

2003 Stockholder Meeting



First
Sentinel

GROUNDED
 IN TRADITION,
 POSITIONED FOR
 THE FUTURE

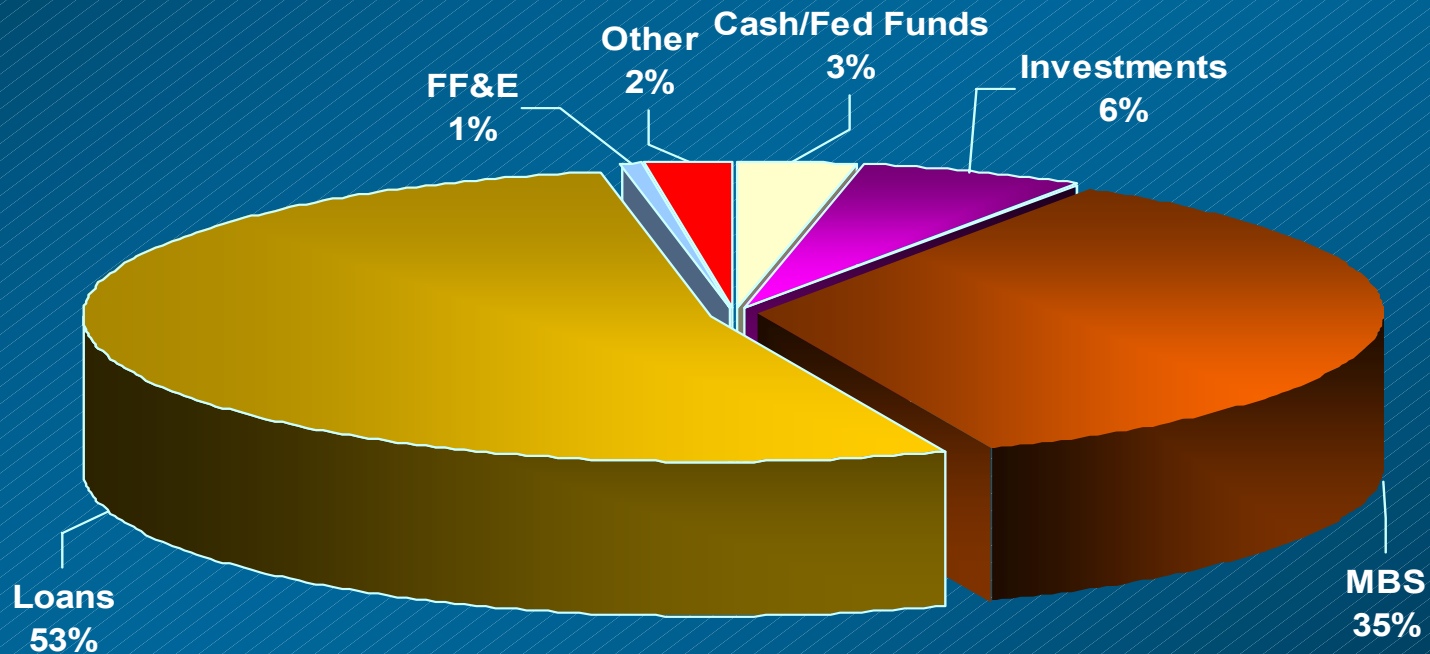


This presentation contains statements that are forward looking in nature, such as references to strategic initiatives and growth plans. Forward looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those currently anticipated due to a large number of factors. Please refer to First Sentinel's 10-K and 10-Qs for a discussion of these risks.

Quality asset growth



Prepayments hit record highs in 2002, forcing reinvestment in mortgage-backed and investment securities



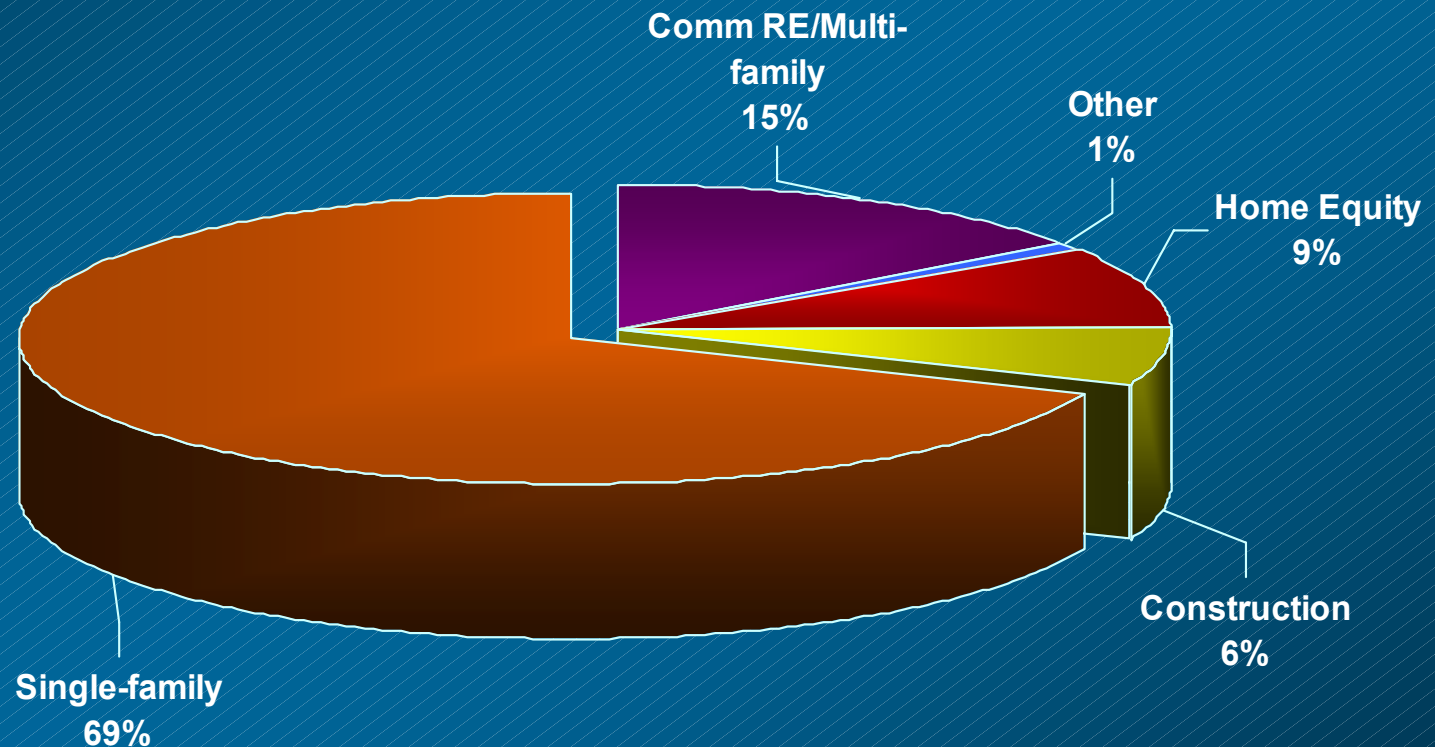
Asset Mix @ 12/31/02

Despite record originations, the portfolio decreased as loan production was outweighed by refinances and prepayments



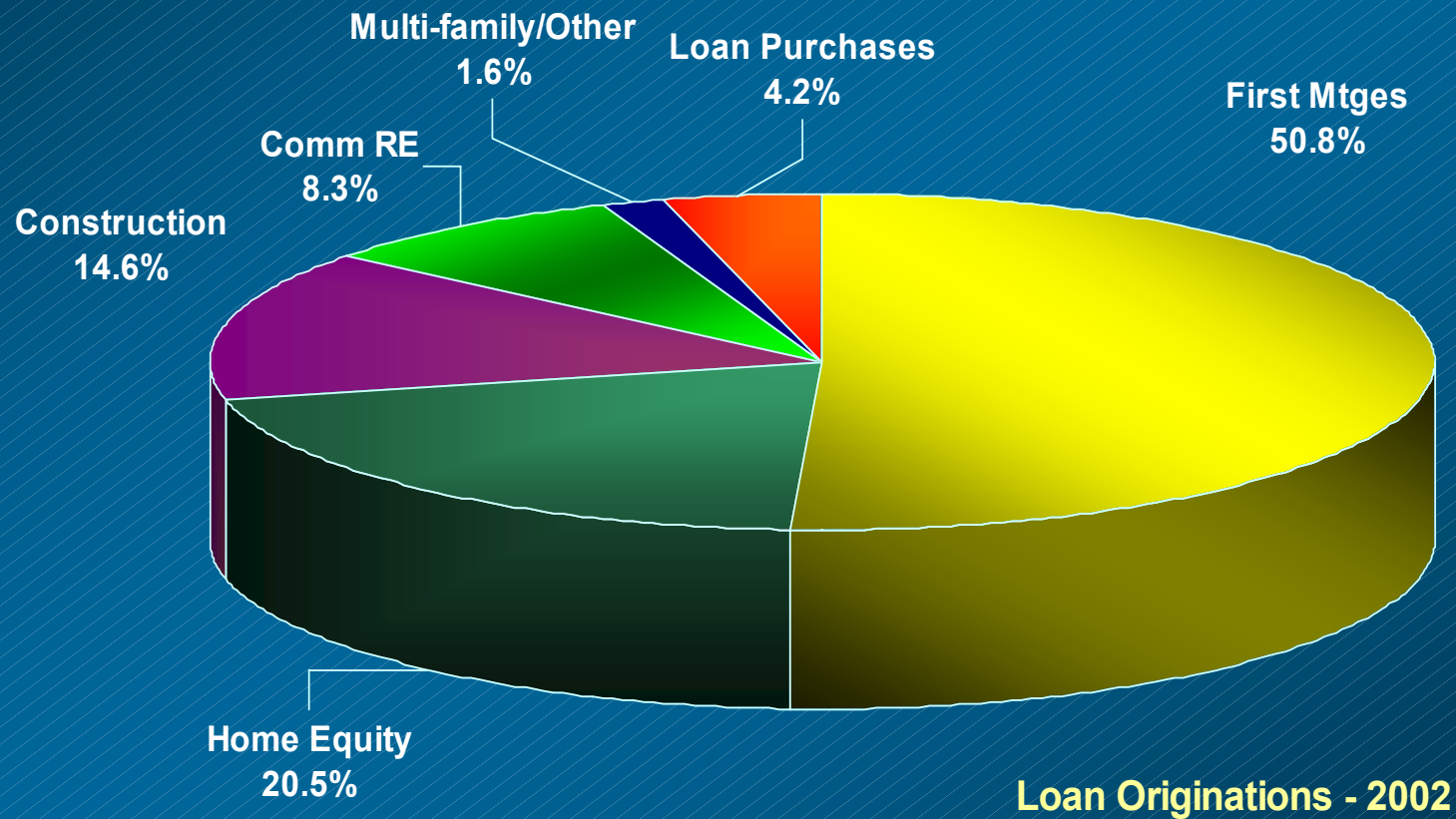
Loans Receivable at December 31

The loan portfolio mix has maintained its low-risk profile

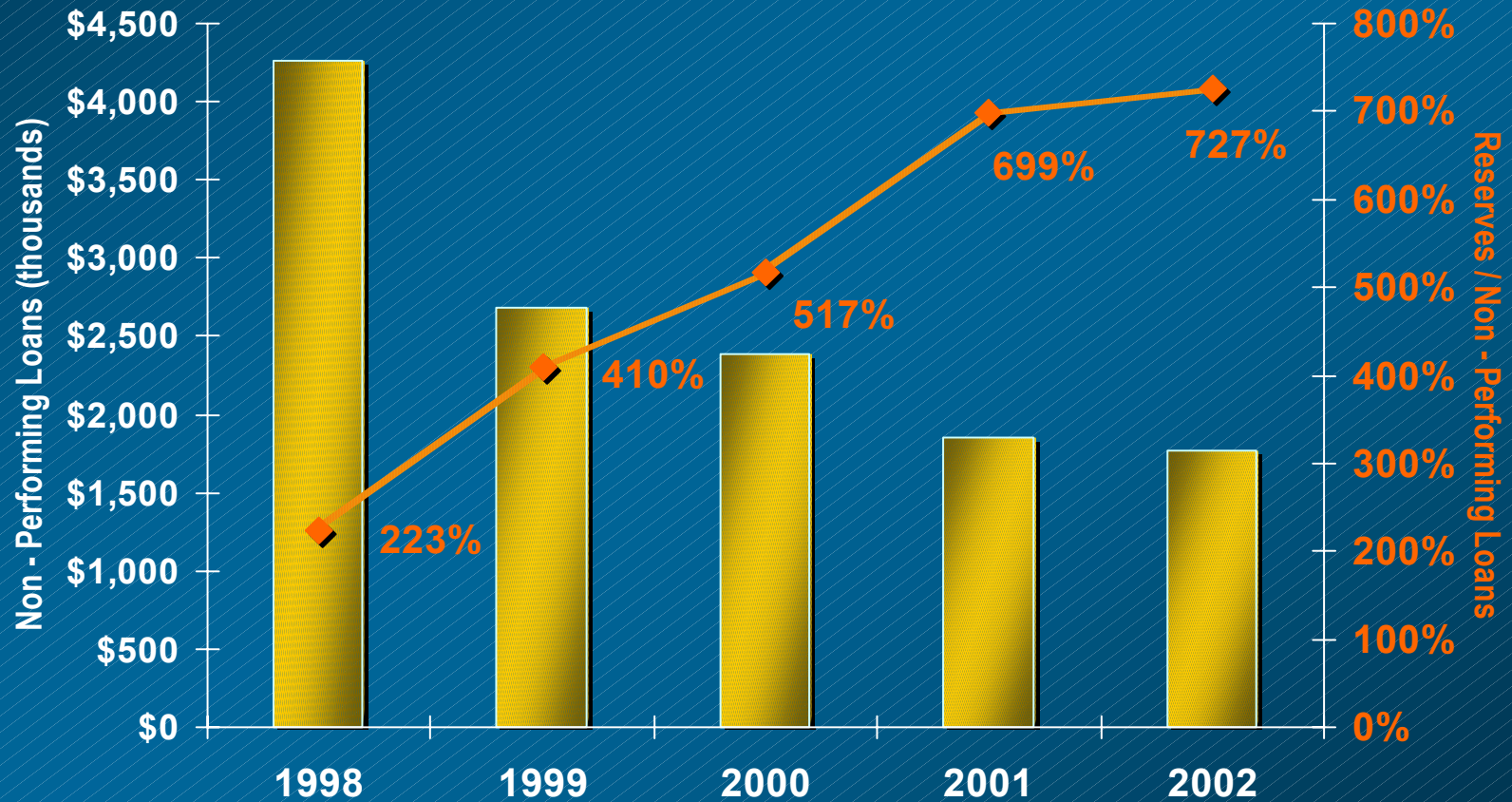


Loans receivable @ 12/31/02

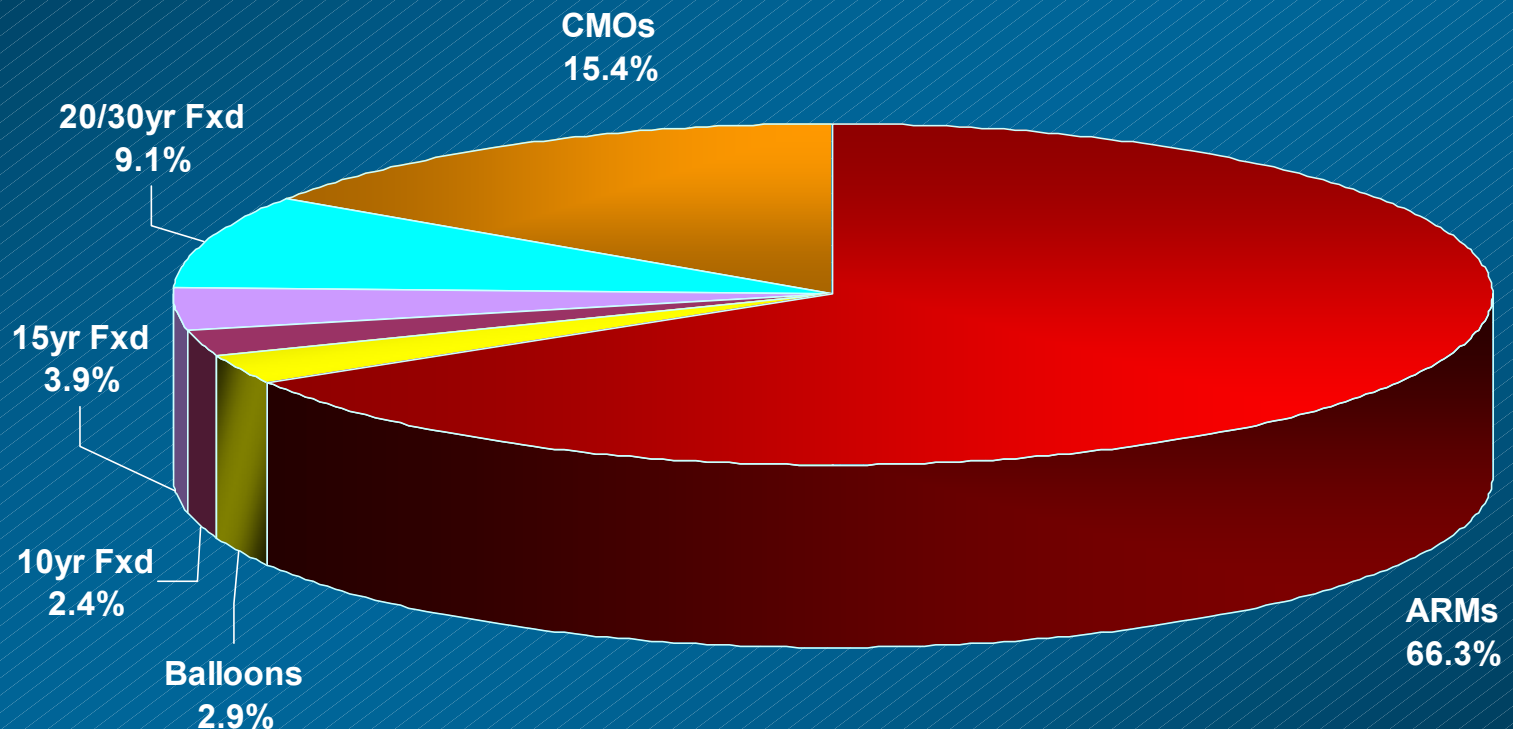
Historically low interest rates contributed to record originations



Adhering to our underwriting standards

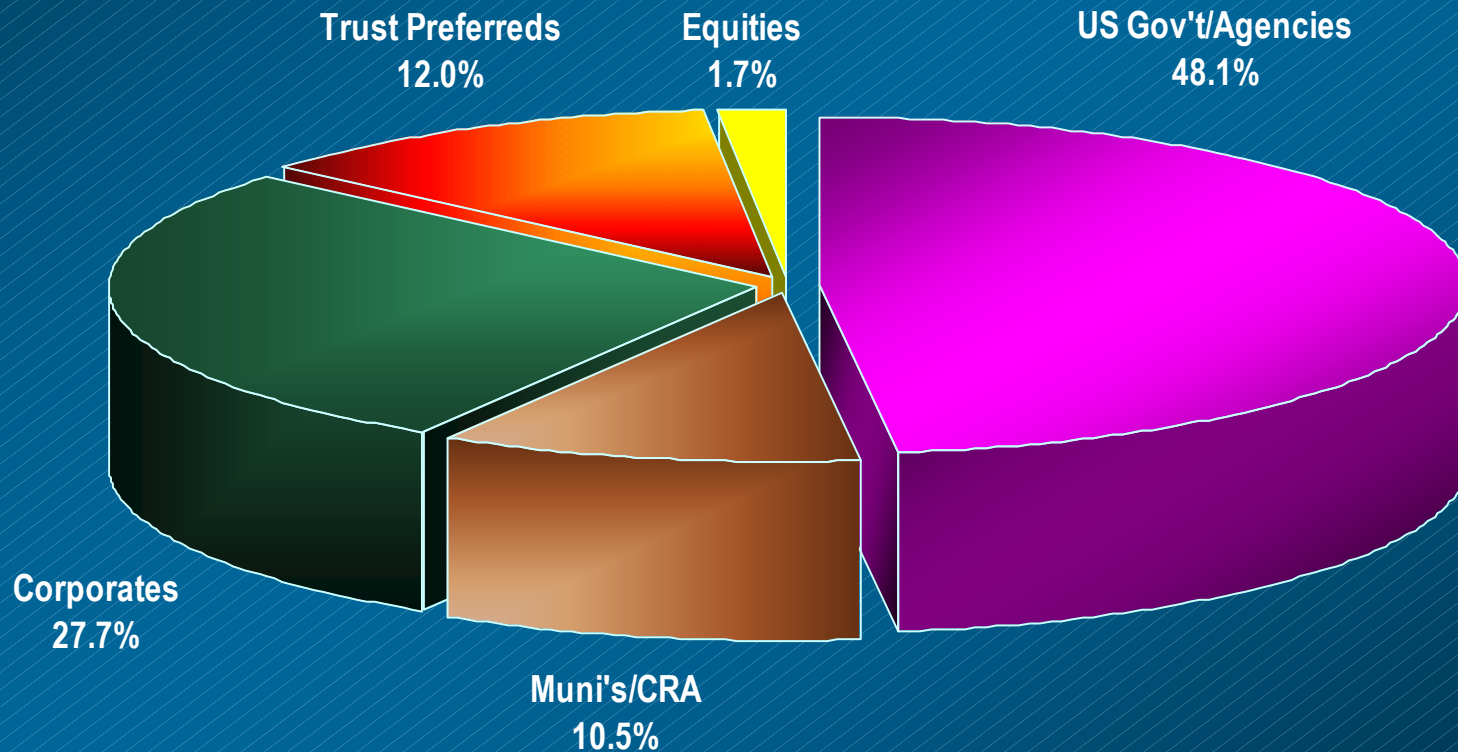


Prepayments pressured yields on MBS as interest rates declined



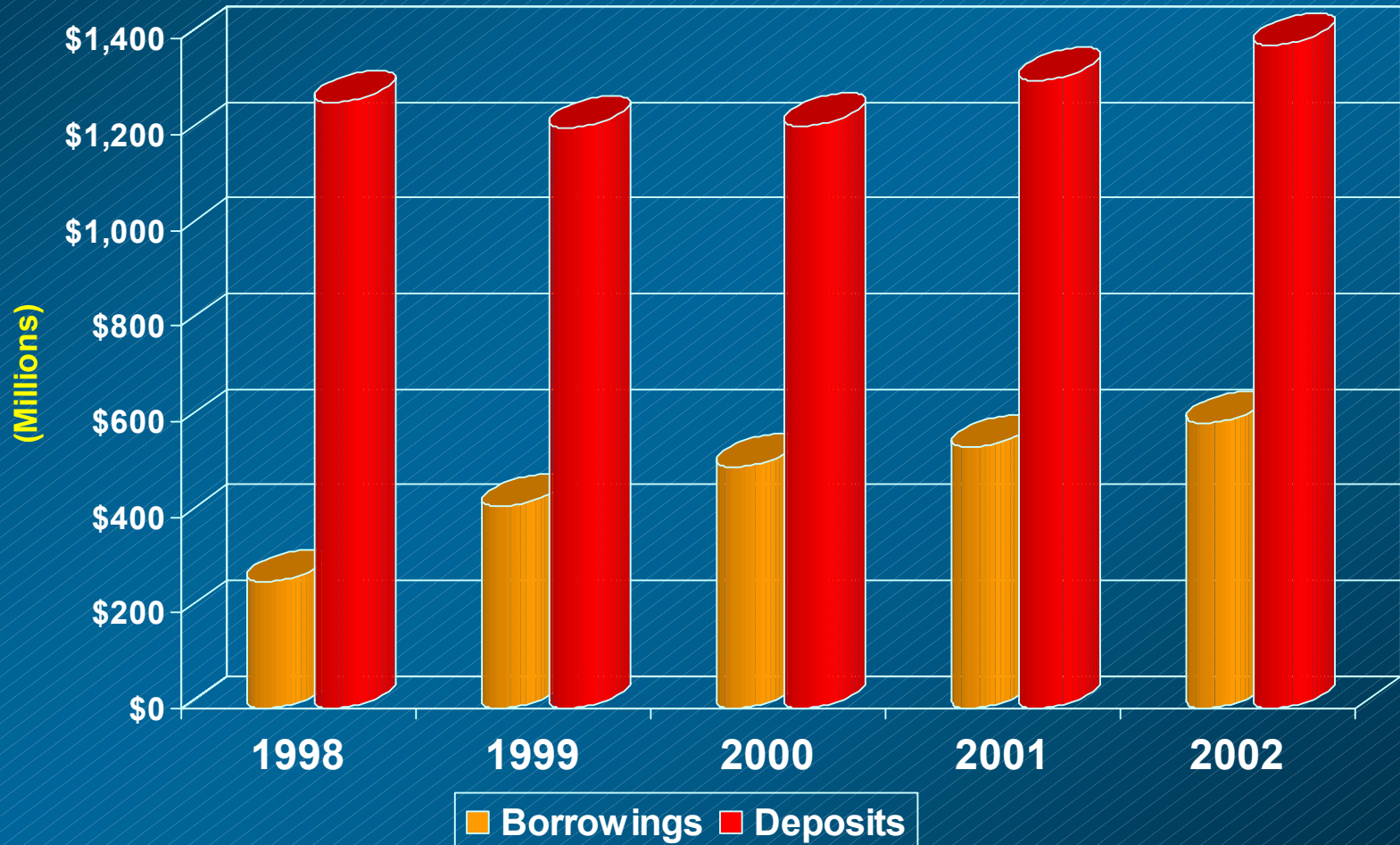
Mortgage-backed Securities @ 12/31/2002

Reinvestment risk was, and continues to be, a challenge in these uncertain economic times



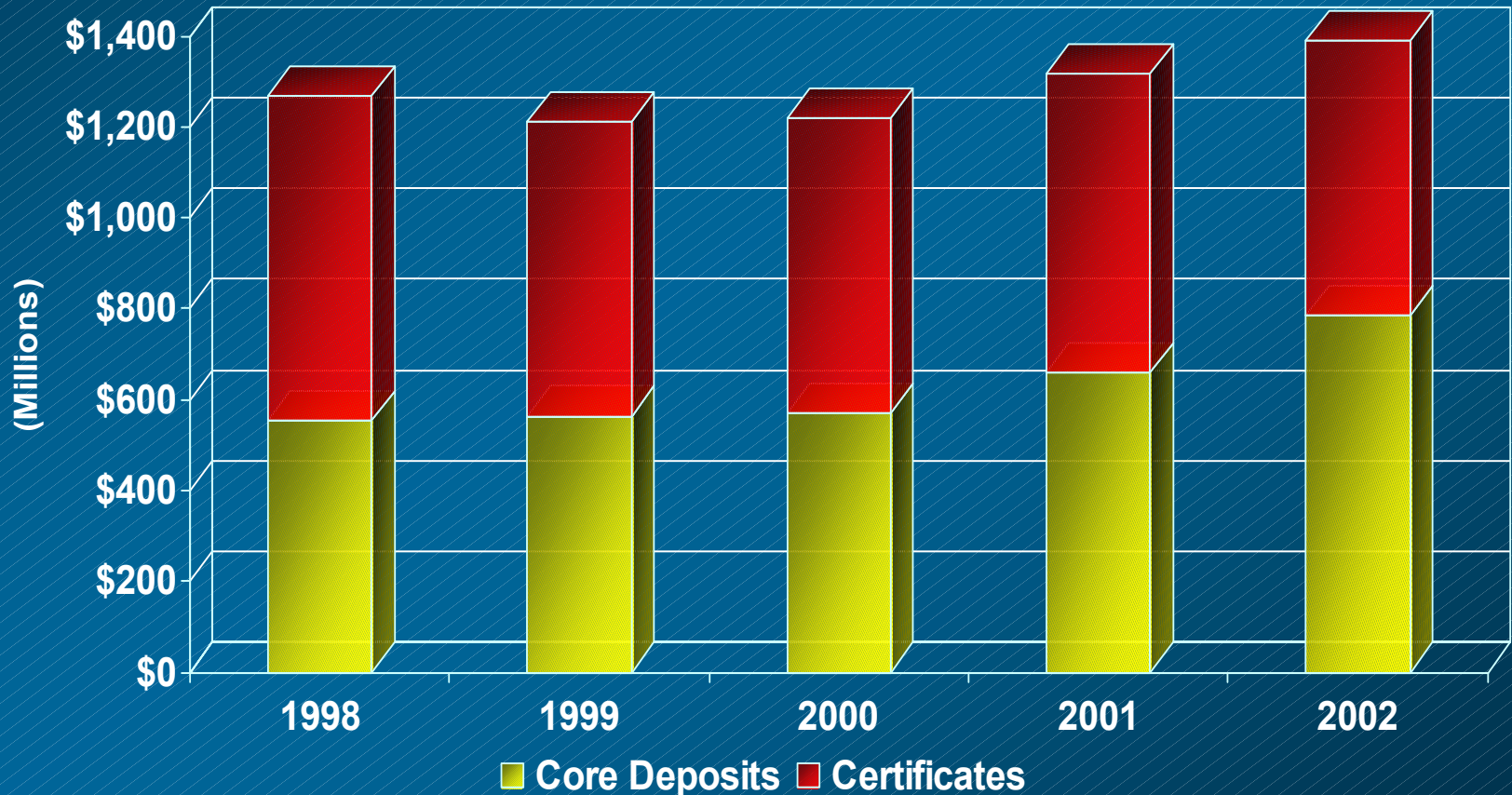
Investments @ December 31, 2002

The Company has an internal borrowing limit of 30% of assets

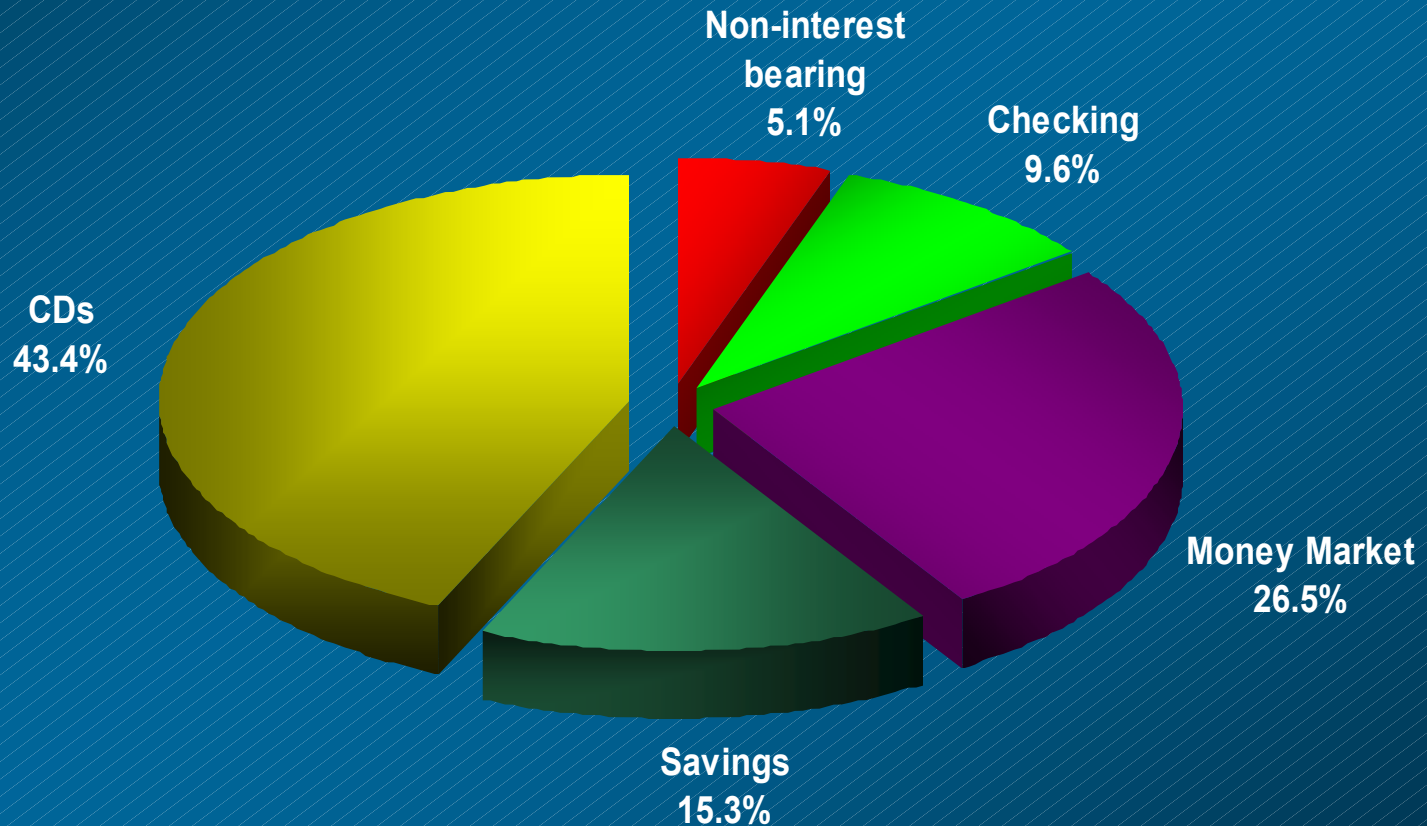


Core deposits as a percentage of total deposits accelerated during 2002

Deposits @ December 31

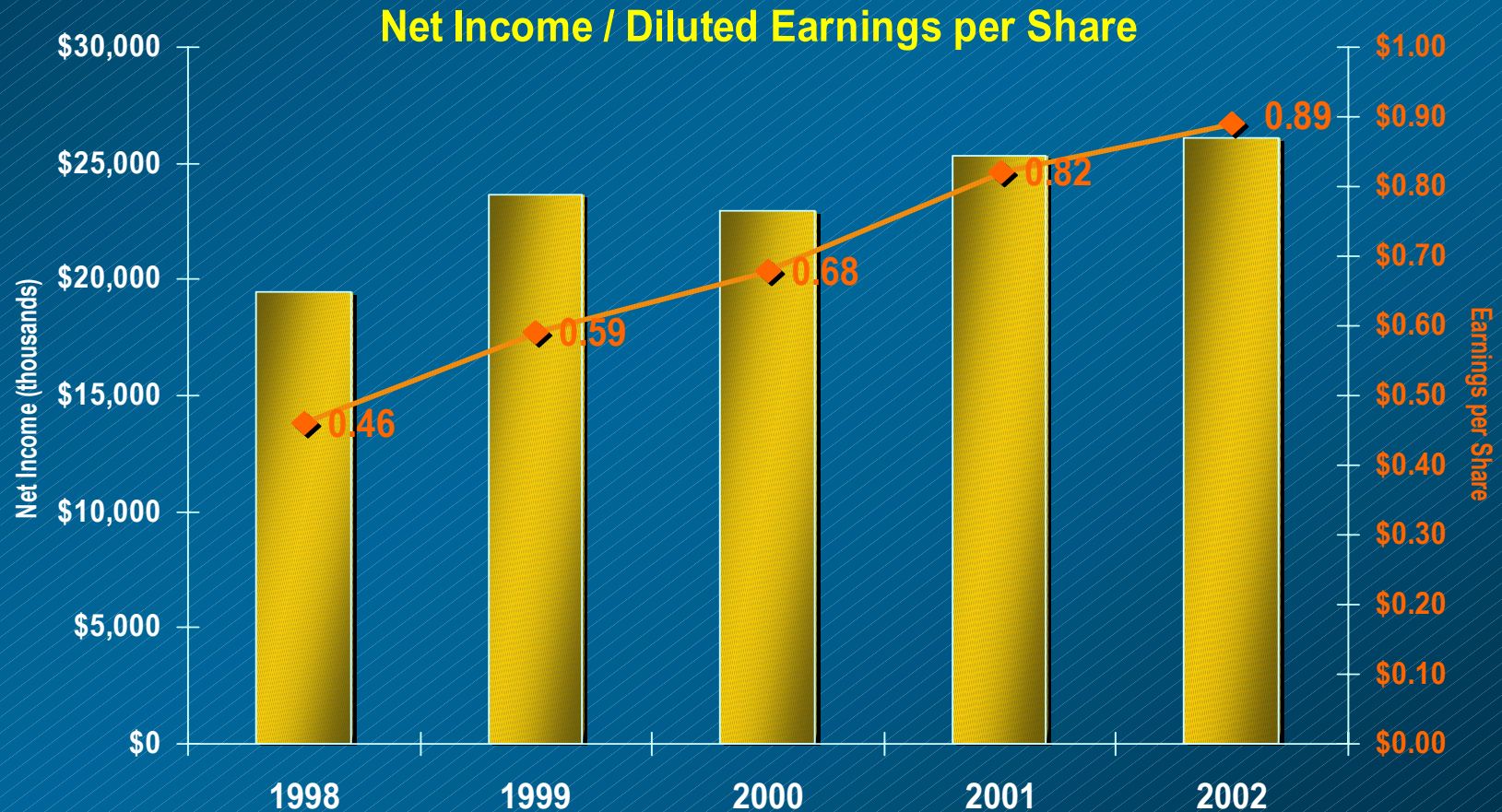


Core deposits increased as we shifted our focus on commercial account growth

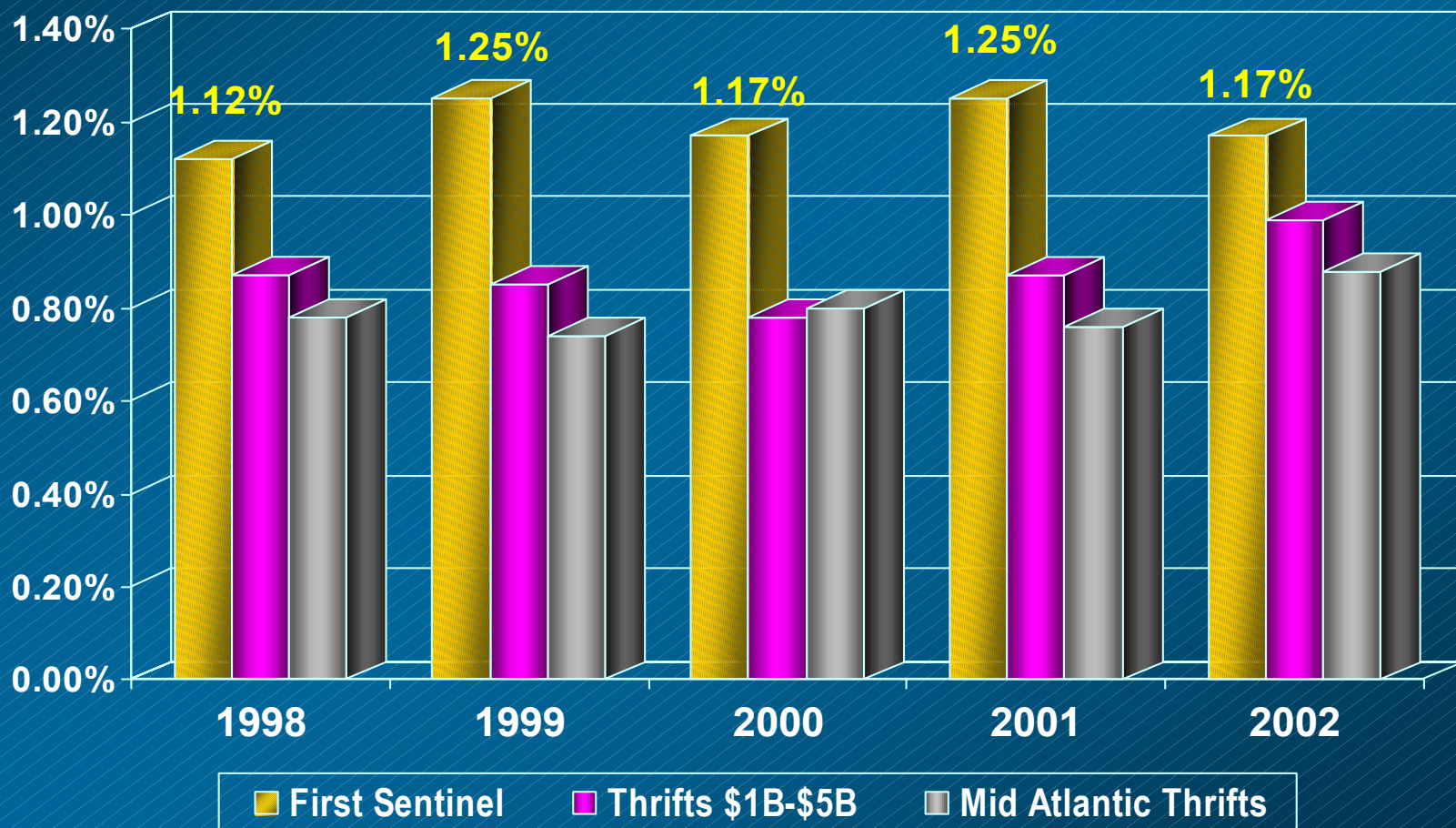


Deposits at 12/31/2002

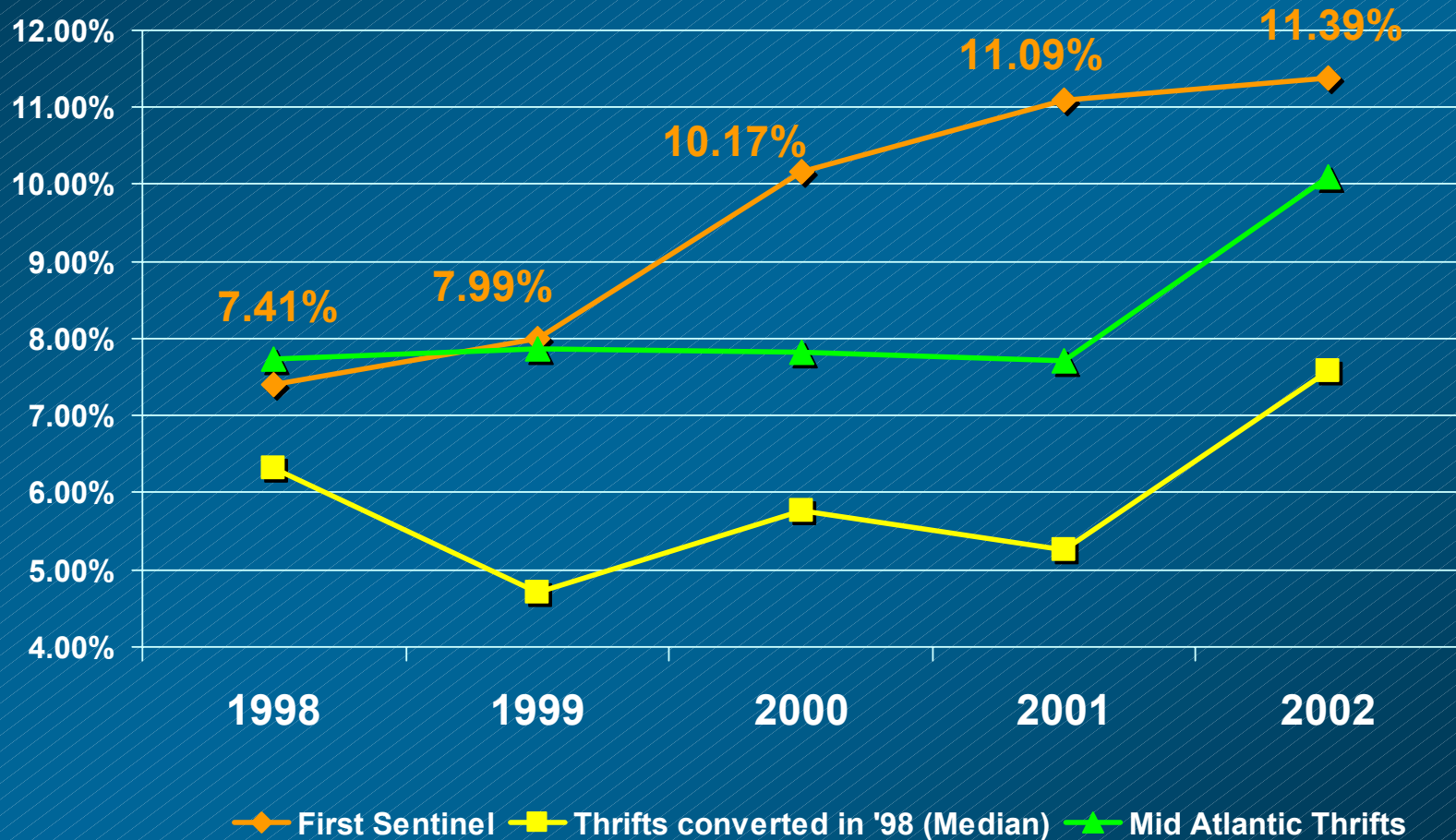
Record 2002 earnings negatively impacted by loan loss provision and WorldCom bonds



Company return on average assets consistently exceeds peers

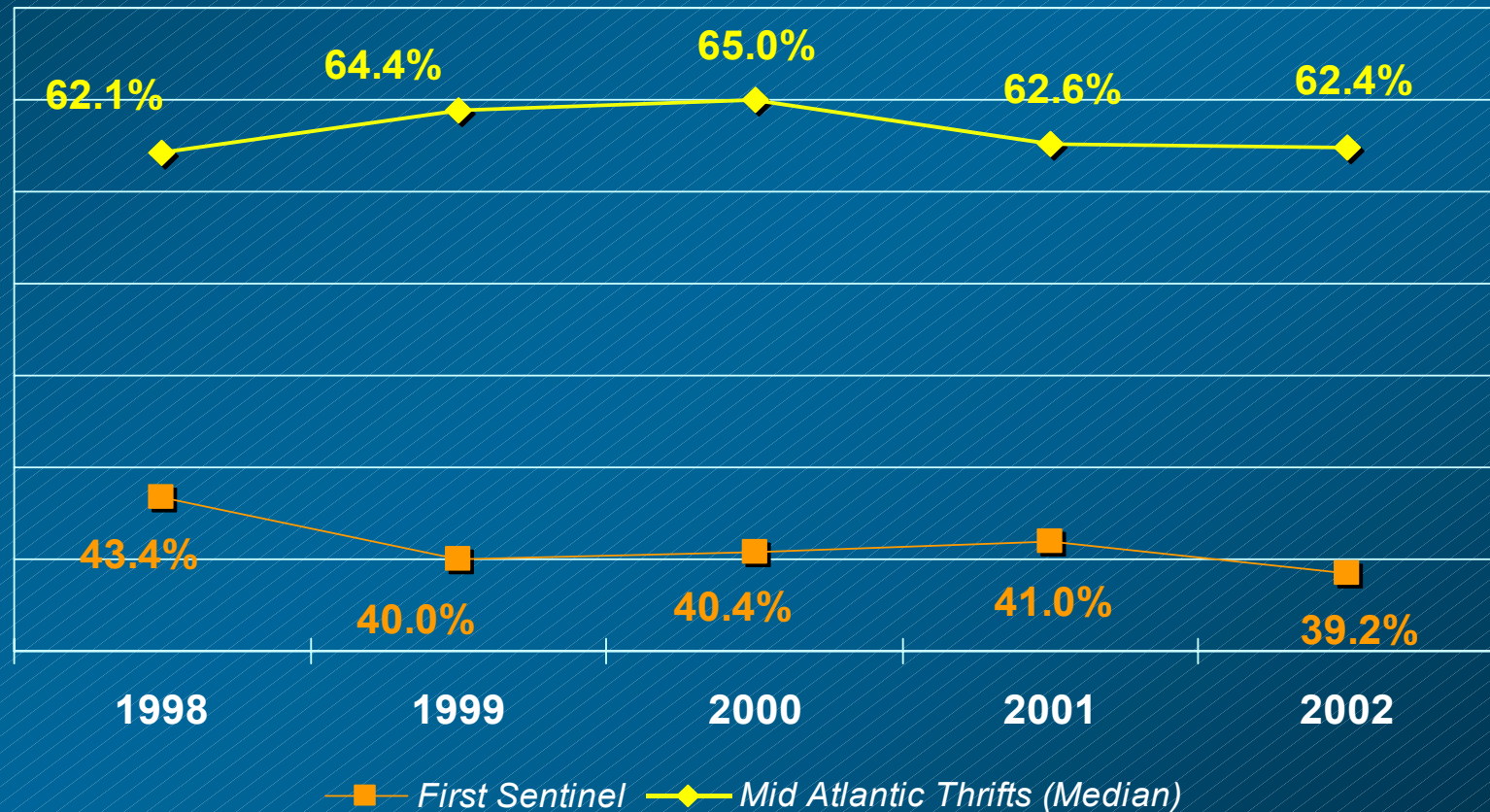


Return on average equity improves as capital strategies are deployed



Maintaining control of expenses continues to be a focus of management

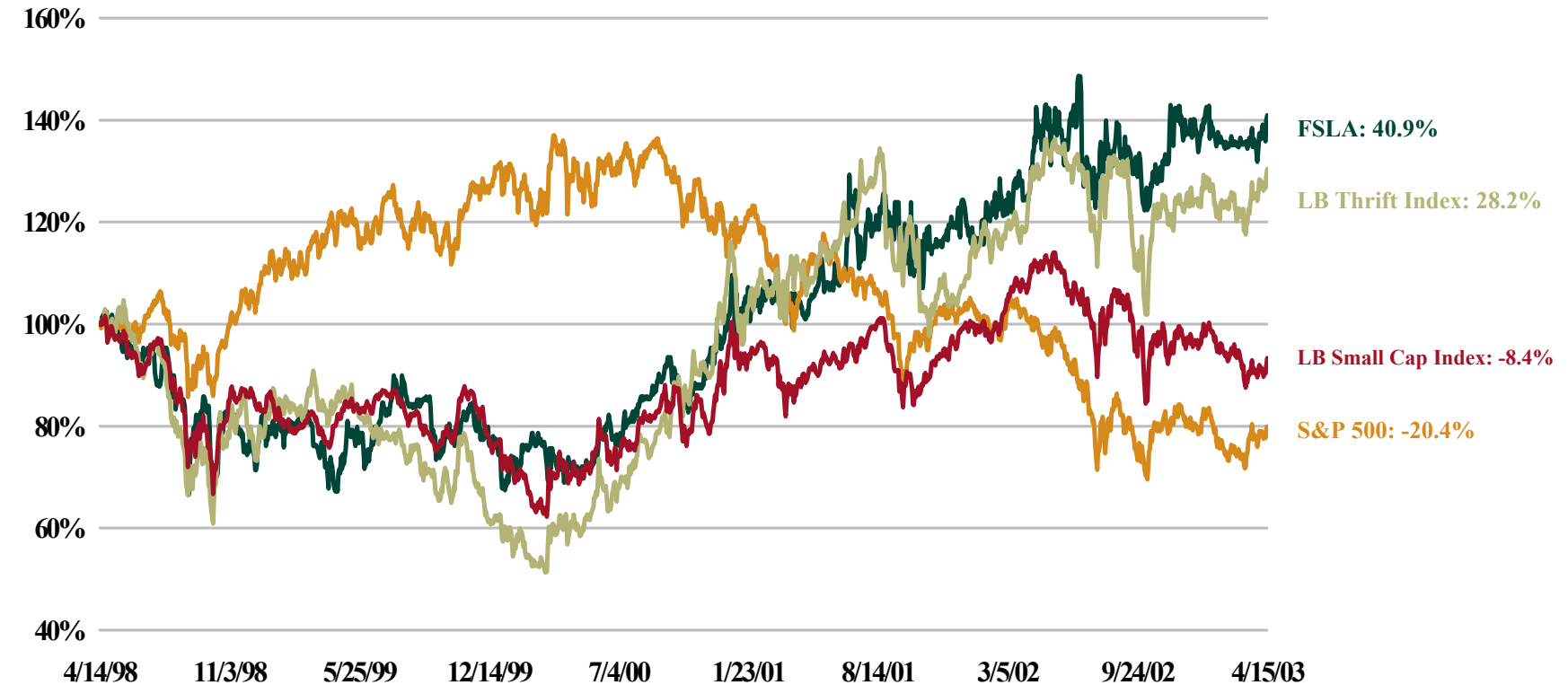
Efficiency Ratio @ December 31



Source: SNL Financial

Relative Stock Price Performance

Indexed Price

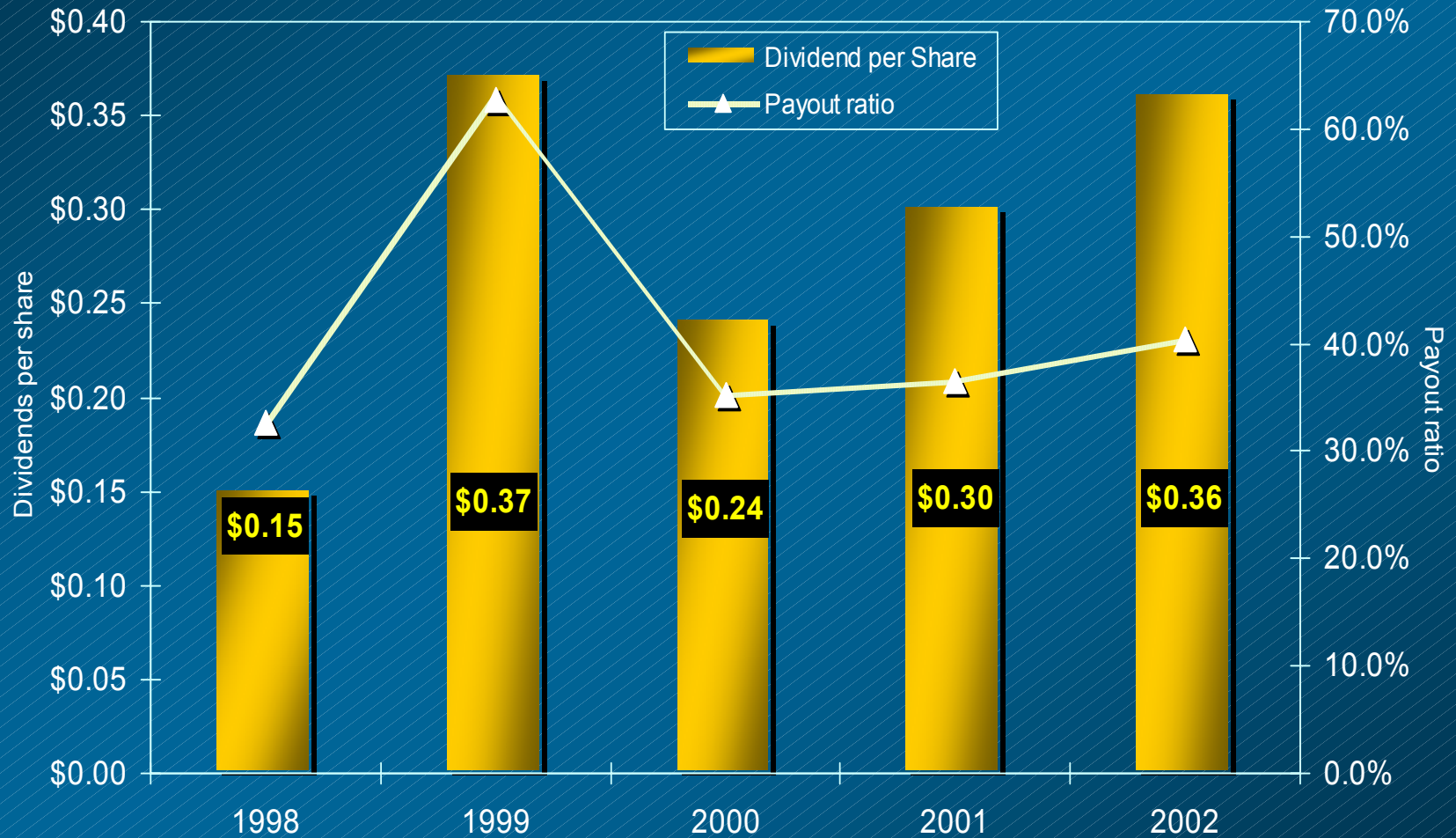


	5 Year Return	3 Year Return	1 Year Return	YTD Return
FSLA	40.9 %	34.9 %	5.3 %	2.8 %
LB Thrift Index	28.2	15.5	0.3	4.7
LB Small-Cap Index	(8.4)	2.9	(17.6)	(4.7)
S&P 500	(20.4)	(24.7)	(19.2)	1.2

LB Thrift Index includes: AF, BBX, CFB, DCOM, FBBC, FBC, FED, GDW, GPT, HCBK, ICBC, MAFB, NYCB, PBCT, RSLN, SIB, WBST, WFSL and WM.

LB Small-Cap Bank Index includes: ASBC, BOH, CBSH, CFR, CHZ, CNB, FCF, FMBI, FMER, GBBK, HIB, MRBK, PFGI, SIVB, SKYF, SWBT, VLY and WABC.

Cash dividend increased 26.6% in 2002 and 10.5% in February 2003



1999 includes special, one-time \$0.15 cash dividend

Despite margin compression, earnings per share increased from last year

(Dollars in thousands)	<u>Quarter Ended March 31, 2003</u>	<u>Quarter Ended March 31, 2002</u>
Net income	\$6,550	\$6,601
Diluted earnings per share	\$0.24	\$0.22
Return on average equity	11.98%	11.43%
Return on average assets	1.16%	1.22%
Total assets	\$2,291,231	\$2,194,261
Total deposits	\$1,406,077	\$1,351,494
<u>Asset Quality</u>		
Non-performing assets	\$1,419	\$1,979
Allowance to total loans	1.04%	1.03%

Business Strategies for 2003 & Beyond

- ✓ Branch expansion - 4 new locations over next three years
- ✓ Growth of loan portfolio with concentration in commercial real estate lending
- ✓ Continued product development to grow core deposits and reduce wholesale borrowings
- ✓ Expansion of net interest margin
- ✓ Fee income improvement

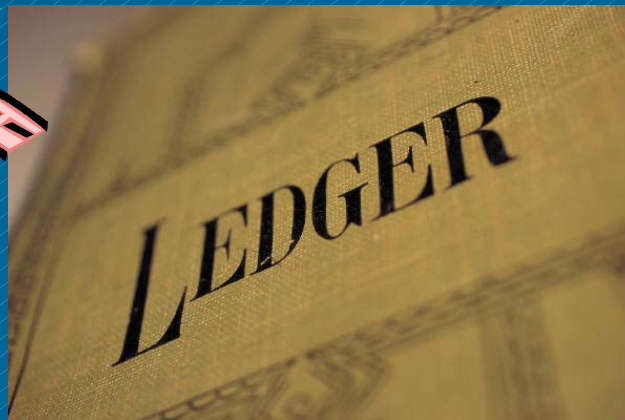
Capital Management Strategy

- Repurchased 2.6 million shares of FSLA at an average cost of \$13.82 per share during 2002
- Completed sixth Stock Repurchase Program and started seventh in February 2003
- Increased cash dividend 10.5% to \$0.105 per share in February 2003
- Reviewing opportunities within financial services arena that are earnings and/or market accretive

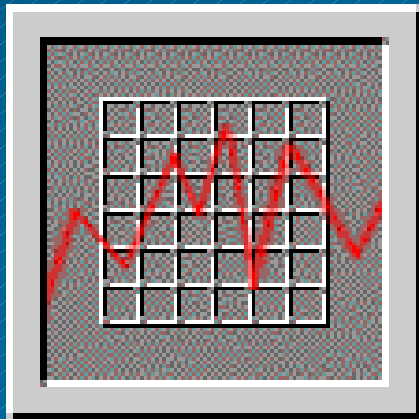


Possible de novo branches

Corporate Governance



The Future





Questions & Comments