



**Q2 2024**

**RESULTS  
PRESENTATION**

# Forward Looking Statements

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Certain statements contained herein are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terminology, such as “may,” “will,” “believe,” “expect,” “estimate,” “project,” “intend,” “anticipate,” “continue,” or similar terms or variations on those terms, or the negative of those terms. Forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those set forth in Item 1A of the Company's Annual Report on Form 10-K, as supplemented by its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and those related to the economic environment, particularly in the market areas in which the Company operates, inflation and unemployment, competitive products and pricing, real estate values, fiscal and monetary policies of the U.S. Government, changes in accounting policies and practices that may be adopted by the regulatory agencies and the accounting standards setters, changes in government regulations affecting financial institutions, including regulatory fees and capital requirements, changes in prevailing interest rates, potential goodwill impairment, acquisitions and the integration of acquired businesses, credit risk management, asset-liability management, the financial and securities markets, the availability of and costs associated with sources of liquidity, any failure to realize the anticipated benefits of the merger transaction when expected or at all; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected conditions, factors or events, potential adverse reactions or changes to business, employee, customer and/or counterparty relationships, including those resulting from the completion of the merger and integration of the companies; and the impact of a potential shutdown of the federal government.

The Company cautions readers not to place undue reliance on any such forward-looking statements which speak only as of the date they are made. The Company advises readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not assume any duty, and does not undertake, to update any forward-looking statements to reflect events or circumstances after the date of this statement.

## Corporate Profile (At or for the Quarter Ended 06/30/24)

<b>Bank founded:</b>	1839
<b>Stock symbol:</b>	PFS (NYSE)
<b>Branches:</b>	162 serving New Jersey, eastern Pennsylvania, and Orange, Queens, and Nassau Counties, New York
<b>Market capitalization:</b>	\$1.35 Billion as of 7/22/2024
<b>Balance sheet:</b>	\$24.1 Billion in Total Assets \$18.7 Billion in Net Loans \$18.3 Billion in Total Deposits
<b>Strong core funding:</b>	227 bps cost of deposits
<b>Efficient operator:</b>	2.02%: Annualized adjusted non- interest expenses / average assets <sup>(1)</sup> 57.86%: Efficiency Ratio <sup>(1)</sup>
<b>Wealth management business:</b>	Beacon Trust Company \$4.2 Billion AUM
<b>Insurance business:</b>	Provident Protection Plus, Inc. YTD 2024 revenues ~ \$9.3Million

<sup>(1)</sup> See Appendix for a reconciliation of GAAP and non-GAAP financial measures.

# Q2 2024 Financial Highlights

## Key Metrics

**\$70.1 M**

PTPP Income

**\$0.68**

PTPP Diluted EPS

**1.47%**

PTPP ROAA

**13.26%**

PTPP ROAE

**19.21%**

PTPP ROATE

## Highlights

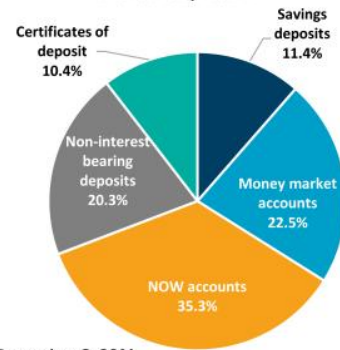
- The Company's annualized adjusted pre-tax, pre-provision returns on average assets, average equity and average tangible equity<sup>(1)</sup> were 1.47%, 13.26% and 19.21% for the quarter ended June 30, 2024, compared to 1.28%, 10.62% and 14.54% for the quarter ended March 31, 2024.
- The Company's loans held for investment totaled \$18.76 billion as of June 30, 2024, from \$10.84 billion as of March 31, 2024.
- The Company's deposits totaled \$18.35 billion as of June 30, 2024, from \$10.10 billion as of March 31, 2024. Excluding municipal and brokered deposits, organic deposits increased \$123.0 million during the quarter.
- Net interest income increased \$47.8 million to \$141.5 million for the three months ended June 30, 2024, from \$93.7 million for the trailing quarter primarily due to the net assets acquired from Lakeland, including accretion of purchase accounting adjustments.
- The net interest margin increased 34 basis points to 3.21% for the quarter ended June 30, 2024, from 2.87% for the trailing quarter.
- As of June 30, 2024, the Company's loan pipeline, consisting of work-in-process and loans approved pending closing, totaled \$1.67 billion, with a weighted average interest rate of 7.53%, compared to \$1.08 billion, with a weighted average interest rate of 7.42%, as of March 31, 2024. The increase in pipeline was primarily attributable to the addition of Lakeland's pipeline.
- Wealth Management and Insurance Agency income increased 12.3% and 16.7%, respectively, versus the same period in 2023.
- On May 9, 2024, the Company issued \$225.0 million of 9.00% Fixed-to-Floating Rate subordinated notes due 2034, resulting in net proceeds of \$221.0 million.
- Non-performing loans to total loans as of June 30, 2024 decreased to 0.36%, compared to 0.44% as of March 31, 2024.
- As of June 30, 2024, the Bank's leverage (Tier 1) capital and total risk-based capital ratios were 9.36% and 11.66%, respectively. Our level of CRE Loans equaled 476.6% of total risk-based capital as of June 30, 2024.

# Stable Core Funding Base

## Deposits by Lakeland/Provident

(\$'s in thousands)	Reported 6/30/2024	Lakeland 5/16/24 at Fair Value	Provident Reported 3/31/24	\$ Variance	% Variance
Non-interest bearing deposits	\$ 3,710,840	\$ 1,666,775	\$ 2,046,674	\$ (2,609)	(0.1)%
Interest bearing core deposits	7,953,883	2,918,227	4,965,316	70,340	0.9%
Municipal deposits	3,621,788	2,085,048	1,965,021	(428,281)	-10.6%
Certificates of deposit	2,802,043	1,820,097	926,636	55,310	2.0%
Wholesale deposits	264,690	120,045	195,245	(50,600)	-16.0%
<b>Total</b>	<b>\$ 18,353,244</b>	<b>\$ 8,610,192</b>	<b>\$ 10,098,892</b>	<b>\$ (353,231)</b>	<b>-1.9%</b>

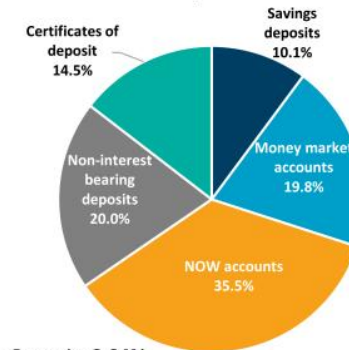
March 31, 2024



Cost of Interest-Bearing Deposits: **2.60%**  
Total Cost of Deposits: **2.07%**

AVERAGE DEPOSIT  
COMPOSITION

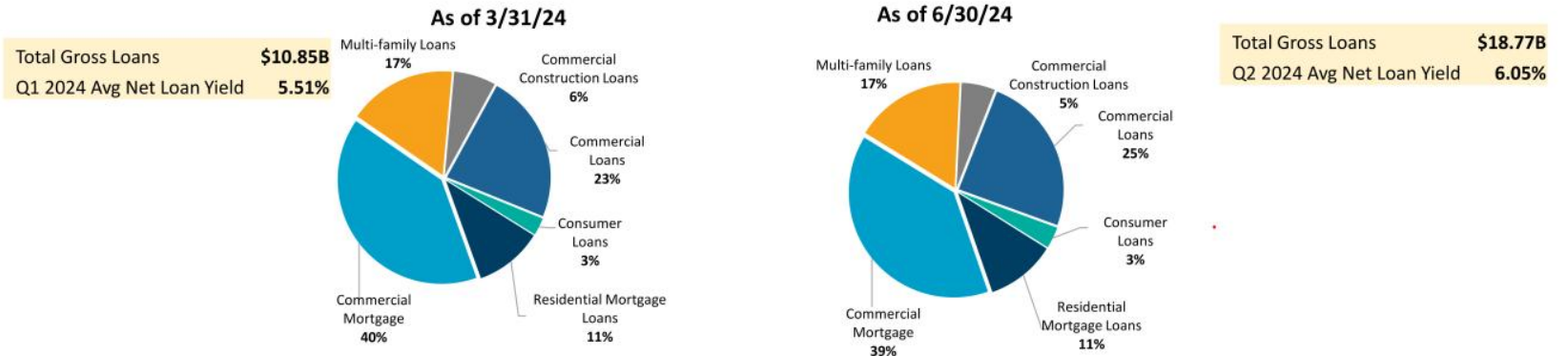
June 30, 2024



Cost of Interest-Bearing Deposits: **2.84%**  
Total Cost of Deposits: **2.27%**

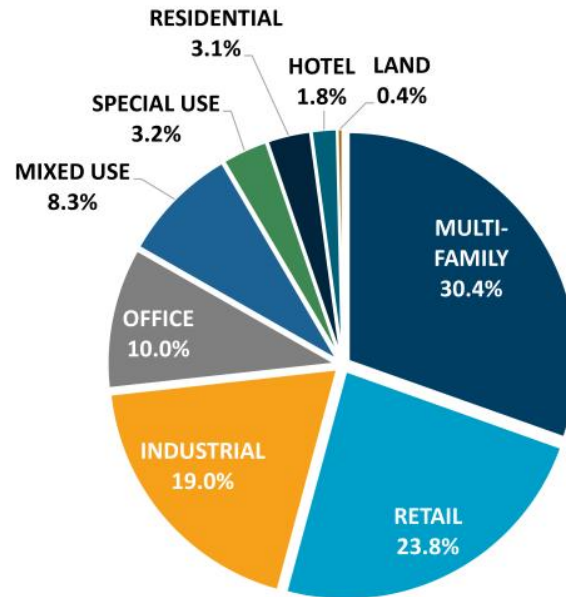
# Diversified Loan Portfolio

Loans by Lakeland/Provident					
(\$'s in thousands)	Reported 6/30/2024	Lakeland 5/16/24 at Fair Value	Provident Reported 3/31/24	\$ Variance	% Variance
Mortgage loans:					
Commercial	\$ 7,337,742	\$ 3,015,781	\$ 4,353,799	\$ (31,838)	-0.4%
Multi-family	3,189,808	1,348,027	1,825,888	15,893	0.5%
Construction	970,244	318,285	711,417	(59,458)	-5.8%
Residential	2,024,027	888,327	1,152,185	(16,485)	-0.8%
Total mortgage loans	\$ 13,521,821	\$ 5,570,420	\$ 8,043,289	\$ (91,888)	-0.7%
Total commercial loans	4,617,232	2,012,239	2,514,550	90,443	2.0%
Consumer loans	626,016	326,260	295,125	4,631	0.7%
<b>Total gross loans</b>	<b>\$ 18,765,069</b>	<b>\$ 7,908,919</b>	<b>\$ 10,852,964</b>	<b>\$ 3,186</b>	<b>0.0%</b>



# CRE Investment Portfolio by Property type

Total CRE Investment Portfolio = \$10.7 Billion



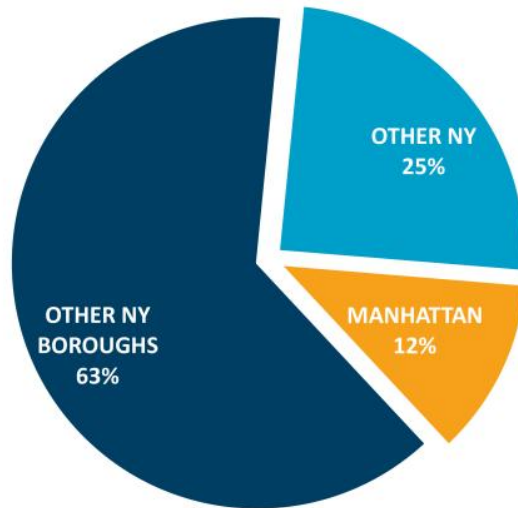
As of 6/30/24

## Portfolio Characteristics

10 Largest CRE Loans	3.65% of CRE Investment Portfolio
10 Largest CRE Loans	2.04% of Total Loan Portfolio
Average Loan Size Outstanding	\$2,148
Weighted Average Risk Rating	3.47
Portfolio Concentration Limit	65% of Total Loan Portfolio
Portfolio Concentration Limit	550% of Total Regulatory Capital

# Multi-family Composition (NY and Rent Stabilized sectors)

Total NY Multi-family Loans = \$282.3 Million



Total multi-family loan portfolio: \$3.26Billion

- Of the total, 74 Loans on multi-family properties in the five boroughs of NYC, aggregate outstanding \$239.2M

Rent stabilized loan portfolio: \$131.6 Million, (4.04% of multi-family loan portfolio)

- Average balance: \$3.2M
- All performing
- Largest loan: \$41.9 million with 67% LTV and 1.26x DSCR
- 38 loans secured by 754 apartment units, of which 609 are rent stabilized

Multi-family balances by origination Year:

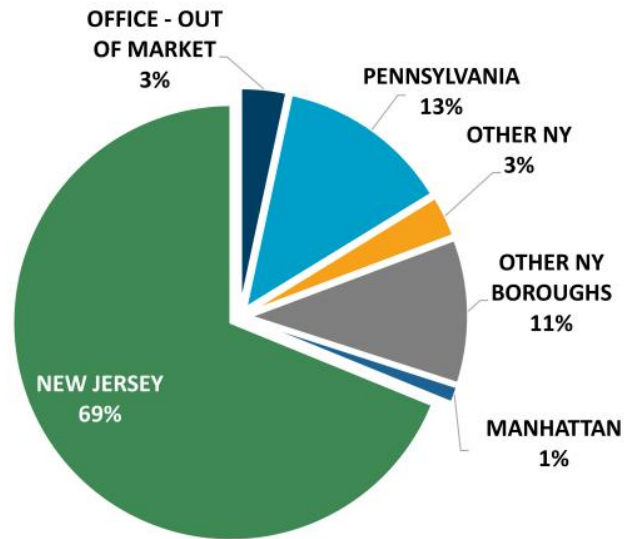
- NY 2023 loans: \$75.9 MM
- NY 2022 loans: \$113.1 MM
- NY 2021 loans: \$53.1 MM
- NY 2020 and prior loans: \$40.2 MM
  
- All Multi-family 2023 loans: \$418.8 MM
- All Multi-family 2022 loans: \$512.2 MM
- All Multi-family 2021 loans: \$526.5 MM
- All Multi-family 2020 and prior loans: \$523.8 MM



# CRE Office Composition

Total CRE Office Portfolio = \$1.07 Billion

- Medical Office: approx. 37% of total office portfolio.

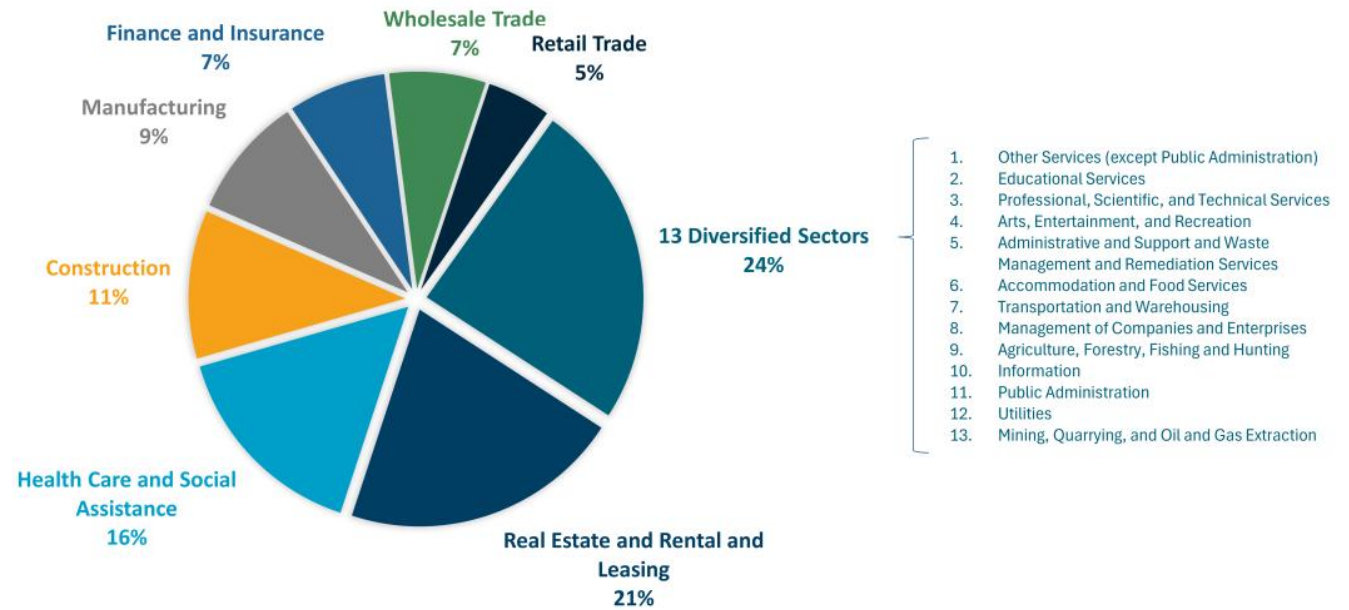


No significant central business district exposure

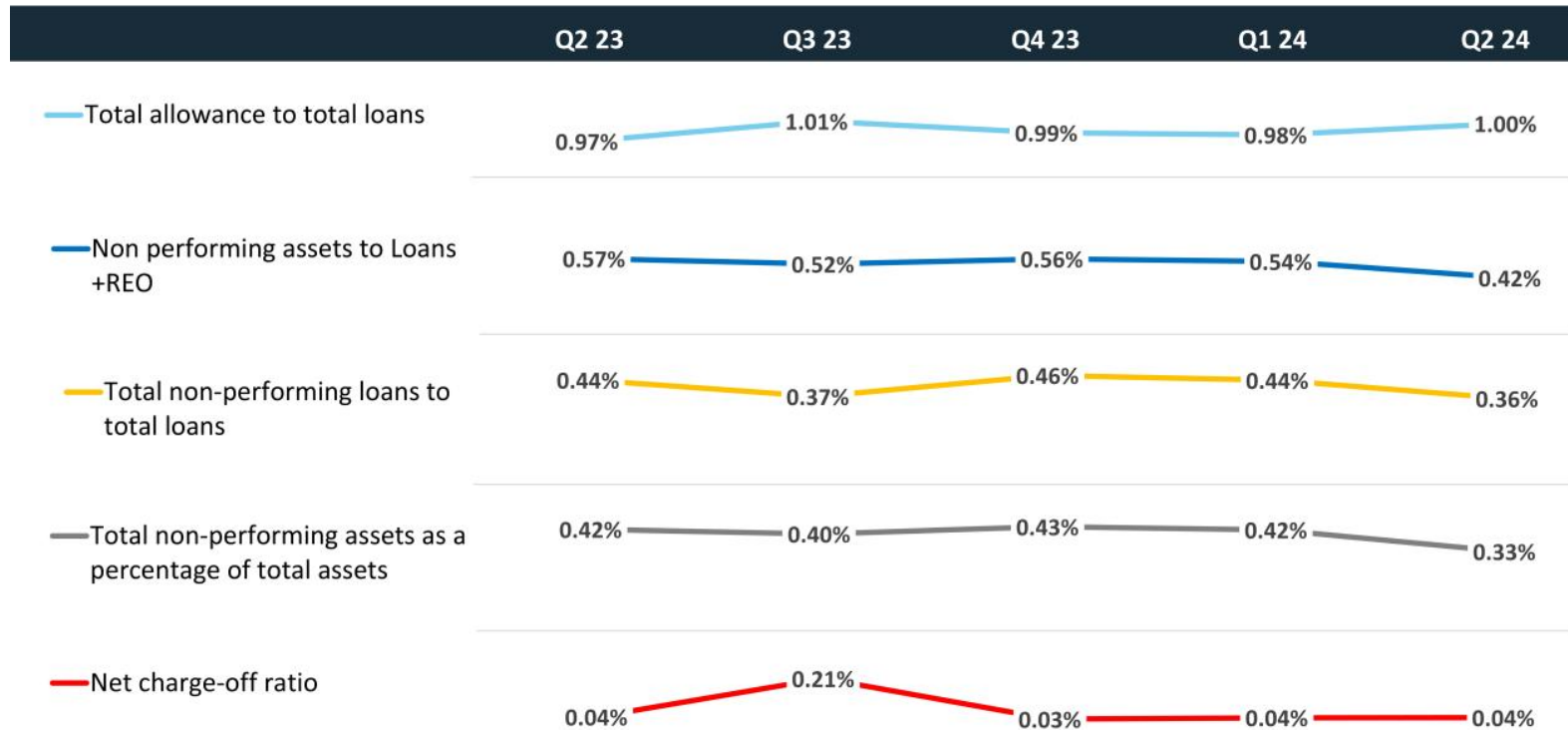
Year	Amount (M)
2024	\$257.7 M
2025	102.2 M
2026	186.5 M
2027	193.0 M
2028	166.4 M
2029 & BEYOND	160.8 M
<b>Total</b>	<b>\$1,067.3 M</b>

# Loans by NAICS Sector – 6/30/24

C & I – (Includes owner occupied)

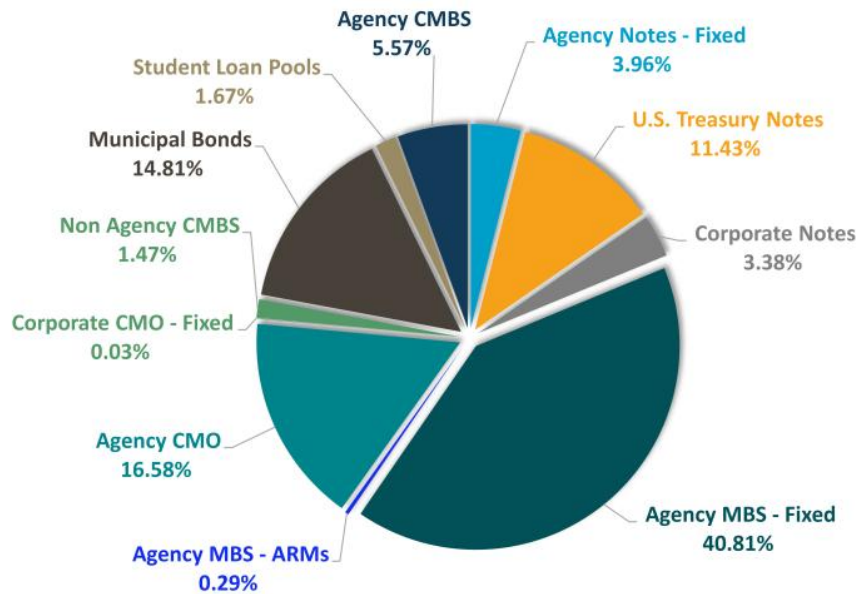


# Strong Credit Metrics



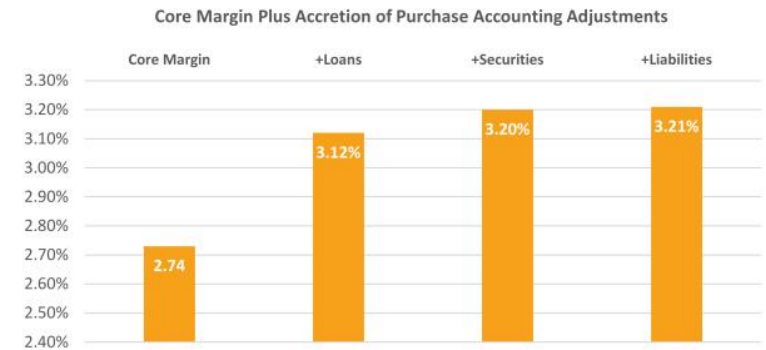
# Investment Portfolio

Total Investment Portfolio = \$3.14 Billion



- At March 31, 2024, the portfolio had a modified duration of 4.6 years and weighted average life of 5.5 years
- At June 30, 2024, the portfolio had a modified duration of 4.3 years and weighted average life of 5.3 years
- At June 30, 2024, the allowance for credit losses on held to maturity securities totaled \$15,000
- \$2.8 million loss related to the sale of subordinated debt issued by Lakeland from Provident's investment portfolio prior to merger close
- \$550 million restructure sale from the acquired legacy Lakeland portfolio and repayment of overnight borrowings and brokered deposits

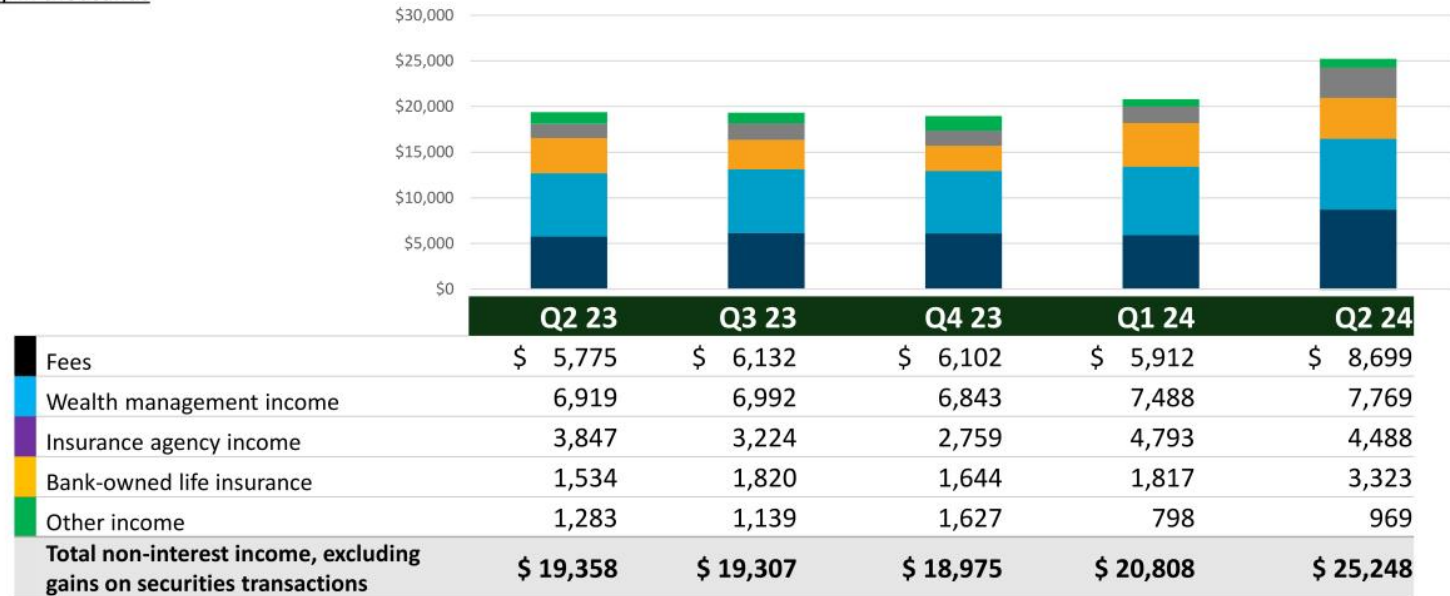
# Net Interest Margin Analysis



<sup>(1)</sup> See Appendix for a reconciliation of GAAP and non-GAAP financial measures.

# Emphasis on Fee Income

## Non-Interest Income \$ in thousands

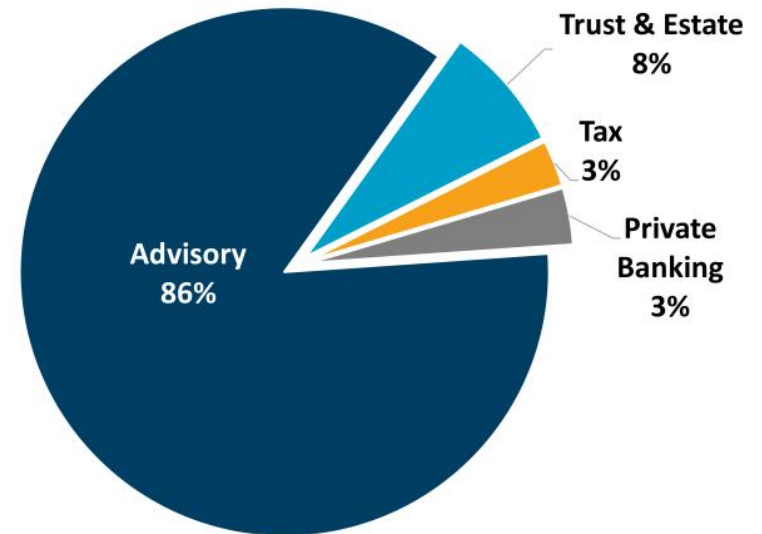


- (1) Durbin Act negative impact starting July 1, 2021 of approximately \$1.2 million per quarter and includes incremental revenue as a result of acquisition of SB One.  
 (2) Other income for the quarter ended September 30, 2022 included an \$8.6 million gain realized on the sale of a foreclosed commercial office property.

# Focus on Wealth Management Business

## 2024 YTD Revenue

Advisory	\$ 13,593,512
Trust & Estate	\$ 1,213,933
Tax	\$ 449,780*
Interest Income	\$ 547,828
<b>Total</b>	<b>\$ 15,805,053</b>



**\$4.2 Billion AUM**

For 1,032 family relationships

\* Represents interest on lines of credit to Beacon clients, whose investment accounts are pledged as collateral.

# Focus on Wealth Management Business

## AVERAGE CLIENT SIZE



**\$4,000,000**

As of June 30, 2024, based on AUM of \$4.2B for 1,032 family relationships

**AVERAGE FEE**  
**73 bps**

## EBITDA & NET INCOME

EBITDA (YTD June 30, 2024)	\$ 7,244,714
Net Income (YTD June 30, 2024)	\$ 5,095,704

## CROSSOVER PROVIDENT/BEACON

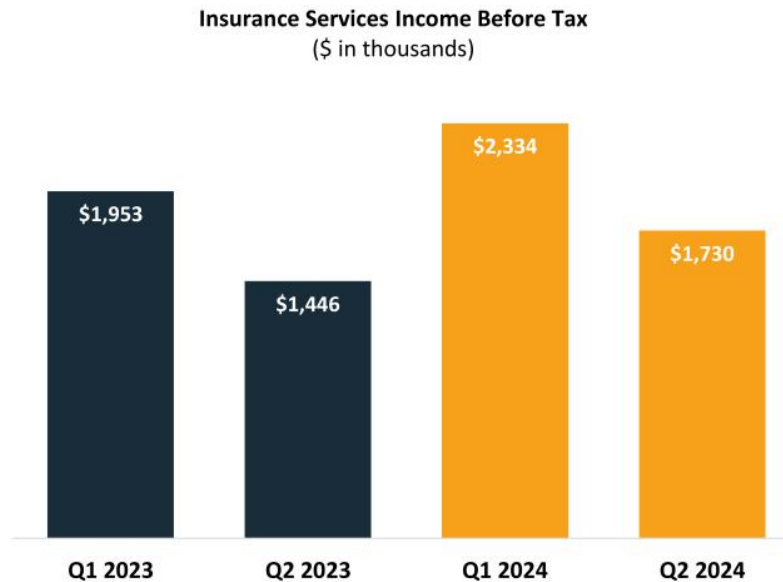
(HOW MANY PROVIDENT CUSTOMERS ARE BEACON CLIENTS)



**115** Provident Bank households are also Beacon clients

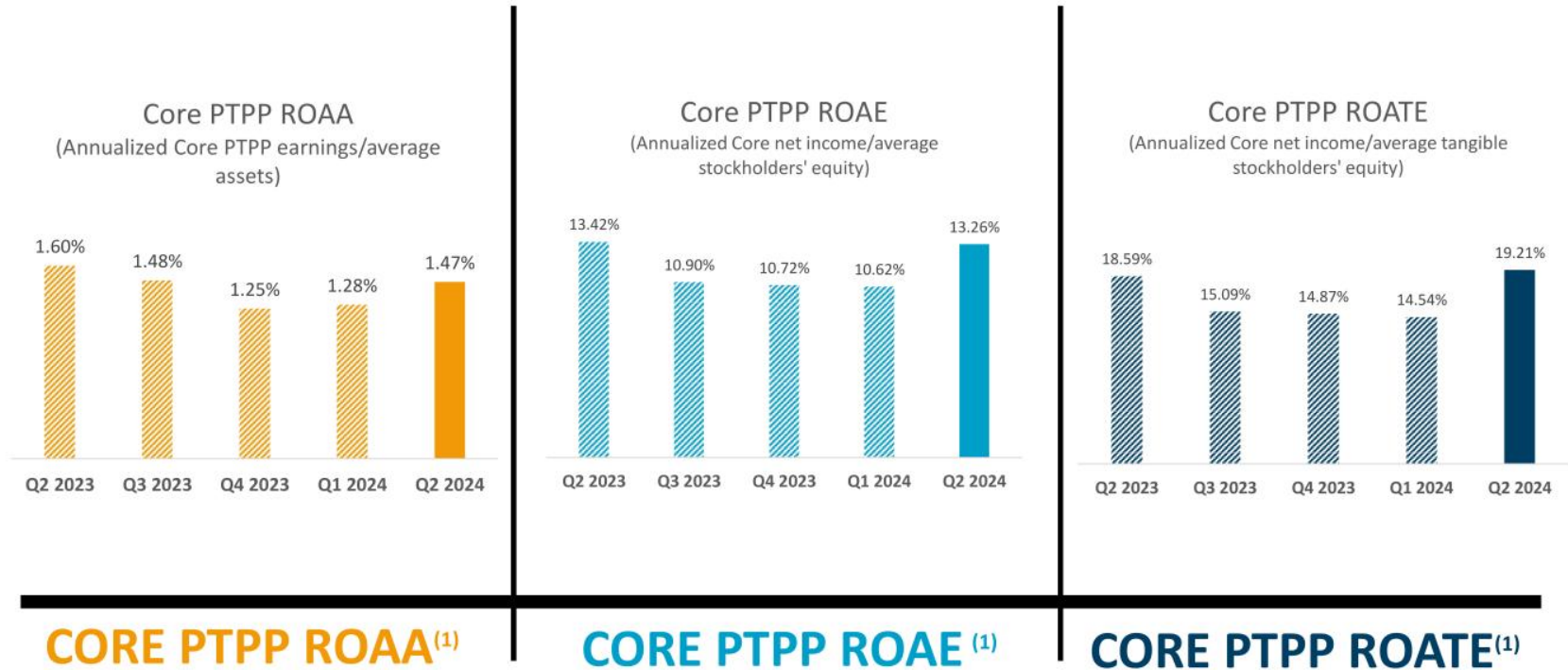


# Provident Protection Plus, Inc.



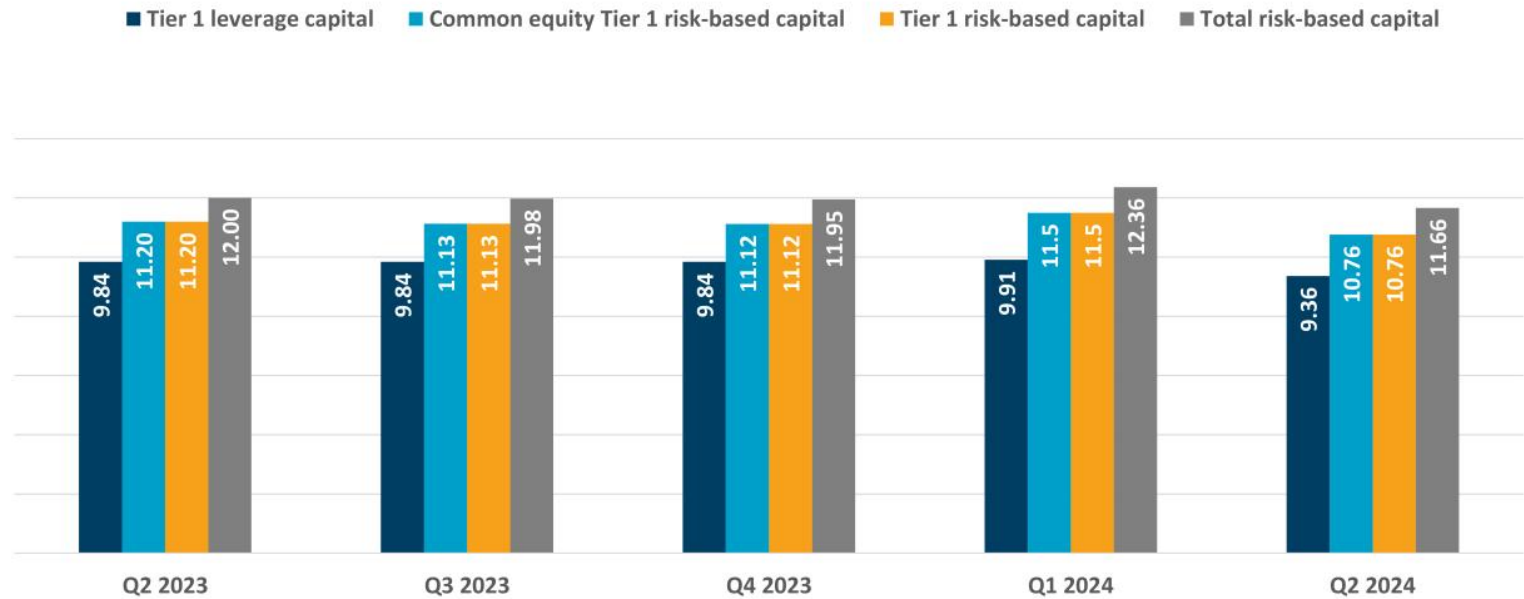
- Provident Protection Plus, Inc. provides insurance agency services including business, personal and employee benefits insurance products.
- The insurance agency's primary source of revenue is commission income earned from the sale of business and personal property and casualty insurance coverage for its customers with various insurance underwriters.
- The insurance agency places property and casualty, life and health, and other coverage with about 25 different insurance carriers licensed in 37 states.

# Strong Core Performance



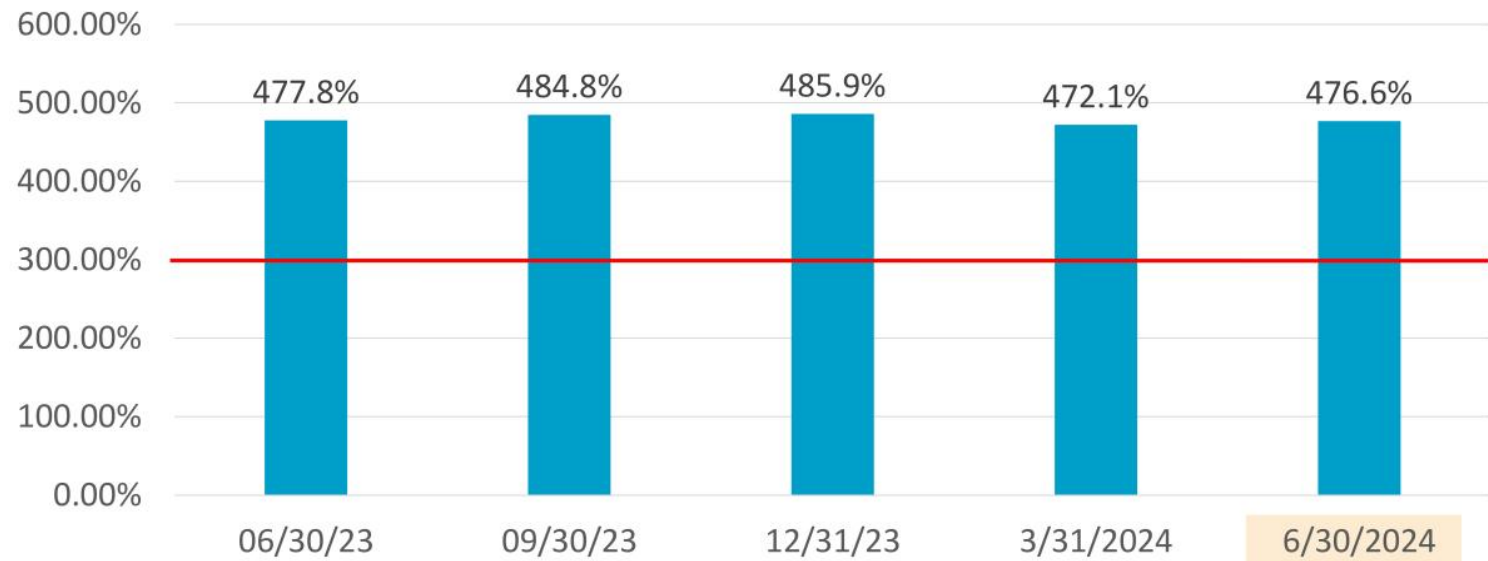
<sup>(1)</sup> See Appendix for a reconciliation of GAAP and non-GAAP financial measures.

# Performance Ratios – Bank Capital



# CRE to Total Risk-Based Capital

*Guideline is 300% of Regulatory Capital*



## 2024 Forward Guidance

<b>Loans</b>	<ul style="list-style-type: none"> <li>2024 rest of the year: 4 to 5% annualized percentage increase expected</li> </ul>
<b>Deposits</b>	<ul style="list-style-type: none"> <li>2024 rest of the year: low single digit percentage increase expected</li> </ul>
<b>Borrowings</b>	<ul style="list-style-type: none"> <li>Balances expected to fluctuate based on loan, deposit and securities cash flows</li> </ul>
<b>Net Interest Margin</b>	<ul style="list-style-type: none"> <li>2024 rest of the year : in the 3.35 to 3.40% range</li> </ul>
<b>Asset Quality</b>	<ul style="list-style-type: none"> <li>Current strong asset quality metrics, provision driven by growth and economic forecast</li> </ul>
<b>Non-interest Income</b>	<ul style="list-style-type: none"> <li>2024 rest of the year: \$22-\$25 million quarterly</li> </ul>
<b>Non-interest Expense</b>	<ul style="list-style-type: none"> <li>2024 rest of the year: Approximately \$120 MM for 3Q24 and approximately \$107 MM for 4Q2024</li> </ul>

\*Based on current forward Treasury curve

# APPENDIX

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# Loans by NAICS Sector – 6/30/24

## CRE Investment Portfolio

NAIC Sector2	Loan Count	Exposure (\$)
Real Estate and Rental and Leasing	4,445	10,141,657,757
Accommodation and Food Services	95	205,947,166
Construction	101	125,764,867
Other Services (except Public Administration)	84	93,171,765
Educational Services	21	69,640,979
Health Care and Social Assistance	51	65,206,159
Wholesale Trade	11	59,466,359
Retail Trade	49	35,792,018
Finance and Insurance	17	23,278,083
Manufacturing	16	21,965,014
Public Administration	28	19,421,174
Arts, Entertainment, and Recreation	7	11,148,106
Professional, Scientific, and Technical Services	22	8,184,819
Administrative and Support and Waste Management and Remediation Services	19	7,577,229
Information	2	6,239,693
Transportation and Warehousing	7	6,239,636
Management of Companies and Enterprises	5	3,425,872
Utilities	1	3,154,404
Agriculture, Forestry, Fishing and Hunting	5	414,072
<b>Grand Total</b>	<b>4,986</b>	<b>10,907,695,173</b>

# CRE Investment Portfolio by Property Type

As of 6/30/24  
(\$ in thousands)

PROPERTY TYPE	COUNT	\$ OUTSTANDING	% OUTSTANDING	WARR
Multi-Family	1,068	3,260,805	30.44%	3.41
Retail	899	2,547,069	23.78%	3.37
Industrial	565	2,039,912	19.04%	3.40
Office	517	1,067,398	9.96%	3.67
Mixed	747	891,728	8.32%	3.68
Special Use Property	145	345,954	3.23%	3.34
Residential	969	329,776	3.08%	3.84
Hotel	64	190,465	1.78%	4.04
Land	14	39,702	0.37%	3.90
<b>TOTAL PORTFOLIO</b>	<b>4,988</b>	<b>10,712,810</b>	<b>100.00%</b>	<b>3.47</b>



## Loans by NAICS Sector – 6/30/24

### C & I – (Includes owner occupied)

NAICS Sector2	Loan Count	Exposure (\$)	Balance (\$)
Real Estate and Rental and Leasing	1,288	1,302,679,871	1,037,098,289
Health Care and Social Assistance	678	965,136,134	836,378,751
Construction	1,252	688,286,631	344,638,036
Manufacturing	570	564,835,557	395,322,465
Finance and Insurance	108	454,005,863	224,872,574
Wholesale Trade	424	448,411,215	316,982,785
Retail Trade	459	295,826,154	244,215,145
Other Services (except Public Administration)	530	284,220,163	226,391,135
Educational Services	184	209,932,740	171,280,184
Professional, Scientific, and Technical Services	451	201,592,485	84,794,981
Arts, Entertainment, and Recreation	165	187,563,614	165,296,288
Administrative and Support and Waste Management and Remediation Services	611	166,498,533	116,786,138
Accommodation and Food Services	241	156,729,194	135,157,912
Transportation and Warehousing	703	156,550,193	132,129,296
Management of Companies and Enterprises	18	57,493,003	50,162,925
Agriculture, Forestry, Fishing and Hunting	132	32,031,039	26,672,780
Information	47	25,480,836	19,486,540
Public Administration	66	16,086,387	11,828,006
Utilities	19	11,011,289	8,161,289
Mining, Quarrying, and Oil and Gas Extraction	32	9,445,167	8,342,611
<b>Grand Total</b>	<b>7,978</b>	<b>6,233,816,069</b>	<b>4,555,998,131</b>

## Loans by NAICS Sector – 6/30/24

### Construction

NAIC Sector2	Loan Count	Exposure (\$)	Balance (\$)
Real Estate and Rental and Leasing	120	1,208,124,760	763,730,851
Construction	56	195,084,924	95,724,823
Health Care and Social Assistance	12	111,803,997	68,676,414
Accommodation and Food Services	3	27,024,323	12,450,196
Educational Services	3	19,559,600	11,085,243
Arts, Entertainment, and Recreation	2	13,455,000	11,862,251
Transportation and Warehousing	1	6,500,000	6,430,000
Other Services (except Public Administration)	1	2,016,800	1,763,842
Retail Trade	1	1,840,000	1,662,012
Manufacturing	1	1,440,646	1,440,646
Professional, Scientific, and Technical Services	1	585,000	0
<b>Grand Total</b>	<b>201</b>	<b>1,587,435,050</b>	<b>974,826,278</b>

## Reconciliation of GAAP to Non-GAAP Financial Measures

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
<b>Core PTPP ROAA:</b>					
Net Income	\$ 32,003	\$ 28,547	\$ 27,312	\$ 32,082	\$ (11,485)
Add: provision for credit losses	9,750	12,541	(863)	(320)	69,705
Add: income tax expense	11,630	8,843	12,456	10,888	(9,833)
Add: merger related charges	1,960	2,289	2,477	2,202	18,915
Add: Net loss on Lakeland bond sale					2,839
Add: Contingent litigation reserves			3,000	-	-
<b>Core PTPP earnings</b>	<b>\$ 55,343</b>	<b>\$ 52,220</b>	<b>\$ 44,382</b>	<b>\$ 44,852</b>	<b>\$ 70,141</b>
Avg Diluted Shares outstanding	\$ 74,830,187	\$ 74,914,205	\$ 75,041,545	\$ 75,275,660	\$ 102,957,521
Core PTPP Earnings per Share	\$ 0.74	\$ 0.70	\$ 0.59	\$ 0.60	\$ 0.68
Annualized Core PTPP earnings	\$ 221,980	\$ 207,177	\$ 176,081	\$ 180,394	\$ 282,106
Average assets	\$ 13,833,055	\$ 13,976,610	\$ 14,114,626	\$ 14,093,767	\$ 19,197,041
Core PTPP ROAA (Annualized Core PTPP earnings/average assets)	<b>1.60%</b>	<b>1.48%</b>	<b>1.25%</b>	<b>1.28%</b>	<b>1.47%</b>
<b>ROATE:</b>					
Net income	\$ 32,003	\$ 28,547	\$ 27,312	\$ 32,082	\$ (11,485)
Annualized net income	\$ 128,364	\$ 113,257	\$ 108,357	\$ 129,033	\$ (46,192)
Average stockholders' equity	\$ 1,653,677	\$ 1,654,920	\$ 1,642,854	\$ 1,698,170	\$ 2,127,469
Less: average intangible assets	459,865	459,133	458,410	457,695	658,839
Average tangible stockholders' equity	\$ 1,193,812	\$ 1,195,787	\$ 1,184,444	\$ 1,240,475	\$ 1,468,630
ROATE (Annualized net income/average tangible stockholders' equity)	<b>10.75%</b>	<b>9.47%</b>	<b>9.15%</b>	<b>10.40%</b>	<b>-3.15%</b>
<b>Tangible book value per share:</b>					
Stockholders' equity	\$ 1,642,471	\$ 1,622,970	\$ 1,690,596	\$ 1,695,162	\$ 2,555,646
Less: intangible assets	459,383	458,663	457,942	457,239	851,507
Tangible stockholders' equity	\$ 1,183,088	\$ 1,164,307	\$ 1,232,654	\$ 1,237,923	\$ 1,704,139
Shares outstanding	75,530,425	75,531,884	75,537,186	75,928,193	130,380,393
Tangible book value per share (Tangible stockholders' equity/shares outstanding)	\$ <b>15.66</b>	\$ <b>15.41</b>	\$ <b>16.32</b>	\$ <b>16.30</b>	\$ <b>13.07</b>

**Note:** The Company has presented the following non-GAAP (Generally Accepted Accounting Principles) financial measures because it believes that these measures provide useful and comparative information to assess trends in the Company's results of operations and financial condition. Presentation of these non-GAAP financial measures is consistent with how the Company evaluates its performance internally and these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Company's industry. Investors should recognize that the Company's presentation of these non-GAAP financial measures might not be comparable to similarly-titled measures of other companies. These non-GAAP financial measures should not be considered a substitute for GAAP basis measures and the Company strongly encourages a review of its consolidated financial statements in their entirety.

# Reconciliation of GAAP to Non-GAAP Financial Measures

*(\$ in thousands, except per share data)*

<b>Annualized Adjusted Non-Interest Expense to Average Assets</b>	<b>Three Months Ended Jun-24</b>
Reported non-interest expense	\$ 115,394
<b>Adjustments to non-interest expense:</b>	
Contingent litigation reserves	-
Merger-related transaction costs and COVID-19 expenses	18,915
Adjusted non-interest expense	<u>\$ 96,479</u>
Annualized adjusted non-interest expense	\$ 388,036
Average assets	19,197,041
Annualized adjusted non-interest expense/average assets	2.02%
<b>Efficiency Ratio Calculation</b>	<b>Three Months Ended Jun-24</b>
Net Interest income	\$ 141,506
Non-interest income	22,275
Adjustment to non-interest income	
Net loss on securities transactions	2,973
Adjusted non-interest income	<u>\$ 25,248</u>
Total income	<u>\$ 166,754</u>
Adjusted non-interest expense	<u>\$ 96,479</u>
Efficiency ratio (adjusted non-interest expense/income)	57.86%

**Note:** The Company has presented the following non-GAAP (Generally Accepted Accounting Principles) financial measures because it believes that these measures provide useful and comparative information to assess trends in the Company's results of operations and financial condition. Presentation of these non-GAAP financial measures is consistent with how the Company evaluates its performance internally and these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Company's industry. Investors should recognize that the Company's presentation of these non-GAAP financial measures might not be comparable to similarly-titled measures of other companies. These non-GAAP financial measures should not be considered a substitute for GAAP basis measures and the Company strongly encourages a review of its consolidated financial statements in their entirety.



**Q2 2024**

**RESULTS  
PRESENTATION**