

RESEARCH REPORT

PROVIDENT FINANCIAL SERVICES, INC. (NYSE: PFS)

Dave Storms, CFA

Dave@stonegateinc.com

214-987-4121

Market Statistics in USD

Price	\$ 22.38
52 week Range	\$15.92 - \$23.98
Daily Vol (3-mo. average)	953,993
Market Cap (M)	\$2,920.9
Shares Outstanding: (M)	130.5
Float (M)	126.5

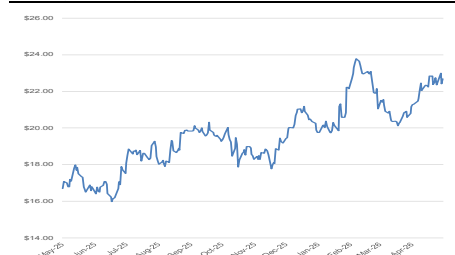
Financial Summary in USD

Cash (M)	\$ 222.1
Cash/Share	\$ 1.70
Debt (M)	\$2,890.8
Equity (M)	\$2,862.9
Equity/Share	\$ 21.97
Book Value/Share	\$ 21.97
Tangible Book Value/Share	\$ 16.03

FYE: Dec 2025 2026E 2027E

(all figures in M, expect per share information)

Int. Income	\$1,272.8	\$1,308.0	\$1,405.1
Chng%	106.7%	2.8%	7.4%
Net Income	\$ 291.2	\$ 311.3	\$ 334.2
EPS (Diluted)	\$ 2.23	\$ 2.38	\$ 2.55



COMPANY DESCRIPTION

Founded in Jersey City in 1839, Provident Bank is the oldest community-focused financial institution based in New Jersey and is the wholly owned subsidiary of Provident Financial Services, Inc. (NYSE:PFS). Provident Bank offers a wide range of customized financial solutions for businesses and consumers with an exceptional customer experience delivered through its convenient network of more than 140 branches across New Jersey and parts of New York and Pennsylvania, via mobile and online banking, and from its customer contact center. The bank also provides fiduciary and wealth management services through its wholly owned subsidiary, Beacon Trust Company, and insurance services through its wholly owned subsidiary, Provident Protection Plus, Inc.

Company Updates

Quarterly Results: Provident Financial Services delivered a steady 1Q26, with the post-Lakeland profitability profile holding despite lower q/q EPS and a more visible credit watch item. Net income was \$79.4M, or \$0.61 diluted EPS, versus \$83.4M, or \$0.64, in 4Q25, while ROAA was 1.29%, Pre-provision net-revenue ROAA was 1.75%, and ROATCE was 16.58%. Revenue remained above \$225M for the second consecutive quarter, as lower net interest income was offset by record noninterest income of \$31.5M. In our view, the quarter supports the case that PFS can sustain a higher post-Lakeland profitability profile through core margin improvement, fee income contribution, and tangible book value growth, though the senior housing-related NPL increase is now the key item to monitor.

Net Interest Income and Margin: Net interest income declined to \$193.7M from \$197.4M, reflecting fewer days in the quarter, lower purchase accounting accretion tied to reduced payoffs, and lower average earning assets. Reported NIM declined 4bps q/q to 3.40%, but core NIM expanded 3bps to 3.04%, supported by lower funding costs and favorable repricing of maturing loans. Average total deposit costs declined 16bps to 1.94%, while interest-bearing liability costs fell to 2.71%, indicating that deposit cost relief is still flowing through the margin. Management now models no further Fed cuts in 2026, versus three cuts previously, and tightened reported NIM guidance to 3.40%–3.45%, while still expecting ~3bps of core margin expansion in 2Q26.

Loans and Deposits: Balance sheet trends were better than the sequential deposit decline suggests. Commercial production totaled \$649.2M, driving 3.9% annualized net commercial loan growth, while payoffs fell to \$191.1M from \$499.9M last quarter. The commercial pipeline increased to a record \$3.11B from \$2.74B, with a 6.24% weighted average rate that remains accretive to the current loan portfolio yield. Deposits were seasonally softer, down \$178M q/q, driven by municipal outflows and a deliberate reduction in brokered deposits; however, non-maturity business and consumer deposits increased \$66.5M, and brokered deposits remained modest at 3.4% of total deposits. Management noted deposit competition has become more pronounced, making continued core deposit gathering the main funding.

Financial Ratios and Capital: Credit is the main debate following 1Q26. Nonperforming loans increased to 0.73% of loans from 0.40% last quarter, driven by four senior housing commercial loans totaling ~\$82M that are subject to related bankruptcy filings. Net charge-offs remained contained at \$3.1M, or 0.06% annualized, and management indicated no specific reserves were required given collateral support, intact property cash flows, and updated LTVs ranging from 32.9% to 81.9%. Allowance coverage declined to 0.90% of loans from 0.95%, which bears monitoring if migration broadens. Tangible book value increased 2.1% q/q to \$16.03, the TCE ratio improved to 8.55%.

Outlook / Our View: Management maintained 2026 guidance for 4%-6% loan and deposit growth, 10-15bps of charge-offs, ~\$28.5M of quarterly noninterest income, and \$117M-\$119M of quarterly opex, excluding ~\$5M of 2H26 core conversion costs. We view 1Q26 as a solid operating quarter as long as the senior housing migration stays contained.

Valuation: We use a comp analysis on P/E and P/TBV to frame our valuation of PFS. Using a forward P/E range of 9.5x to 10.0x with a mid-point of 9.8x on FY26 estimates results in a valuation range of \$24.27 to \$25.55 with a mid-point of \$24.91. Using a P/TBV range of 1.5x to 1.7x with a mid-point of 1.6x results in a valuation range of \$24.05 to \$26.45 with a mid-point of \$25.25.

Business Overview

Provident Financial Services, Inc. (NYSE: PFS) is the bank holding Company for Provident Bank, a New Jersey-chartered capital stock savings bank originally founded in 1839. With over 185 years of community banking heritage, Provident has built a distinctive reputation under its guiding principle, “Commitment You Can Count On,” serving individuals, families, and businesses throughout New Jersey, eastern Pennsylvania, and parts of New York including Orange, Queens and Nassau counties.

In January 2003, Provident Bank reorganized into its current holding company structure, establishing Provident Financial Services to support capital-raising and strategic growth initiatives. In May 2024, Provident completed its transformative merger with Lakeland Bancorp, Inc., creating a financial institution with approximately \$24.5 billion in assets, \$18.8 billion in loans, \$18.6 billion in deposits, and total stockholders’ equity of \$2.3 billion at the time of the merger.

Exhibit 1: Company Overview

Company Overview

- Founded in 1839, longest tenured bank headquartered in New Jersey
- 141 branches serving New Jersey, eastern Pennsylvania, and Orange, Queens, and Nassau Counties, New York
- Full-service commercial & consumer bank
- Strong capital, high asset quality, consistent results
- Diversified revenue stream from wealth management and insurance
- Quality earnings driven by earning asset growth, expanding margin, operational efficiency and strong credit quality
- Lakeland merger fully integrated and cost saves fully realized
- Continued focus on evolving digital channels and technology infrastructure

Geographic Overview



Total Assets	Total Loans	Total Deposits	PPNR ROAA	ROATCE	TCE	Wealth AUM	Q1 Insurance Rev
\$25.2B	\$19.7B	\$19.1B	1.75%	16.58%	8.55%	\$4.2B	\$6.9MM

Source: Company Reports

The combined Company now operates approximately 141 full-service branches across New Jersey, eastern Pennsylvania, and New York under the Provident Bank name. This merger deepened the Company’s presence as one of New Jersey’s largest community banking franchises and significantly expanded its commercial, retail, wealth, and insurance platforms.

Provident Bank’s offerings encompass a full suite of banking services: deposit accounts (checking, savings, money market, CDs, and IRAs), a diversified loan portfolio (commercial real estate, commercial business loans, residential mortgages, construction and consumer loans), wealth management and fiduciary services through Beacon Trust Company, and insurance brokerage via Provident Protection Plus, Inc.

The Company operates with a relationship-driven, community-based business model, emphasizing personalized service, long-term customer relationships, and cross-selling among banking, wealth, and insurance clients. The business model supports a diversified revenue structure: traditional net interest income derived from lending activities, complemented by non-interest income from fee-based businesses like wealth management and insurance brokerage. This structure enhances earning stability and helps mitigate margin pressures during varying rate environments. Provident Bank also proactively retains core deposit relationships, enabling access to low-cost funding sources and helping safeguard liquidity and funding flexibility.

Provisioning, capital adequacy, and credit discipline remain foundational priorities. The bank’s asset quality metrics are supported by conservative underwriting practices across all lending segments. Particularly within its CRE and C&I portfolios, Provident Bank emphasizes thorough diligence, conservative loan-to-value ratios, and strong borrower collateralization. Its consumer and mortgage lending divisions maintain low loss rates, reflecting disciplined risk management and careful borrower selection.

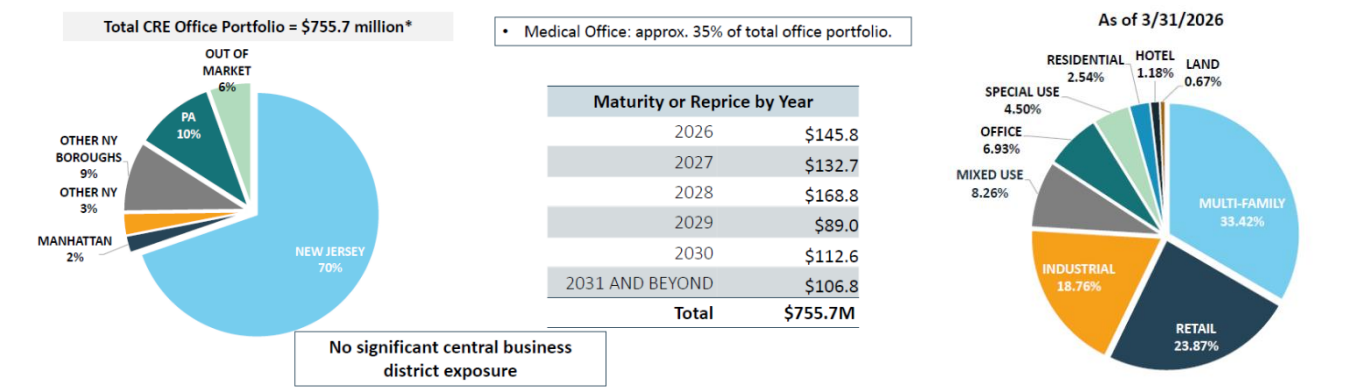
Segment Overview

Commercial Banking Segment

Commercial Real Estate (CRE) Lending

Provident Bank’s commercial real estate segment is focused on originating loans secured by income-producing properties, such as multi-family apartments, retail centers, office buildings, industrial facilities, and mixed-use developments. Loans in this category typically feature maturities ranging between five and ten years, often structured with adjustable rates or shorter fixed terms, which helps Provident Bank manage interest rate risk and enhance profitability. The underwriting criteria for these loans involve thorough due diligence and appraisal processes, ensuring robust asset quality and prudent risk management, thereby contributing significantly to Provident Bank’s overall loan portfolio quality and income stability.

Exhibit 2: Portfolio of Loans & CRE Investment Portfolio



Source: Company Reports

Commercial and Industrial (C&I) Loans

Provident Bank’s C&I lending supports a broad spectrum of business enterprises, encompassing asset-based financing, inventory and receivables lending, term loans, and revolving credit lines. The bank also provides specialized mortgage warehouse lines, enabling mortgage lenders to fund originations prior to selling into secondary markets. Provident Bank has notably expanded its C&I loan portfolio, demonstrating consistent double-digit growth and enhancing its overall asset yields. Through proactive relationship management and tailored financing solutions, Provident Bank captures high-quality business clientele, strengthening long-term relationships and driving sustained revenue growth.

Construction Loans

Provident Bank finances commercial and residential construction projects, offering primarily short-term floating-rate loans designed to transition seamlessly into permanent financing upon project completion. Recognizing the inherent risks in construction lending, Provident Bank employs stringent underwriting and oversight practices, including third-party engineering assessments, controlled loan disbursements tied to verified progress, and conservative project valuations. These disciplined lending practices mitigate risk, ensuring strong asset quality and dependable returns in Provident Bank’s construction lending portfolio.

Consumer Banking Segment

Residential Mortgage Loans

The residential mortgage segment involves originating fixed-rate and adjustable-rate mortgages primarily secured by one-to-four-family residential properties. Provident Bank strategically balances retaining residential mortgages in its portfolio and selling select loans into secondary markets (primarily to government-sponsored enterprises), enabling it to effectively manage interest rate exposure and liquidity. Provident Bank's mortgage lending practices emphasize stringent underwriting standards, comprehensive borrower evaluations, and market-aligned products, ensuring portfolio performance and customer satisfaction.

Consumer Loans

Provident Bank's consumer lending predominantly consists of home equity loans and home equity lines of credit, typically secured by borrowers' primary residences. This segment provides customers convenient access to credit, often used for home improvements, debt consolidation, and other personal financial needs. By maintaining prudent underwriting guidelines and risk assessments, Provident Bank ensures portfolio stability and consistently low default rates, contributing to steady performance within its broader consumer banking business.

Wealth Management and Insurance Segment

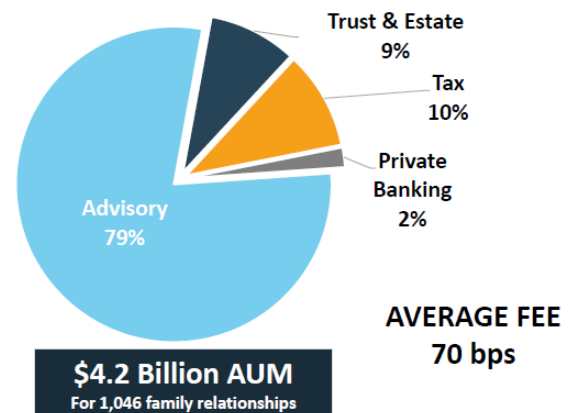
Beacon Trust Company

Beacon Trust, Provident Bank's wholly-owned subsidiary, specializes in fiduciary services, wealth advisory, asset management, and estate planning for individuals, families, and institutional clients. With assets under management (AUM) exceeding \$4 billion, Beacon Trust significantly contributes to Provident Bank's non-interest income, delivering personalized advisory and fiduciary services that deepen customer relationships, enhance client retention, and drive consistent revenue generation.

Provident Protection Plus, Inc.

This insurance brokerage subsidiary expands Provident Bank's product offerings through comprehensive insurance solutions, including property, casualty, life, and commercial insurance lines. Provident Protection Plus generates consistent fee-based income and diversifies Provident Bank's revenue stream away from traditional banking interest margins. Its established relationships with major insurance carriers allow Provident Bank to provide customized insurance programs, complementing the bank's holistic approach to financial solutions for clients.

Exhibit 4: Wealth Management Business



Source: Company Reports

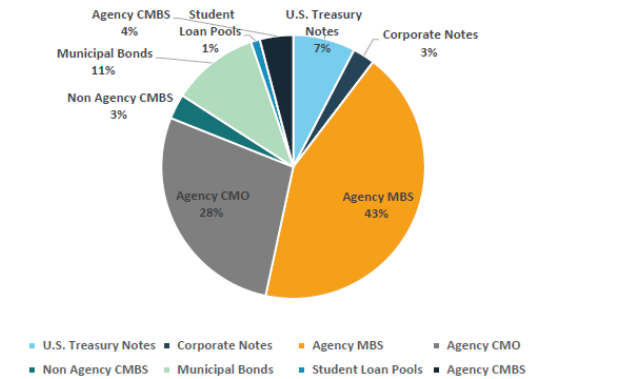
Growth Drivers

Strategic Mergers and Acquisitions

The Company’s growth trajectory has significantly benefited from targeted mergers, notably the Lakeland Bancorp transaction, which enhanced operational scale and market penetration. The Company’s disciplined integration process yielded substantial cost savings and revenue synergies, improving overall profitability. Future opportunities for strategic M&A will remain critical growth drivers, allowing the Company to further consolidate regional markets, improve market share, and optimize operational efficiencies.

Exhibit 5: Investment Portfolio

Total Investment Portfolio = \$3.51 Billion



Source: Company Reports

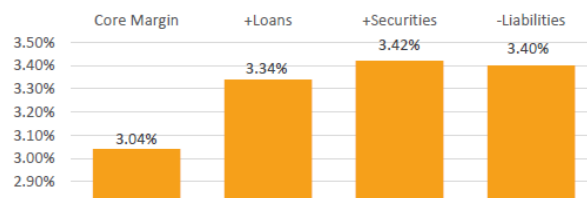
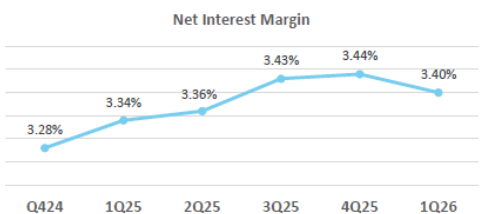
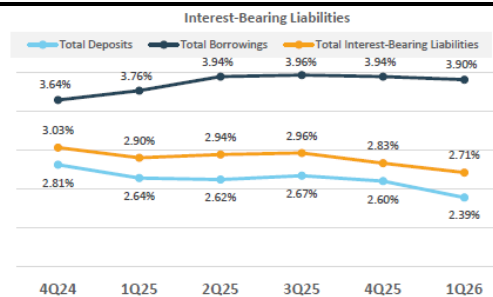
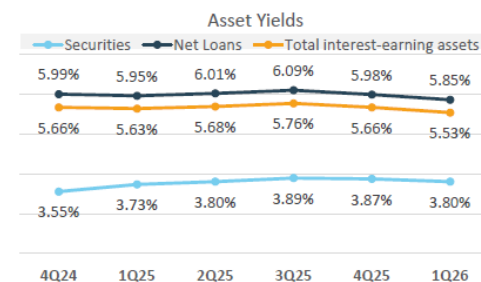
Loan Portfolio Expansion and Diversification

Provident Bank continues to achieve notable growth within its loan portfolios, particularly in commercial lending segments such as CRE and C&I loans. By capitalizing on local market opportunities, relationship banking strategies, and responsive lending solutions, Provident Bank is well-positioned to sustain consistent portfolio growth. This disciplined expansion not only enhances asset yields and profitability but also diversifies credit risk across multiple industry sectors and client segments.

Digital Transformation Initiatives

Provident Bank actively invests in digital technologies, mobile and online banking platforms, cybersecurity infrastructure, and automated operational systems. This digital transformation initiative is pivotal to enhancing customer experience, operational efficiency, and market competitiveness. As banking increasingly shifts towards digital channels, Provident Bank’s continued investment in technology ensures it remains at the forefront of industry innovation and customer engagement.

Exhibit 6: Portfolio of Loans & CRE Investment Portfolio



Source: Company Reports

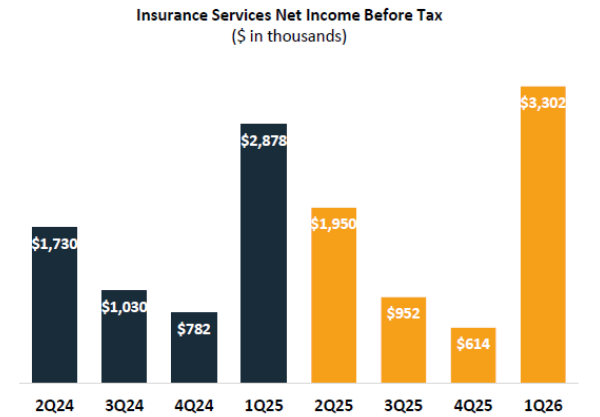
Focus on Core Deposits and Relationship Banking

Provident Bank strategically emphasizes acquiring and maintaining core deposit accounts, particularly lower-cost transaction and savings accounts. These deposits provide a stable, cost-effective funding base, essential for managing funding costs and sustaining net interest margins, particularly in fluctuating interest rate environments. Provident Bank's relationship-driven approach enhances customer retention, increases cross-selling opportunities, and fosters stable long-term deposit growth.

Expansion of Wealth Management and Insurance Services

Provident Bank's wealth management and insurance subsidiaries continue to expand their contributions to non-interest revenue, reducing reliance on traditional interest income streams. The continued growth and integration of these subsidiaries allow Provident Bank to offer a comprehensive suite of financial products, deepening client relationships and diversifying revenue sources, thereby enhancing earnings stability across market cycles.

Exhibit 7: Investment Portfolio



Source: Company Reports

Market Overview

The U.S. regional banking sector, characterized by banks with significant market presence in specific geographical areas, is crucial for economic growth, particularly for small to mid-sized enterprises (SMEs), local businesses, and communities. Regional banks represent roughly 20% of total banking assets in the United States, underscoring their role in economic development, local job creation, and personalized financial services.

Regional banks, such as Provident Bank, have traditionally thrived due to their deep local market knowledge, personal customer relationships, and community-driven banking services. However, the sector faces increasing competition from national banks, credit unions, fintech companies, and online-only banks. Technological advancements and changing consumer behaviors have compelled regional banks to accelerate digital transformation strategies to remain competitive, enhance customer experiences, and attract younger, digitally oriented clients.

Despite these challenges, regional banks have opportunities to strengthen their positions through consolidation, improved technological infrastructure, and expanded service offerings, including wealth management, insurance brokerage, and specialized commercial lending. Additionally, favorable demographic and economic trends, including population growth and robust local economic activities in select regions, provide avenues for continued growth in loan demand and deposit acquisition.

The regulatory landscape presents an ongoing challenge, as regional banks navigate complex compliance requirements related to capital adequacy, risk management, cybersecurity, and consumer protection. Banks that proactively address regulatory changes and maintain prudent risk management frameworks are best positioned to achieve sustainable growth. Overall, regional banks that effectively leverage local market strengths, invest strategically in technology and customer experience, and remain adaptable to evolving economic and regulatory environments, will continue to thrive and expand their market share, contributing meaningfully to regional and national economic vitality.

Risks

Geographic concentration – Provident Bank is concentrated in the state of New Jersey, New York, and Eastern Pennsylvania, which exposes it to risks associated with lack of geographic diversification. A local or regional economic downturn could adversely affect the Company's profitability.

Changes in interest rates – The Company's results depend on its net interest income; should the rates it earns on loans, securities and other interest-bearing assets fluctuate faster than the rates it is required to pay on deposits and borrowed funds, results would suffer.

Security of systems – Any material breaches in the security of Provident Bank's banking systems could cause material losses for the bank. Protecting sensitive consumer data is essential as is maintenance and backup of key financial and customer information.

Access to future capital – Should the Company incur significant loan losses, desire to execute acquisitions, or require additional funds for other operational purposes, the timing and terms of the capital may not be favorable given certain economic and/or market conditions.

External shocks – War, terrorism, other acts of violence or natural or manmade disasters such as a global pandemic may affect the markets in which the Company operates, the Company's customers, the Company's delivery of products and customer service, and could have a material adverse impact on our business, results of operations, or financial condition.

VALUATION

Provident Bank’s experienced management and service teams bring not only valuable industry knowledge, but also a unique grasp of the local economy and target demographics. This experience, coupled with the Company’s operating ability, should allow it to take advantage of any opportunities that may present themselves.

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap (M)	Financial			EPS			Valuation			Profitability				
				Assets (M)	BV/sh	TBV/sh	2025	2026E	2027E	P/E 2025	P/E 2026E	P/E 2027E	P/BV	P/TBV	NIM	ROA	ROE
Ameris Bancorp	ABCB	\$ 85.56	\$ 5,740.52	\$ 28,109.9	\$ 60.84	\$ 44.94	\$ 4.85	\$ 6.77	\$ 7.15	17.6x	12.6x	12.0x	1.4x	1.9x	3.9%	1.6%	10.8%
Axos Financial, Inc.	AX	\$ 87.41	\$ 4,954.25	\$ 29,249.0	\$ 53.89	\$ 53.89	\$ 6.58	\$ 8.39	\$ 9.67	13.3x	10.4x	9.0x	1.6x	1.6x	nm	1.7%	16.6%
Cathay General Bancorp	CATY	\$ 56.41	\$ 3,782.65	\$ 24,048.6	\$ 44.60	\$ 38.95	\$ 3.51	\$ 5.45	\$ 5.88	16.1x	10.3x	9.6x	1.3x	1.4x	3.4%	1.4%	11.8%
Customers Bancorp, Inc.	CUBI	\$ 77.08	\$ 2,596.13	\$ 25,880.8	\$ 63.64	\$ 63.54	\$ 5.39	\$ 8.47	\$ 9.57	14.3x	9.1x	8.1x	1.2x	1.2x	3.2%	1.1%	13.1%
Dime Community Bancshares, Inc.	DCOM	\$ 36.07	\$ 1,583.00	\$ 14,999.5	\$ 31.33	\$ 27.73	\$ 2.42	\$ 3.36	\$ 4.36	14.9x	10.7x	8.3x	1.2x	1.3x	3.2%	0.9%	9.3%
Eastern Bankshares, Inc.	EBC	\$ 20.26	\$ 4,504.98	\$ 30,632.6	\$ 19.30	\$ 13.49	\$ 0.41	\$ 1.87	\$ 2.16	49.0x	10.8x	9.4x	1.0x	1.5x	3.6%	0.9%	6.1%
Independent Bank Corp.	INDB	\$ 77.46	\$ 3,762.41	\$ 24,783.6	\$ 72.92	\$ 47.86	\$ 4.08	\$ 7.28	\$ 8.34	19.0x	10.6x	9.3x	1.1x	1.6x	3.9%	1.3%	9.0%
NBT Bancorp Inc.	NBTB	\$ 44.21	\$ 2,299.35	\$ 16,204.4	\$ 36.57	\$ 26.87	\$ 2.94	\$ 4.16	\$ 4.52	15.1x	10.6x	9.8x	1.2x	1.6x	3.7%	1.3%	10.7%
WaFd, Inc.	WAFD	\$ 35.46	\$ 2,618.93	\$ 27,568.8	\$ 36.30	\$ 30.27	\$ 2.26	\$ 3.24	\$ 3.43	15.7x	11.0x	10.3x	1.0x	1.2x	2.8%	1.0%	8.7%
WSFS Financial Corporation	WSFS	\$ 72.13	\$ 3,761.51	\$ 22,106.9	\$ 52.24	\$ 33.71	\$ 4.22	\$ 6.18	\$ 6.57	17.1x	11.7x	11.0x	1.4x	2.1x	3.8%	1.6%	12.8%
Average				\$ 24,358.4	\$ 47.16	\$ 38.13	\$ 3.67	\$ 5.52	\$ 6.16	19.2x	10.8x	9.7x	1.23x	1.56x	3.51%	1.27%	10.89%
Median				\$ 25,332.2	\$ 48.42	\$ 36.33	\$ 3.80	\$ 5.82	\$ 6.22	15.9x	10.7x	9.5x	1.21x	1.56x	3.63%	1.28%	10.79%
Provident Financial Services, Inc.	PFS	\$ 22.38	\$ 2,920.9	\$ 25,201.7	\$ 21.97	\$ 16.03	\$ 1.05	\$ 2.23	\$ 2.38	21.2x	10.0x	9.4x	1.02x	1.40x	3.40%	1.29%	11.21%

(1) Previous day's closing price

(2) Estimates are from Capital IQ

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Price / Earnings

Comparable companies are trading at an average of 9.7x FY27 P/E. We believe PFS should trade in a forward P/E range of 9.5x to 10.0x with a mid-point of 9.8x. Using this range on our EPS estimate results in a valuation range of \$24.27 to \$25.55 with a mid-point of \$24.91.

	P/E		
2026 E	9.50x	9.75x	10.00x
EPS	\$ 2.56	\$ 2.56	\$ 2.56
Valuation	\$ 24.27	\$ 24.91	\$ 25.55

Price / Book Value

Provident Bank is trading at 1.4x P/TBV vs. comps at 1.6x. We believe PFS should trade in a price to tangible book value range of 1.50x to 1.65x with a mid-point of 1.58x. This Brings PFS more in-line with peer comps. Using this range on current book value per share results in a valuation range of \$24.05 to \$26.45 with a mid-point of \$25.25.

	P/TBV		
	1.50x	1.58x	1.65x
TBV/S	\$ 16.03	\$ 16.03	\$ 16.03
Valuation	\$ 24.05	\$ 25.25	\$ 26.45

BALANCE SHEET

Provident Financial Services, Inc. Consolidated Balance Sheets (\$M) Fiscal Year End: December																
ASSETS	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26
Cash and Cash Equivalents	186.7	532.4	712.5	186.5	180.3	158.4	290.6	244.1	205.9	205.9	234.1	258.9	301.6	211.5	211.5	222.1
Available for sale debt securities, at fair value	976.9	1,105.5	2,057.9	1,803.5	1,690.1	1,666.3	2,626.8	2,725.1	2,768.9	2,768.9	2,878.8	3,019.8	3,141.3	3,164.8	3,164.8	3,240.1
Held to maturity debt securities, (net of allowance)	453.6	451.0	436.2	387.9	363.1	354.7	350.5	332.0	327.6	327.6	314.0	308.7	292.1	282.1	282.1	267.7
Equity securities, at fair value	0.8	1.0	1.3	1.1	1.3	1.3	19.3	20.0	19.1	19.1	19.2	19.4	19.7	19.9	19.9	19.9
Federal Home Loan Bank stock	57.3	59.5	34.3	68.6	79.2	77.8	100.1	96.2	112.8	112.8	126.9	127.0	119.6	115.7	115.7	132.5
Net loans	7,277.4	9,721.4	9,500.9	10,160.9	10,766.5	10,736.3	18,575.4	18,609.2	18,628.4	18,628.4	18,749.6	18,923.9	19,113.4	19,334.0	19,334.0	19,478.2
Foreclosed assets, net	2.7	4.5	8.7	2.1	11.7	11.3	11.1	9.8	9.5	9.5	6.8	1.0	2.0	2.0	2.0	2.0
Banking premises and equipment, net	55.2	75.9	80.6	79.8	71.0	69.5	127.4	125.0	119.6	119.6	115.4	115.7	113.1	113.3	113.3	110.4
Accrued interest receivable	29.0	46.5	42.0	51.9	59.0	58.7	93.8	89.9	91.2	91.2	91.8	92.7	94.6	95.8	95.8	97.7
Intangible assets	437.0	466.2	464.2	460.9	457.9	457.2	851.5	839.2	819.2	819.2	809.7	800.2	790.7	782.2	782.2	773.6
Bank-owned life insurance	195.5	234.6	236.6	239.0	243.1	243.5	404.6	403.6	405.9	405.9	408.0	409.9	412.3	414.4	414.4	413.3
Other assets	136.3	221.4	206.1	341.1	287.8	296.0	619.4	548.3	543.7	543.7	470.5	470.0	432.3	445.1	445.1	444.2
Total Assets	9,808.6	12,919.7	13,781.2	13,783.4	14,210.8	14,130.9	24,070.5	24,042.5	24,051.8	24,051.8	24,224.8	24,547.3	24,832.8	24,980.7	24,980.7	25,201.7
LIABILITIES AND SHAREHOLDERS' EQUITY																
Demand deposits	5,384.9	7,395.5	9,081.0	8,373.0	8,020.9	7,906.0	13,526.1	13,548.5	13,776.0	13,776.0	13,612.2	13,812.1	14,153.9	14,402.1	14,402.1	14,286.6
Savings deposits	983.7	1,348.1	1,460.5	1,438.6	1,175.7	1,161.0	1,745.2	1,671.2	1,679.7	1,679.7	1,670.9	1,629.0	1,577.9	1,589.3	1,589.3	1,624.1
Certificates of deposit of \$250,000 or more	438.6	717.2	368.3	108.2	218.5	223.6	871.8	800.0	789.3	789.3	767.6	842.4	886.1	930.0	930.0	942.7
Other time deposits	295.5	377.0	324.2	643.3	877.4	808.3	2,210.2	2,356.5	2,378.8	2,378.8	2,398.1	2,425.0	2,478.3	2,357.3	2,357.3	2,246.9
Total Deposits	7,102.6	9,837.8	11,234.0	10,563.0	10,292.5	10,098.9	18,353.2	18,376.2	18,623.8	18,623.8	18,448.9	18,708.5	19,096.2	19,278.7	19,278.7	19,100.3
Mortgage escrow deposits	26.8	34.3	34.4	35.7	36.8	43.9	50.7	48.0	42.2	42.2	51.3	50.3	46.3	40.3	40.3	48.3
Borrowed funds	1,125.1	1,176.0	626.8	1,337.4	1,970.0	2,058.1	2,302.1	2,214.5	2,020.4	2,020.4	2,336.2	2,374.7	2,209.3	2,112.0	2,112.0	2,483.0
Subordinated debentures	-	25.1	10.3	10.5	10.7	10.7	412.8	414.2	401.6	401.6	402.9	404.1	405.3	406.6	406.6	407.8
Other liabilities	140.2	226.7	178.6	239.1	210.1	224.1	396.1	368.6	362.5	362.5	326.8	302.2	308.6	310.0	310.0	299.4
Total Liabilities	1,292.1	1,462.1	850.1	1,622.7	2,227.7	2,336.9	3,161.6	3,045.3	2,826.8	2,826.8	3,117.1	3,131.2	22,065.7	22,147.5	2,868.8	3,238.5
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	0.8	0.8	0.8	0.8	0.8	0.8	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Additional paid-in capital	1,007.3	962.5	969.8	981.1	989.1	990.6	1,868.6	1,871.3	1,834.5	1,834.5	1,836.7	1,839.3	1,841.9	1,844.9	1,844.9	1,847.7
Retained earnings	695.3	718.1	814.5	918.2	974.5	988.5	958.0	973.0	989.1	989.1	1,021.3	1,061.9	1,102.3	1,154.4	1,154.4	1,202.4
Accumulated other comprehensive (loss) income	3.8	17.7	6.9	(165.0)	(141.1)	(151.6)	(140.0)	(93.0)	(135.4)	(135.4)	(110.2)	(103.8)	(87.2)	(76.2)	(76.2)	(86.4)
Treasury stock	(268.5)	(59.0)	(79.6)	(127.2)	(127.8)	(129.1)	(129.1)	(129.1)	(88.4)	(88.4)	(90.3)	(91.3)	(91.3)	(91.3)	(91.3)	(102.2)
Unallocated common stock held by the Employee Stock Ownership Plan	(24.9)	(20.2)	(15.3)	(10.2)	(4.9)	(4.1)	(3.3)	(2.5)	-	-	-	-	-	-	-	-
Common stock acquired by deferred compensation plans	(3.8)	(4.5)	(4.0)	(3.4)	(2.7)	(2.5)	(2.4)	(2.2)	-	-	-	-	-	-	-	-
Deferred compensation plans	3.8	4.5	4.0	3.4	2.7	2.5	2.4	2.2	-	-	-	-	-	-	-	-
Total Consolidated Equity	1,413.8	1,619.8	1,697.1	1,597.7	1,690.6	1,695.2	2,555.6	2,621.1	2,601.2	2,601.2	2,658.8	2,707.6	2,767.0	2,833.2	2,833.2	2,862.9
Total Liabilities and Shareholders' Equity	9,808.6	12,919.7	13,781.2	13,783.4	14,210.8	14,130.9	24,070.5	24,042.5	24,051.8	24,051.8	24,224.8	24,547.3	24,832.8	24,980.7	24,980.7	25,201.7

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Provident Financial Services, Inc.
 Consolidated Statements of Income (in \$M, except per share amounts)
 Fiscal Year End: December

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Interest income																				
Real estate secured loans	\$ 224.9	\$ 252.3	\$ 304.3	\$ 408.9	\$ 655.9	\$ 187.1	\$ 192.8	\$ 197.3	\$ 196.1	\$ 773.2	\$ 191.5	\$ 196.2	\$ 199.9	\$ 201.9	\$ 789.4	\$ 205.7	\$ 209.5	\$ 213.5	\$ 217.4	\$ 846.1
Commercial loans	82.2	99.2	99.0	128.9	251.8	75.8	78.9	81.9	81.7	318.3	77.9	81.9	83.1	87.6	330.6	89.6	90.7	91.9	93.0	365.2
Consumer loans	16.9	13.6	14.4	18.4	36.6	10.2	10.5	10.8	10.5	42.0	9.9	10.4	10.7	10.7	41.8	10.7	11.2	11.1	11.1	44.2
Available for sale debt securities, equity securities and Federal Home Loan Bank stock	25.4	23.8	36.6	46.8	85.9	29.6	31.4	33.6	34.0	128.6	33.3	33.5	33.5	33.5	133.8	33.5	33.5	33.5	33.5	134.0
Held to maturity debt securities	11.5	10.7	9.9	9.4	8.9	2.0	2.0	1.9	1.8	7.7	1.8	2.0	2.0	2.0	7.8	2.0	2.5	2.5	2.5	9.5
Due from banks, Federal funds sold and other short-term investments	2.4	2.7	2.0	3.4	7.1	0.7	0.8	0.8	0.8	3.0	0.7	1.0	1.5	1.5	4.7	1.5	1.5	1.5	1.5	6.0
Total interest income	363.3	402.3	466.2	615.8	1,046.1	305.3	316.3	326.3	324.8	1,272.8	315.1	325.0	330.7	337.2	1,308.0	343.0	349.0	353.9	359.1	1,405.1
Interest expense																				
Deposits	33.6	26.5	38.7	159.5	349.5	97.4	96.3	102.1	104.2	400.0	91.9	97.0	98.2	99.5	386.7	105.9	107.5	108.6	109.7	431.8
Borrowed funds	16.6	8.6	9.3	55.9	73.5	17.8	24.5	21.3	15.2	78.8	21.0	21.0	20.2	19.5	81.7	21.0	20.3	19.5	18.9	79.7
Subordinated debt	0.5	1.2	0.6	1.1	22.5	8.4	8.5	8.5	8.0	33.5	8.4	8.4	8.4	8.5	33.7	8.7	8.7	8.7	8.7	34.8
Total Interest Expense	50.7	36.3	48.6	216.4	445.5	123.6	129.2	131.9	127.4	512.2	121.3	126.4	126.9	127.5	502.1	135.6	136.5	136.9	137.3	546.3
Net interest income	312.6	366.0	417.6	399.5	600.6	181.7	187.1	194.3	197.4	760.6	193.7	198.7	203.8	209.7	805.9	207.4	212.5	217.1	221.8	858.8
Provision (benefit) charge for credit losses	29.7	(24.3)	5.0	28.2	87.6	0.6	(2.9)	7.0	(1.2)	3.6	(2.1)	5.0	5.1	5.2	13.2	5.2	5.3	5.4	5.5	21.5
Net interest income after loan losses	282.9	390.4	412.5	371.3	513.1	181.1	190.0	187.3	198.6	757.0	195.9	193.7	198.7	204.5	792.8	202.2	207.2	211.6	216.2	837.3
Non-interest income																				
Fees	23.8	30.0	28.1	24.4	34.1	9.7	10.7	11.3	11.1	42.8	10.5	10.5	10.5	10.8	42.2	11.5	11.5	11.5	11.6	46.0
Wealth management income	25.7	30.8	27.9	27.7	30.5	7.3	6.9	7.3	7.6	29.3	7.4	7.6	7.6	7.6	30.1	7.7	7.7	7.7	7.8	30.8
Insurance agency income	3.5	10.2	11.4	13.9	16.2	5.7	4.9	3.9	3.9	18.3	6.9	6.0	6.0	6.0	24.9	6.0	6.0	6.5	6.5	25.0
Bank-owned life insurance	6.5	7.9	6.0	6.5	11.7	2.1	2.6	2.7	2.8	10.1	4.0	3.0	3.0	3.0	13.0	3.0	3.0	3.0	3.0	12.0
Net gain (loss) on securities transactions	0.1	0.3	0.2	0.0	(3.0)	0.1	-	0.1	0.7	0.8	-	-	-	-	-	-	-	-	-	-
Other income	12.8	7.7	14.2	7.3	4.5	2.2	1.9	2.2	2.3	8.5	2.7	1.0	1.0	1.0	5.7	2.0	2.0	2.0	2.0	8.0
Total non-interest income	72.4	86.8	87.8	79.8	94.1	27.0	27.1	27.4	28.3	109.8	31.5	28.1	28.1	28.3	115.9	30.1	30.2	30.7	30.8	121.8
Non-interest expense																				
Compensation and employee benefits	130.9	143.4	147.2	148.5	218.3	62.4	63.2	63.2	64.3	253.1	66.2	66.5	66.5	66.5	265.7	67.0	67.5	68.0	68.5	271.0
Net occupancy expense	27.1	32.9	34.6	32.3	45.0	13.9	13.0	12.8	13.1	52.8	15.0	14.0	14.0	14.0	57.0	13.7	13.8	13.8	13.9	55.1
Data processing expense	20.8	19.8	21.7	23.0	35.6	9.6	9.6	9.1	9.1	37.4	9.6	9.8	9.8	9.8	38.9	10.0	10.0	10.0	10.0	40.0
FDIC insurance	3.1	6.3	5.2	8.6	13.0	3.4	3.3	3.4	2.8	12.9	2.8	3.0	3.0	3.0	11.8	3.5	3.5	3.5	3.5	14.0
Amortization of intangibles	3.4	3.7	3.3	3.0	28.9	9.5	9.5	9.5	8.6	37.1	8.6	8.5	8.5	8.5	34.1	9.5	9.5	9.7	9.7	38.3
Advertising and promotion expense	4.4	4.0	5.2	4.8	5.1	1.1	1.4	1.6	1.4	5.5	0.9	1.0	1.0	1.0	3.9	1.5	1.5	1.5	1.5	6.0
Provision charge (benefit) for credit losses on off-balance sheet	1.8	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger-related expenses	-	-	4.1	7.8	56.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	36.2	38.6	38.9	47.4	54.7	16.4	14.5	13.5	15.4	59.8	14.0	15.5	15.5	15.5	60.5	16.0	16.0	16.0	16.0	64.0
Total Non-Interest Expense	227.7	250.1	260.2	275.3	457.5	116.3	114.6	113.1	114.7	458.7	117.1	118.3	118.3	118.3	471.9	121.2	121.8	122.5	123.0	488.4
Net income before income taxes	127.6	227.1	240.1	175.8	149.6	91.9	102.4	101.6	112.2	408.2	110.2	103.5	108.5	114.5	436.8	111.2	115.6	119.9	124.0	470.7
Provision for income taxes	30.6	59.2	64.5	47.4	34.1	27.8	30.5	29.9	28.8	117.0	30.8	30.0	31.5	33.2	125.5	32.2	33.5	34.8	36.0	136.5
Net income to Common	\$ 97.0	\$ 167.9	\$ 175.6	\$ 128.4	\$ 115.5	\$ 64.0	\$ 72.0	\$ 71.7	\$ 83.4	\$ 291.2	\$ 79.4	\$ 73.5	\$ 77.0	\$ 81.3	\$ 311.3	\$ 78.9	\$ 82.1	\$ 85.1	\$ 88.0	\$ 334.2
Basic EPS - GAAP	\$ 1.39	\$ 2.20	\$ 2.35	\$ 1.72	\$ 1.05	\$ 0.49	\$ 0.55	\$ 0.55	\$ 0.64	\$ 2.23	\$ 0.61	\$ 0.56	\$ 0.59	\$ 0.62	\$ 2.38	\$ 0.60	\$ 0.63	\$ 0.65	\$ 0.67	\$ 2.56
Diluted EPS - GAAP	\$ 1.39	\$ 2.19	\$ 2.35	\$ 1.71	\$ 1.05	\$ 0.49	\$ 0.55	\$ 0.55	\$ 0.64	\$ 2.23	\$ 0.61	\$ 0.56	\$ 0.59	\$ 0.62	\$ 2.38	\$ 0.60	\$ 0.63	\$ 0.65	\$ 0.67	\$ 2.55
Weighted average shares outstanding																				
Basic	69,548	76,472	74,701	74,844	109,669	130,325	130,484	130,507	130,530	130,462	130,512	130,698	130,885	131,072	130,792	130,792	130,792	130,792	130,792	130,792
Diluted	69,626	76,561	74,782	74,873	109,713	130,380	130,500	130,554	130,589	130,506	130,589	130,775	130,962	131,149	130,869	130,869	130,869	130,869	130,869	130,869

Margin Analysis

Net income margin	26.7%	41.7%	37.7%	20.8%	11.0%	21.0%	22.8%	22.0%	25.7%	22.9%	25.2%	22.6%	23.3%	24.1%	23.8%	23.0%	23.5%	24.0%	24.5%	23.8%
Interest Income %	3.7%	4.2%	4.6%	5.7%	5.6%	6.5%	6.7%	6.8%	6.7%	6.6%	6.5%	6.6%	6.7%	6.7%	6.5%	6.8%	6.8%	6.8%	6.8%	6.7%
Interest Expense %	0.5%	0.3%	0.5%	2.1%	2.4%	2.7%	2.8%	2.8%	2.6%	2.7%	2.5%	2.7%	2.6%	2.6%	2.6%	2.8%	2.7%	2.7%	2.7%	2.7%
Net Provision Ratio	9.5%	-6.6%	1.2%	7.1%	14.6%	0.4%	-1.5%	3.6%	-0.6%	0.5%	-1.1%	2.5%	2.5%	2.5%	1.6%	2.5%	2.5%	2.5%	2.5%	2.5%
Tax %	24.0%	26.1%	26.8%	27.0%	22.8%	30.3%	29.7%	29.4%	25.7%	28.7%	27.9%	29.0%	29.0%	29.0%	28.7%	29.0%	29.0%	29.0%	29.0%	29.0%
Growth Rate Y/Y																				
Interest and Dividend Income	-2.2%	10.7%	15.9%	32.1%	69.9%	86.3%	27.6%	1.2%	4.1%	21.7%	3.2%	2.8%	1.4%	3.8%	2.8%	8.9%	7.4%	7.0%	6.5%	7.4%
Interest expense	-31.0%	-28.4%	33.9%	344.9%	105.9%	76.1%	21.6%	-5.0%	-2.1%	15.0%	-1.9%	-2.2%	-3.8%	0.1%	-2.0%	11.8%	8.0%	7.9%	7.7%	8.8%
Net Income Interest after loan losses	-0.7%	38.0%	5.7%	-10.0%	38.2%	92.7%	164.6%	7.4%	14.9%	47.5%	8.2%	2.0%	6.1%	3.0%	4.7%	3.3%	7.0%	6.5%	5.7%	5.6%
Earnings Before Taxes	-13.3%	78.1%	5.7%	-26.8%	-14.9%	113.8%	-580.5%	55.7%	79.0%	172.8%	19.9%	1.1%	6.8%	2.0%	7.0%	0.9%	11.7%	10.5%	8.3%	7.8%
Net Income	-13.9%	73.2%	4.6%	-26.9%	-10.0%	99.6%	-726.7%	54.6%	71.9%	15										

IMPORTANT DISCLOSURES AND DISCLAIMER

- (a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
- (b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate's investment banking revenues.
- (c) Stonegate or any affiliate have not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects or receive or intends or seek compensation for investment banking services from the subject company in the next three months.
- (d) Stonegate Capital Partners has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
- (e) Stonegate or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
- (f) Stonegate does not make a market in the subject company.
- (g) The research analyst has not received any compensation from the subject company in the previous 12 months.
- (h) Stonegate, the research analyst, or associated person of Stonegate with the ability to influence the content of the research report knows or has reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
- (i) No employee of Stonegate has a position as an officer or director of the subject company.

Ratings - Stonegate does not provide ratings for the covered companies.

Distribution of Ratings - Stonegate does not provide ratings for covered companies.

Price Chart - Stonegate does not have, nor has previously had, a rating for its covered companies.

Price Targets - Stonegate does not provide price targets for its covered companies. However, Stonegate does provide valuation analysis.

Regulation Analyst Certification:

I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:

Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121

Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.