

PROVIDENT FINANCIAL SERVICES INC

Form S-4

February 24, 2014

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As filed with the Securities and Exchange Commission on February 24, 2014

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

**PROVIDENT FINANCIAL SERVICES, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

6035  
(Primary Standard Industrial  
Classification Code Number)  
239 Washington Street

42-1547151  
(I.R.S. Employer  
Identification Number)

**Jersey City, New Jersey 07302**

**(732) 590-9200**

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

**Christopher Martin**

**President, Chief Executive Officer and Chairman of the Board**

**239 Washington Street**

**Jersey City, New Jersey 07302**

**(732) 590-9200**

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

*Copies to:*

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**Washington, D.C. 20015**

**New Brunswick, NJ 08901**

**Phone: (202) 274-2000**

**Phone: (732) 846-7600**

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

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:  9

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  9

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 9

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per share</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee</b>
Common Stock, \$0.01 par value per share	4,620,780 shares(1)	(2)	\$48,929,067(2)	\$6,303

- (1) Represents the estimated maximum number of shares of Provident Financial Services, Inc. common stock estimated to be issuable upon the completion of the merger to which this Registration Statement relates.
- (2) Pursuant to Rule 457(f), the registration fee was computed on the basis of \$48,929,067, the book value of the common stock of Team Capital Bank to be exchanged or cancelled in the merger, computed in accordance with Rule 457(c) multiplied by the number of shares of common stock of Team Capital Bank that may be received by the Registrant and/or cancelled upon consummation of the merger.

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

**registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this Proxy Statement/Prospectus is not complete and may be changed. Holders of the securities covered by the registration statement contained in this Proxy Statement/Prospectus may not sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This Proxy Statement/Prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities nor shall there be any sale of these securities in any state where the offer, solicitation or sale is not permitted.**

[Team Capital Bank Logo]

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The boards of directors of Provident Financial Services, Inc., The Provident Bank and Team Capital Bank have unanimously approved a merger agreement pursuant to which Team Capital Bank will be merged with and into The Provident Bank, a subsidiary of Provident Financial.

If the stockholders of Team Capital Bank approve the merger agreement, each Team Capital Bank stockholder will have the opportunity to elect to receive 0.8575 shares of Provident Financial common stock, a cash payment of \$16.25, or a combination of Provident Financial common stock and cash for each share of Team Capital Bank common stock owned. However, because 75% of the total number of shares of Team Capital Bank common stock outstanding at the closing of the merger will be converted into Provident Financial common stock and the remainder will be converted into cash, regardless of your election, you may receive a combination of cash and shares of Provident Financial common stock for your Team Capital Bank shares that is different than what you elected, depending on the elections made by other Team Capital Bank stockholders. Based on Provident Financial's closing price of \$18.61 on December 19, 2013 (the date preceding the public announcement of the proposed transaction), each share of Team Capital Bank common stock exchanged for 0.8575 shares of Provident Financial common stock, would have a value of \$15.96. Based on Provident Financial's closing price of \$ on , 2014, each share of Team Capital Bank common stock exchanged for 0.8575 shares of Provident Financial common stock would have a value of \$ . Provident Financial common stock is listed on the New York Stock Exchange under the symbol PFS. Team Capital Bank common stock is not traded on any established market.

The merger cannot be completed unless two-thirds (2/3) of the stockholders of Team Capital Bank approve the merger agreement. Team Capital Bank has scheduled a special meeting so its stockholders can vote on the merger agreement. The Team Capital Bank board of directors unanimously recommends that its stockholders vote **FOR** the merger agreement.

This document serves two purposes. It is the proxy statement being used by the Team Capital Bank board of directors to solicit proxies for use at the Team Capital Bank special meeting. It is also the prospectus of Provident Financial regarding the Provident Financial common stock to be issued if the merger is completed. This document describes the merger in detail and includes a copy of the merger agreement as *Appendix A*.

The date, time and place of the Team Capital Bank special meeting are as follows:

**TEAM CAPITAL BANK SPECIAL**

**MEETING:**

[meeting date] a.m.

[PLACE

ADDRESS]

Only stockholders of record as of \_\_\_\_\_ are entitled to attend and vote at the Team Capital Bank special meeting. This document describes the Team Capital Bank special meeting, the merger, the documents related to the merger, and other related matters of Team Capital Bank and Provident Financial. **Please read this entire document carefully, including the section discussing risks related to the merger beginning on page 22. You can also obtain information about Provident Financial from documents that have been filed with the Securities and Exchange Commission.**

**Your vote is very important.** Whether or not you plan to attend the Team Capital Bank special 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 any other proposals properly being considered at the special meeting. If you do not return the proxy card, it will have the same effect as a vote **AGAINST** the merger agreement.

Robert A. Rupel  
President and Chief Executive Officer  
Team Capital Bank

**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 PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This Proxy Statement/Prospectus is dated \_\_\_\_\_, 2014 and is first being mailed to stockholders of Team Capital Bank on or about \_\_\_\_\_, 2014.

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**HOW TO GET COPIES OF RELATED DOCUMENTS**

This document references or incorporates important business and financial information about Provident Financial Services, Inc. ( Provident Financial ) that is not included in or delivered with this document. Provident Financial and Team Capital Bank stockholders may receive the information free of charge by writing or calling the persons listed below. For Provident Financial documents, make your request to John F. Kuntz, Esq., Corporate Secretary, Provident Financial Services, Inc., c/o The Provident Bank, 100 Wood Avenue South, Iselin, New Jersey 08830; telephone number (732) 590-9305. We will respond to your request within one business day by sending the requested documents by first class mail or other equally prompt means. **To ensure timely delivery of the documents in advance of the special meeting, any request should be made by , 2014. Also see Where You Can Find More Information on page 88.**

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**TEAM CAPITAL BANK**

**3001 Emrick Boulevard**

**Bethlehem, Pennsylvania 18020**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

To Be Held on \_\_\_\_\_, 2014

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of Team Capital Bank will be held at \_\_\_\_\_, \_\_\_\_\_, on \_\_\_\_\_, 2014 at \_\_\_\_\_ 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, 2013, by and among Provident Financial Services, Inc., The Provident Bank and Team Capital Bank, and all of the matters contemplated in the merger agreement, pursuant to which Team Capital Bank will merge with and into The Provident Bank, a subsidiary of Provident Financial Services, Inc., with The Provident Bank being the surviving bank.
2. To transact any other business that properly comes before the special meeting, or any adjournments or postponements of the meeting, including, without limitation, a motion to adjourn the special meeting to another time and/or place for the purpose of soliciting additional proxies in order to approve the merger agreement, or otherwise.

The merger with Provident Financial is more fully described in the attached 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 Proxy Statement/Prospectus.

The board of directors of Team Capital Bank has established \_\_\_\_\_, 2014 as the record date for determining the stockholders entitled to notice of and to vote at the special meeting. Only record holders of Team Capital Bank common stock as of the close of business on that date will be entitled to vote at the special meeting or any adjournment or postponement of the meeting. If there are not sufficient votes for a quorum or to approve the merger agreement at the time of the special meeting, the special meeting may be adjourned in order to permit further solicitation of proxies by Team Capital Bank. A list of stockholders entitled to vote at the special meeting will be available at Team Capital Bank, 3001 Emrick Boulevard, Suite 320, Boulevard, Bethlehem, Pennsylvania, for ten days prior to the special meeting and also will be available at the special meeting.

The board of directors of Team Capital Bank unanimously recommends that you vote **FOR** approval of the merger agreement and the transactions contemplated in the merger agreement.

**Please complete, sign and return the enclosed proxy card promptly in the enclosed postage-paid envelope. Alternatively, you may vote telephonically or by the internet by following the instructions described in the attached Proxy Statement/Prospectus.** Your vote is important, regardless of the number of shares you own. Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend.

By Order of the Board of Directors,

Fredric B. Cort, Corporate Secretary

Bethlehem, Pennsylvania

, 2014

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**QUESTIONS AND ANSWERS ABOUT THE VOTING**

**PROCEDURES FOR THE TEAM CAPITAL BANK SPECIAL MEETING**

Q: WHAT DO I NEED TO DO NOW?

A: After you have carefully read this 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 or vote telephonically or by the internet so that your shares may be represented and voted at the Team Capital Bank special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, Team Capital Bank will count your proxy card as a vote in favor of the merger agreement and any other proposals to be properly considered and voted on at the Team Capital Bank special meeting.

Q: WHAT AM I BEING ASKED TO VOTE ON AND HOW DOES MY BOARD RECOMMEND THAT I VOTE?

A: You are being asked to vote **FOR** the approval of the merger agreement. The Team Capital Bank board of directors has determined that the proposed merger is in the best interests of Team Capital Bank stockholders, has approved the merger agreement and recommends that Team Capital Bank stockholders vote **FOR** the approval of the merger agreement. You are also being asked to vote **FOR** the ability to transact any other business that properly comes before the special meeting, or any adjournment or postponements of the meeting.

Q: WHY IS MY VOTE IMPORTANT?

A. The merger cannot be completed unless the holders of two-thirds (2/3) of the issued and outstanding common stock of Team Capital Bank vote to approve the merger agreement. If you do not return your proxy card or vote telephonically or by the internet at or prior to the Team Capital Bank special meeting, it will be more difficult for Team Capital Bank to obtain the necessary vote to approve the merger agreement. The failure of a Team Capital Bank stockholder to vote, by proxy or in person, will have the same effect as a vote against the merger agreement.

Q: HOW DO I VOTE?

A: You can vote by mail, telephonically or through the internet. If you vote by mail, 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 the Team Capital Bank special meeting.

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

A: No. Your broker cannot 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.

Q. WHAT IF I FAIL TO INSTRUCT MY BROKER?

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

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

A. Yes. All stockholders are invited to attend the Team Capital Bank special meeting. Stockholders of record can vote in person at the special 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 in person at the special meeting.

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 Team Capital Bank 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 the Team Capital Bank special 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.

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**Q: SHOULD I SEND IN MY TEAM CAPITAL BANK STOCK CERTIFICATES NOW?**

A: No. You should not send in your stock certificates at this time. You will separately receive an election form with instructions for exchanging your Team Capital Bank stock certificates sometime after we obtain Team Capital stockholders approval and all necessary regulatory approvals.

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

A. No. Provident Financial stockholders will not exchange their certificates in the merger. The certificates currently representing shares of Provident Financial common stock will continue to represent the same number of shares of common stock of Provident Financial after the merger.

**Q: WHEN DO YOU EXPECT TO MERGE?**

A: Team Capital Bank and Provident Financial are working toward completing the merger as quickly as possible, and expect to complete the merger in the second quarter of 2014. However, Team Capital Bank and Provident Financial cannot assure you when or if the merger will occur. Team Capital Bank and Provident Financial must first obtain the approval of the stockholders of Team Capital Bank and all necessary regulatory approvals.

**Q: WHAT WILL TEAM CAPITAL BANK STOCKHOLDERS RECEIVE IN THE MERGER?**

A: If the stockholders of Team Capital Bank approve the merger agreement and the other conditions to closing are satisfied, for each share of Team Capital Bank common stock you own, you will have an opportunity to elect to receive 0.8575 shares of Provident Financial common stock, a cash payment of \$16.25, or a combination of Provident Financial common stock and cash. The type of merger consideration each Team Capital Bank stockholder elects to receive in the merger may be adjusted, if necessary, so that the aggregate number of Team Capital Bank shares of common stock exchanged for shares of Provident Financial common stock equals 75% of the total number of shares of Team Capital Bank common stock issued and outstanding at the closing.

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

A: Team Capital Bank stockholders should contact:

Team Capital Bank

3001 Emrick Boulevard

Suite 320

Bethlehem, Pennsylvania 18020

Attention: Fredric B. Cort

Corporate Secretary

Telephone Number: 610-297-4009





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**SUMMARY**

This is a summary of certain information regarding the proposed merger and the special meeting to vote on the merger agreement contained in this document. It does not contain all of the information that may be important to you. You should carefully read the entire document, including the Appendices, before deciding how to vote. In addition, important business and financial information regarding Provident Financial is incorporated by reference into this document. You may obtain the information incorporated by reference without charge by following the instructions in the section entitled "Where You Can Find More Information" on page 79.

**What This Document Is About**

The boards of directors of Team Capital Bank, Provident Financial Services, Inc., and The Provident Bank have approved a merger agreement pursuant to which Team Capital Bank will merge with and into The Provident Bank, a subsidiary of Provident Financial. The merger cannot be completed unless two-thirds (2/3) of the stockholders of Team Capital Bank approve the merger agreement. This document is the Proxy Statement used by Team Capital Bank to solicit proxies for its special meeting of stockholders. It is also the Prospectus of Provident Financial regarding the Provident Financial common stock to be issued to Team Capital Bank stockholders if the merger is completed.

**The Team Capital Bank Special Meeting**

Date, Time and Place	Team Capital Bank will hold its special meeting of stockholders on _____, 2014, _____ a.m., at _____, _____.
Record Date	_____, 2014.
Shares Entitled to Vote	_____ shares of Team Capital Bank common stock were outstanding on the Record Date and entitled to vote at the Team Capital Bank special meeting.
Purpose of the Special Meeting	To consider and vote on the merger agreement, and to transact any other business that properly comes before the special meeting, or any adjournment or postponements of the meeting.
Vote Required	Two-thirds (2/3) of the outstanding shares of Team Capital Bank common stock entitled to vote must be cast in favor of the merger agreement for it to be approved.

As of the record date, the directors and executive officer of Team Capital Bank and their affiliates beneficially owned \_\_\_\_\_ shares, or approximately \_\_\_\_\_ % of the outstanding shares, of Team Capital Bank common stock. Each director and executive officer of Team Capital

Bank has entered into a separate letter agreement with Provident Financial, 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 the approval of the merger agreement.

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The Team Capital Bank Board of Directors Recommends You Vote in Favor of the Proposal  
 Team Capital Bank's board of directors has unanimously approved the merger agreement and unanimously recommends that Team Capital Bank stockholders vote **FOR** the merger agreement.

**The Companies**

Provident Financial Services and The Provident Bank

Provident Financial Services, Inc., a Delaware corporation, is the bank holding company for The Provident Bank. The Provident Bank is a New Jersey savings bank that operates 77 full-service banking offices in northern and central New Jersey. The Federal Deposit Insurance Corporation insures its deposits. At September 30, 2013, Provident Financial had \$7.3 billion in total consolidated assets. Provident Financial's principal executive offices are located at 100 Wood Avenue South, Iselin, New Jersey 08830. Provident Financial's telephone number is (732) 590-9200.

Team Capital Bank

Team Capital Bank is a Pennsylvania-chartered savings bank that operates 12 full-service banking offices in Bucks, Northampton and Lehigh Counties, Pennsylvania and Essex, Somerset, Hunterdon and Warren Counties, New Jersey. At September 30, 2013, Team Capital Bank had \$949.0 million in total consolidated assets. Team Capital Bank's principal executive offices are located at 3001 Emrick Boulevard, Suite 320, Bethlehem, Pennsylvania 18020. Team Capital Bank's telephone number is (610) 297-4040.

**The Merger**

General Description

Team Capital Bank will merge with and into The Provident Bank, with The Provident Bank as the surviving entity. The merger will be completed no later than the tenth business day after all material conditions to closing have been met, unless Provident Financial and Team Capital Bank agree on a different closing date. A copy of the merger agreement is attached as *Appendix A* to this document and is incorporated by reference.

Consideration Payable to Team Capital Bank Stockholders

Team Capital Bank stockholders will be offered the opportunity to elect to receive merger consideration in the form of 0.8575 shares of Provident Financial common stock, \$16.25 in cash, or a combination of Provident Financial common stock and cash in exchange for each of their shares of Team Capital Bank common stock. However, because 75% of the total number of shares of Team Capital Bank common stock outstanding at the closing will be converted into Provident Financial common stock and the remainder will be converted into cash, regardless of a Team Capital Bank stockholder's election. A Team Capital Bank stockholder may actually

receive a combination of cash and shares of Provident Financial common stock for such stockholder's Team Capital Bank shares that is different than

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what such stockholder elected, depending on the elections made by other Team Capital Bank stockholders. All elections will be subject to the allocation and proration procedures described in the merger agreement. These procedures are intended to ensure that 75% of the total number of shares of Team Capital Bank common stock outstanding at the closing will be converted into Provident Financial common stock and the remaining outstanding shares will be converted into cash.

**Election of Cash or Stock Consideration**

No earlier than 20 business days before the expected date of completion of the merger, Provident Financial will send an election form to each Team Capital Bank stockholder that each such stockholder may use to indicate a preference for cash, Provident Financial common stock, or a combination of cash and Provident Financial common stock, or to indicate no preference for cash versus Provident Financial common stock.

**TEAM CAPITAL BANK STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE INSTRUCTIONS FROM PROVIDENT FINANCIAL S EXCHANGE AGENT.**

The merger agreement contains allocation and proration provisions that are designed to ensure that 75% of the outstanding shares of common stock of Team Capital Bank will be exchanged for shares of Provident Financial common stock and the remaining outstanding shares of common stock of Team Capital Bank will be exchanged for cash.

Therefore, if the holders of more than 75% of the outstanding Team Capital Bank common stock elect to receive Provident Financial common stock for such shares, the amount of Provident Financial common stock that each such stockholder would receive from Provident Financial will be reduced on a pro rata basis. As a result, these Team Capital Bank stockholders will receive cash consideration for any Team Capital Bank shares for which they do not receive Provident Financial common stock.

Similarly, if the holders of more than 25% of the outstanding Team Capital Bank common stock elect to receive cash for such shares, the amount of cash that each such stockholder would receive from Provident Financial will be reduced on a pro rata basis. As a result, such stockholders will receive Provident Financial common stock for any Team Capital Bank shares for which they do not receive cash.

THE DEADLINE FOR RETURNING THE ELECTION FORM IS THE CLOSE OF BUSINESS ON THE TWENTIETH DAY FOLLOWING THE MAILING DATE OF THE ELECTION FORM, NOT INCLUDING THE DATE OF MAILING, UNLESS TEAM CAPITAL BANK AND PROVIDENT FINANCIAL MUTUALLY

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AGREE UPON ANOTHER DEADLINE DATE; PROVIDED, HOWEVER, THAT THE ELECTION DEADLINE MUST OCCUR BEFORE THE COMPLETION OF THE MERGER. IF YOU DO NOT MAKE AN ELECTION, YOU WILL BE ALLOCATED EITHER CASH OR PROVIDENT FINANCIAL COMMON STOCK, OR A COMBINATION OF CASH AND PROVIDENT FINANCIAL COMMON STOCK, DEPENDING ON THE ELECTIONS MADE BY OTHER TEAM CAPITAL BANK STOCKHOLDERS.

Cash In Lieu of Fractional Shares

Team Capital Bank stockholders will not receive fractional shares of Provident Financial common stock in the merger. Instead they will receive, without interest, a cash payment equal to the fractional share interest they otherwise would have received, multiplied by the value of Provident Financial common stock. For this purpose, Provident Financial common stock will be valued at the average of its daily closing sales prices during the ten consecutive trading days immediately preceding the completion date of the merger.

Dissenters' Rights for Team Capital Bank Stockholders

Under the Pennsylvania Banking Code of 1965, stockholders of the target bank in an interstate merger may have dissenters' rights if the law of the state of incorporation of the surviving bank grants dissenters' rights. In this case, since The Provident Bank, a New Jersey savings bank, will be the surviving bank, holders of Team Capital Bank common stock will have dissenters' rights under the New Jersey Banking Act of 1948 (as amended, the Banking Act ). These dissenters' rights give Team Capital Bank stockholders the right to obtain an appraisal of the value of their shares of Team Capital Bank common stock in connection with the merger. To perfect dissenters' rights, a Team Capital Bank stockholder must not vote for the approval of the merger agreement and must strictly comply with all of the procedures required under Sections 17:9A-140 through 17:9A-145 of the Banking Act. These procedures are described more fully beginning on page 79.

A copy of the statutory provisions relating to dissenters' rights have been included as *Appendix D* to this document.

Federal Income Tax Consequences of the Merger

Provident Financial and Team Capital Bank will not be required to complete the merger unless they receive a legal opinion 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, you will generally not recognize any taxable gain or loss with respect to the exchange of your shares of Team Capital Bank common stock if you receive only Provident Financial common stock (except for cash received in lieu of any fractional shares). If you receive

only cash in exchange for your shares of Team Capital Bank common stock, you will recognize a taxable gain or loss in an amount equal to the difference between the amount of cash



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received and your tax basis in your shares of Team Capital Bank common stock exchanged.

If you receive a combination of Provident Financial common stock and cash in exchange for your shares of Team Capital Bank 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 Financial common stock you receive; over

(2) your tax basis in the Team Capital Bank common stock exchanged in the merger; or

(b) the cash that you receive in the merger.

Your tax basis in the Provident Financial common stock that you receive in the merger will equal your tax basis in the Team Capital Bank common stock that you exchange in the merger, increased by the amount of any taxable gain you recognize in the merger and decreased by the amount of any cash received by you in the merger.

Your holding period for the Provident Financial common stock that you receive in the merger will include your holding period for the shares of Team Capital Bank common stock that you exchange in the merger.

If you acquired different blocks of shares of Team Capital Bank 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 Team Capital Bank common stock, and the cash and Provident Financial common stock you receive will be allocated pro rata to each such block of Team Capital Bank common stock. In addition, your basis and holding period in your Provident Financial common stock may be determined with reference to each block of Team Capital Bank common stock exchanged.

**TEAM CAPITAL BANK 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 YOUR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES OF**

THE MERGER TO YOU UNDER APPLICABLE LAWS.

Reselling Shares Received in the Merger

The shares of Provident Financial common stock to be issued in the merger will be registered under the Securities Act of 1933. Stockholders may freely transfer those shares after they receive them.

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Differences in Stockholders' Rights

In the merger, each Team Capital Bank stockholder who receives Provident Financial common stock will become a Provident Financial stockholder. The rights of Team Capital Bank stockholders are currently governed by the Pennsylvania Banking Code of 1965 and Team Capital Bank's certificate of incorporation and by-laws. The rights of Provident Financial stockholders are currently governed by Delaware Corporation Law and Provident Financial's certificate of incorporation and by-laws. The rights of Team Capital Bank and Provident Financial stockholders differ with respect to voting requirements on certain matters and various other matters. See page 82.

Reasons for the Merger

Team Capital Bank entered into the merger agreement at the conclusion of a process in which Team Capital Bank determined that a merger with Provident Financial was in the best interests of its stockholders. Among the factors the board of directors of Team Capital Bank took into consideration were the terms of the merger agreement, the fact that the transaction would be a tax free exchange to those stockholders receiving Provident Financial common stock, the liquidity available in Provident Financial common stock and the regulatory environment faced by community banks. For a full discussion of the factors considered by the Team Capital Bank board of directors, see page 58. The Team Capital Bank board of directors believes that the merger is fair from a financial point of view to Team Capital Bank stockholders, and that Provident Financial brings additional retail and business banking products, proven lending capabilities and depth of capital that will add competitive strength to the combined entity.

Provident Financial identified Team Capital Bank as a merger candidate that would add to its franchise by expanding its banking operations into Bucks, Northampton and Lehigh Counties, Pennsylvania and Hunterdon and Warren Counties, New Jersey, which Provident Financial believes are attractive market areas.

Opinions of Team Capital Bank's Financial Advisors

Each of Griffin Financial Group, LLC. and Keefe Bruyette & Woods, Inc. has rendered a written opinion to Team Capital Bank's board of directors that, as of the date of the merger agreement, and based upon and subject to the assumptions made, matters considered and qualifications and limitations stated in its respective opinions, the consideration to be received by Team Capital Bank's stockholders in the merger with Provident Financial is fair to such stockholders from a financial point of view. Holders of Team Capital Bank common stock are encouraged to carefully read each of these opinions in their entirety. A copy of the full text of Griffin Financial Group, LLC.'s fairness opinion is included as *Appendix B* to this Proxy Statement/Prospectus. A copy of the full text of Keefe Bruyette & Woods, Inc.'s fairness opinion is

included as *Appendix C* to this Proxy Statement/Prospectus. For information on how Griffin Financial Group, LLC. arrived at its opinion, see the discussion starting on page 39. For

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information on how Keefe Bruyette & Woods, Inc. arrived at its opinion, see the discussion starting on page 41. Neither Griffin Financial Group, LLC's opinion, nor Keefe Bruyette & Woods, Inc.'s opinion is intended to be a recommendation to any holder of Team Capital Bank common stock as to how such holder should vote in connection with the merger transaction.

Pursuant to an engagement letter between Team Capital Bank and Griffin Financial Group, LLC, Team Capital Bank agreed to pay a fee to Griffin Financial Group, LLC. Pursuant to an engagement letter between Team Capital Bank and Keefe Bruyette & Woods, Inc. Team Capital Bank agreed to pay a fee to Keefe Bruyette & Woods, Inc.

Financial Interests of Team Capital Bank's Directors and Officers in the Merger Some of Team Capital Bank's directors and executive officers have interests in the merger that are in addition to their interests as stockholders. The Provident Financial and Team Capital Bank boards of directors considered these interests in deciding to approve the merger agreement. These interests include the following:

Provident Financial has agreed that John Pugliese, a current director of Team Capital Bank, will be appointed as a director of Provident Financial, subject to confirmation that Mr. Pugliese qualifies as an independent director under the applicable standards of the New York Stock Exchange and Provident Financial, as of the effective time of the merger.

Provident Financial will establish a New Jersey regional advisory board and a Pennsylvania regional advisory board, which will be comprised of certain of the current members of the board of directors at Team Capital Bank (other than Mr. Pugliese) and certain members of the existing Team Capital Bank advisory boards, and who are designated by Provident Financial in consultation with Team Capital Bank.

Six executives, including Robert A. Rupel, the President and Chief Executive Officer of Team Capital Bank, are parties to employment agreements with Team Capital Bank that provide for cash severance, continued health benefits and non-compete payments in the event of their termination of employment without cause or voluntary termination for "good reason" following a change in control.

The termination of all outstanding Team Capital Bank stock options, whether or not vested, with a cash payment to the stock option holder equal to: (i) the excess of \$16.25 over the per share exercise price of the applicable option, multiplied by (ii) the number of shares of Team Capital Bank common stock that the holder could have purchased with the option if the holder had exercised the option immediately prior to the effective time of the merger.

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The acceleration of vesting of outstanding restricted stock awards issued by Team Capital Bank, which the holder will be entitled to exchange for the merger consideration payable in the form of Provident Financial common stock.

Provident Financial has agreed to indemnify the directors and officers of Team Capital Bank against certain liabilities and provide continued coverage under their directors and officers liability insurance policies for a six-year period following the merger.

On the Record Date, directors and executive officers of Team Capital Bank and their affiliates owned \_\_\_\_\_ shares or \_\_\_\_\_ % of the Team Capital Bank common stock.

For additional information on the benefits of the merger to Team Capital Bank's directors and officers, see page 55.

Conditions to the Merger

Completion of the merger is contingent on a number of conditions, including approval of the merger agreement by the holders of two-thirds (2/3) of the issued and outstanding common stock of Team Capital Bank at the special meeting of stockholders.

Regulatory Approvals

The merger is subject to the approval of the Federal Deposit Insurance Corporation, the New Jersey Department of Banking and Insurance, and the Pennsylvania Department of Banking. The merger is also subject to the approval of the Board of Governors of the Federal Reserve System. The necessary filings have been made. As of the date of this document, the required approvals had not been received. Regulatory approval does not constitute an endorsement of the merger or a determination that the terms of the merger are fair to Team Capital Bank stockholders.

Terminating the Merger Agreement

Team Capital Bank will be required to pay Provident Financial a termination fee of \$5.0 million if, among other things, in connection with Team Capital Bank's receipt of a superior proposal (as defined in the merger agreement), Team Capital Bank (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 Financial common stock for the twenty consecutive trading days immediately preceding the first date on which all regulatory approvals have been received, is less than \$15.10 and the decline in value of Provident Financial common stock relative to the change in value of an index of financial institution holding companies over a similar period exceeds 20.0%, then Team Capital Bank can terminate the merger agreement unless Provident Financial increases the consideration to be received by the holders of Team Capital Bank



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common stock utilizing the formula agreed to in the merger agreement. See Section 11.1.10 of the merger agreement, which is attached as *Appendix A*, for the specific formula referenced above. The merger agreement also may be terminated by either Team Capital Bank or Provident Financial if the merger has not occurred by December 31, 2014. For a more complete description of these and other termination rights available to Team Capital Bank and Provident Financial, see page 64.

Amending the Merger Agreement

The merger agreement may be amended by the written consent of Provident Financial and Team Capital Bank 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 Team Capital Bank stockholders and certain other types of amendments cannot be made following the approval of the merger agreement by Team Capital Bank stockholders without their consent.

Team Capital Bank has Agreed Not to Solicit Alternative Transactions

In the merger agreement, Team Capital Bank has agreed not to initiate, solicit or knowingly encourage, negotiate with, or provide any information to any person other than Provident Financial concerning an acquisition transaction involving Team Capital Bank. This restriction may deter other potential acquirors of control of Team Capital Bank. However, Team Capital Bank may take certain of these actions if its board of directors determines that it should do so. This determination by the Team Capital Bank board of directors must be made after the Team Capital Bank board of directors consults with its legal counsel, and must be based on the Team Capital Bank board of directors' fiduciary duties.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PROVIDENT FINANCIAL SERVICES, INC.**

The summary information presented below at or for the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 is derived in part from and should be read in conjunction with the consolidated financial statements of Provident Financial for the years ended December 31, 2012 and 2011 and the related notes thereto incorporated by reference in this Proxy Statement/Prospectus. The selected consolidated financial data at or for the nine months ended September 30, 2013 are derived from financial statements of Provident Financial that have not been audited by independent accountants. However, in the opinion of management, the selected consolidated financial data for such periods includes all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the data. Operating results for the nine months ended September 30, 2013 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2013. You should read this information in conjunction with Provident Financial's consolidated financial statements and related notes included in Provident Financial's Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this Proxy Statement/Prospectus and from which this information is derived. See "Where You Can Find More Information" on page 79.

	At or for the Nine Months Ended September 30, 2013			At December 31,		
	2012	2011	2010	2009	2008	
	(In thousands)					
<b>Selected Financial Condition Data:</b>						
Total assets	\$ 7,341,015	\$ 7,283,695	\$ 7,097,403	\$ 6,824,528	\$ 6,836,172	\$ 6,548,748
Loans, net <sup>(1)</sup>	5,017,092	4,834,351	4,579,158	4,341,091	4,323,450	4,479,036
Investment securities held to maturity	358,641	359,464	348,318	346,022	335,074	347,484
Securities available for sale	1,146,144	1,264,002	1,376,119	1,378,927	1,333,163	820,329
Deposits	5,255,673	5,428,271	5,156,597	4,877,734	4,899,177	4,226,336
Borrowed funds	1,016,446	803,264	920,180	969,683	999,233	1,247,681
Stockholders' equity	\$ 996,692	\$ 981,246	\$ 952,477	\$ 921,687	\$ 884,555	\$ 1,018,590

	At or for the Nine Months Ended September 30, 2013			For the Year Ended December 31,		
	2012	2011	2010	2009	2008	
	(Dollars in thousands)					
	(except per share data)					
<b>Selected Operations Data:</b>						
Interest income	\$ 188,701	\$ 262,259	\$ 275,719	\$ 286,534	\$ 292,559	\$ 304,320

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Interest expense	27,398	44,922	59,729	77,569	111,542	132,251
Net interest income	161,303	217,337	215,990	208,965	181,017	172,069
Provision for loan losses	3,700	16,000	28,900	35,500	30,250	15,100
Net interest income after provision for loan losses	157,603	201,337	187,090	173,465	150,767	156,969
Non-interest income	34,312	43,613	32,542	31,552	31,452	30,211
Non-interest expense <sup>(2)</sup>	111,223	148,828	142,446	138,748	297,036	130,601
Income (loss) before income tax expense <sup>(2)</sup>	80,692	96,122	77,186	66,269	(114,817)	56,579
Income tax expense	27,560	28,855	19,842	16,564	7,007	14,937
Net income (loss) <sup>(2)</sup>	\$ 53,132	\$ 67,267	\$ 57,344	\$ 49,705	\$ (121,824)	\$ 41,642

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	At or for the Nine Months Ended September 30,		For the Year Ended December 31,			
	2013	2012	2011	2010	2009	2008
(Dollars in thousands)						
(except per share data)						
Earnings (loss) per share:						
Basic earnings (loss) per share <sup>(2)</sup>	\$ 0.93	\$ 1.18	\$ 1.01	\$ 0.88	\$ (2.16)	\$ 0.74
Diluted earnings (loss) per share <sup>(2)</sup>	\$ 0.93	\$ 1.18	\$ 1.01	\$ 0.88	\$ (2.16)	\$ 0.74

(1) Loans are shown net of allowance for loan losses, deferred fees and unearned discount.

(2) Reflects the impact of a \$152,502 goodwill impairment charge recognized in 2009.

	At or for the Nine Months Ended September 30,		At or For the Year Ended December 31,			
	2013	2012	2011	2010	2009	2008
<b>Selected Financial and Other Data<sup>(1)</sup></b>						
<b>Performance Ratios:</b>						
Annualized return on average assets <sup>(2)</sup>	0.98%	0.94%	0.83%	0.73%	(1.83)%	0.65%
Annualized return on average equity <sup>(2)</sup>	7.16	6.88	6.09	5.46	(13.33)	4.12
Average net interest rate spread	3.18	3.25	3.33	3.27	2.82	2.78
Net interest margin <sup>(3)</sup>	3.30	3.38	3.49	3.45	3.06	3.11
Average interest-earning assets to average interest-bearing liabilities	1.21	1.19	1.16	1.14	1.13	1.13
Annualized non-interest income to average total assets	0.63	0.61	0.47	0.47	0.47	0.47
Annualized non-interest expenses to average total assets <sup>(2)</sup>	2.06	2.08	2.07	2.05	4.45	2.04
Efficiency ratio <sup>(2)(4)</sup>	56.86	57.03	57.31	57.69	139.80	64.56
<b>Asset Quality Ratios:</b>						
Non-performing loans to total loans	1.60%	2.02%	2.63%	2.21%	1.93%	1.31%
Non-performing assets to total assets	1.21	1.53	1.91	1.47	1.33	0.96
Allowance for loan losses to non-performing loans	80.91	71.07	60.67	70.66	71.91	80.71
Allowance for loan losses to total loans	1.30	1.43	1.60	1.56	1.39	1.05

**Capital Ratios:**

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Leverage capital <sup>(5)</sup>	9.38%	8.93%	8.74%	8.57%	7.99%	8.48%
Total risk based capital <sup>(5)</sup>	14.27	12.68	12.80	13.00	12.17	13.28
Average equity to average assets	13.72	13.93	14.05	14.26	13.42	15.82

**Other Data:**

Number of full-service offices	77	78	82	81	82	83
Full time equivalent employees	882	884	906	899	931	954

- (1) Averages presented are daily averages.
- (2) Reflects the impact of a \$152,502 goodwill impairment charge recognized in 2009.
- (3) Net interest income divided by average interest earning assets.
- (4) Represents the ratio of non-interest expense divided by the sum of net interest income and non-interest income.
- (5) Leverage capital ratios are presented as a percentage of quarterly average tangible assets. Risk-based capital ratios are presented as a percentage of risk-weighted assets.

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	<b>At or for the Nine Months Ended September 30,</b>					
<b>Efficiency Ratio Calculation:</b>	<b>2013</b>	<b>12/31/2012</b>	<b>12/31/2011</b>	<b>12/31/2010</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Net interest income	\$ 161,303	\$ 217,337	\$ 215,990	\$ 208,965	\$ 181,017	\$ 172,069
Non-interest income	\$ 34,312	\$ 43,613	\$ 32,542	\$ 31,552	\$ 31,452	\$ 30,211
Total income	\$ 195,615	\$ 260,950	\$ 248,532	\$ 240,517	\$ 212,469	\$ 202,280
Non-interest expense <sup>(1)</sup>	\$ 111,223	\$ 148,828	\$ 142,446	\$ 138,748	\$ 297,036	\$ 130,601
Expense/income <sup>(1)</sup>	56.86%	57.03%	57.31%	57.69%	139.80%	64.56%

(1) Reflects the impact of a \$152,502 goodwill impairment charge recognized in 2009.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF TEAM CAPITAL BANK**

	At or for the Nine Months Ended September 30, 2013		At or for the Year Ended December 31, 2012      2011      2010      2009      2008			
			(Dollars in thousands, except per share data)			
<b>Balance Sheet</b>						
<b>Summary:</b>						
Total assets	\$ 948,901	\$ 920,233	\$ 828,589	\$ 707,727	\$ 668,422	\$ 423,152
Loans	590,038	532,799	456,951	390,956	355,178	254,170
Allowance for loan losses	8,992	7,818	6,972	5,386	4,214	2,937
Investment securities	251,565	320,226	294,299	267,110	254,661	145,123
Deposits	745,025	710,073	643,316	564,460	547,704	304,194
Common equity	65,278	70,490	63,080	56,818	54,023	41,965
Stockholders equity	87,690	92,902	85,492	56,818	54,023	41,965
<b>Earnings Summary:</b>						
Interest income	\$ 26,116	\$ 35,273	\$ 33,060	\$ 31,215	\$ 27,589	\$ 17,665
Interest expense	4,014	6,319	6,923	8,756	11,517	7,478
Net interest income	22,102	28,954	26,137	22,459	16,072	10,187
Provision for loan losses	1,273	3,210	3,595	3,544	2,100	1,369
Noninterest income	4,094	3,361	2,130	3,659	1,147	30
Noninterest expense	18,177	21,798	20,542	18,052	14,485	9,683
Income tax expense	1,777	1,690	920	1,328	(1,006)	
Net income	4,969	5,617	3,210	3,194	1,640	(835)
Preferred stock dividends	168	224	102			
Net income available to common stockholders	4,801	5,393	3,108	3,194	1,640	(835)
<b>Per Share Data:</b>						
Net income	\$ 0.67	\$ 0.75	\$ 0.43	\$ 0.45	\$ 0.24	\$ (0.14)
Book value	\$ 9.08	\$ 9.82	\$ 8.80	\$ 7.94	\$ 7.93	\$ 6.82
Weighted average shares	7,184,885	7,173,715	7,160,928	7,157,911	6,468,051	6,078,655
<b>Selected Ratios:</b>						
Annualized return on average assets	0.69%	0.62%	0.41%	0.46%	0.33%	(0.26)%
Equity to assets at period end	6.88%	7.66%	7.61%	8.03%	8.08%	9.92%
	9.21%	7.99%	4.10%	5.62%	3.87%	(2.19)%

Annualized return on average stockholders equity						
Net interest margin	3.41%	3.50%	3.66%	3.50%	3.31%	3.31%
Allowance for loan losses to total loans	1.52%	1.47%	1.53%	1.38%	1.19%	1.16%
Non-performing loans to total loans	1.35%	1.26%	1.92%	1.66%	1.34%	0.45%
<b>Capital Ratios:</b>						
Leverage ratio	9.86%	9.59%	10.11%	7.85%	7.67%	9.89%
Tier 1 risk-based ratio	13.10%	13.44%	14.50%	11.39%	12.15%	14.12%
Total risk-based ratio	14.36%	14.66%	15.75%	12.51%	13.15%	15.11%



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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION RELATING TO  
THE TEAM CAPITAL BANK ACQUISITION**

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting, giving effect to proposed merger of Provident Financial's subsidiary, The Provident Bank, with Team Capital Bank. The unaudited pro forma condensed combined financial information set forth below assumes that the merger with Team Capital Bank was consummated on January 1, 2013 for purposes of the unaudited pro forma condensed combined statement of income for the nine months ended September 30, 2013, and, for purposes of the unaudited pro forma condensed combined balance sheet, gives effect to the proposed merger as if it had been completed on September 30, 2013. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial condition had the merger been completed on the dates described above, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities.

The value of Provident Financial common stock issued in connection with the Team Capital Bank merger will be based on the closing price of Provident Financial common stock on the date the merger is completed. For purposes of the pro forma financial information, the fair value of Provident Financial common stock was calculated based on its December 19, 2013 closing trading price of \$18.61.

The pro forma financial information includes estimated adjustments to record assets and liabilities of Team Capital Bank at their respective fair values and represents Provident Financial's pro forma estimates based on available information. The pro forma financial information also assumes Team Capital Bank's redemption at closing of its outstanding 22,142 shares of Series A Non-Cumulative Perpetual Preferred Stock. The pro forma adjustments included herein are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of a thorough analysis to determine the fair value of Team Capital Bank's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact Provident Financial's statement of income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to Team Capital Bank stockholders' equity, including results of operations from September 30, 2013 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

Provident Financial anticipates that the merger with Team Capital Bank 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.

The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of Provident Financial and Team Capital Bank, which, in the case of Provident Financial, are incorporated in the proxy statement/prospectus by reference. See "Incorporation of Certain Documents by Reference" on page 88.

**The unaudited pro forma stockholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of Provident Financial common stock or the actual or future results of operations of Provident Financial for any period. Actual results may be materially different than the pro forma information presented.**

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**Provident Financial Services, Inc. and Subsidiary**  
**Unaudited Pro Forma Condensed Combined Statements of Financial Condition**  
**at September 30, 2013**

	<b>Provident Financial Historical</b>	<b>Team Capital Bank Historical</b>	<b>Merger and Consolidating Adjustments</b>	<b>Pro Forma Combined</b>
<b>(Dollars in thousands)</b>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 95,286	\$ 50,436	\$ (53,332)	\$ 92,930
Securities available for sale	1,146,144	248,704		1,394,848
Investment securities held to maturity	358,641	2,861		359,502
Gross loans	5,083,100	590,038	(8,992)	5,664,146
Loan loss reserve	66,008	8,992	(8,992)	66,008
Loans, net of allowance	5,017,092	581,046		5,598,138
Federal Home Loan Bank stock, at cost	49,645	6,931		56,576
Other real estate owned, net	7,282	909		8,191
Intangible assets	356,708		34,322	391,030
Premises and equipment, net	67,406	27,449		94,855
Bank owned life insurance	149,269	21,884		171,153
Accrued interest receivable	21,302	3,399		24,701
Other assets	72,240	5,282		77,522
<b>TOTAL ASSETS</b>	<b>\$ 7,341,015</b>	<b>\$ 948,901</b>	<b>(19,010)</b>	<b>\$ 8,270,906</b>
<b>LIABILITIES:</b>				
<b>Deposits</b>				
Non-interest bearing	\$ 875,133	\$ 187,995		\$ 1,063,128
Interest bearing	4,380,540	557,030		4,937,570
Total deposits	5,255,673	745,025		6,000,698
Borrowed funds	1,016,446	114,190		1,130,636
Accrued interest payable	2,422	304		2,726
Other liabilities	69,782	1,692		71,474
<b>TOTAL LIABILITIES</b>	<b>6,344,323</b>	<b>861,211</b>		<b>7,205,534</b>
<b>STOCKHOLDERS EQUITY</b>				
Preferred stock		22,412	(22,412)	
Common stock	832	72	(72)	832
Additional paid-in capital	1,024,589	55,035	13,645	1,093,299
Retained earnings	417,716	13,798	(13,798)	417,716

Unearned Employee Stock Ownership Plan (ESOP) shares	(49,964)			(49,964)
Treasury stock, at cost	(390,881)			(390,881)
Accumulated other comprehensive income (loss)	(5,600)	(3,627)	3,627	(5,600)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>996,692</b>	<b>87,690</b>	<b>(19,010)</b>	<b>1,065,372</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>\$ 7,341,015</b>	<b>\$ 948,901</b>	<b>\$ (19,010)</b>	<b>\$ 8,270,906</b>

**Table of Contents****Provident Financial Services, Inc. and Subsidiary****Unaudited Pro Forma Condensed Combined Statement of Income****For the Nine Months Ended September 30, 2013**

	<b>Provident Financial Historical</b>	<b>Team Capital Bank Historical (Dollars in thousands)</b>	<b>Pro Forma Acquisition Adjustments</b>	<b>Pro Forma Combined</b>
<b>INTEREST AND DIVIDEND INCOME</b>				
Loans, including fees	\$ 162,026	\$ 19,792	\$	\$ 181,818
Investment Securities	26,645	6,287		32,932
Federal funds sold and other	30	37		67
<b>TOTAL INTEREST INCOME</b>	<b>188,701</b>	<b>26,116</b>		<b>214,817</b>
<b>INTEREST EXPENSE</b>				
Deposits	13,917	2,403		16,320
Borrowed funds	13,481	1,611		15,092
<b>TOTAL INTEREST EXPENSE</b>				
<b>NET INTEREST INCOME</b>	<b>161,303</b>	<b>22,102</b>		<b>183,405</b>
Provision for loan losses	3,700	1,273		4,973
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>157,603</b>	<b>20,829</b>		<b>178,432</b>
<b>NON-INTEREST INCOME</b>				
Fees	26,070	740		26,810
Net gains on sales of securities	974	442		1,416
Income from bank owned life insurance	5,355	513		5,868
Other	1,913	2,399		4,312
<b>TOTAL NONINTEREST INCOME</b>	<b>34,312</b>	<b>4,094</b>		<b>38,406</b>
<b>NONINTEREST EXPENSE</b>				
Salaries and employee benefits	62,103	10,023		72,126
Occupancy and equipment	15,322	3,151		18,473
Data processing	7,913	655		8,568
Federal deposit insurance	3,547	420		3,967
Advertising	2,741	454		3,195
Amortization of intangibles	1,345			1,345
Other	18,252	3,474		21,726

<b>TOTAL NONINTEREST EXPENSE</b>	111,223	18,177		129,400
Income before income taxes	80,692	6,746		87,438
Income tax expense (benefit)	27,560	1,777		29,337
<b>NET INCOME</b>	\$ 53,132	\$ 4,969	\$	\$ 58,101
Average diluted shares outstanding	57,279,935	7,528,788	(2,686,836)	62,121,887
Earnings per share	\$ 0.93	\$ 0.66	\$	\$ 0.94

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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

**Note A Basis of Presentation**

The unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial condition and results of operations of Provident Financial resulting from the proposed merger with Team Capital Bank under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Team Capital Bank are recorded by Provident Financial at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined statement of financial condition combines the historical financial information of Provident Financial and Team Capital Bank as of September 30, 2013, and assumes that the proposed merger was completed on that date. The unaudited pro forma condensed combined statements of income give effect to the proposed Team Capital Bank merger as if the merger had been consummated on January 1, 2013 for purposes of the unaudited pro forma condensed combined statements of financial condition at September 30, 2013 and statement of income for the nine months ended September 30, 2013.

As the merger is recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit, and no allowance for credit losses is carried over to Provident Financial's balance sheet. In addition, core deposit intangible amortization, fair value adjustments, as well as certain anticipated nonrecurring costs associated with the Team Capital Bank merger such as severance, professional fees, legal fees and conversion-related expenditures, are not reflected in the pro forma statements of operations.

**Note B Accounting Policies and Financial Statement Classifications**

The accounting policies of Team Capital Bank are in the process of being reviewed in detail by Provident Financial. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

**Note C Merger and Acquisition Integration Costs**

In connection with the proposed Team Capital Bank merger, the plan to integrate Provident Financial's and Team Capital Bank's operations is still being developed. The specific details of this plan will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts to determine where they may take advantage of redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers and selling or otherwise disposing of certain premises, furniture and equipment. Provident Financial also expects to incur merger related costs including professional fees, legal fees, system conversion costs, and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and timing of these integration actions.

**Note D Estimated Annual Cost Savings**

Provident Financial expects to realize cost savings of approximately 25% of Team Capital Bank's operating expenses following the merger. These cost savings are not reflected in the pro forma financial information and there can be no assurance they will be achieved in the amount or manner currently contemplated.

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table sets forth for Provident Financial common stock and Team Capital Bank 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 acquisition method of accounting. See Proposal I The Proposed Merger Accounting Treatment on page 70. The information in the following table is based on, and should be read together with, the historical financial information that Provident Financial has presented in its prior filings with the Securities and Exchange Commission. See Where You Can Find More Information on page 79.

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.

	<b>Provident Financial Historical</b>	<b>Team Capital Bank Historical</b>	<b>Pro Forma Combined<sup>(1)</sup></b>	<b>Per Equivalent Team Capital Bank Share<sup>(2)</sup></b>
<b>Net Income Per Common Share:</b>				
For the Nine Months Ended September 30, 2013:				
Basic	\$ 0.93	\$ 0.67	\$ 0.94	\$ 0.80
Diluted	\$ 0.93	\$ 0.66	\$ 0.94	\$ 0.80
<b>Cash Dividends Declared Per Common Share<sup>(3)</sup>:</b>				
For the nine months ended September 30, 2013	\$ 0.42	\$	\$ 0.40	\$
<b>Book Value Per Common Share<sup>(4)</sup>:</b>				
As of September 30, 2013	\$ 16.64	\$ 11.52	\$ 16.45	\$

- (1) Pro forma combined assumes the merger of Team Capital Bank was completed at the beginning of the period presented.
- (2) Per equivalent share of Team Capital Bank's common stock is calculated by taking the product of the pro forma combined and an exchange ratio of 0.8575.
- (3) Pro forma cash dividends represent the pro forma combined dividends divided by the pro forma combined basic weighted average shares.
- (4) Pro forma book value per common share is based on the pro forma total stockholders' equity of the combined entity divided by the total pro forma common shares of the combined entity assuming conversion of 75% of the outstanding shares of Team Capital Bank common stock into shares of Provident Financial common stock at an implied exchange ratio of 0.8575. Team Capital Bank's historical book value per common share includes its



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outstanding shares of Series A Non-Cumulative Perpetual Preferred Stock.

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The following table shows trading information for Provident Financial common stock as of market close on December 19, 2013 and [Date before proxy finalized]. December 19, 2013 was the last trading date before the parties announced the merger. [Date before proxy finalized] is a recent date before this proxy statement-prospectus was finalized. Team Capital Bank stock is not traded on any established market.

<b>Date</b>	<b>Provident Financial Common Stock</b>	<b>Team Capital Bank Common Stock<sup>(1)</sup></b>	<b>Equivalent Value for Each Team Capital Bank Share</b>
December 19, 2013	\$ 18.61	\$ 9.30	\$ 15.96
[Date before proxy finalized]			

(1) Reflects Team Capital Bank's book value at September 30, 2013

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**RISKS RELATED TO THE MERGER**

*In addition to the other information contained in or incorporated by reference into this 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 and whether to make a cash or stock election. Please also refer to the additional risk factors identified in the periodic reports and other documents of Provident Financial incorporated by reference into this document and listed in **Where You Can Find More Information** on page 79.*

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

The merger agreement contains provisions that are designed to ensure that the form of merger consideration that each Team Capital Bank stockholder will receive will be subject to proration so that 75% of the outstanding shares of common stock of Team Capital Bank will be exchanged for shares of Provident Financial common stock and the remaining outstanding shares of common stock of Team Capital Bank will be exchanged for cash. Therefore, if the holders of more than 75% of the outstanding Team Capital Bank common stock elect to receive Provident Financial common stock, the amount of Provident Financial common stock that each such stockholder would receive from Provident Financial will be reduced on a pro rata basis. As a result, these Team Capital Bank stockholders will receive cash consideration for any Team Capital Bank shares for which they do not receive Provident Financial common stock. Similarly, if the holders of more than 25% of the outstanding Team Capital Bank common stock elect to receive cash, the amount of cash that each such stockholder would receive from Provident Financial will be reduced on a pro rata basis. As a result, such stockholders will receive Provident Financial common stock for any Team Capital Bank 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 Financial May Fail to Realize the Anticipated Benefits of the Merger.**

The success of the merger will depend on, among other things, Provident Financial's ability to realize anticipated cost savings and to combine the businesses of The Provident Bank and Team Capital Bank in a manner that does not materially disrupt the existing customer relationships of Team Capital Bank or The Provident Bank, or result in decreased revenues from any loss of customers. If Provident Financial 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 Financial and Team Capital Bank 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 Financial's or Team Capital Bank's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of Provident Financial to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

**Because the Market Price of Provident Financial 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 Team Capital Bank common stock will be converted into merger consideration consisting of shares of Provident Financial common stock and/or cash pursuant to the terms of the merger agreement. The value of the Provident Financial common stock portion of the merger consideration to be

received by Team Capital Bank stockholders will be based on the price of Provident Financial common stock immediately prior to the completion of the merger. Accordingly, at the time of the Team Capital Bank special meeting, Team Capital Bank stockholders will not necessarily know or be able to calculate the value of the Provident Financial common stock they would receive upon completion of the merger.

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Any change in the price of Provident Financial common stock prior to completion of the merger will affect the value of the Provident Financial common stock that a Team Capital Bank 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.

### **Team Capital Bank's Stockholders Will Be Unable to Sell Their Shares After Making Their Election.**

Team Capital Bank's stockholders may elect to receive the merger consideration in the form of cash or stock. Stockholders making an election must send in their Team Capital Bank stock certificates with their election form. During the time between when the election is made and the merger is completed, Team Capital Bank stockholders will be unable to sell their Team Capital Bank common stock. If the merger is unexpectedly delayed, this period could extend for a significant period of time. Team Capital Bank 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.

### **Team Capital Bank's Directors and Officers Have Interests in the Merger Besides Those of a Stockholder.**

Team Capital Bank's executive officers negotiated the merger agreement with Provident Financial, and the Team Capital Bank board of directors approved the merger agreement and is recommending that Team Capital Bank stockholders vote for the merger agreement. In considering these facts and the other information contained in this Proxy Statement/Prospectus, you should be aware that Team Capital Bank's executive officers and directors have various interests in the merger besides being Team Capital Bank stockholders. See [Interests of Directors and Officers in the Merger](#). These interests include:

the appointment of John Pugliese, a current director of Team Capital Bank, to the boards of directors of Provident Financial and The Provident Bank, subject to confirmation that he qualifies as an independent director under the standards of New York Stock Exchange and Provident Financial following the consummation of the Merger;

The establishment of a New Jersey Regional Advisory Board and a Pennsylvania Regional Advisory Board consisting of certain of those persons, other than the Team Capital Bank director appointed to the board of directors of Provident Financial, who currently serve on the board of directors of Team Capital or serve on an existing Team Capital Bank advisory board as determined by Provident Financial in consultation with Team Capital Bank;

Team Capital Bank employment agreements with six executives, including Robert A. Rupel, the President and Chief Executive Officer, that provide for cash severance, continued health benefits and non-compete payments in the event of their termination of employment without cause or voluntary termination for "good reason" following a change in control;

the termination of all outstanding Team Capital Bank stock options, whether or not vested, with a cash payment to the stock option holder equal to: (i) the excess of \$16.25 over the per share exercise price of the

applicable option, multiplied by (ii) the number of shares of Team Capital Bank common stock that the holder could have purchased with the option if the holder had exercised the option immediately prior to the effective time of the merger;

the acceleration of vesting of outstanding restricted stock awards issued by Team Capital Bank, which the holders will be entitled to exchange for the merger consideration payable in the form of Provident Financial common stock; and

the rights of directors and officers of Team Capital Bank to continued indemnification coverage and continued coverage under directors and officers liability insurance policies for six years after the merger.

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**Provident Financial May Not Receive Required Regulatory Approvals. Such Approvals May Be Subject to Adverse Regulatory Conditions.**

Before the merger may be completed, various approvals or waivers must be obtained from, or notifications submitted to, the Federal Deposit Insurance Corporation, Pennsylvania Department of Banking and Securities, the Board of Governors of the Federal Reserve System (the Federal Reserve Board) and the New Jersey Department of Banking and Insurance. Neither Team Capital Bank nor Provident Financial can guarantee that it will receive all required regulatory approvals in order to complete the merger. In addition, 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.

**The Merger Agreement Limits Team Capital Bank's Ability To Pursue Alternatives To The Merger.**

The merger agreement contains terms and conditions that make it more difficult for Team Capital Bank to sell its business to a party other than Provident Financial. Team Capital Bank has agreed to take action necessary to convene and hold a meeting of stockholders of Team Capital Bank to consider and vote upon the approval of the merger agreement and the merger as promptly as practicable following the execution of the merger agreement. Subject to certain limited exceptions, Team Capital Bank's board of directors is required to recommend such approval. The board of directors may, however, pursue certain bona fide written acquisition proposals, if and only to the extent that (i) the board of directors determines in good faith that such action would be required in order for its directors to comply with their respective fiduciary duties under applicable law, (ii) the board of directors determines in good faith that such acquisition proposal, if accepted, is reasonably likely to be consummated and would result in a transaction more favorable to Team Capital Bank's stockholders from a financial point of view than the merger with Provident Financial, (iii) Team Capital Bank promptly notifies Provident Financial of such proposals and the material terms of the proposals and (iv) the special meeting of stockholders of Team Capital Bank has not yet occurred. If the board of directors determines that it desires to accept an acquisition proposal that satisfies the criteria described above, Team Capital Bank may terminate the merger agreement, subject to the obligation to pay a \$5.0 million termination fee to Provident Financial.

Provident Financial required Team Capital Bank to agree to these provisions as a condition to Provident Financial's willingness to enter into the merger agreement. However, these provisions could discourage a third party that might have an interest in acquiring all or a significant part of Team Capital Bank from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share price than the current proposed merger consideration, and the termination fee might result in a potential competing acquirer proposing to pay a lower per share price to acquire Team Capital Bank than it might otherwise have proposed to pay.

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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 both Provident Financial and Team Capital Bank, 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 or other similar expressions. Such statements are based on current expectations and are subject to risks, uncertainties, and changes in condition, significance, value and effect. These risks include those discussed in the section entitled "Risks Related to the Merger" on page 22.

The ability of Provident Financial and Team Capital Bank to predict results or the actual effects of their respective 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;

an increase 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 Financial or Team Capital Bank;

uncertainty related to the transaction and contractual restrictions imposed on Team Capital Bank and Provident Financial while the transaction is pending;

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 Financial and Team Capital Bank;

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. Team Capital Bank 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 Financial or Team Capital Bank 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 Financial and Team Capital Bank 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 TEAM CAPITAL BANK SPECIAL MEETING OF STOCKHOLDERS**

**This section contains information for Team Capital Bank stockholders about the special meeting of stockholders that Team Capital Bank has called to consider and approve the merger agreement.**

Together with this document, Team Capital Bank is also sending you a notice of the Team Capital Bank special meeting of stockholders and a form of proxy that is solicited by its board of directors. The special meeting of stockholders will be held on \_\_\_\_\_, 2014 at \_\_\_\_\_ a.m., local time, at \_\_\_\_\_. This Proxy Statement/ Prospectus is first being mailed to stockholders of Team Capital Bank on or about \_\_\_\_\_, 2014.

**Matters to Be Considered**

The purpose of the Team Capital Bank special meeting of stockholders is: (1) to vote on a proposal to approve the merger agreement, and (2) to vote upon any other matters that may properly be submitted to a vote at the Team Capital Bank special meeting, including a proposal to adjourn or postpone the Team Capital Bank special meeting for the purpose, among others, of allowing additional time to solicit proxies.

**Proxies**

You may vote your shares of Team Capital Bank in any one of four alternative ways:

By paper proxy card;

Telephonically;

Via the internet; or

In person at the Team Capital Bank stockholders' meeting.

Please read the following instructions and vote by whatever method is most convenient for you:

*Paper Proxy Card.* Each copy of this document mailed to Team Capital Bank 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 to ensure that your vote is counted at the Team Capital Bank special meeting, or at any adjournment or postponement of the meeting, regardless of whether you plan to attend the Team Capital Bank special meeting.

*Voting by Telephone.* If you wish to vote by telephone and you are a shareholder of record of Team Capital Bank, use a touch-tone telephone to call toll-free \_\_\_\_\_ and follow the instructions. If you vote by telephone, you must have your control number and proxy card available when you call.

*Voting by the Internet.* If you wish to vote through the Internet and you are a shareholder of record of Team Capital Bank, you can access the web page at \_\_\_\_\_ and follow the on-screen instructions. If you vote through the Internet, you must have your control number and proxy card available when you access the web page.

You can revoke your proxy at any time before the vote is taken at the Team Capital Bank special meeting. If your shares are held in street name, your broker will vote your shares on the proposal to approve the merger agreement 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 Secretary of Team Capital Bank prior to the voting of such proxy;

submitting a properly executed proxy bearing a later date; or

voting in person at the special meeting; however, simply attending the special meeting without voting will not revoke an earlier proxy.

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

Team Capital Bank

3001 Emrick Boulevard

Suite 320

Bethlehem, Pennsylvania 18020

Attention: Fredric B. Cort

Corporate Secretary

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

All shares represented by valid proxies received by Team Capital Bank through this solicitation, that are not revoked, will be voted in accordance with your instructions on the proxy card. If you do not specify on your proxy card how you want your shares voted before signing and returning it, your proxy will be voted **FOR** approval of the merger agreement. The Team Capital Bank board of directors is presently unaware of any other matters that may be presented for action at the special meeting. If other matters do properly come before the special meeting, or at any adjournment or postponement thereof, Team Capital Bank intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card. However, proxies that indicate a vote against approval of the merger agreement will not be voted in favor of adjourning or postponing the special meeting to solicit additional proxies.

**Team Capital Bank stockholders should NOT send stock certificates with their proxy cards. Team Capital Bank stockholders will be sent election forms and instructions, at which time they will be requested to submit their stock certificates. Team Capital Bank stockholders who do 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 Team Capital Bank stock certificates for the merger consideration.**

## **Solicitation of Proxies**

Team Capital Bank is soliciting proxies and will bear the entire cost of soliciting proxies from its stockholders. In addition to solicitation of proxies by mail, Team Capital Bank will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Team Capital Bank common stock and secure their voting instructions, if necessary. Team Capital Bank will reimburse the record holders for their reasonable expenses in taking those actions. Team Capital Bank has also made arrangements with AST Phoenix Advisors to assist it in soliciting proxies and have agreed to pay them a fee of \$4,000 plus reasonable expenses for these services. If necessary, Team Capital Bank may use several of its regular employees, who will not be specially compensated, to solicit proxies from Team Capital Bank stockholders, either personally or by telephone, telegram, facsimile or letter.

## **Record Date**

The Team Capital Bank board of directors has fixed the close of business on \_\_\_\_\_, 2014 as the record date for determining the Team Capital Bank stockholders entitled to receive notice of and to vote at the Team Capital Bank

special meeting of stockholders. On \_\_\_\_\_, 2014, \_\_\_\_\_ shares of Team Capital Bank common stock were outstanding and held by approximately \_\_\_\_\_ 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 Team Capital Bank common stock is necessary to constitute a quorum at the Team Capital Bank special 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.

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Approval of the merger agreement requires the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of Team Capital Bank common stock entitled to vote at the Team Capital Bank special meeting. You are entitled to one vote for each share of Team Capital Bank common stock you held as of the record date.

**Because the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of Team Capital Bank common stock entitled to vote at the Team Capital Bank special meeting is needed for Team Capital Bank and Provident Financial 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 Team Capital Bank board of directors urges Team Capital Bank 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 of Team Capital Bank and their affiliates had the right to vote \_\_\_\_\_ shares of Team Capital Bank common stock, or \_\_\_\_\_ % of the outstanding Team Capital Bank common stock at that date. At the time the merger agreement with Provident Financial was signed, each director of Team Capital Bank entered into a separate letter agreement with Provident Financial, 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 of the merger agreement.

## **Recommendation of the Board of Directors**

The Team Capital Bank board of directors has unanimously approved the merger agreement and the transactions contemplated in the merger agreement. The Team Capital Bank 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 Team Capital Bank and its stockholders and unanimously recommends that you vote **FOR** approval of the merger agreement.

See Proposal I The Proposed Merger Recommendation of the Team Capital Bank Board of Directors and Reasons for the Merger on page 33 for a more detailed discussion of the Team Capital Bank board of directors recommendation.

## **Voting at the Team Capital Bank Special Meeting**

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

**Table of Contents****Security Ownership of Certain Beneficial Owners of Team Capital Bank and Team Capital Bank Directors and Executive Officers**

The following table sets forth the number of shares of Team Capital Bank common stock beneficially owned by beneficial owners of more than 5% of Team Capital Bank's outstanding common stock, by each director and executive officer and by all directors and executive officers of Team Capital Bank as a group, as of [record date]. Except as otherwise indicated, each person and each group shown in the table has sole voting and investment power with respect to the shares of common stock listed next to their name. Except as otherwise indicated, no person is known by Team Capital Bank to own more than 10% of Team Capital Bank's outstanding common stock.

Name of Director or Executive Officer	Amount and Nature of Beneficial Ownership	Percent of Class <sup>(1)</sup>
Martin D. Cohen, Esq. <sup>(1)</sup>	222,919	2.89%
John J. Cust, Jr. <sup>(2)</sup>	162,358	1.14%
Joseph J. DiPasquale, Esq.	57,385	0.74%
Timothy S. Fallon	86,968	1.13%
Augustus L. Larson	50,467	0.65%
Alfred C. Marquis, Jr. <sup>(3)</sup>	95,250	1.23%
Thomas J. Mastro	10,000	0.13%
Michael D. Moss	191,750	2.48%
Michael J. Perrucci, Esq.	113,435	1.47%
James G. Petrucci	550,571	7.13%
John Pugliese	91,570	1.19%
Renee G. H. Sackey, Esq. <sup>(4)</sup>	68,316	0.88%
<b>Subtotal Directors</b>	<b>1,700,989</b>	<b>22.03%</b>
<b>Executive Officers</b>		
Robert A. Rupel	49,788	0.64%
Howard N. Hall <sup>(5)</sup>	25,502	0.33%
Fredric B. Cort <sup>(5)</sup>	17,975	0.23%
A. Bruce Dansbury	5,775	0.07%
Ghan Desai <sup>(5)</sup>	14,175	0.18%
Joanne O. Donnell	12,000	0.16%
<b>Subtotal Executive Officers</b>	<b>125,215</b>	<b>1.61%</b>
<b>Total owned by directors and executive officers as a group (18 persons)</b>	<b>1,752,179</b>	<b>23.64%</b>

(1) Includes 9,546 shares held in Cohen & Freeley Profit Sharing Trust.

(2) Includes 74,025 under Cust Investments and 74,025 held by Spartan Investments LLC.

(3) Includes 10,500 shares held in Construction Risk Partners

- (4) Includes 55,979 shares under Sackey Harris LP.
- (5) Includes options exercisable within 60 days for the following executives: 11,225 for Mr. Cort; 5,100 for Mr. Desai; 12,250 for Mr. Hall and 6,250 for Ms. O'Donnell.



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**INFORMATION ABOUT THE COMPANIES**

**Provident Financial Services, Inc.**

Provident Financial Services, Inc. is a Delaware corporation that owns all of the outstanding common stock of The Provident Bank, and as such, is a bank holding company subject to regulation by the Federal Reserve Board.

At September 30, 2013, Provident Financial had total assets of \$7.34 billion, loans of \$5.02 billion, total deposits of \$5.26 billion, and total stockholders' equity of \$996.7 million. Provident Financial's mailing address is 100 Wood Avenue South, Iselin, New Jersey 08830 and Provident Financial's telephone number is (732) 590-9200.

**Available Information.** Provident Financial is a public company, and files interim, quarterly and annual reports with the Securities and Exchange Commission (SEC). Provident Financial common stock is listed on the New York Stock Exchange under the symbol PFS.

**The Provident Bank**

Established in 1839, Provident Bank is a New Jersey-chartered capital stock savings bank currently operating 77 full-service branch offices in the New Jersey counties of Hudson, Bergen, Essex, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset and Union, which The Provident Bank considers its primary market area. As a community- and customer-oriented institution, The Provident Bank emphasizes personal service and customer convenience in serving the financial needs of the individuals, families and businesses residing in its primary markets areas. The Provident Bank attracts deposits from the general public and businesses primarily 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.

**Team Capital Bank**

Team Capital Bank opened in 2005 as a Federally chartered savings association. It converted to a Pennsylvania savings bank charter in 2010, and now operates 12 full-service banking offices in Bucks, Northampton and Lehigh Counties, Pennsylvania and Essex, Somerset, Hunterdon and Warren Counties, New Jersey. Team Capital Bank offers a broad range of consumer and commercial banking services to customers living, working and shopping in its Pennsylvania and New Jersey primary trade areas. Team Capital Bank offers high-quality service by providing a professional, responsive and knowledgeable staff and having management available for consultation on a daily basis.

In 2011, Team Capital Bank participated in the United States Treasury's Small Business Lending Fund program, issuing 22,412 shares of Series A Non-Cumulative Perpetual Preferred Stock to the Treasury in exchange for 22,412,000 in new capital. The current dividend yield on these preferred shares is 1.0%. Team Capital Bank and Provident Financial expect that these preferred shares will be redeemed in connection with the consummation of the merger.

At September 30, 2013, Team Capital Bank had \$949.0 million in total consolidated assets. Additional financial information about Team Capital Bank and its subsidiaries is included in *Appendix E* to this Proxy Statement/Prospectus.



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**PROPOSAL I THE PROPOSED MERGER**

*The description of the merger and the merger agreement contained in this Proxy Statement/Prospectus sets forth 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. A copy of the merger agreement is attached as Appendix A to this Proxy Statement/Prospectus. You are encouraged to read the merger agreement.*

**General**

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

**Team Capital Bank Background of the Merger**

The board of directors of Team Capital Bank has conducted annual strategic planning retreats at which the board of directors has considered various alternative strategic plans to maximize value for the stockholders of the Team Capital Bank. Since the Team Capital Bank opened, the strategic plan has primarily focused on franchise growth and increasing profitability. However, in more recent years, the board of directors has become increasingly concerned about the lack of liquidity in the stock and Team Capital Bank's ability to provide a tangible return to its stockholders.

During June of 2013, as part of Team Capital Bank's strategic planning process, management of Team Capital Bank presented the board of directors with a new, five (5) year capital plan, assuming Team Capital Bank would continue to operate on a stand-alone basis. At the July 2013 board of directors meeting, the board of directors also invited two investment banking firms, Keefe Bruyette & Woods, Inc. ( KBW ) and Griffin Financial Group, LLC ( Griffin ) to make presentations to the board of directors regarding Team Capital Bank's strategic alternatives, both on a stand-alone basis and in the merger context.

In August of 2013, Team Capital Bank received an unsolicited letter from another financial institution expressing interest in acquiring Team Capital Bank through a merger in a stock and cash transaction valuing Team Capital Bank at \$13.50 per share. Although management believed this expression substantially undervalued Team Capital Bank, it presented the expression to the board of directors for review and consideration in advance of the September 27, 2013 strategic planning meeting of the board of directors. The board of directors also invited both KBW and Griffin to the meeting to make presentations to the board of directors on Team Capital Bank's potential value in the merger market and on a stand-alone basis and to compare those values to the unsolicited expression of interest Team Capital Bank had received. Both firms were also asked to provide proposals to be retained to act as financial advisor to Team Capital Bank.

During the September strategic planning retreat, the board of directors concluded that (i) the unsolicited indication of interest substantially undervalued Team Capital Bank, (ii) a sale of Team Capital Bank could likely yield a higher return to the stockholders of Team Capital Bank than could be obtained by remaining independent, (iii) a merger and acquisition committee, consisting of Chairman John Pugliese and directors Martin Cohen, Thomas Mastro, Michael Perucci and James Petrucci should be formed to oversee the process of determining market interest in Team Capital Bank and to report back to the board of directors, and (iv) that Team Capital Bank should retain KBW to run a limited

auction process among likely interested purchasers of Team Capital Bank. KBW was retained by Team Capital Bank on October 15, 2013.

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In the first half of October, KBW worked with Team Capital Bank management to prepare a Confidential Information Memorandum ( CIM ) to be used to solicit indications of interest. In mid-October, KBW began contacting financial institutions it believed would have an interest in acquiring Team Capital Bank, and requested that they sign a non-disclosure agreement in order to receive the CIM and other non-public information. Eight institutions expressed interest, received and executed the non-disclosure agreement and received the CIM and other non-public information about Team Capital Bank.

In November, the board of directors retained Griffin to render a fairness opinion, in the event Team Capital Bank determined to undertake a possible transaction.

Interested parties were told that non-binding indications of interest were due to KBW by November 15, 2013. Four of the institutions that received the CIM and other non-public information submitted non-binding indications of interest by the November 15 deadline. On November 19, KBW met with the Merger and Acquisition Committee to review the indications. While three of the indications valued Team Capital Bank in the range of \$14.50 to \$15.92, the fourth indication was substantially lower. The Merger and Acquisition Committee elected to invite the three institutions providing the highest indications to conduct an on-site diligence review of Team Capital Bank during the last two weeks of November, and early December and to submit updated indications of interest by December 4, 2013.

Between November 20 and December 3, members of the Merger and Acquisition Committee met with senior management of each of the three bidders to discuss, among other things, their business plans, long-term prospects and plans for integrating Team Capital Bank with their respective institutions.

On December 4, all three interested institutions submitted revised indications of interest. The revised indications of interest valued Team Capital Bank between \$14.00 per share and \$16.19 per share. Two of the indications provided for a cash stock mix of consideration, and the third provided for all stock consideration.

On December 6, the Merger and Acquisition Committee met with KBW and Team Capital Bank's counsel to review the three indications of interest and to determine whether to recommend to the full board of directors one of the indications to accept as the basis on which Team Capital Bank should attempt to negotiate a definitive agreement. The morning of the meeting, KBW reached out to each of the three interested parties and asked them to confirm that their indication reflected their highest indication of value of Team Capital Bank. Two of the institutions confirmed their indicated value, while Provident Financial increased its indicated valuation to \$16.25 per share. After analyzing all three indications of interest and background information on all three of the interested parties, the Merger and Acquisition Committee voted to recommend to the full board of directors that Team Capital Bank accept the Provident Financial indication of interest as the basis to negotiate a definitive merger agreement with Provident Financial.

On the afternoon of December 6, the full board of directors met with KBW and Team Capital Bank's counsel to hear the report and recommendation of the Merger and Acquisition Committee. Representatives of KBW reviewed with the board of directors the entire auction process, and analyzed for the board of directors the three remaining indications of interest. The Merger and Acquisition Committee provided its recommendation, and discussed with the board of directors its reasons for recommending that Team Capital Bank proceed with Provident Financial. The board of directors also asked management to comment on the process and each of the three interested parties. After further discussion, the board of directors accepted the recommendation of the Merger and Acquisition Committee to attempt to negotiate a definitive merger agreement with Provident Financial on the terms included in Provident Financial's final indication of interest. The board of directors authorized and directed Bank management, along with counsel and KBW, to negotiate a definitive agreement with Provident Financial for final board of directors review and approval.

Between December 6 and December 17, Team Capital Bank management, counsel, Griffin and KBW conducted reverse due diligence on Provident Financial and worked with Provident Financial's management, counsel and financial advisor to complete the definitive agreement.

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At a meeting of the board of directors of Team Capital Bank on December 19, the board of directors met with counsel, KBW and Griffin to review the final definitive merger agreement and ancillary documents. Griffin provided their financial analysis of the transaction, and rendered their opinion that the consideration to be provided to Team Capital Bank's stockholders was fair to Team Capital Bank's stockholders from a financial point of view. KBW then provided their financial analysis of the transaction, and rendered their opinion that the consideration to be provided to Team Capital Bank's stockholders was fair to Team Capital Bank's stockholders from a financial point of view. After discussion, the board of directors unanimously approved the definitive merger agreement.

The transaction was announced the next morning, December 20, 2013.

### **Recommendation of Team Capital Bank's Board of Directors and Reasons for the Merger**

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

Team Capital Bank's board of directors unanimously approved the merger and believes it is in the best interest of the stockholders, customers and employees of Team Capital Bank. In reaching this conclusion, the board of directors of Team Capital Bank consulted with its legal counsel with respect to its legal duties and the terms of the Merger Agreement. The Team Capital Bank board of directors consulted with its financial advisors with respect to the financial aspects of the transaction and the fairness of the consideration to be received by the stockholders of Team Capital Bank from a financial point of view, and with senior management regarding, among other things, operational matters concerning the integrated institution.

The following discussion of the information and factors considered by the Team Capital Bank board of directors is not intended to be exhaustive. It does, however, include all material factors considered by the board of directors. In reaching this decision to approve the merger, the Team Capital Bank board of directors considered the following:

The terms of the merger agreement, including the financial terms and the fact that 75% of the merger consideration would be paid in Provident Financial common stock, thereby making the transaction a tax-free exchange for those Team Capital Bank stockholders receiving Provident Financial stock;

The liquidity that would be available to Team Capital Bank stockholders through ownership of Provident Financial stock, which is traded on the New York Stock Exchange. In addition, the board of directors considered the opportunity to receive cash dividends represented by an investment in Provident Financial common stock;

The opportunity to enhance revenue for the combined entity by expanding Provident Financial's products and services across Team Capital Bank's current branch network and providing Provident Financial an entrée into new markets in Pennsylvania and western New Jersey;

The financial condition, results of operations and future prospects of Provident Financial;

The current regulatory environment and its effect on community banks like Team Capital Bank. Increasing regulatory requirements have made it difficult for community banks to manage expenses and enhance profitability. The Team Capital Bank board of directors believed stockholders will be better served by converting their stock into ownership in a larger institution which could spread these compliance and operating costs over a larger base of earning assets;

The similar culture of customer service and focus on small to medium sized businesses and retail customers shared by Provident Financial and Team Capital Bank, and the fact that Team Capital Bank customers would benefit from the higher lending limit, larger branch network and more diverse products offered by the combined entity;



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A review of comparable transactions, including the comparison of the price being paid in the merger with the prices paid in other comparable financial institution mergers, expressed as, among other things, multiples of book value and earnings; and

Management's view based on, among other things, the opinions of both KBW and Griffin Financial described below, that the consideration to be paid is fair to Team Capital Bank stockholders from a financial point of view.

All business combinations, including the merger, also include certain risks and disadvantages. The material potential risks and disadvantages to Team Capital Bank stockholders identified by Team Capital Bank's board of directors and management include the following matters:

There can be no assurance that the combined company will attain the type of revenue enhancements and cost savings necessary to cause the trading markets to consider the transaction a success, thereby increasing the value of Provident Financial stock received by the stockholders of Team Capital Bank;

Since the exchange ratio is fixed, Team Capital Bank stockholders will receive less value if the Provident Financial common stock price declines prior to the closing;

The fact that the termination fee provided for in the merger agreement and certain other provisions of the merger agreement might discourage third parties from seeking to acquire Team Capital Bank, in light of the fact that Provident Financial was unwilling to enter into the merger agreement absent such provisions; and

The fact that certain members of management of Team Capital Bank and the board of directors might have interests which are in addition to those interests as stockholders of Team Capital Bank.

In reaching the determination to approve the merger agreement and the related transaction, the Team Capital Bank board of directors did not quantify or otherwise attempt to assign any relative weight to the various factors it considered, and individual directors may have viewed certain factors more positively or negatively than others. In addition, as in any business combination, there can be no assurances that the benefits of the merger perceived by the Team Capital Bank board of directors and described above will be realized or will outweigh the risks or uncertainties.

**THE BOARD OF DIRECTORS OF TEAM CAPITAL BANK UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF TEAM CAPITAL BANK APPROVE THE MERGER AGREEMENT.**

**Opinion of Team Capital Bank's Financial Advisor Griffin Financial Group, LLC**

On November 5, 2013, Team Capital Bank engaged Griffin Financial Group, LLC (Griffin) to provide its opinion as to the fairness, from a financial point of view, of the Merger Consideration (as defined in the merger agreement) to be received by Team Capital Bank's common equity stockholders in the proposed transaction. Griffin is a FINRA licensed investment banking firm with substantial experience in transactions similar to the merger involving financial institutions.

On December 19, 2013, at a meeting of the Team Capital Bank board of directors held to evaluate the proposed merger with Provident Financial, Griffin provided its opinion that the Merger Consideration to be received by Team Capital Bank's common equity stockholders in connection with the proposed merger was fair, from a financial point of view to Team Capital Bank's common equity stockholders.

The full text of Griffin's written opinion is attached as *Appendix B* to this proxy statement/prospectus and is incorporated herein by reference. Team Capital Bank's stockholders are urged to read the opinion in its entirety for a description of the assumptions made, matters considered, procedures followed and qualifications and limitations on the review undertaken by Griffin. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion.

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**Griffin's opinion speaks only as of the date of the opinion. The opinion is directed to the Team Capital Bank board of directors and is limited to the fairness, from a financial point of view, to as to the fairness, from a financial point of view, to the common equity stockholders of Team Capital Bank with regard to the consideration received in the merger. Griffin does not express an opinion as to the underlying decision by Team Capital Bank to engage in the merger or the relative merits of the merger compared to other strategic alternatives which may be available to Team Capital Bank.**

In providing its opinion, Griffin:

- (i) reviewed a draft of the merger agreement;
- (ii) reviewed and discussed with Team Capital Bank certain publicly available business and financial information concerning Team Capital Bank, and the economic and regulatory environments in which it operates;
- (iii) reviewed and discussed with Team Capital Bank and Provident Financial their respective financial information as of and for the nine months ended September 30, 2013, and as of and for the 12 month periods ended December 31, 2012 and December 31, 2011;
- (iv) discussed with the management of Team Capital Bank and Provident Financial matters relating to their respective financial condition, liquidity, net income, asset quality, reserve levels and capital adequacy and market valuation (as applicable) and related matters as of such dates and for the periods then ended;
- (v) compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving whole bank acquisitions during such time frames as deemed relevant by Griffin;
- (vi) compared the financial condition and implied valuation of Team Capital Bank to the financial condition and valuation of certain institutions deemed relevant by Griffin;
- (vii) evaluated, from publicly available sources and discussions with the management of Provident Financial, the capacity of Provident Financial to complete the merger on a timely basis;
- (viii) considered the breadth and results of the competitive process conducted to identify a buyer; and
- (ix) performed a discounted cash flow analysis, and such other financial studies and analyses and considered such other information as deemed appropriate for the purpose of its opinion.

In addition, Griffin held discussions with certain members of management of Team Capital Bank and Provident Financial with respect to certain aspects of the merger, including past and current business operations, regulatory

relations, financial condition, dividend (as applicable) and capital policies, market opportunities within each of their core operating markets, and other matters that it deemed appropriate for the purpose of the opinion. Griffin also evaluated Provident Financial's market structure, its stock market performance, its ownership concentrations, and the trading history of its common stock which is being used as a part of the merger consideration.

In conducting its review and providing its opinion, Griffin relied upon the accuracy and completeness of all of the financial and other information provided to it or otherwise publicly available. Griffin did not independently verify the accuracy or completeness of any such information or assume any responsibility for such verification or accuracy. Griffin did not review individual loan files or deposit information of Team Capital Bank, nor did Griffin conduct or was Griffin provided with any valuation or appraisal of any assets, deposits or other liabilities of Team Capital Bank, nor did Griffin evaluate the solvency of Team Capital Bank today or in the future under any state or federal laws relating to bankruptcy, receivership insolvency or similar matters. In relying on financial analyses provided to or discussed with Griffin by Team Capital Bank or derived therefrom, Griffin assumed that such analyses have been reasonably prepared based on assumptions reflecting the best

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currently available estimates and judgments by management. Griffin expresses no view as to any analyses, forecasts, estimates, or the assumptions on which they were based. Griffin's review of Provident Financial and its ability to complete the transaction was limited to publicly available information and a discussion with the management of Provident Financial regarding the past and current business operations, financial condition and future prospects of Provident Financial. Griffin was not directed to, and Griffin did not solicit indications of interest from other parties regarding a potential transaction with Team Capital Bank. Griffin assumed that the process undertaken by Team Capital Bank to approach certain identified parties in connection with a potential transaction was based on appropriate business judgment.

For purposes of providing its opinion, Griffin assumed that, in all respects material to its analysis:

1. the merger will be completed substantially in accordance with the terms set forth in the merger agreement;
2. the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct in all respects material to Griffin's analysis;
3. each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;
4. all conditions to the completion of the merger will be satisfied without any waivers or modifications to the merger agreement; and
5. in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any termination, divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger.

In performing its analyses, Griffin made various assumptions with respect to economic, general business, industry performance, market and financial conditions and other matters, which are beyond the control of Griffin, Team Capital Bank and Provident Financial. Any estimates contained in the analyses performed by Griffin are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the Griffin opinion was among several factors taken into consideration by the Team Capital Bank board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Team Capital Bank board of directors with respect to the fairness of the Merger Consideration.

The following is a summary of the material analyses presented by Griffin to the Team Capital Bank board of directors in connection with Griffin's fairness opinion. The summary is not a complete description of the analyses underlying the Griffin opinion or the presentation made by Griffin to the Team Capital Bank board of directors, but summarizes

the material analyses performed and presented in connection with such opinion.

The preparation of the fairness opinion is a comprehensive and complex, analytical process, involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Griffin did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized within include information presented in tabular format. Accordingly, Griffin believes that its analyses and the summary of its analyses must be considered as a

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whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

### *Summary of Proposal*

Pursuant to the merger agreement, by and among the Team Capital Bank, Provident Financial, and The Provident Bank, the Company will merge with and into The Provident Bank. Each issued and outstanding share of the Company's Common Stock, other than shares of the Company's Common Stock held in treasury or owned by the Acquirer and its affiliates, will be exchanged for the right to receive 0.8575 shares of Provident Financial common stock or cash equal to \$16.25 per share, subject to limitations described in the Agreement (the Merger Consideration). Shares of Team Capital Bank's Common Stock held in treasury or owned by Provident Financial and its affiliates will be cancelled. Team Capital Bank Series A Preferred Stock will be repurchased and retired in connection with the Transaction.

Transaction multiples for the merger were derived from an assumed offer price of \$118.9 million in the aggregate payable to Team Capital Bank common equity stockholders, determined in part based on the number of Team Capital Bank shares outstanding as stated in the Agreement draft dated December 17, 2013 and the closing share price of Provident Financial common stock on December 18, 2013. The terms of the transaction also include a payment of approximately \$8.3 million to holders of Team Capital Bank stock options.

### *Selected Companies Analysis*

Using publicly available information, Griffin compared the financial performance and condition of Team Capital Bank to the following publicly traded banks headquartered in Eastern Pennsylvania and New Jersey that are traded on an exchange or over-the-counter, with assets between \$0 million and \$2 billion, and average daily trading volumes greater than 2,000 shares over the past year. Companies included in this group were:

Peapack-Gladstone Financial Corporation

Center Bancorp, Inc.

BCB Bancorp, Inc.

ConnectOne Bancorp, Inc.

First National Community Bancorp, Inc.

Unity Bancorp, Inc.

1st Constitution Bancorp

Two River Bancorp





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To perform this analysis, Griffin used financial information as of the most recently available quarter, and market price information as of December 9, 2013 as reported by SNL Financial. Griffin's analysis showed the following concerning Team Capital Bank's and its peers' financial condition, risk profile, valuation and liquidity:

**Financial Condition and Performance**

	Peers				
	Team Capital Bank	Minimum	Mean	Median	Maximum
Total Assets (\$000)	949,224	757,217	1,144,630	1,054,230	1,797,704
Common Equity (\$000)	65,278	32,797	91,438	84,035	153,888
TARP/SBLF Outstanding (\$000)	22,412		2,906		12,000
5 Year Gross Loan CAGR (%)	22.40	(7.29)	7.64	5.96	29.23
NPAs+90/Assets (%)	0.86	0.24	1.99	1.81	4.03
Common Texas Ratio (%)	10.99	2.66	24.67	26.17	48.09
ROAA (%)	0.71	(0.08)	0.66	0.69	1.20
ROAE (%)	7.09	(2.04)	6.97	7.88	11.91
Efficiency Ratio (%)	66.75	46.95	66.12	64.81	97.92
Net Interest Margin (%)	3.55	3.14	3.59	3.59	3.95
Noninterest Income/Operating Revenue (%)	8.59	2.94	13.69	14.00	26.81
TCE/ Tangible Assets (%)	6.88	3.30	7.51	7.57	11.24
Leverage ratio (%)	9.86	4.61	8.80	8.93	11.76

**Valuation and Liquidity**

	Peers				
	Team Capital Bank	Minimum	Mean	Median	Maximum
12/9/2013 Closing Price (\$)	NA	4.65	14.77	12.42	38.30
TCE/Share(\$)	9.08	1.96	10.63	9.31	24.95
Market Cap (\$Mil)	NA	58.1	127.3	95.9	287.1
Average Daily Volume		2,580	9,196	4,645	23,008
Institutional Ownership (%)		0.33	21.62	12.08	52.03
Price/LTM EPS (x)	19.0	12.0	15.5	15.0	20.2
Price/Book (%)	182.2	71.8	138.7	131.4	233.3
Price/Tangible Book (%)	182.2	92.2	146.0	131.7	237.0
Current Dividend Yield (%)			1.32	1.11	3.47
Dividend Payout Ratio (%)		6.52	21.86	17.37	52.17
One Year Price Change	NA	31.54	41.32	36.11	54.53

No company used as a comparison in the above analysis is identical to Team Capital Bank. Accordingly, an analysis of these results is not purely mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and of the banking environment at the time of the opinion.



**Table of Contents***Selected Transactions Analysis*

Griffin reviewed publicly available information as reported by SNL Financial related to nationwide acquisitions of banks and bank holding companies between \$700 million and \$1.5 billion in total assets, less than 2.5% MRQ NPA/Assets, and greater than 0% LTM ROAA that were announced after January 1, 2012. The transactions included in the group were:

**Acquirer**

Independent Bank Group, Inc.  
 Cascade Bancorp  
 Cullen/Frost Bankers, Inc.  
 First Federal Bancshares of Arkansas, Inc.  
 Heartland Financial USA, Inc.  
 Strategic Growth Bank Incorporated  
 NBT Bancorp Inc.  
 Prosperity Bancshares, Inc.  
 Investors Bancorp, Inc.(MHC)  
 Carlisle Bancshares, Inc.

**Acquiree**

BOH Holdings, Inc.  
 Home Federal Bancorp, Inc.  
 WNB Bancshares, Inc.  
 First National Security Company  
 Morrill Bancshares, Inc.  
 New Mexico Banquest Corporation  
 Alliance Financial Corporation  
 Coppermark Bancshares, Inc.  
 Marathon Banking Corporation  
 Northstar Financial Corporation

For each transaction referred to above, Griffin derived and compared, among other things, the following implied ratios:

1. Price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition; and
2. Price per common share paid for the acquired company to last twelve months earnings per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

The results of the analysis are set forth in the following table:

	Price/TBV	Price/EPS
Team Capital Bank	182.2	19.0x
Minimum	124.9	11.0x
Mean	184.3	16.2x
Median	158.8	15.8x
Maximum	284.1	23.8x

Griffin reviewed publicly available information as reported by SNL Financial related to selected acquisitions of banks and bank holding companies headquartered in the Delaware, Maryland, Pennsylvania, New York and New Jersey regions, between \$300 million and \$1.5 billion in total assets and less than 3.0% MRQ NPA/Assets that were announced after January 1, 2012. The transactions included in the group were:

**Acquirer**

F.N.B. Corporation  
Lakeland Bancorp, Inc.  
F.N.B. Corporation  
Penns Woods Bancorp, Inc.  
NBT Bancorp Inc.  
WesBanco, Inc.  
Investors Bancorp, Inc. (MHC)  
Tompkins Financial Corporation

**Acquiree**

BCSB Bancorp, Inc.  
Somerset Hills Bancorp  
Annapolis Bancorp, Inc.  
Luzerne National Bank Corporation  
Alliance Financial Corporation  
Fidelity Bancorp, Inc.  
Marathon Banking Corporation  
VIST Financial Corp.

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For each transaction referred to above, Griffin derived and compared, among other things, the following implied ratios:

3. Price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition; and
4. Price per common share paid for the acquired company to last twelve months earnings per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

The results of the analysis are set forth in the following table:

	Price/TBV	Price/EPS
Team Capital Bank	182.2	19.0x
Minimum	116.3	18.6x
Mean	157.3	28.9x
Median	156.2	22.1x
Maximum	212.2	56.4x

No company or transaction used as a comparison in the above analyses is identical to Team Capital Bank, Provident Financial or the merger. Accordingly, an analysis of these results is not purely mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and of the banking environment at the time of the opinion.

*Discounted Cash Flow Analysis*

Griffin performed a discounted cash flow analysis to estimate a range of the present value of estimated free cash flows that Team Capital Bank could generate on a stand-alone basis. In performing this analysis, Griffin based cash flow estimates on earnings estimates for 2014 to 2018 provided by Team Capital Bank and assumed a required retained capital level equal to the September 30, 2013 ratio of reported tangible common equity to tangible assets. A terminal value for Team Capital Bank was determined by applying multiples ranging from 170% of projected tangible common equity to 200% of projected tangible common equity. Discount rates ranging from 10.0% to 13.0% were then applied to estimated cash flows to produce estimated values ranging from \$113.1 million to \$152.2 million.

The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Team Capital Bank

Team Capital Bank retained Griffin as a financial adviser to Team Capital Bank regarding the merger. As part of its investment banking business, Griffin is, from time to time, engaged in the valuation of bank and bank holding company securities in connection with mergers and acquisitions, public and private placement of listed and unlisted securities, rights offerings and other forms of valuations for various purposes. As specialists in the securities of banking companies, Griffin has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, Griffin may, from time to time, purchase securities from, and sell securities

to, Team Capital Bank and Provident Financial. As a market maker in securities Griffin may from time to time have a long or short position in, and buy or sell, debt or equity securities of institutions like and possibly including Team Capital Bank for Griffin's own account and for the accounts of its customers. To the extent Griffin held any such positions, it was disclosed to Team Capital Bank and Provident Financial.

Pursuant to the Griffin engagement agreement, Team Capital Bank agreed to pay Griffin (a) a fee payable upon the delivery of its fairness opinion and (b) a fee contingent on the completion of a transaction. During the two years preceding the date of its opinion to Team Capital Bank, Griffin did not receive compensation for

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investment banking services from Team Capital Bank or Provident Financial. Griffin is affiliated with Stevens & Lee which has provided certain legal services to Team Capital Bank and has been compensated at a market rate for these services.

### **Opinion of Team Capital Bank's Financial Advisor Keefe Bruyette & Woods, Inc.**

Team Capital Bank engaged KBW to render an opinion to the Team Capital board of directors as to the fairness, from a financial point of view, to the stockholders of Team Capital of the merger consideration in the proposed merger of Team Capital with and into The Provident Bank, a wholly owned subsidiary of Provident Financial. Team Capital Bank selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Team Capital Bank and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the Team Capital Bank board of directors held on December 19, 2013, at which the Team Capital Bank board of directors evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the merger consideration in the proposed merger was fair, from a financial point of view, to the stockholders of Team Capital Bank. The Team Capital Bank board of directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as *Appendix C* to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

**KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Team Capital Bank board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the merger consideration in the merger to the stockholders of Team Capital Bank. It did not address the underlying business decision to proceed with the merger or constitute a recommendation to the Team Capital Bank board of directors in connection with the merger, and it does not constitute a recommendation to any shareholder of Team Capital Bank as to how such shareholder should vote at the Team Capital Bank special meeting on the merger or on any related matter.**

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In rendering its opinion, KBW reviewed, among other things:

a draft, dated December 17, 2013, of the merger agreement (the most recent draft made available to KBW);

the 2013 call reports for the quarters ended March 31, June 30 and September 30 for Team Capital Bank;

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internally generated 2013 monthly financial statements for the months ended January 31 through October 31 for Team Capital Bank;

the audited financial statements for the three years ended December 31, 2012 of Team Capital Bank and Provident Financial;

the 2013 quarterly reports on Form 10-Q for the quarters ended March 31, June 30, and September 30 of Provident Financial;



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certain other interim reports to stockholders, including proxy statements and investor presentations, and other communications from Provident Financial to its stockholders;

the publicly reported prices and trading activity of Provident Financial; and

other financial, corporate and operating information concerning the businesses and operations of Team Capital Bank and Provident Financial that was furnished to KBW.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of Team Capital Bank and Provident Financial;

the assets and liabilities of Team Capital Bank and Provident Financial;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial information for Team Capital Bank and financial and stock market information for Provident Financial with similar information for certain other publicly traded companies;

financial and operating forecasts and projections of Team Capital Bank that were prepared and provided by Team Capital Bank management; and

financial and operating forecasts and projections of Provident Financial for 2014 that were prepared and provided by Provident Financial management, publicly available consensus street estimates of Provident Financial for 2015 (as well as an assumed long term growth rate based thereon), and estimates regarding certain pro forma financial effects of the merger on Provident Financial that were prepared and provided by Provident Financial management and that, in each case, were discussed with KBW by Provident Financial management and used and relied upon by KBW with the consent of the Team Capital Bank board of directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with the senior management teams of Team Capital Bank and Provident Financial regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and it did not independently verify the

accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the respective management teams of Team Capital Bank and Provident Financial as to the reasonableness and achievability of the financial and operating forecasts and projections of Team Capital Bank and Provident Financial (and the assumptions and bases therefor) that were prepared and provided by such management teams and KBW assumed, that such forecasts and projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of such management teams and that such forecasts and projections will be realized in the amounts and in the time periods currently estimated by such management teams. KBW further relied upon management of Provident Financial as to the reasonableness and achievability of the estimates regarding certain pro forma financial effects of the merger on Provident Financial that were prepared and provided by management of Provident Financial, and that were discussed with KBW by such management (and the assumptions and bases therefor, including but not limited to the projections of Team Capital Bank that were prepared by Provident Financial in connection therewith and used by KBW at the direction of the Team Capital Bank board of directors, as well as any potential cost savings and operating synergies and other potential pro forma effects assumed or

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estimated by Provident Financial), and KBW assumed that such estimates were reasonably prepared on a basis reflecting the best then available estimates and judgments and that such estimates will be realized in the amounts and time periods then estimated.

It is understood that such forecasts, projections and estimates provided to KBW by the respective management teams of Team Capital Bank and Provident Financial, as the case may be, were not prepared with the expectation of public disclosure, that all such information is based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such forecasts, projections and estimates. KBW assumed, based on discussions with the respective managements of Team Capital Bank and Provident Financial, that such forecasts, projections and estimates, as well as publicly available consensus street estimates of Provident Financial referred to above, provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on such information without independent verification or analysis and did not in any respect assume any responsibility or liability for its accuracy or completeness.

KBW assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Team Capital Bank or Provident Financial since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and it assumed, without independent verification and with Team Capital Bank's consent that the aggregate allowances for loan and lease losses for Team Capital Bank and Provident Financial were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Team Capital Bank or Provident Financial, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Team Capital Bank or Provident Financial under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold and because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

For purposes of rendering its opinion, KBW assumed that, in all respects material to its analysis:

the merger and the related transactions described in or contemplated by the merger agreement (including, without limitation, the redemption of outstanding Team Capital Bank preferred stock with funds provided by The Provident Bank) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which would not differ in any respect material to KBW's analyses from the draft reviewed) with no additional payments or adjustments to the merger consideration;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger and that all conditions to the completion of the merger would be satisfied without any waivers or modifications to the merger agreement; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger.

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KBW further assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW further assumed that Team Capital Bank relied upon the advice of its counsel, independent accountants and other advisors (other than KBW) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Team Capital Bank, The Provident Bank, Provident Financial, the merger, any related transaction (including the redemption of Team Capital Bank preferred stock) and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the merger consideration in the merger to the stockholders of Team Capital Bank. KBW expressed no view or opinion as to any terms or other aspects of the merger or any related transaction, including without limitation, the form or structure of the merger, any consequences of the merger to Team Capital Bank, its stockholders, creditors or otherwise, or any terms, aspects or implications of any other transaction or any voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. It is understood that subsequent developments may affect the conclusion reached in KBW's opinion and that KBW does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and it expressed no view or opinion with respect to:

the underlying business decision of Team Capital Bank to engage in the merger or any related transaction or to enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Team Capital Bank or the Team Capital Bank board of directors;

the fairness of the amount or nature of any compensation to any of Team Capital Bank's officers, directors or employees, or any class of such persons, relative to any compensation to the public stockholders of Team Capital Bank;

the treatment of, effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Team Capital Bank other than the Team Capital Bank common stock, or any class of securities of any other party to any transaction contemplated by the merger agreement;

whether Provident Financial has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate cash consideration (as described below) at the closing of the merger;

the election by Team Capital Bank stockholders to receive stock consideration or cash consideration (as described below), or any combination thereof, or the actual allocation between the stock consideration and the cash consideration among such holders (including, without limitation, any re-allocation thereof as a result of proration pursuant to the merger agreement);

the actual value of the shares of Provident Financial common stock to be issued in the merger, or the prices trading range or volume at which shares of Provident Financial common stock will trade following the public announcement or consummation of the merger;

the merits or implications of the proposed redemption of the outstanding Team Capital Bank preferred stock (including the timing of any such redemption or any amounts paid in respect thereof), or whether The Provident Bank has sufficient cash, available lines of credit or other sources of funds to enable it to fund such redemption;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to Team Capital Bank, The Provident Bank, Provident Financial, their respective stockholders, or relating to or arising out of or as a

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consequence of the merger, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Team Capital Bank, The Provident Bank and Provident Financial. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Team Capital Bank board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Team Capital Bank board of directors with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Team Capital Bank and Provident Financial and the decision to enter into the merger agreement was solely that of Team Capital Bank's board of directors. Pursuant to the terms of the merger agreement reviewed by KBW, in connection with the merger, each outstanding share of Team Capital Bank common stock would be converted into the right to receive, at the election of such shareholder, either (i) \$16.25 in cash or (ii) 0.8575 shares of Provident Financial common stock, provided that the merger agreement provides that, in the aggregate, 75% of the total number of shares of Team Capital Bank common stock will be converted into the right to receive Provident Financial common stock and all other shares will be converted into the right to receive cash.

The following is a summary of the material financial analyses presented by KBW to the Team Capital Bank board of directors on December 19, 2013, in connection with its fairness opinion. The summary is not a complete description of the financial analyses underlying the KBW opinion or the presentation made by KBW to the Team Capital Bank board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

*Selected Companies Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market performance of Team Capital Bank to the following depositories traded on the New York Stock Exchange, NYSE MKT or NASDAQ, headquartered in the Midwest, Mid-Atlantic or Northeast regions, with total assets between \$500 million and \$2.0 billion, commercial real estate and commercial and industrial loans greater than 60% of total loans, assets per branch greater than \$60 million, nonperforming assets to assets less than 3.0% and last twelve months ( LTM ) return on average assets greater than 0.0%. This analysis excluded merger targets as of December 18, 2013. Companies in this group were:

Ames National Corporation

Enterprise Bancorp, Inc.

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Bancorp of New Jersey, Inc.  
Bridge Bancorp, Inc.  
Center Bancorp, Inc.  
Community Financial Corporation  
ConnectOne Bancorp, Inc.

First Business Financial Services, Inc.  
MidWestOne Financial Group, Inc.  
Northeast Bancorp  
Republic First Bancorp, Inc.  
West Bancorporation, Inc.



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Using publicly available information, KBW compared the financial performance, financial condition and market performance of Provident Financial to the following depositories traded on the New York Stock Exchange, NYSE MKT or NASDAQ, with total assets between \$5.0 billion and \$10.0 billion and nonperforming assets to total assets of approximately 1.0% to 3.0%. This analysis excluded merger targets and depositories with pending acquisitions which would result in the institution having more than \$10.0 billion in assets as of December 18, 2013. Companies in this group were:

BBCN Bancorp, Inc.	Glacier Bancorp, Inc.
Berkshire Hills Bancorp, Inc.	Independent Bank Corp.
Boston Private Financial Holdings, Inc.	National Bank Holdings Corporation
Chemical Financial Corporation	Northwest Bancshares, Inc.
Columbia Banking System, Inc.	Park National Corporation
CVB Financial Corp.	Pinnacle Financial Partners, Inc.
First Commonwealth Financial Corporation	Renasant Corporation
First Financial Bancorp.	United Community Banks, Inc.
First Financial Holdings, Inc.	WesBanco, Inc.
First Interstate BancSystem, Inc.	Western Alliance Bancorporation
First Midwest Bancorp, Inc.	

To perform this analysis, KBW used financial information for the last twelve months (as of the most recently available quarter) and market price information as of December 18, 2013. Earnings estimates for 2014 and 2015 were taken from FactSet Research Systems, Inc. as compiled by SNL Financial, a nationally recognized earnings estimate consolidator for the selected companies.

KBW's analysis showed the following concerning Team Capital Bank's and Provident Financial's financial performance for the last twelve months:

	<b>Team Capital Bank</b>	<b>Selected Companies Minimum</b>	<b>Selected Companies Mean</b>	<b>Selected Companies Median</b>	<b>Selected Companies Maximum</b>
Return on Average Assets	0.70%	0.07%	0.85%	0.90%	1.20%
Return on Average Equity	7.03%	0.99%	8.99%	9.57%	12.65%
Net Interest Margin	3.56%	3.18%	3.61%	3.46%	4.72%
Efficiency Ratio	68.6%	47.0%	60.9%	57.8%	85.9%

	<b>Provident Financial</b>	<b>Selected Companies Minimum</b>	<b>Selected Companies Mean</b>	<b>Selected Companies Median</b>	<b>Selected Companies Maximum</b>
Return on Average Assets	0.96%	0.08%	0.92%	0.93%	1.47%
Return on Average Equity	7.04%	0.83%	8.06%	8.53%	14.61%
Net Interest Margin	3.28%	3.13%	3.83%	3.73%	5.21%
Efficiency Ratio	57.00%	44.6%	61.30%	61.20%	78.60%

KBW's analysis showed the following concerning Team Capital Bank's and Provident Financial's financial condition:

	<b>Team Capital Bank</b>	<b>Selected Companies Minimum</b>	<b>Selected Companies Mean</b>	<b>Selected Companies Median</b>	<b>Selected Companies Maximum</b>
Tangible Common Equity / Tangible Assets	6.88%	6.26%	9.15%	8.40%	15.31%
Total Capital Ratio	14.36%	11.41%	14.61%	13.63%	25.63%
Loans / Deposits	79.20%	54.90%	83.10%	84.30%	114.9%
Loan Loss Reserve / Loans	1.52%	0.25%	1.33%	1.45%	1.76%
Nonperforming Assets <sup>(1)</sup> / Loans + OREO	1.50%	0.41%	1.76%	1.85%	2.90%
Nonperforming Assets <sup>(1)</sup> / Assets	0.93%	0.24%	1.23%	1.18%	2.26%
LTM Net Charge-Offs / Average Loans	0.09%	0.02%	0.13%	0.09%	0.48%

(1) Nonperforming assets include nonaccrual loans, loans 90 days or more and still accruing, troubled debt restructures and OREO.

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	<b>Provident Financial</b>	<b>Selected Companies Minimum</b>	<b>Selected Companies Mean</b>	<b>Selected Companies Median</b>	<b>Selected Companies Maximum</b>
Tangible Common Equity / Tangible Assets	9.18%	6.48%	9.23%	8.86%	18.67%
Total Capital Ratio	14.27%	11.88%	16.63%	14.44%	48.60%
Loans / Deposits	96.7%	44.1%	83.70%	86.4%	103.7%
Loan Loss Reserve / Loans	1.30%	0.65%	1.56%	1.50%	3.22%
Nonperforming Assets <sup>(1)</sup> / Loans + OREO	2.93%	1.29%	2.69%	2.58%	5.17%
Nonperforming Assets <sup>(1)</sup> / Assets	2.03%	0.96%	1.68%	1.52%	2.95%
Net Charge-Offs / Average Loans	0.24%	0.02%	0.45%	0.37%	2.47%

(1) Nonperforming assets include nonaccrual loans, loans 90 days or more and still accruing, troubled debt restructures and OREO.

KBW's analysis showed the following concerning Provident Financial's market performance:

	<b>Provident Financial</b>	<b>Selected Companies Minimum</b>	<b>Selected Companies Mean</b>	<b>Selected Companies Median</b>	<b>Selected Companies Maximum</b>
Market Capitalization (\$mm)	\$ 1,131	\$ 663	\$ 1,225	\$ 1,112	\$ 2,185
1-Year Stock Price Change	27.70%	12.70%	49.80%	41.00%	121.70%
1-Year Total Return	32.00%	13.90%	53.10%	45.20%	121.70%
Stock Price / Book Value per Share	1.13x	0.98x	1.59x	1.53x	2.99x
Stock Price / Tangible Book Value per Share	1.76x	1.11x	2.09x	2.07x	3.11x
Stock Price / LTM EPS	15.50x	14.60x	19.20x	17.80x	29.00x
Stock Price / 2014 EPS <sup>(1)</sup>	15.00x	13.80x	17.50x	16.20x	38.70x
Stock Price / 2015 EPS <sup>(1)</sup>	14.50x	13.00x	15.0x	14.70x	22.80x
Dividend Yield	3.18%	0.00%	2.11%	2.28%	4.54%
LTM Dividend Payout Ratio <sup>(2)</sup>	60.70%	0.00%	42.30%	39.70%	111.10%

(1) Consensus earnings estimates for the selected companies per FactSet Research Systems, Inc., as compiled by SNL Financial, as of December 18, 2013.

(2) Provident Financial LTM payout ratio includes a \$0.20 special dividend in the fourth quarter of 2012. Excluding the special dividend, the LTM payout ratio would be 44.3%.

*Selected Transactions Analysis.* KBW reviewed publicly available information related to certain selected bank and thrift transactions announced after January 1, 2012 with acquired company total assets between \$500 million and \$2.0 billion, acquired company LTM ROAA greater than 0.0% and with the acquired company's nonperforming assets to assets ratio<sup>(1)</sup> of less than 3.0%.

**Acquirer:**

**Acquired Company:**

ViewPoint Financial Group, Inc.  
Independent Bank Group, Inc.  
Heritage Financial Corporation  
Cascade Bancorp  
East West Bancorp, Inc.  
Old National Bancorp  
Mercantile Bank Corporation  
Cullen/Frost Bankers, Inc.  
Wilshire Bancorp, Inc.  
Peoples Financial Services Corp.  
F.N.B. Corporation

LegacyTexas Group, Inc.  
BOH Holdings, Inc.  
Washington Banking Company  
Home Federal Bancorp, Inc.  
MetroCorp Bancshares, Inc.  
Tower Financial Corporation  
Firstbank Corporation  
WNB Bancshares, Inc.  
Saehan Bancorp  
Penseco Financial Services Corporation\*  
BCSB Bancorp, Inc.\*

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Heartland Financial USA, Inc.  
 Prosperity Bancshares, Inc.  
 PacWest Bancorp  
 NBT Bancorp Inc.  
 First PacTrust Bancorp, Inc.  
 WesBanco, Inc.  
 Investors Bancorp, Inc. (MHC)  
 United Financial Bancorp, Inc.  
 Independent Bank Corp.  
 Cadence Bancorp, LLC  
 Carlisle Bancshares, Inc.  
 Tompkins Financial Corporation

**Acquired Company:**

Morrill Bancshares, Inc.  
 Coppermark Bancshares, Inc.  
 First California Financial Group, Inc.  
 Alliance Financial Corporation\*  
 Private Bank of California  
 Fidelity Bancorp, Inc.\*  
 Marathon Banking Corporation\*  
 New England Bancshares, Inc.  
 Central Bancorp, Inc.  
 Encore Bancshares, Inc.  
 Northstar Financial Corporation  
 VIST Financial Corp.\*

\* Denotes target headquartered in the Mid-Atlantic region

(1) Nonperforming assets include nonaccrual loans, troubled debt restructures and OREO.

Multiples for the proposed Provident Financial/Team Capital Bank transaction were derived from the cash consideration (as defined in the merger agreement) of \$16.25 per Team Capital Bank common share divided by the applicable per common share metric for Team Capital Bank as of September 30, 2013. For each transaction referred to above, KBW derived and compared, among other things, the following implied ratios:

price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition (for private companies the ratio is calculated as purchase price divided by total tangible common equity);

tangible common equity premium (excess of purchase price over tangible common equity) to core deposits (total deposits less time deposits greater than \$100,000) based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition; and

price per common share paid for the acquired company to last twelve months earnings per share of the acquired company (for private companies the ratio is calculated as purchase price divided by last twelve months total net income to common).

The results of the analysis are set forth in the following table:

<b>Transaction Multiples:</b>	<b>Provident</b>	<b>Selected</b>	<b>Selected</b>	<b>Selected</b>	<b>Selected</b>
	<b>Financial /</b>				
	<b>Team</b>	<b>Minimum</b>	<b>Mean</b>	<b>Median</b>	<b>Maximum</b>
	<b>Capital</b>				
	<b>Bank</b>				
Price / Tangible Book Value	1.79x	1.18x	1.74x	1.65x	2.84x

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Core Deposit Premium <sup>(1)</sup>	10.60%	1.80%	8.80%	7.40%	18.60%
Price / LTM Earnings <sup>(2)</sup>	18.70x	11.00x	18.40x	17.90x	29.10x

(1) Team Capital Bank core deposit statistic also excludes brokered money market accounts.

(2) Price to LTM earnings multiples greater than 30.0x are considered not meaningful.

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For reference purposes KBW also compared the derived transaction multiples to the multiples involving targets in the above list headquartered in the Mid-Atlantic region:

<b>Transaction Multiples:</b>	<b>Provident Financial / Team Capital Bank</b>	<b>Selected Mid-Atlantic Transactions Minimum</b>	<b>Selected Mid-Atlantic Transactions Mean</b>	<b>Selected Mid-Atlantic Transactions Median</b>	<b>Selected Mid-Atlantic Transactions Maximum</b>
Price / Tangible Book Value	1.79x	1.18x	1.55x	1.49x	2.12x
Core Deposit Premium <sup>(1)</sup>	10.60%	1.80%	6.90%	7.00%	12.60%
Price / LTM Earnings <sup>(2)</sup>	18.70x	15.20x	21.80x	21.40x	29.10x

(1) Team Capital Bank core deposit statistic also excludes brokered money market accounts.

(2) Price to LTM earnings multiples greater than 30.0x are considered not meaningful.

No company or transaction used as a comparison in the above analyses is identical to Team Capital Bank, Provident Financial or the proposed transaction. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

*Contribution Analysis.* KBW analyzed the relative contribution of Team Capital Bank and Provident Financial to the pro forma balance sheet and income statement items of the combined entity, including pro forma ownership, assets, total loans, deposits, total equity, tangible common equity, last twelve months net income to common and projected 2013 and 2014 net income to common equity stockholders. This analysis excluded any purchase accounting adjustments. To perform this analysis, KBW used financial information as of the period ended September 30, 2013. The results of KBW's analysis are set forth in the following table:

	<b>Provident Financial as a % of Combined Entity<sup>(1)</sup></b>	<b>Team Capital Bank as a % of Combined Entity<sup>(1)</sup></b>
<b>Ownership</b>		
75% stock / 25% cash (0.6431x exchange ratio)	92.4%	7.6%
100% stock (0.8575x exchange ratio)	89.7%	10.3%
<b>Balance Sheet</b>		
Assets	88.6%	11.4%
Total Loans	89.6%	10.4%
Deposits	87.6%	12.4%
Total Equity	91.9%	8.1%
Tangible Common Equity	90.8%	9.2%

**Earnings**

LTM Net Income to Common Equity Stockholders	91.8%	8.2%
2013 Est. Net Income to Common Equity Stockholders	91.9%	8.1%
2014 Est. Net Income to Common Equity Stockholders	90.5%	9.5%

(1) Does not include purchase accounting adjustments.

*Team Capital Bank Discounted Cash Flow Analysis.* KBW performed a discounted cash flow analysis to estimate a range of the present values of after-tax cash flows that Team Capital Bank could provide to its common equity holders through 2018 on a stand-alone basis. In performing this analysis, KBW used earnings estimates for 2014 to 2018, from Team Capital Bank management, and assumed discount rates ranging from 13.0% to 17.0%. The range of values was determined by adding (1) the present value of projected cash flows to Team Capital Bank common equity stockholders from 2014 to 2018 and (2) the present value of the terminal



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value of Team Capital Bank's common shares. In determining cash flows available to common equity stockholders, KBW assumed balance sheet growth per Team Capital Bank management and assumed that Team Capital Bank would maintain a tangible common equity / tangible asset ratio of 9.00% and would retain sufficient earnings to maintain that level. Any earnings in excess of what would need to be retained represented dividendable cash flows for Team Capital Bank. In calculating the terminal value of Team Capital Bank, KBW applied multiples ranging from 14.0 times to 16.0 times 2019 estimated earnings. This resulted in a range of values of Team Capital Bank from \$11.06 to \$16.26 per share. The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Team Capital Bank.

*Financial Impact Analysis.* KBW performed pro forma merger analyses that combined projected income statement and balance sheet information of Team Capital Bank and Provident Financial. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were provided by Team Capital Bank and Provident Financial management, were relied on by KBW, and were used to calculate the financial impact that the transaction would have on certain projected financial results of Team Capital Bank and Provident Financial. Additionally, KBW utilized an implied value of the merger consideration based upon the closing price of Provident Financial common stock on December 18, 2013. In the course of this analysis, KBW used earnings estimates for Provident Financial as provided by Provident Financial management for 2014 and used earnings estimates for 2015 for Provident Financial from FactSet Research Systems, Inc. as compiled by SNL Financial, and for Team Capital Bank used earnings estimates as provided by Provident Financial management. This analysis indicated that the transaction is expected to be accretive to Provident Financial's estimated earnings per share in 2014 (excluding one-time merger charges) and 2015. The analysis also indicated that the transaction is expected to be dilutive to tangible book value per share for Provident Financial and that Provident Financial is expected to maintain well-capitalized capital ratios. For all of the above analyses, the actual results achieved by Provident Financial following the transaction will vary from the estimates used and the projected results, and the variations may be material.

*Miscellaneous.* KBW acted as financial advisor to Team Capital Bank and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, or sell securities to, Team Capital Bank, The Provident Bank and Provident Financial. As a market maker in securities, KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of Team Capital Bank and Provident Financial for its own account and for the accounts of its customers. To the extent KBW held any such positions as of the date of its opinion, it was disclosed to the Team Capital Bank board of directors.

Pursuant to the KBW engagement agreement, Team Capital Bank agreed to pay KBW a cash fee of \$200,000 concurrently with the rendering of its opinion and a cash fee, upon closing of the merger, equal to approximately \$1.43 million. Team Capital Bank also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention, provided, however, that such expenses would not exceed \$20,000, and to indemnify against certain liabilities, including liabilities under the federal securities laws. During the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to Team Capital Bank, The Provident Bank or Provident Financial. KBW may in the future provide investment banking and financial advisory services to Team Capital Bank, The Provident Bank, or Provident Financial and receive compensation for such services.



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**Provident Financial Board of Directors Reasons for the Merger**

The Provident Financial board of directors expects the merger to enhance Provident Financial's banking franchise and competitive position, in particular in Bucks, Northampton and Lehigh Counties, Pennsylvania, which are new markets for The Provident Bank, and in Essex, Somerset, Hunterdon and Warren Counties, New Jersey, some of New Jersey's most attractive banking markets. The merger also increases Provident Financial's operating and marketing scale.

In evaluating the merger, the Provident Financial board of directors consulted with Provident Financial's management, as well as its financial and legal advisors. In reaching its conclusion to approve the merger agreement, the Provident Financial board of directors considered the following factors as generally supporting its decision to enter into the merger agreement:

the effectiveness of the merger as a method of implementing and accelerating Provident Financial's strategies for expanding Provident Financial's franchise in eastern Pennsylvania, one of the most desirable banking markets in Pennsylvania, by acquiring one of the largest independent community banks in that market;

its understanding of Provident Financial's business, operations, financial condition, earnings and prospects and of Team Capital Bank's business, operations, financial condition, earnings and prospects, including Team Capital Bank's strong franchise in eastern Pennsylvania, a new market for The Provident Bank, and in Essex and Somerset Counties, New Jersey, which are markets in which it currently operates, and in Hunterdon and Warren Counties, New Jersey, which are new markets;

the reports of Provident Financial's management, and discussions with Provident Financial's management and financial advisor, concerning the operations, financial condition and prospects of Team Capital Bank and the potential financial impact of the merger on the combined company;

the similarity among Provident Financial's and Team Capital Bank's management, philosophies, approaches and commitments to the communities and customers they serve and their respective employees; and

the proposed retention of certain key Team Capital Bank senior executives and personnel with customer-facing positions, which would help assure the continuity of management, the likelihood of successful integration and the successful operation of the combined companies.

The Provident Financial 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 Team Capital Bank's business, operations and workforce with those of Provident Financial, the need to obtain Team Capital Bank's stockholder approval and regulatory approvals to complete the transaction, and the risks associated with achieving the anticipated cost savings.

The Provident Financial 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 Financial board of directors is not exhaustive, but includes the material factors considered by the Provident Financial board of directors. In view of the wide variety of factors considered by the Provident Financial board of directors in connection with its evaluation of the merger and the complexity of these matters, the Provident Financial 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 Financial 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 Financial's board of directors.

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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 Team Capital Bank common stock (other than dissenting shares and shares held by Provident Financial and Team Capital Bank) will be converted into the right to receive, at the election of the holder of such share, either:

0.8575 shares of Provident Financial common stock, assuming payment solely of Provident Financial common stock in exchange for a share of Team Capital Bank common stock; or

\$16.25 in cash (without interest), assuming payment solely of cash in exchange for a share of Team Capital Bank common stock; or

a combination of cash *plus* Provident Financial common stock.

No fractional shares of Provident Financial common stock will be issued in connection with the merger. Instead, Team Capital Bank stockholders will receive, without interest, a cash payment from Provident Financial equal to the fractional share interest they otherwise would have received, multiplied by the value of Provident Financial common stock. For this purpose, Provident Financial common stock will be valued at the average of its daily closing sales prices during the ten consecutive trading days immediately preceding the completion date of the merger.

Based on the closing price of \$ \_\_\_\_\_ per share of Provident Financial common stock on \_\_\_\_\_, 2014, each share of Team Capital Bank common stock that is exchanged solely for Provident Financial common stock would be converted into 0.8575 shares of Provident Financial common stock having a value of \$ \_\_\_\_\_. 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 Financial common stock.

All elections by Team Capital Bank stockholders are subject to the allocation and proration procedures described in the merger agreement. These procedures are intended to ensure that 75% of the outstanding shares of Team Capital Bank common stock will be converted into the right to receive Provident Financial common stock, and the remaining outstanding shares of Team Capital Bank 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 Team Capital Bank stockholders in the aggregate elect to receive more or less of Provident Financial common stock than Provident Financial has agreed to issue. These procedures are summarized below.

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

*If Provident Financial common stock is undersubscribed:* If Team Capital Bank stockholders elect to receive fewer shares of Provident Financial common stock than Provident Financial has agreed to issue in the merger, and

the number of shares as to which Team Capital Bank stockholders have made no election is less than or equal to this shortfall, then all Team Capital Bank stockholders who have elected to receive Provident Financial common stock or who have made no election will receive Provident Financial common stock, and all Team Capital Bank stockholders who have elected to receive cash will receive a pro rata portion of the available cash consideration plus Provident Financial shares for those Team Capital Bank shares not converted into cash; or if

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the number of non-election shares is greater than the shortfall, then all Team Capital Bank stockholders who have elected to receive Provident Financial common stock will receive Provident Financial common stock, all Team Capital Bank stockholders who have elected to receive cash will receive cash, and all Team Capital Bank stockholders who made no election will receive a pro rata portion of the remaining available cash consideration plus Provident Financial's shares for those Team Capital Bank shares not converted into cash.

Neither Team Capital Bank nor Provident Financial is making any recommendation as to whether Team Capital Bank stockholders should elect to receive cash or Provident Financial common stock in the merger. Each Team Capital Bank stockholder must make his or her 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 Financial common stock or cash in amounts that vary from the amounts you elect to receive.

### **Election Procedures; Surrender of Stock Certificates**

If you are a record holder of Team Capital Bank common stock, an election form will be provided to you under separate cover at a later date. The election form will allow you to elect to receive cash, Provident Financial common stock, or a combination of cash and Provident Financial common stock, or to make no election 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 Jersey time, on the twentieth day following the mailing of the election form, unless Team Capital Bank and Provident Financial mutually agree upon another deadline date; provided, however, that the election deadline must occur before the completion of the merger. Registrar and Transfer Company will act as exchange agent in the merger and in that role will process the exchange of Team Capital Bank common stock certificates for cash and/or Provident Financial common stock. Shortly after the merger, the exchange agent will allocate cash and shares of Provident Financial common stock among Team Capital Bank stockholders, consistent with their elections and the allocation and proration procedures. If you do not submit an election form, you will receive instructions from the exchange agent on where to surrender your Team Capital Bank stock certificates after the merger is completed. **Please do not forward your Team Capital Bank 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 that will be provided to you at a later date.**

An election form will be deemed properly completed only if accompanied by stock certificates representing all shares of Team Capital Bank 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 Financial common stock and/or cash for your Team Capital Bank common stock, you should complete and return the election form. If you do not make an election, you will be allocated Provident Financial common stock and/or cash depending on the elections made by other Team Capital Bank stockholders.

If stock certificates for Team Capital Bank 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, Team Capital Bank shares may be properly exchanged provided that:

1. such exchanges 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;



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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, telegram, telex or facsimile transmission); and
3. the exchange agent receives, prior to the election deadline, the certificates for all exchanged Team Capital Bank 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. Team Capital Bank 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 Team Capital Bank common stock designated as non-election shares.

Team Capital Bank 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 Financial will deposit with the exchange agent the merger consideration representing Provident Financial's common stock and cash to be issued to Team Capital Bank stockholders in exchange for their shares of Team Capital Bank common stock. Within five business days after the completion of the merger, the exchange agent will mail to Team Capital Bank stockholders who do not submit election forms or who have revoked such forms a letter of transmittal, together with instructions for the exchange of their Team Capital Bank stock certificates for the merger consideration. Upon surrendering his or her certificate(s) representing shares of Team Capital Bank common stock, together with the signed letter of transmittal, the Team Capital Bank stockholder shall be entitled to receive, as applicable: (i) certificate(s) representing a number of whole shares of Provident Financial common stock (if any) determined in accordance with the exchange ratio; or (ii) a check representing the amount of cash (if any) to which such holder shall have become entitled; and (iii) a check representing the amount of cash in lieu of fractional shares, if any. Until you surrender your Team Capital Bank stock certificates for exchange after completion of the merger, you will not be paid dividends or other distributions declared after the merger with respect to any Provident Financial common stock into which your shares of Team Capital Bank common stock have been exchanged. No interest will be paid or accrued to Team Capital Bank stockholders on the cash consideration, cash in lieu of fractional shares or unpaid dividends and distributions, if any. After the completion of the merger, there will be no further transfers of Team Capital Bank common stock. Team Capital Bank stock certificates presented for transfer will be canceled and exchanged for the merger consideration.

If your stock certificates have been lost, stolen or destroyed, you will have to prove your ownership of these certificates and that they were lost, stolen or destroyed before you receive any consideration for your shares. Upon request, Registrar and Transfer Company will send you instructions on how to provide evidence of ownership.

If any certificate representing shares of Provident Financial's common stock is to be issued in a name other than that in which the certificate for shares surrendered in exchange is registered, or cash is to be paid to a person other than the registered holder, it will be a condition of issuance or payment that the certificate so surrendered be properly endorsed or otherwise be in proper form for transfer and that the person requesting the exchange either:

pay to the exchange agent in advance any transfer or other taxes required by reason of the issuance of a certificate or payment to a person other than the registered holder of the certificate surrendered, or

establish to the satisfaction of the exchange agent that the tax has been paid or is not payable. Any portion of the cash or shares of Provident Financial common stock made available to the exchange agent that remains unclaimed by Team Capital Bank stockholders for six months after the effective time of the

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merger will be returned to Provident Financial. Any Team Capital Bank stockholder who has not exchanged shares of Team Capital Bank common stock for the merger consideration in accordance with the merger agreement before that time may look only to Provident Financial for payment of the merger consideration for their shares and any unpaid dividends or distributions after that time. Nonetheless, Provident Financial, Team Capital Bank, the exchange agent or any other person will not be liable to any Team Capital Bank stockholder for any amount properly delivered to a public official under applicable abandoned property, escheat or similar laws.

## **Employee Matters**

**Employee Benefit Plans.** Provident Financial will review all Team Capital Bank compensation and benefit plans to determine whether to maintain, terminate or continue such plans. In the event that any Team Capital Bank compensation and benefit plan is frozen or terminated by Provident Financial, former employees of Team Capital Bank who become employees of Provident Financial after the merger who were participants in such plan will be eligible to participate in any Provident Financial benefit plan of similar character (to the extent that one exists other than any Provident Financial non-qualified plan, employment agreement, change in control agreement or equity incentive plan or other similar-type of arrangement, or the Provident Financial Defined Benefit Plan). Continuing employees of Team Capital Bank who become participants in any Provident Financial compensation and benefit plan will, for purposes of determining eligibility for, and for any applicable vesting periods of, such employee benefits only (and not for benefit accrual purposes) be given credit for service as an employee of Team Capital Bank prior to the effective time of the merger, provided, however, that credit for prior service will be given under the Provident Financial Employee Stock Ownership Plan and only for purposes of determining eligibility to participate in such plans and not for vesting purposes, and provided further, that credit for prior service will not be given under any Provident Financial retiree health plan.

**Team Capital Bank Tax-Qualified Retirement Plan.** Team Capital Bank is required to take all necessary actions to terminate the Team Capital Bank 401(k) Plan immediately prior to the effective time of the merger. As soon as administratively possible following the receipt of a favorable determination letter from the IRS regarding the qualified status of the plan, upon its termination, the account balances of all participants and beneficiaries in the Team Capital Bank 401(k) Plan will either be distributed or transferred to an eligible tax-qualified retirement plan or individual retirement account, as directed by each participant or beneficiary.

**Severance Benefits.** Any employee of Team Capital Bank who is not a party to an employment agreement or any severance arrangement providing for severance payments will, for one year following the merger, be covered and eligible to receive severance benefits in accordance with Team Capital Bank's current severance policy, provided that the employee enters into a release of claims against Provident Financial and its affiliates in a customary form reasonably satisfactory to Provident Financial.

**Accrued Vacation.** For purposes of Provident Financial vacation and/or paid leave benefit programs, Provident Financial will give each continuing employee of Team Capital Bank credit for his or her accrued paid-time off balance with Team Capital Bank as of the effective time of the merger.

See Interests of Team Capital Bank's Directors and Officers in the Merger below for a discussion of the Team Capital Bank employment agreements.

## **Interests of Team Capital Bank's Directors and Officers in the Merger**

Some members of Team Capital Bank's management and board of directors may have interests in the merger that are in addition to their interest as stockholders of Team Capital Bank generally. The Team Capital Bank board of directors

was aware of these interests and considered them in approving the merger agreement and the transactions contemplated by the merger agreement.

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**Share Ownership.** On the record date for the Team Capital Bank Special Meeting, Team Capital Bank's directors and officers beneficially owned, in the aggregate, \_\_\_\_\_ shares of Team Capital Bank common stock (not including shares that may be acquired upon the exercise of stock options), representing approximately \_\_\_\_\_ % of the outstanding shares of Team Capital Bank common stock.

**Stock Options.** Under the terms of the Merger Agreement, immediately prior to the effective time of the merger, holders of outstanding and unexercised options to purchase shares of Team Capital Bank common stock will receive, in cancellation of the stock options, a cash payment in an amount equal to the number of shares provided for in each such stock option, multiplied by the difference between \$16.25 and the exercise price of the relevant stock option. Based on the equity holdings of Team Capital Bank as of the record date, the number of Team Capital Bank stock options held by the executive officers and non-employee directors of Team Capital Bank are as follows:

<b>Executive/Director of Team Capital Bank</b>	<b>Team Capital Bank Stock Options (#)</b>	<b>Cash Payment (\$)</b>
Robert A. Rupel, President and Chief Executive Officer		
Howard N. Hall, Executive Vice President and Chief Financial Officer	25,375	177,919
Fredric B. Cort, Executive Vice President and Chief Administration Officer	14,975	101,794
A. Bruce Dansbury, Executive Vice President and Chief Lending Officer	7,500	53,550
Ghan Desai, Executive Vice President, Chief Information Officer and Chief Technology Officer	16,350	109,771
Joanne O' Donnell, Executive Vice President, Chief Credit Risk and Chief Risk Officer	17,500	121,535
All non-employee directors as a group (12 persons)	68,459	474,678

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*Acceleration of Vesting of Restricted Stock Awards.* Under the terms of the Merger Agreement, Team Capital Bank restricted stock awards that have not yet vested will become fully vested as of the effective time of the merger. Based upon the equity holdings as of the record date, the number of unvested restricted stock awards that will become vested as a result of the merger held by the executive officers and non-employee directors of Team Capital Bank are as follows:

	<b>Total Grant on 11/25/13 (#)</b>	<b>Immediate Vesting on Date of Grant (#)</b>	<b>Shares to Vest at Closing of Merger (#)*</b>
<b>Executive/Director of Team Capital Bank</b>			
Robert A. Rupel	30,000	3,000	27,000
	10,000		10,000
<b>Total</b>	<b>40,000</b>	<b>3,000</b>	<b>37,000</b>
Howard N. Hall	18,750	1,875	16,875
	6,250		6,250
<b>Total</b>	<b>25,000</b>	<b>1,875</b>	<b>23,125</b>
Fredric B. Cort	15,000	1,500	13,500
	5,000		5,000
<b>Total</b>	<b>20,000</b>	<b>1,500</b>	<b>18,500</b>
A. Bruce Dansbury	12,750	1,275	11,475
	4,250		4,250
<b>Total</b>	<b>17,000</b>	<b>1,275</b>	<b>15,725</b>
Ghan Desai	15,000	1,500	13,500
	5,000		5,000
<b>Total</b>	<b>20,000</b>	<b>1,500</b>	<b>18,500</b>
Joanne O Donnell	15,000	3,000	12,000
	5,000		5,000
<b>Total</b>	<b>20,000</b>	<b>3,000</b>	<b>17,500</b>

\* Number of shares referenced in this column will be cutback by a necessary amount to avoid penalties under Section 280G of the Internal Revenue Code.

***Appointment of One Team Capital Bank Board of Directors Member to the Board of Directors of Provident Financial and The Provident Bank.*** As of the closing of the merger, the number of persons constituting the boards of directors of each of Provident Financial and The Provident Bank will each be increased by one, and John Pugliese, a current director and the Chairman of the Board of Team Capital Bank, will be appointed a director of Provident Financial and The Provident Bank, subject to confirmation that Mr. Pugliese qualifies as an independent director under the standards of the New York Stock Exchange and Provident Financial. Mr. Pugliese will serve for a term of office for Provident Financial and The Provident Bank that expires at the 2015 annual meeting of stockholders of Provident Financial, and subject to their fiduciary duties, the board of directors of Provident Financial will propose Mr. Pugliese for election by Provident Financial stockholders at the 2015 annual meeting of Provident Financial stockholders for a three year term (and at such time The Provident Bank, subject to its fiduciary duties, shall also propose Mr. Pugliese for election to The Provident Bank board of directors for a three year term, and Provident Financial shall vote to approve such nomination as the sole stockholder of The Provident Bank) Provident Financial and The Provident Bank will consider current members of Team Capital Bank's board of directors as potential board of directors candidates to fill future vacancies that may arise.

***Appointment to Advisory Boards.*** Effective as of the closing of the merger, Provident Financial shall establish a New Jersey regional advisory board and a Pennsylvania regional advisory board, which will be

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comprised of current members of the board of directors at Team Capital Bank (other than Mr. Pugliese) or an existing Team Capital Bank advisory board, and who are designated by Provident Financial in consultation with Team Capital Bank. Each advisory board member will receive an advisory board fee of \$750 per meeting attended.

**Employment Agreements.** Team Capital Bank is a party to employment agreements with each of Mr. Rupel, Mr. Hall, Mr. Cort, Mr. Dansbury, Mr. Desai and Ms. O'Donnell providing for severance benefits that may be triggered on termination of employment in connection with the merger.

Pursuant to the terms of the employment agreements, in the event of each executive's involuntary or constructive termination without cause within two years following a change in control, Team Capital Bank (or its successor) will provide each executive with the following severance benefits:

a lump sum cash payment equal to 200% of base salary in effect as of the date of termination; and

continued health, medical and life insurance benefits (or the economic equivalent) for 24 months after the date of termination.

In addition, following termination of employment, each executive is entitled to receive a lump sum cash payment in consideration of his or her 24-month non-solicitation and six-month non-competition covenants (the Non-Compete Payment).

Each employment agreement also provides that the payments provided thereunder when aggregated with other benefits and payments to which each executive would be entitled as a result of a change in control will be reduced, to the extent necessary, to avoid an excess parachute payment under Section 280G of the Internal Revenue Code (the 280G Cutback Amount). Alternatively, each executive is permitted to apply the 280G Cutback Amount to other change in control benefits that are not payable under the employment agreement.

The estimated payments which would be made to each executive under his or her employment agreement as a result of a termination of employment (without cause) immediately following the effective time merger are as follows:

<b>Executive</b>	<b>Cash Severance (\$)</b>	<b>Continued Health, Medical and Life Insurance Benefits (\$)</b>	<b>Non-Compete Payment (\$)</b>	<b>Total (\$)*</b>
Robert A. Rupel	630,000	34,835	397,500	1,062,335
Howard N. Hall	432,650	34,835	142,244	609,729
Fredric B. Cort	291,000	34,835	99,125	424,960
A. Bruce Dansbury	481,750	34,835	140,656	657,241
Ghan Desai	320,950	34,835	100,356	456,141
Joanne O'Donnell	359,700	34,835	124,888	519,423



\* Assumes the 280G Cutback Amount was applied to the executive's unvested restricted stock awards, and not to the benefits payable under his or her employment agreement.

**Indemnification.** Pursuant to the merger agreement, Provident Financial has agreed that, for a period of six years after the effective date of the merger, it will indemnify, defend and hold harmless each present and former officer or director of Team Capital Bank or any of its subsidiaries against all losses, claims, damages, costs, expenses (including attorneys' fees), liabilities, judgments and amounts that are paid in settlement (with the approval of Provident Financial, which approval shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding or investigation, based in whole or in part on, or arising in whole or in part out of, the fact that such person is or was a director or officer of Team Capital Bank or any of its subsidiaries if such

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action or proceeding pertains to any matter of fact arising, existing or occurring before the closing date of the merger to the fullest extent permitted under applicable law, Team Capital Bank's certificate of incorporation and bylaws, and Provident Financial's certificate of incorporation and bylaws. Provident Financial will pay expenses in advance of the final disposition of any such action or proceeding to the fullest extent permitted under applicable law, provided that the person to whom such expenses are advanced agrees to repay such expenses if it is ultimately determined that such person is not entitled to indemnification.

***Directors and Officers Insurance.*** Provident Financial has further agreed, for a period of six years after the effective date of the merger, to cause the persons serving as officers and directors of Team Capital Bank immediately prior to the effective date of the merger to continue to be covered by Team Capital Bank's current directors' and officers' liability insurance policies (provided that Provident Financial may substitute policies of at least the same coverage and amounts containing terms and conditions which are not materially less favorable than Team Capital Bank's current policies) with respect to acts or omissions occurring prior to the effective date which were committed by such officers and directors in their capacity as such. Provident Financial is not required to spend more than 150% of the annual cost currently incurred by Team Capital Bank for its insurance coverage.

**Conduct of Business Pending the Merger**

The merger agreement contains various restrictions on the operations of Team Capital Bank and Provident Financial before the effective time of the merger. In general, the merger agreement obligates Team Capital Bank and Provident Financial to conduct their businesses in the usual, regular and ordinary course of business and to use reasonable efforts to preserve intact their business organizations and assets and maintain their rights and franchises. In addition, Team Capital Bank has agreed that, except as expressly contemplated by the merger agreement or specified in a schedule to the merger agreement, without the prior written consent of Provident Financial, it will not, among other things:

change or waive any provision of its articles of incorporation or bylaws, except as required by law or appoint a new director to its board of directors, except as necessary to maintain any required minimum number of directors;

change the number of authorized or issued shares of its capital stock (other than pursuant to the exercise of outstanding stock options), issue any shares of its common stock that are held as treasury shares, or issue or grant any right agreement of any character relating to its authorized or issued capital stock or any securities convertible into shares of such stock, make any grant or award under any stock plan of Team Capital Bank, or split, combine or reclassify any shares of capital stock, or declare, set aside or pay any dividend or other distribution in respect of capital stock (other than dividends payable attributable to the Small Business Lending Fund), or redeem (except as of the Small Business Lending Fund) or otherwise acquire any shares of capital stock;

enter into, amend in any material respect or terminate any material contract or agreement;

open or close any branch or automated banking facility;

grant or agree to pay any bonus, severance or termination to, or enter into, renew or amend any employment agreement, severance agreement and/or supplemental agreement with, or increase in any manner the compensation or fringe benefits of, any of its directors, officers or employees, except: (i) as to non-executive employees, pay increases in the ordinary course of business and consistent with past practice; and (ii) the payment of bonuses for the year ending December 31, 2013, to the extent that the bonuses have been accrued in accordance with GAAP;

hire or promote any employee to a rank having a title of vice president or other more senior rank or hire any new employee at an annual rate of compensation in excess of \$50,000, except at-will, non-executive officer hires to fill vacancies that may from time-to-time arise in the ordinary course of business;

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enter into or, except as may be required by law, materially modify any compensation/benefit plan or arrangement (including any health or welfare plan) in respect of any of its directors, officers or employees; or make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice;

purchase or acquire, or sell or dispose of, any assets or incur indebtedness other than in the ordinary course of business;

incur any capital expenditures in excess of \$50,000 individually or \$250,000 in the aggregate other than pursuant to binding commitments or as necessary to maintain existing assets in good repair;

change any accounting method or practice, except as required by generally accepted accounting principles in the United States or a regulator of Team Capital Bank;

issue any additional shares of capital stock or declare or pay any dividend other than its regular quarterly dividend (other than dividends payable with regard to Team Capital Bank's Schedule A Preferred Stock);

except for prior commitments previously disclosed to Provident Financial and the renewal of existing lines of credit, make any new loan or other credit facility commitment to any borrower or group of affiliated borrowers in excess of \$4,000,000;

purchase any equity securities or any security for its investment portfolio inconsistent with its current investment policy;

enter into any futures contract, option, interest rate cap, interest rate floor, interest rate exchange, or any other agreement for purposes of hedging;

take any action that would give rise to an acceleration of a right of payment under any compensation or benefit plan;

make material changes to certain of its banking policies;

sell any participation interest in a loan without giving Provident Financial the first opportunity to purchase the loan participation;

enter into any commitment for its account involving a payment of more than \$25,000 or extending beyond 12 months from the date of the merger agreement;

settle any claim, other than in the ordinary course of business in an amount not in excess of \$25,000 individually or \$50,000 in the aggregate and that does not create precedent;

foreclose on any commercial real estate without conducting a Phase I environmental assessment or if such environmental assessment indicates the presence of materials of environmental concern; and

issue any broadly distributed communication of a general nature to employees or customers, without consultation with Provident Financial except for communications in the ordinary course of business consistent with past practice that do not relate to the merger or other transactions contemplated by the merger agreement.

Provident Financial has also agreed that, without the prior written consent of Team Capital Bank, it will not take any action that would:

adversely affect the ability of Provident Financial and Team Capital Bank to obtain necessary regulatory approvals, or materially increase the period of time necessary to obtain the approvals;

adversely affect the ability of Provident Financial to perform its covenants and agreements under the merger agreement; or

result in the representation and warranties in the merger agreement not being true and correct, or in any of Provident Financial's conditions in the merger agreement not being satisfied.

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In addition to these covenants, the merger agreement contains various other customary covenants, including, among other things, access to information, each party's efforts to cause its representations and warranties to be true and correct on the closing date; and each party's agreement to use its reasonable best efforts to cause the merger to qualify as a tax-free reorganization.

## **Representations and Warranties**

The merger agreement contains a number of representations and warranties by Provident Financial and Team Capital Bank regarding aspects of their respective businesses, financial condition, structure and other facts pertinent to the merger that are customary for a transaction of this kind. They include, among other things, representations as to:

the organization, existence, corporate power and authority and capitalization of each of the companies;

the absence of conflicts with or violations of law and various documents, contracts and agreements;

the absence of any event or circumstance which is reasonably likely to be materially adverse to the companies;

the absence of materially adverse litigation;

the accuracy of reports and financial statements filed with banking regulators or the Securities and Exchange Commission, as applicable;

required consents and filings with governmental entities and other approvals required for the merger;

the existence, performance and legal effect of certain contracts;

compliance with applicable laws;

the filing of tax returns, payment of taxes and other tax matters;

loan and investment portfolio matters;

labor and employee benefit matters; and

compliance with applicable environmental laws.

All representations, warranties and covenants of the parties, other than the covenants in specified sections which relate to continuing matters, shall terminate upon the closing of the merger.

### **Conditions to the Merger**

The respective obligations of Provident Financial and Team Capital Bank to complete the merger are subject to various conditions prior to the merger. The conditions include the following:

the New Jersey Department of Banking and Insurance, the Pennsylvania Department of Banking and Securities the Federal Deposit Insurance Corporation and the Federal Reserve Board approvals (or waivers thereof) of the merger and the expiration of all statutory waiting periods;

approval of the merger agreement by the affirmative vote of two-thirds (2/3) of the issued and outstanding shares of Team Capital Bank;

the absence of any litigation, statute, law, regulation, injunction, order or decree which would enjoin or prohibit the merger;

the accuracy of the representations and warranties of the parties, and the performance by the parties of all agreements and covenants, set forth in the merger agreement;

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the receipt of a tax opinion delivered by counsel to Provident Financial and reasonably acceptable to counsel for Team Capital Bank to the effect that the merger will qualify as a tax-free reorganization under United States federal income tax laws;

obtaining any necessary third party consents;

listing with the New York Stock Exchange of the Provident Financial common stock to be issued to Team Capital Bank stockholders; and

no stop order being issued suspending the effectiveness of the Registration Statement of which this Proxy Statement/Prospectus is a part.

The parties may waive conditions to their obligations unless they are legally prohibited from doing so. Stockholder and regulatory approvals may not be legally waived.

## **Small Business Lending Fund**

Team Capital Bank and The Provident Bank have agreed to use their reasonable best efforts to redeem the \$22.4 million of outstanding Team Capital Bank Series A Preferred Stock at or promptly following the consummation of the merger. The Provident Bank will fund the redemption, with the method of funding to be agreed upon by Team Capital Bank and Provident Bank, subject to any formal or informal requirements of the United States Department of Treasury and the required approval of any bank regulator.

## **Regulatory Approvals Required for the Merger**

**General.** Team Capital Bank and Provident Financial have agreed to use all reasonable efforts to obtain all permits, consents, approvals and authorizations of all third parties and governmental entities that are necessary or advisable to consummate the merger, which will include the approvals of the Federal Deposit Insurance Corporation, New Jersey Department of Banking and Insurance and the Pennsylvania Department of Banking and Securities. The merger also requires approval of the Federal Reserve Board unless the Federal Reserve Board approves a request by Provident Financial Services, Inc. to waive the application requirement. Provident Financial has filed the application or notice materials necessary to obtain these regulatory approvals. The merger cannot be completed without such approvals. Provident Financial and Team Capital Bank cannot assure you that the required regulatory approvals will be obtained, when they will be received or whether there will be conditions in the approvals or any litigation challenging the approvals. Provident Financial and Team Capital Bank also cannot assure you that the United States Department of Justice or any state attorney general will not attempt to challenge the merger on antitrust grounds, or what the outcome will be if such a challenge is made.

Provident Financial and Team Capital Bank are not aware of any material governmental approvals or actions that are required prior to the merger other than those described herein. Provident Financial and Team Capital Bank presently contemplate that each will seek any additional governmental approvals or actions that may be required in addition to those requests for approvals currently pending; however, Provident Financial and Team Capital Bank cannot assure you that any such additional approvals or actions will be obtained.

**Federal Deposit Insurance Corporation.** The merger is subject to approval by the Federal Deposit Insurance Corporation pursuant to the Federal Bank Merger Act. Provident Financial has filed the required application, but



Provident Financial has not yet received the Federal Deposit Insurance Corporation's approval.

The Federal Deposit Insurance Corporation may not approve any transaction that would result in a monopoly or otherwise substantially lessen competition or restrain trade, unless it finds that the anti-competitive effects of the transaction are clearly outweighed by the public interest. In addition, the Federal Deposit Insurance Corporation considers the financial and managerial resources of the companies and their subsidiary institutions and the convenience and needs of the communities to be served. Under the Community Reinvestment Act, the Federal Deposit Insurance Corporation must take into account the record of performance of each company in

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meeting the credit needs of its entire communities, including low and moderate income neighborhoods, served by each company. The Provident Bank has an outstanding CRA rating and Team Capital Bank has a satisfactory CRA rating. The Federal Deposit Insurance Corporation also must consider the effectiveness of each company involved in the proposed transaction in combating money-laundering activities.

Federal law requires publication of notice of, and the opportunity for public comment on, the applications submitted by Provident Financial and The Provident Bank for approval of the merger and authorizes the Federal Deposit Insurance Corporation to hold a public hearing in connection with the application if it determines that such a hearing would be appropriate. Any such hearing or comments provided by third parties could prolong the period during which the application is subject to review. In addition, under federal law, a period of 30 days must expire following approval by the Federal Deposit Insurance Corporation, within which period the Department of Justice may file objections to the merger under the federal antitrust laws. This waiting period may be reduced to 15 days if the Department of Justice has not provided any adverse comments relating to the competitive factors of the transaction. If the Department of Justice were to commence an antitrust action, that action would stay the effectiveness of the Federal Deposit Insurance Corporation's approval of the merger unless a court specifically orders otherwise. In reviewing the merger, the Department of Justice could analyze the merger's effect on competition differently than the Federal Deposit Insurance Corporation, and thus it is possible that the Department of Justice could reach a different conclusion than the Federal Deposit Insurance Corporation regarding the merger's competitive effects.

***New Jersey Department of Banking and Insurance.*** The merger is subject to the approval of the New Jersey Department of Banking and Insurance under New Jersey law. Provident Financial has filed the required application with the New Jersey Department of Banking and Insurance for approval of the merger. In determining whether to approve such application, the New Jersey Department of Banking and Insurance may consider, among other factors whether the merger will be in the public interest and whether The Provident Bank, the surviving bank in the merger, has the minimum capital stock and surplus required under the New Jersey Banking Act of 1948. Provident Financial has not yet received the approval of the New Jersey Department of Banking and Insurance.

***Pennsylvania Department of Banking and Securities.*** The merger requires the approval of the Pennsylvania Department of Banking and Securities under Pennsylvania law. Provident Financial has filed the required application with the Pennsylvania Department of Banking and Securities. In determining whether to approve such application, the Pennsylvania Department of Banking and Securities may consider, among other factors, compliance with the relevant provisions of Pennsylvania law. Provident Financial has not yet received the approval of the Pennsylvania Department of Banking and Securities.

***Board of Governors of the Federal Reserve System.*** The merger also requires the approval of the Federal Reserve Board pursuant to the Bank Holding Company Act. However, the applicable regulations establish a procedure whereby a waiver of an application requirement may be requested provided that certain conditions are met. Provident Financial intends to seek such a waiver. If the waiver is not granted, Provident Financial would be required to file an application with the Federal Reserve Board. In determining whether to approve any such application, the Federal Reserve Board would consider factors generally similar to those considered by the Federal Deposit Insurance Corporation under the Bank Merger Act.

## **No Solicitation**

Until the merger is completed or the merger agreement is terminated, Team Capital Bank has agreed that it, its subsidiaries, its officers and its directors will not:

directly or indirectly initiate, solicit or knowingly encourage any inquiries or the making of any proposal to acquire Team Capital Bank, whether by merger, acquisition of 25% or more of Team Capital Bank's capital stock or 25% or more of the assets of Team Capital Bank or otherwise;

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participate in any discussions or negotiations regarding any such acquisition proposal, or furnish or afford access to data relating to such acquisition proposal;

release parties from any confidentiality agreement; or

enter into any agreement, agreement in principal or letter of intent with respect to any such other acquisition proposal.

Team Capital Bank may, however, furnish information regarding Team Capital Bank to, or enter into discussions or negotiations with, any person or entity in response to an unsolicited acquisition proposal by such person or entity if:

Team Capital Bank's board of directors determines in good faith, after consultation with its financial and legal advisors, that such unsolicited proposal, if consummated, is reasonably likely to result in a transaction more favorable to Team Capital Bank's stockholders from a financial point of view than the merger with Provident Financial; Team Capital Bank promptly notifies Provident Financial of such proposals or offers, the material terms of such inquiries, proposals or offers and the identity of the person making such inquiry, proposal or offer; and

The Team Capital Bank special meeting of stockholders has not yet occurred.

**Termination; Amendment; Waiver**

The merger agreement may be terminated prior to the closing, before or after approval by Team Capital Bank's stockholders, as follows:

by mutual written agreement of Provident Financial and Team Capital Bank;

by either Provident Financial or Team Capital Bank if the closing of the merger has not occurred on or before December 31, 2014, and such failure to close is not due to the terminating party's material breach of any representation, warranty, covenant or other agreement contained in the merger agreement;

by Provident Financial or Team Capital Bank if the stockholders of Team Capital Bank do not approve the merger agreement;

by a non-breaching party if the other party materially breaches any covenants, agreements, representations or warranties contained in the merger agreement, if such breach has not been cured within thirty days after notice from the terminating party;

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by either party if any required regulatory approvals for consummation of the merger are not obtained or any court or other governmental authority issues a final order or other action prohibiting the merger;

by either party if any condition to the obligation of such party to complete the merger cannot be satisfied or fulfilled by December 31, 2014;

by Provident Financial if Team Capital Bank shall have received a superior proposal, as defined in the merger agreement, and the Team Capital Bank board of directors shall have entered into an