13.0%, which rates Lehman Brothers viewed as the appropriate range for a company with Provident s risk characteristics. Based on the above assumptions, Lehman Brothers calculated a range of implied present values for Provident common stock from $18.92 to $20.92.

Pro Forma Analysis

Lehman Brothers performed an illustrative pro forma analysis of the financial impact of the merger on Provident, using I/B/E/S earnings estimates for 2004 for First Sentinel and Provident. Lehman Brothers assumed net income growth rates after 2004 were 10% for First Sentinel and Provident, based on I/B/E/S estimates for First Sentinel and management s estimates for Provident. In calculating the impact of the merger on the pro forma income statement of the combined entity, the following assumptions were made:

- the consideration paid to the First Sentinel stockholders in the merger would be equal to 60% stock and 40% cash;
- deposit intangibles of 3% of core deposits amortized on a straight-line basis over 10 years;
- a 35.0% tax rate;
- a pre-tax restructuring charge of $30.0 million;
- 3.00% cost of cash; and
- a transaction closing date of June 30, 2004.

Based on these assumptions, taking into account certain after-tax projected expense savings, but not potential after-tax mark-to-market purchase accounting adjustments, the merger would be accretive to Provident s earnings per share by 11.3% in 2004 and 21.5% in 2005. The financial forecasts and estimates underlying this analysis are subject to substantial uncertainty and, therefore, actual results may be substantially different.

General

In rendering its opinion, Lehman Brothers performed a variety of financial and comparable analyses. The preparation of a fairness opinion is a complex process and is not susceptible to partial analysis or summary description. In arriving at its opinion, Lehman Brothers considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by them. Furthermore, Lehman Brothers believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of their analyses, without considering all of them, would create an incomplete view of the process underlying their analyses and opinions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of Lehman Brothers with respect to the actual value of Provident, First Sentinel or the combined entity.

In performing its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Lehman Brothers, Provident or First Sentinel. Any estimates contained in the analyses of Lehman Brothers are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by those estimates. The analyses performed were prepared solely as part of the analyses of Lehman Brothers of the fairness to Provident of the consideration to be paid to the stockholders of First Sentinel in the merger with Provident and were prepared in connection with the delivery by Lehman Brothers of its opinion to Provident s board of directors. The analyses do not purport to be appraisals or to reflect the prices at which the shares of Provident common stock will trade following the announcement or completion of the merger. The consideration to be paid to the stockholders of First Sentinel in the merger and other terms of the merger were determined through arms-length negotiations between Provident and First Sentinel and were approved by Provident s board of directors. Lehman Brothers provided advice to Provident during those negotiations. However, Lehman Brothers did not recommend any specific exchange ratio or other form of consideration to Provident or that any specific exchange ratio or other form of consideration constituted the only appropriate consideration for the merger. The opinion of Lehman Brothers was one of many factors taken into consideration by Provident s board of directors in making its determination to approve the merger. The analyses of Lehman Brothers summarized above should not be viewed as determinative of the opinion of Provident s board of directors with respect to the value of Provident, First Sentinel or the combined entity or of whether Provident s board of directors would have been willing to agree to a different exchange ratio or other forms of consideration.

Provident engaged Lehman Brothers as its financial advisor because of its reputation as an internationally recognized investment banking and advisory firm with substantial experience in transactions similar to the merger and because Lehman Brothers is familiar with Provident and its business.

As part of its investment banking and financial advisory business, Lehman Brothers is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Lehman Brothers provides a full range of financial advisory and securities services. In the past, Lehman Brothers has provided various investment banking and other services to First Sentinel and has received customary fees for the rendering of brokerage services. Lehman Brothers also may provide services to Provident, First Sentinel or the combined entity in the future for which it would expect to receive fees. In the ordinary course of its business, Lehman Brothers (or its affiliates) may actively trade the debt and equity securities of Provident or First Sentinel for its own accounts or for the accounts of its customers and, accordingly, may at any time hold long or short positions in those securities.

Provident has agreed to pay Lehman Brothers a fee of $750,000 upon execution of the merger agreement and an additional fee of $2,450,000 contingent on the closing of the transaction. Provident has also agreed to reimburse Lehman Brothers for its reasonable out-of-pocket expenses incurred in connection with the engagement and to indemnify Lehman Brothers from and against certain liabilities that may arise out of its engagement and the rendering of its opinion, including liabilities under the federal securities laws.

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Merger Consideration; Cash or Stock Election

Under the terms of the merger agreement, at the effective time of the merger each outstanding share of First Sentinel common stock (other than dissenting shares and shares held by Provident and First Sentinel) will be converted into the right to receive, at the election of the holder of such shares and subject to the proration and allocation procedures described below, either:

- $22.25 in cash (without interest), assuming payment solely of cash in exchange for First Sentinel common stock; or
- 1.092 shares of Provident common stock, assuming payment solely of Provident common stock in exchange for a share of First Sentinel common stock; or
- a combination of cash *plus* shares of Provident common stock.

No fractional shares of Provident common stock will be issued in connection with the merger. Instead, First Sentinel stockholders will receive, without interest, a cash payment from Provident 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.

First Sentinel stockholders, including employee stock ownership plan participants with respect to shares allocated to their accounts, have the right to dissent from the merger and to receive payment in cash for the fair value of their shares of First Sentinel common stock instead of the merger consideration. For a description of these dissenters rights, see page 80.

Based on the closing price of $18.00 per share of Provident common stock on April 30, 2004, each share of First Sentinel common stock that is exchanged solely for Provident common stock would be converted into 1.092 shares of Provident common stock having a value of $19.66. We cannot give you any assurance as to whether or when the merger will be completed, and you are advised to obtain current market quotations for Provident common stock.

All elections by First Sentinel stockholders are subject to the allocation and proration procedures described in the merger agreement. These procedures are intended to ensure that 60% of the outstanding shares of First Sentinel common stock will be converted into the right to receive Provident common stock, and the remaining outstanding shares of First Sentinel common stock will be converted into the right to receive cash.

It is unlikely that elections will be made in the exact proportions provided for in the merger agreement. As a result, the merger agreement describes procedures to be followed if First Sentinel stockholders in the aggregate elect to receive more or less of Provident common stock than Provident has agreed to issue. These procedures are summarized below.

- *If Provident common stock is oversubscribed*: If First Sentinel stockholders elect to receive more Provident common stock than Provident has agreed to issue in the merger, then all First Sentinel stockholders who have elected to receive cash or who have made no election will receive cash for their First Sentinel shares and all stockholders who elected to receive Provident common stock will receive a pro rata portion of the available Provident shares plus cash for those shares not converted into Provident common stock.

If Provident common stock is undersubscribed: If First Sentinel stockholders elect to receive fewer shares of Provident common stock than Provident has agreed to issue in the merger, and

- if the number of shares as to which First Sentinel stockholders have made no election is less than or equal to this shortfall, then all First Sentinel stockholders who have elected to receive Provident common stock or who have made no election will receive Provident common stock, and all First Sentinel stockholders who have elected to receive cash will receive a pro rata portion of the

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available cash consideration plus Provident shares for those First Sentinel shares not converted into cash; or

if the number of no election shares is greater than the shortfall, then all First Sentinel stockholders who have elected to receive Provident common stock will receive Provident common stock, all First Sentinel stockholders who have elected to receive cash will receive cash, and all First Sentinel stockholders who made no election will receive a pro rata portion of the remaining available cash consideration plus Provident shares for those First Sentinel shares not converted into cash.

Notwithstanding these allocation procedures, in order to help assure that the transaction will qualify as a tax-free reorganization, if the aggregate value of the stock consideration less the amount of cash paid in lieu of fractional shares is less than 42.5% of the sum of (i) the aggregate value of all of the merger consideration; (ii) the value of any consideration described in Department of Treasury Regulation Section 1.368-1(e)(ii); (iii) cash paid to dissenting stockholders; and (iv) the value of the consideration paid by Provident to acquire First Sentinel common stock prior to the closing of the merger, Provident shall increase the number of shares of Provident common stock, and correspondingly decrease the amount of cash, that First Sentinel stockholders will receive upon the exchange of their shares, such that the aggregate value of the stock consideration to be delivered at the closing of the merger shall equal 42.5% of the sum described above. If this adjustment is necessary, stockholders who elect to receive cash or a combination of cash and stock may be required to receive a greater amount of Provident common stock than they otherwise would have received.

Neither First Sentinel nor Provident is making any recommendation as to whether First Sentinel stockholders should elect to receive cash or Provident common stock in the merger. You must make your own decision with respect to such election.

No guarantee can be made that you will receive the amounts of cash or stock you elect. As a result of the allocation procedures and other limitations outlined in this document and in the merger agreement, you may receive Provident common stock or cash in amounts that vary from the amounts you elect to receive.

Employees who hold allocated shares of First Sentinel common stock in their employee stock ownership plan accounts will be able to direct the employee stock ownership plan trustee to make an election to receive cash, Provident common stock or a combination of cash and Provident common stock for their accounts. The employee stock ownership plan trustee, as directed by the employee stock ownership plan administrator, will make an election to receive cash, Provident common stock or a combination of cash and Provident common stock for the unallocated shares of First Sentinel common stock held in the employee stock ownership plan, and for any shares for which no directions are received. The election to receive cash, Provident common stock or a combination of cash and Provident common stock for unallocated shares of First Sentinel common stock in the employee stock ownership plan will be made in a manner intended to produce as nearly as possible, after repayment of the employee stock ownership plan loan incurred to acquire First Sentinel common stock, the same net percentage of cash and common stock of Provident as the aggregate percentages of cash and common stock elected by participating employees with respect to their allocated employee stock ownership plan shares. Similarly, employees who hold shares of First Sentinel common stock in their 401(k) plan accounts will be able to direct the 401(k) plan trustee to make an election to receive cash, Provident common stock or a combination of cash and Provident common stock for their accounts.

Election Procedures; Surrender of Stock Certificates

If you are a record holder of First Sentinel common stock, an election form will be provided to you under separate cover. The election form will entitle you to elect to receive cash, Provident common stock, or a combination of cash and Provident common stock, or elect no preference with respect to the merger consideration that you wish to receive.

To make a valid election, you must submit a properly completed election form to Registrar and Transfer Company, which will be acting as the exchange agent, on or before 5:00 p.m., New York time, on the twentieth business day following the mailing of the election form unless such deadline is extended by Provident and First

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Sentinel. Registrar and Transfer Company, as exchange agent, will process the exchange of First Sentinel common stock certificates for cash and/or Provident common stock. Shortly after the election deadline, the exchange agent will allocate cash and shares of Provident common stock among First Sentinel stockholders, consistent with their elections and the allocation and proration procedures set forth in the merger agreement . If you do not submit an election form, you will receive instructions from the exchange agent as to where to surrender your First Sentinel stock certificates after the merger is completed. **Please do not forward your First Sentinel stock certificates and election form with your proxy cards. Stock certificates and election forms should be returned to the exchange agent in accordance with the instructions contained in the election form.**

An election form will be deemed properly completed only if accompanied by stock certificates representing all shares of First Sentinel common stock covered by the election form (or an appropriate guarantee of delivery). You may change your election at any time prior to the election deadline by written notice accompanied by a properly completed and signed, revised election form received by the exchange agent prior to the election deadline. You may revoke your election by written notice received by the exchange agent prior to the election deadline. All elections will be revoked automatically if the merger agreement is terminated. If you have a preference for receiving either Provident common stock and/or cash for your First Sentinel common stock, you should complete and return the election form. If you do not make an election, you will be allocated Provident common stock and/or cash depending on the elections made by other First Sentinel stockholders.

If stock certificates for First Sentinel common stock are not immediately available or time will not permit the election form and other required documents to reach the exchange agent prior to the election deadline, a valid election may be made provided that:

1. elections are made by or through a member firm of the National Association of Securities Dealers, Inc., or another registered national securities exchange, or by a commercial bank or trust company having an office, branch or agency in the United States;

2. the exchange agent receives, prior to the election deadline, a properly completed and duly executed notice of guaranteed delivery substantially in the form provided with the election form (delivered by hand, mail, overnight courier or facsimile transmission); and

3. the exchange agent receives, prior to the third business day after the election deadline, the certificates for all exchanged First Sentinel shares, or confirmation of the delivery of all such certificates into the exchange agent s account with the Depository Trust Company in accordance with the proper procedures for such transfer, together with a properly completed and duly executed election form and any other documents required by the election form.

First Sentinel stockholders who do not submit a properly completed election form or revoke their election form prior to the election deadline will have their shares of First Sentinel common stock designated as non-election shares.

First Sentinel stockholders who hold their shares of common stock in street name through a bank, broker or other financial institution, and who wish to make an election, should seek instructions from the institution holding their shares concerning how to make the election.

Provident will deposit with the exchange agent the shares representing Provident s common stock and cash to be issued to First Sentinel stockholders in exchange for their shares of First Sentinel common stock. Within five busines