

PROVIDENT FINANCIAL SERVICES INC
Form DEF 14A
March 16, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Provident Financial Services, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

239 Washington Street
Jersey City, New Jersey 07302

March 16, 2012

Dear Fellow Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Provident Financial Services, Inc., which will be held on Thursday, April 26, 2012, at 10:00 a.m., local time, at the Doubletree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey.

The business to be conducted at the Annual Meeting consists of the election of four directors, an advisory (non-binding) vote on executive compensation, and the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012.

Your vote is very important regardless of the number of shares you own. We urge you to complete, sign and return the enclosed Proxy Card as soon as possible, or to vote by Internet or telephone as described on your Proxy Card, even if you currently plan to attend the Annual Meeting. This will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the Annual Meeting.

On behalf of the board of directors, officers and employees of Provident Financial Services, Inc., we thank you for your continued support.

Sincerely,

Christopher Martin

Chairman, President and

Chief Executive Officer

239 Washington Street

Jersey City, New Jersey 07302

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN THAT the 2012 Annual Meeting of Stockholders of Provident Financial Services, Inc. will be held at the Doubletree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey, on Thursday, April 26, 2012, at 10:00 a.m., local time, to consider and vote upon the following matters:

1. The election of four persons named in the attached Proxy Statement to serve as directors of Provident Financial Services, Inc., each for a three-year term.
2. An advisory (non-binding) vote to approve the compensation paid to our named executive officers.
3. The ratification of the appointment of KPMG LLP as the independent registered public accounting firm for Provident Financial Services, Inc. for the year ending December 31, 2012.
4. The transaction of such other business as may properly come before the Annual Meeting, and any adjournment or postponement of the Annual Meeting.

The board of directors of Provident Financial Services, Inc. has fixed March 6, 2012 as the record date for determining the stockholders entitled to vote at the Annual Meeting and any adjournment or postponement of the Annual Meeting. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement of the Annual Meeting.

Please complete, sign and mail the enclosed Proxy Card promptly in the enclosed postage-paid envelope. You may also vote by Internet or telephone as described on your Proxy Card. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy or voted by Internet or telephone.

By Order of the Board of Directors

John F. Kuntz, Esq.

Corporate Secretary

Jersey City, New Jersey

March 16, 2012

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED REGARDLESS OF THE NUMBER OF SHARES YOU OWN. THE BOARD OF DIRECTORS URGES YOU TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE OR TO VOTE BY INTERNET OR TELEPHONE AS DESCRIBED ON YOUR PROXY CARD.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 26, 2012 This Proxy Statement and Provident's 2011 Annual Report to Stockholders are each available at <http://www.cfpproxy.com/5429>.

PROVIDENT FINANCIAL SERVICES, INC.

PROXY STATEMENT FOR THE

2012 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on April 26, 2012

GENERAL INFORMATION

This Proxy Statement and accompanying Proxy Card and the Annual Report to Stockholders are being furnished to stockholders of Provident Financial Services, Inc. (Provident) in connection with the solicitation of proxies by the board of directors of Provident for use at the 2012 Annual Meeting of Stockholders. The Annual Meeting will be held on Thursday, April 26, 2012 at 10:00 a.m., local time, at the Doubletree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey. The term Annual Meeting as used in this Proxy Statement, includes any adjournment or postponement of such meeting.

This Proxy Statement is dated March 16, 2012 and is first being mailed to stockholders of Provident on or about March 20, 2012.

The 2012 Annual Meeting of Stockholders

Date, Time and Place	Provident will hold its Annual Meeting of Stockholders on April 26, 2012, 10:00 a.m., local time, at the Doubletree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey.
Record Date	March 6, 2012.
Shares Entitled to Vote	60,702,206 shares of Provident common stock were outstanding on the Record Date and are entitled to vote at the Annual Meeting.
Purpose of the Annual Meeting	To consider and vote on the election of four directors, an advisory (non-binding) vote to approve the compensation paid to our named executive officers, and the ratification of KPMG LLP as Provident's independent registered public accounting firm for the year ending December 31, 2012.
Vote Required	Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees proposed is withheld. The advisory vote to approve executive compensation and the ratification of KPMG LLP as the independent registered public accounting firm are each determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN .
Provident's Board of Directors Recommends You Vote in Favor of the Proposals	Provident's board of directors unanimously recommends that stockholders vote FOR each of the nominees for director listed in this Proxy Statement, FOR approval of the compensation paid to our named executive officers, and FOR the ratification of KPMG LLP as Provident's independent registered public accounting firm for the year ending December 31, 2012.

Provident

Provident is a Delaware corporation and the bank holding company for The Provident Bank, an FDIC-insured New Jersey-chartered capital stock savings bank that operated 82 full-service branch offices in northern and central New Jersey at December 31, 2011. Provident had \$7.10 billion in total assets at December 31, 2011. Provident's principal executive offices are located at 239 Washington Street, Jersey City, New Jersey 07302. Provident's telephone number is (732) 590-9200.

Who Can Vote

The Provident board of directors has fixed March 6, 2012 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting. Accordingly, only holders of record of shares of Provident common stock at the close of business on such date will be entitled to vote at the Annual Meeting. On March 6, 2012, 60,702,206 shares of Provident common stock, par value of \$0.01 per share, were outstanding and held by approximately 5,760 holders of record. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Provident common stock is necessary to constitute a quorum at the Annual Meeting.

How Many Votes You Have

Each holder of shares of Provident common stock outstanding on March 6, 2012 will be entitled to one vote for each share held of record. However, Provident's certificate of incorporation provides that stockholders of record who beneficially own in excess of 10% of the then outstanding shares of Provident common stock are not entitled to vote any of the shares held in excess of that 10% limit. A person or entity is deemed to beneficially own shares that are owned by an affiliate of, as well as by any person acting in concert with, such person or entity.

Matters to Be Considered

The purpose of the Annual Meeting is to elect four directors, vote on an advisory basis on executive compensation, and ratify the appointment of KPMG LLP as Provident's independent registered public accounting firm for the year ending December 31, 2012. Provident may adjourn or postpone the Annual Meeting for the purpose of allowing additional time to solicit proxies.

How to Vote

You may vote your shares by completing and signing the enclosed Proxy Card and returning it in the enclosed postage-paid envelope or by attending the Annual Meeting. Alternatively, you may choose to vote your shares using the Internet or telephone voting options explained on your Proxy Card. You should complete and return the Proxy Card accompanying this document, or vote using the Internet or telephone voting options, to ensure that your vote is counted at the Annual Meeting, regardless of whether you plan to attend. **If you return an executed Proxy Card without marking your instructions, your executed Proxy Card will be voted FOR the election of the four nominees for director, FOR approval of the executive compensation paid to our named executive officers, and FOR the ratification of the appointment of KPMG LLP as Provident's independent registered public accounting firm for the year ending December 31, 2012.**

Stockholders of record can vote in person at the Annual Meeting. If a broker holds your shares in street name, then you are not the stockholder of record and you must ask your broker how you can vote in person at the Annual Meeting.

The board of directors is currently unaware of any other matters that may be presented for consideration at the Annual Meeting. If other matters properly come before the Annual Meeting, Provident intends that shares represented by properly submitted proxies will be voted, or not voted, by the persons named as proxies in the Proxy Card in their best judgment.

Participants in Provident Benefit Plans

If you are a participant in The Provident Bank Employee Stock Ownership Plan or The Provident Bank 401(k) Plan, or any other benefit plans sponsored by The Provident Bank through which you own shares of Provident common stock, you will have received with this Proxy Statement voting instruction forms that reflect all shares you may vote under the plans. Under the terms of these plans, the trustee or administrator votes all shares held by the plan, but each participant may direct the trustee or administrator how to vote the shares of Provident common stock allocated to his or her plan account. If you own shares through any of these plans and you do not vote, the respective plan trustees or administrators will vote your shares in accordance with the terms of the respective plans. The deadline for returning your voting instructions is April 22, 2012.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Provident common stock is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present. A proxy submitted by a broker that is not voted is sometimes referred to as a broker non-vote.

Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees proposed is **Withheld**. The advisory vote on executive compensation and ratification of the appointment of the independent registered public accounting firm are each determined by a majority of the votes cast, without regard to broker non-votes or proxies marked **Abstain**.

Revocability of Proxies

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. You may revoke your proxy by:

submitting a written notice of revocation to the Corporate Secretary of Provident prior to the voting of such proxy;

submitting a properly executed proxy bearing a later date;

using the Internet or telephone voting options explained on the Proxy Card; or

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

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

Provident Financial Services, Inc.

239 Washington Street

Jersey City, New Jersey 07302

Attention: John F. Kuntz, Esq.

Corporate Secretary

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

Solicitation of Proxies

Provident will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Provident will request that banks, brokers and other holders of record send proxies and proxy materials to the beneficial owners of Provident common stock and secure their voting instructions, if necessary. Provident

will reimburse such holders of record for their reasonable expenses in taking those actions. Provident has also made arrangements with Phoenix Advisory Partners to assist Provident in soliciting proxies and has agreed to pay them a fee of \$7,000 plus reasonable expenses for their services. If necessary, Provident may also use several of its employees, who will not be specially compensated, to solicit proxies from stockholders, personally or by telephone, facsimile, e-mail or letter.

Householding

Unless Provident has received contrary instructions, Provident has sent a single copy of these proxy materials to any household at which one or more stockholders reside if Provident believes the stockholders are members of the same household. Each stockholder in the household will receive a separate Proxy Card. This process, known as householding, reduces the volume of duplicate information received at your household and helps reduce Provident's expenses. If you would like to receive your own set of proxy materials, please follow these instructions:

If your shares are registered in your own name, contact Provident's transfer agent and inform them of your request to revoke householding by calling them at 1-800-368-5948 or by writing them at Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016, Attention: Investor Relations Department. Future proxy mailings will then be mailed to each individual stockholder.

If a bank, broker or other nominee holds your shares, contact your bank, broker or other nominee directly.

Recommendation of the Board of Directors

Your board of directors unanimously recommends that you vote **FOR** each of the nominees for director listed in this Proxy Statement, **FOR** approval of the compensation paid to our named executive officers, and **FOR** the ratification of KPMG LLP as Provident's independent registered public accounting firm for the year ending December 31, 2012.

Security Ownership of Certain Beneficial Owners and Management

Persons and groups who beneficially own in excess of five percent of the issued and outstanding shares of Provident common stock are required to file certain reports with the Securities and Exchange Commission regarding such beneficial ownership. Based on such reports, the following table sets forth as of March 6, 2012, certain information as to the shares of Provident common stock owned by persons who beneficially own more than five percent of the issued and outstanding shares of Provident common stock. We know of no persons, except as listed below, who beneficially owned more than five percent of the issued and outstanding shares of Provident common stock as of March 6, 2012. For purposes of the following table and the table included under the heading *Management*, in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, a person is deemed to be the beneficial owner of shares of common stock: (i) over which he or she has, or shares, directly or indirectly (including through a spouse), voting or investment power; or (ii) as to which he or she has the right to acquire beneficial ownership at any time within 60 days after March 6, 2012.

Principal Stockholders

Name and Address of Beneficial Owner	Number of Shares Owned and Nature of Beneficial Ownership	Percent of Shares of Common Stock Outstanding ⁽¹⁾
The Provident Bank Employee Stock Ownership Plan Trust	4,554,105 ⁽²⁾	7.5%
GreatBanc Trust Company, Trustee 801 Warrenville Road, Suite 500 Lisle, Illinois 60532		
Dimensional Fund Advisors LP Palisades West, Building One	4,970,892 ⁽³⁾	8.2%
6300 Bee Cave Road		
Austin, Texas 78746		
BlackRock, Inc. 40 East 52 nd Street	4,670,394 ⁽⁴⁾	7.7%
New York, New York 10022		
The Vanguard Group, Inc. 100 Vanguard Boulevard	3,147,981 ⁽⁵⁾	5.2%
Malvern, Pennsylvania 19355		

(1) Based on 60,702,206 shares of Provident common stock outstanding as of March 6, 2012.

(2) This information is based on Amendment No. 8 to Schedule 13G filed with the Securities and Exchange Commission on February 7, 2012 by GreatBanc Trust Company, as Trustee on behalf of The Provident Bank Employee Stock Ownership Plan Trust. According to the filing, The Provident Bank Employee Stock Ownership Plan Trust had: (i) sole power to vote or direct the vote of 3,246,277 shares of Provident common stock; (ii) shared power to vote or direct the vote of 1,307,828 shares of Provident common stock; and (iii) sole power to dispose or direct the disposition of 4,554,105 shares of Provident common stock.

(3) This information is based on Amendment No. 5 to Schedule 13G filed with the Securities and Exchange Commission on February 13, 2012 by Dimensional Fund Advisors LP.

(4) This information is based on Amendment No. 2 to Schedule 13G filed with the Securities and Exchange Commission on February 10, 2012 by BlackRock, Inc.

(5) This information is based on a Schedule 13G filed with the Securities and Exchange Commission on February 10, 2012 by The Vanguard Group, Inc.

Management

The following table sets forth information about shares of Provident common stock owned by each nominee for election as director, each incumbent director whose term will continue following the Annual Meeting, each named executive officer identified in the summary compensation table included elsewhere in this Proxy Statement, and all nominees, incumbent directors and executive officers as a group, as of March 6, 2012.

Name	Position(s) held with Provident Financial Services, Inc. and/or The Provident Bank	Shares Owned Directly and Indirectly ⁽¹⁾	Options Exercisable within 60 days	Beneficial Ownership	Percent of Class ⁽²⁾	Unvested Stock Awards included in Beneficial Ownership
NOMINEES						
Geoffrey M. Connor	Director	78,382	166,400	244,782	*	6,000
Christopher Martin	Chairman, President and Chief Executive Officer	386,332 ⁽³⁾	101,361	487,693	*	20,745
Edward O. Donnell	Director	96,742	166,400	263,142	*	6,000
Jeffries Shein	Director	784,447 ⁽⁴⁾	20,400	804,847	1.3%	6,000
INCUMBENT DIRECTORS						
Thomas W. Berry	Director	53,000	20,400	73,400	*	6,000
Laura L. Brooks	Director	25,808	13,400	39,208	*	6,000
Frank L. Fekete	Director	77,550	166,400	243,950	*	6,000
Terence Gallagher	Director	13,500		13,500	*	6,000
Carlos Hernandez	Director	71,534	166,400	237,934	*	6,000
Thomas B. Hogan Jr.	Director	17,600 ⁽⁵⁾		17,600	*	6,000
Katharine Laud	Director	64,904	3,200	68,104	*	6,000
EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS						
Donald W. Blum**	Executive Vice President and Chief Lending Officer	52,638	123,139	175,777	*	7,192
John F. Kuntz	Executive Vice President, General Counsel and Corporate Secretary	52,812	122,202	175,014	*	8,961
Thomas M. Lyons	Executive Vice President and Chief Financial Officer	59,908	33,482	93,390	*	8,307
Michael A. Raimonde**	Executive Vice President and Director of Retail Banking	25,338	22,245	47,583	*	7,377
All directors and executive officers as a group (21 persons)		2,011,377	1,266,204	3,277,581	5.3%	143,854

* Less than 1%

** Messrs. Blum and Raimonde are officers of The Provident Bank only.

- (1) The amounts shown for executive officers include shares held in the 401(k) Plan and shares allocated to the executive officer in the Employee Stock Ownership Plan (ESOP) as follows:

Name	401(k) Plan Shares	ESOP Shares
Christopher Martin	117,455	6,905
Donald W. Blum	3,321	10,076
John F. Kuntz		9,842
Thomas M. Lyons	23,050	5,465
Michael A. Raimonde	3,556	2,357
All executive officers as a group (11 persons)	178,493	55,794

- (2) Based on 60,702,206 shares of Provident common stock outstanding as of March 6, 2012, plus the number of shares which such person or group of persons has the right to acquire within 60 days of March 6, 2012.
- (3) Includes 17,785 shares held by Mr. Martin in the First Savings Bank Directors' Deferred Fee Plan.
- (4) Includes 383,819 shares held by Mr. Shein in the First Savings Bank Directors' Deferred Fee Plan.
- (5) Includes 100 shares held by Mr. Hogan's adult son, for which he disclaims beneficial ownership.

Section 16(a) Beneficial Ownership Reporting Compliance

Provident common stock is registered with the Securities and Exchange Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended. The directors and executive officers of Provident and The Provident Bank, and beneficial owners of greater than 10% of Provident common stock are required to file reports on Forms 3, 4 and 5 with the Securities and Exchange Commission disclosing beneficial ownership and changes in beneficial ownership of Provident common stock. The Securities and Exchange Commission rules require disclosure in the Proxy Statement or Annual Report on Form 10-K of the failure of a director, executive officer, or greater than 10% beneficial owner of Provident common stock to file a Form 3, 4, or 5 on a timely basis. Based solely on a review of ownership reports and confirmations by executive officers and directors, Provident believes that during the year ended December 31, 2011, executive officers and directors timely filed all required stock ownership reports.

PROPOSAL 1 ELECTION OF PROVIDENT DIRECTORS

General

Provident's board of directors currently consists of 11 members and is divided into three classes, with one class of directors elected each year. Each of the members of the board of directors also serves as a director of The Provident Bank. Directors are elected to serve for a three-year term and until their respective successors shall have been elected and qualified. A director is not eligible to be elected or appointed to the board of directors after reaching age 73.

Four directors will be elected at the Annual Meeting to serve for a three-year term and until their respective successors shall have been elected and qualified. On the recommendation of the Governance/Nominating Committee, the board of directors nominated Geoffrey M. Connor, Christopher Martin, Edward O. Donnell and Jeffries Shein for election as directors at the Annual Meeting.

All of the nominees for election at the Annual Meeting currently serve as directors of Provident and The Provident Bank. The stockholders previously elected Messrs. Connor, Martin, O. Donnell and Shein. There are no arrangements or understandings between any nominee and any other person pursuant to which any such nominee was selected. **Unless authority to vote for the nominees is withheld, it is intended that the shares represented by the enclosed Proxy Card, if executed and returned, will be voted FOR the election of all nominees.**

Each of the nominees has consented to be named a nominee. In the event that any nominee is unable to serve as a director, the persons named in the Proxy Card as proxies will vote with respect to a substitute nominee.

designated by Provident's current board of directors. At this time, the board of directors knows of no reason why any of the nominees would be unable or would decline to serve, if elected.

PROVIDENT'S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR NAMED IN THIS PROXY STATEMENT.

The Board of Directors

Provident's board of directors is comprised of individuals with considerable and varied business experiences, backgrounds, skills and qualifications who collectively have a strong knowledge of Provident's business and markets, and are committed to enhancing long-term stockholder value. The Governance/Nominating Committee is responsible for identifying and selecting director candidates that meet the evolving needs of the board of directors. Director candidates must have the highest personal and professional ethics and integrity. Additional criteria weighed by the Governance/Nominating Committee in the director identification and selection process include the relevance of a candidate's experience to the business of Provident, enhancement of the diversity of experience of the board, the candidate's independence from conflict or direct economic relationship with Provident, and the candidate's ability and willingness to devote the proper time to prepare for and attend meetings. The Governance/Nominating Committee also takes into account whether a candidate satisfies the criteria for independence under Provident's Independence Standards and the New York Stock Exchange listing rules, and if a nominee is sought for service on the Audit Committee, the financial and accounting expertise of a candidate, including whether the candidate qualifies as an Audit Committee financial expert. While the Governance/Nominating Committee does not have a formal policy respecting diversity on the board of directors, consideration is given to nominating persons with different perspectives and experience to enhance the deliberation and strategic decision-making processes of the board of directors.

The following table sets forth certain information, as of March 6, 2012, regarding the nominees for election as directors and the incumbent directors whose terms will continue following the Annual Meeting, including the terms of office of each director.

Name	Position(s) held with Provident Financial Services, Inc. and The Provident Bank	Age	Director Since ⁽¹⁾	Expiration of Term
NOMINEES				
Geoffrey M. Connor	Director	65	1996	2012
Christopher Martin	Chairman, President and Chief Executive Officer	55	2005	2012
Edward O. Donnell	Director	61	2002	2012
Jeffries Shein	Director	72		