



Mid-Atlantic 2002
Super-Community Bank Conference

October 29th and 30th 2002

Forward-Looking Statement

This information may contain “forward-looking statements” either expressed or implied which are made in good faith by Chester Valley Bancorp Inc. (“CVAL”), pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements with respect to CVAL’s strategies, goals, beliefs, expectations, estimates, intentions, financial condition, results of operations, future performance and business of CVAL. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors.

Numerous competitive, economic, regulatory, legal and technological factors, among others, could cause CVAL’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements. CVAL does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by or on behalf of CVAL.

Who We Are



CHESTER VALLEY BANCORP INC.

Organization History

1922-*Downingtown Building and Loan* Founded

1987-Initial IPO

1988-Renamed *First Financial Savings Bank*

1989-Converted to Thrift Holding Company

1997-Name Changed to *First Financial Bank*

1998-Acquired *Philadelphia Corporation for Investment Services*

2001-Converted to Commercial Bank Charter

2001-Approval of Bank Holding Co. and Financial Holding Co.

Holding Company Structure

Chester Valley Bancorp Inc.
NASDAQ: CVAL

First Financial Bank

- Commercial Bank
- 9 Full Service Offices
- \$585MM in Assets*
- \$399MM in Deposits*

Philadelphia Corporation
for Investment Services

- Full Service Broker-Dealer
- Registered Investment Advisor
- 2 Investment Offices

*As of 9/30/02

Strong Management Team

Name	Function	Years in Fin. Serv.	Prior Institutions
Donna M. Coughy	President & CEO (CVL & FFB)	30	Mellon, Marine Midland
Louis Denton	Pres. & CEO – PCIS	19	Hopper Soliday & Co.
Richard Bertolet	EVP – Credit Admin.	34	Mellon
Colin N. Maropis	EVP – Lending	26	Sun Life of Canada
Mathew Kelly	EVP – Trust	17	PNC Advisors, Mellon
Albert S. Randa, CPA	CFO & Treasurer	31	KPMG, LLP
Chris Breslin	SVP – Retail	16	First Union, Chase
Margaret Leimkuhler	Chief Admin. Officer	18	Keystone, Frankford
Thomas Varley	SVP – Trust	28	Glenmede, Mellon

Our Marketplace

Chester County, Pennsylvania



- **In the Top 20 fastest-growing counties in the United States.**
- **Currently 161,811 households, with further growth of 6.4% by 2007.**
- **Average household income of \$105,561 expected to grow nearly 26% by 2007.**

SOURCE: SNL Financial, Claritas

FFB's Branch Network

Chester County, PA



Market Position in Chester County

As a Percent of Total Deposits

4th Largest of the 39 Banks Competing in
Chester County

2nd Largest of the 10 Banks Headquartered in
Chester County

SOURCE: FDIC Summary of Deposits as of 6/30/01

Transition from Thrift to Commercial Bank

Drivers of the Transition

- Broaden Commercial Lending Scope
- Emphasis on Business and Retail Core Deposits
- Maximize Non-interest Revenue

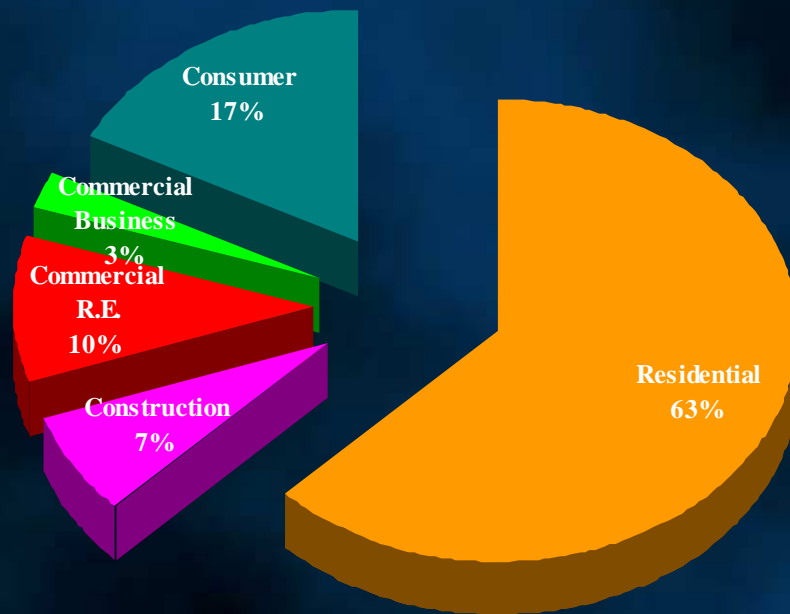
Risk Management

We are highly focused on risk – evaluating it to ensure that it is either mitigated or well-balanced with the reward.

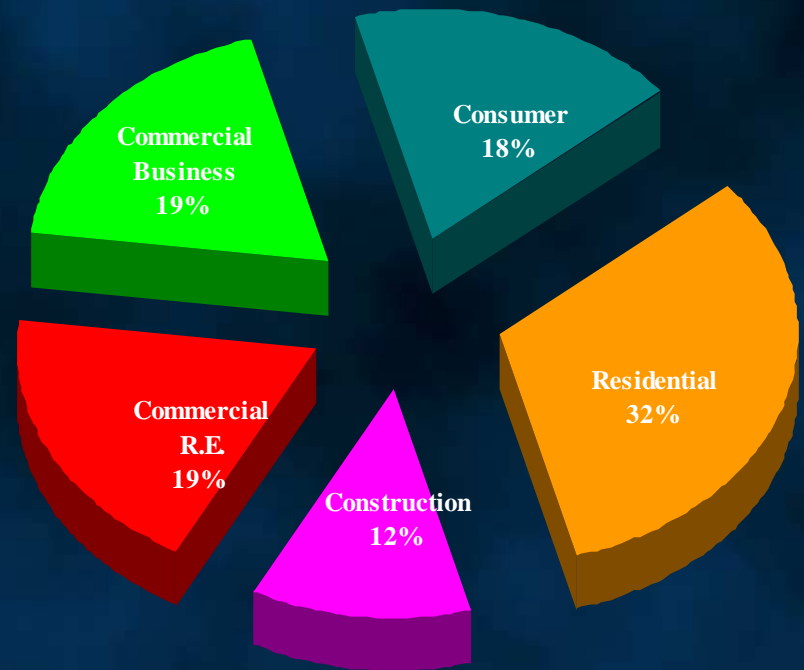
- Credit Risk
 - Strong Credit culture and policy
 - Diversification of risks
 - Early detection system to monitor and remediate emerging substandard credits
- Interest Rate Risk
 - Emphasis on total return
 - Focus on balancing risk vs. reward

Diversifying the Loan Mix

June 30, 1996



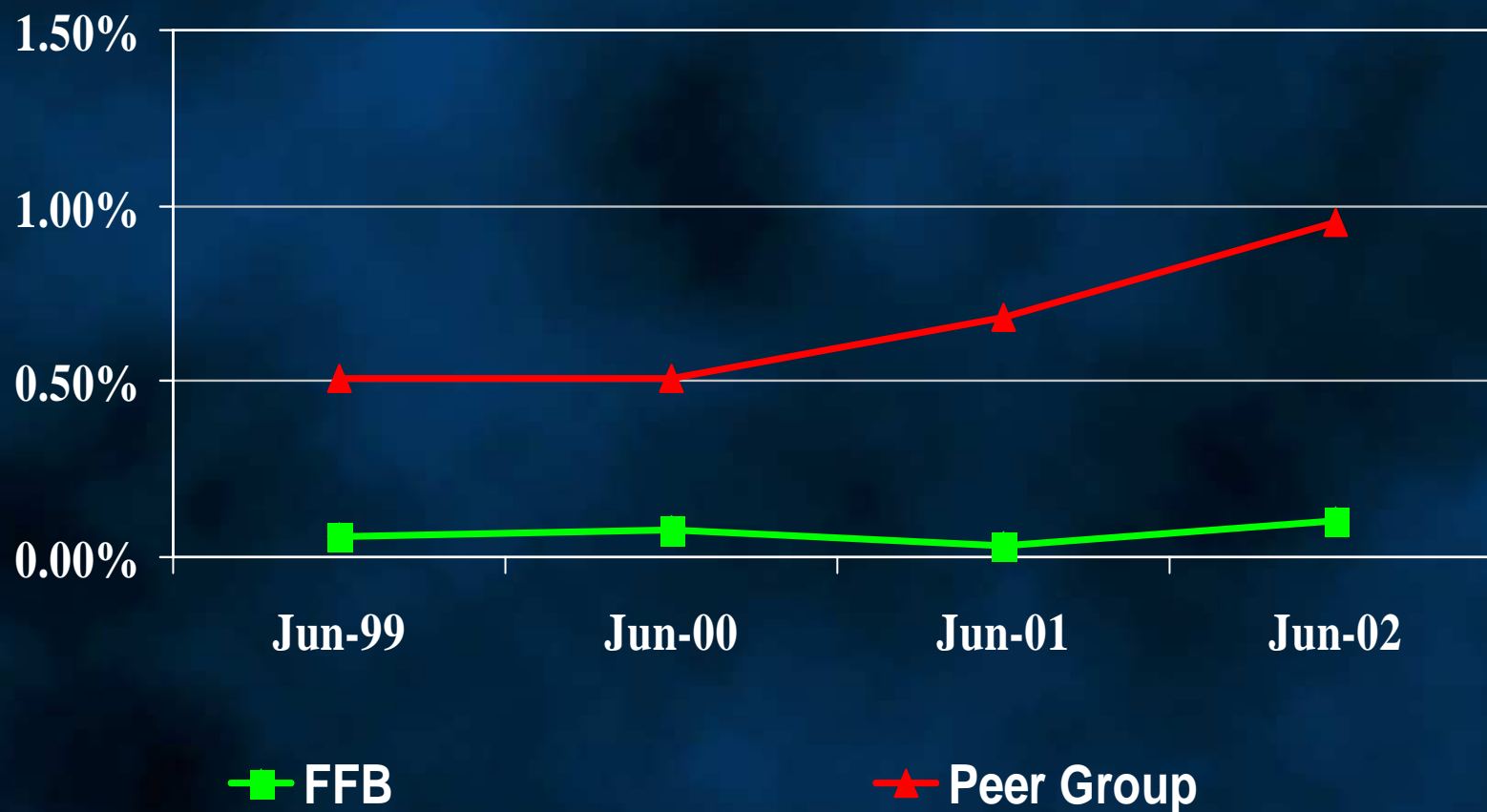
June 30, 2002



Small Business Commercial Loan Growth

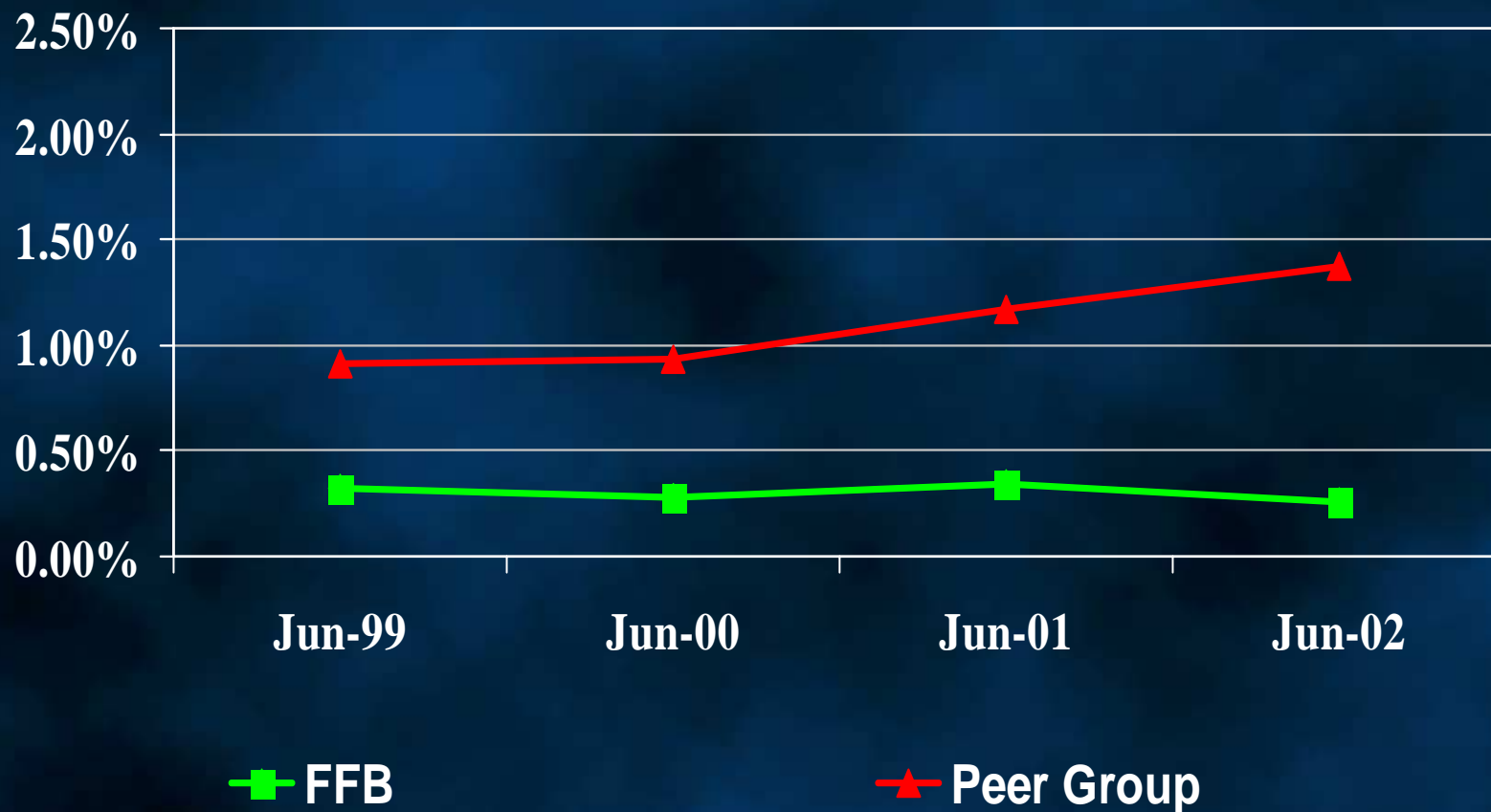
	FY <u>6/30/01</u>	FY <u>6/30/02</u>	1 st Qtr <u>9/30/02</u>
Outstandings	\$3,062	\$6,443	\$8,524
% growth		110.4%	32.3%
# of loans	135	181	216

Net Charge-Offs to Loans



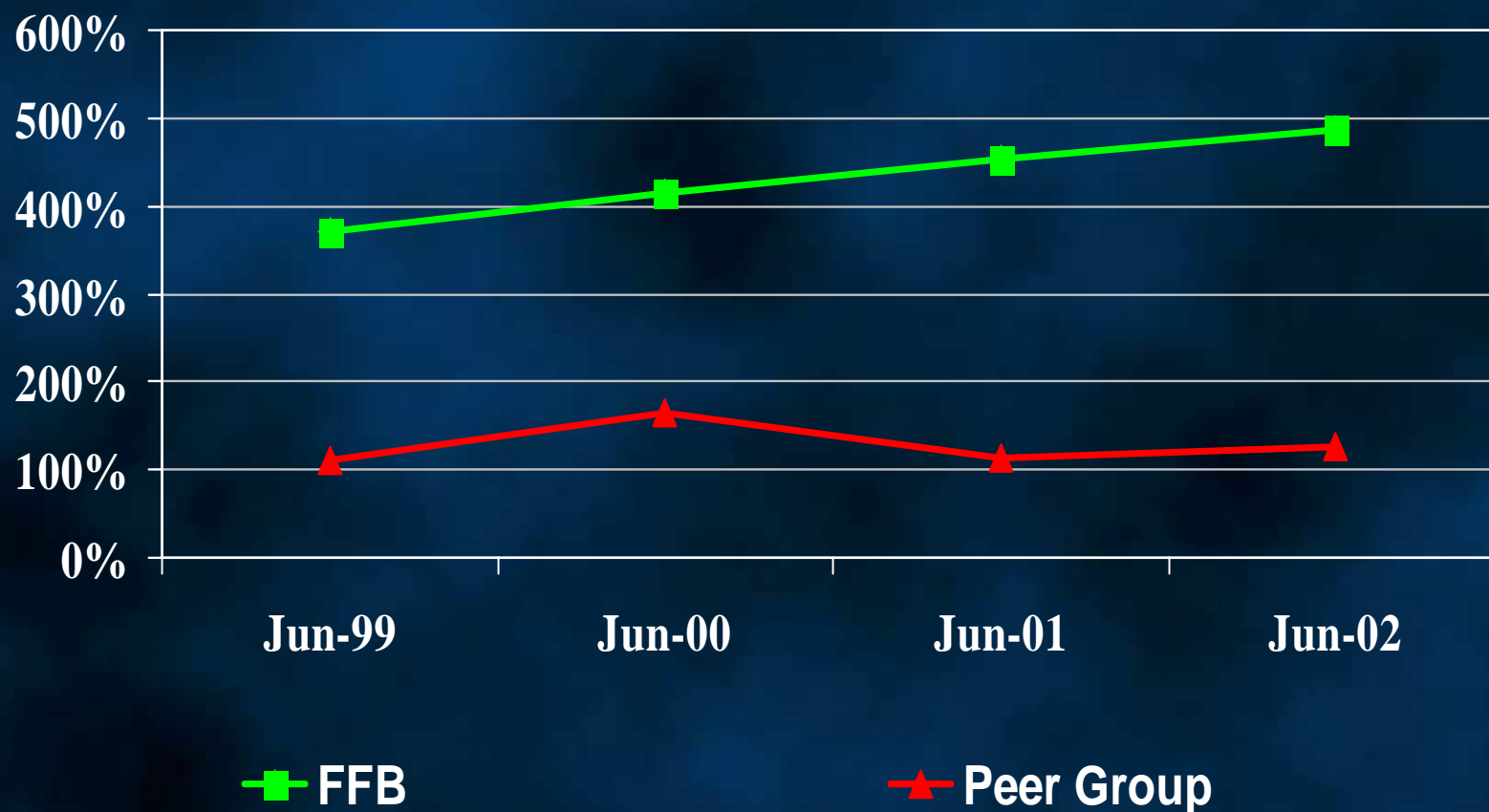
Peer Group Source: FDIC Statistics on Depository Institution Report (National Average)

Non-Performing Loans to Loans



Peer Group Source: FDIC Statistics on Depository Institution Report (National Average)

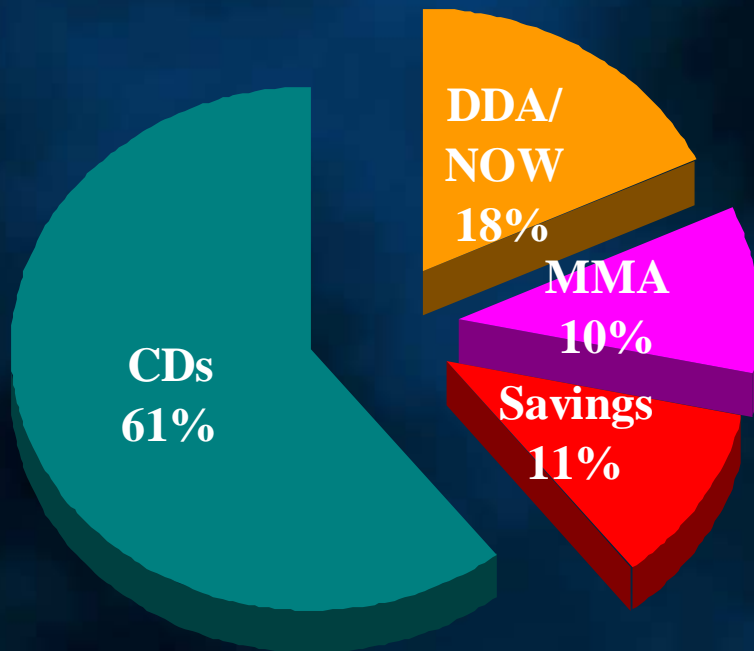
Loan Loss Reserve to Non-Performing Loans



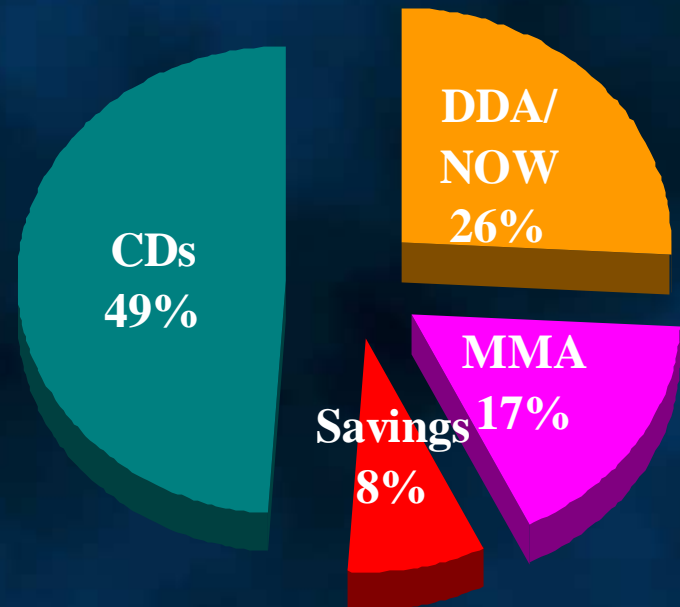
Peer Group Source: FDIC Statistics on Depository Institution Report (National Average)

Building Core Deposits

June 30, 1996



June 30, 2002



Commercial Account Growth

	<u>FY 6/30/01</u>	<u>FY 6/30/02</u>	<u>1st QTR 9/30/02</u>
DDAs	\$25,231	\$31,045	\$33,227
% Growth		23%	7%
Repo's	\$2,428	\$18,249	\$24,289
% Growth		651%	33%

Deposits (Growth and Mix)

\$ Millions	6/2001	6/2002	% Change
Non-Interest DDA	\$ 38.8	\$ 44.9	+ 15.7%
NOW	43.5	55.3	+ 27.1%
Savings	26.4	31.6	+ 19.7%
MMA	60.4	65.4	+ 8.3%
Total Core Deposits	169.1	197.2	+ 16.6%

Philadelphia Corporation for Investment Services

**Investment Advisory Fees
(in thousands)**



FFB Trust Department

- Refocused from Corporate Trust to Personal Trust
- Hired Four Experienced Professionals
- Trust Income Grew 10% in FY2002

Tactics

- Sales and Service Culture
- Branch Advisory Boards
- Target marketing & relationship management
- Holistic approach to new markets
- Effective use of technology
- Continued focus on Trust & Investment Services

Sales Culture and Service Initiatives

	Actual Jun-01	Actual Jun-02	Projected Jun-03
Consumer Loans Closed	\$18,500,000	\$51,000,000	\$70,000,000
Average per Branch	\$ 193,000	\$ 531,000	\$ 650,000
Teller Referrals	650	1,556	1,900
Teller Close Ratio	n/a	21%	25%
Cross-sell Ratio (Best in Class 3.9%)	1.95%	2.8%	3.5%
Customer Survey <i>Very Satisfied!</i>	80% - 85%	93% - 95%	95% - 98%

Advisory Boards

New Business – 1/01 – 6/02:

- \$8.7MM in commercial loans
- \$3.1MM in commercial deposits
- \$2.0MM in managed trust assets
- \$1.6MM in consumer loans
- \$1.5MM in consumer deposits

Branch Expansion

Kennett Square Branch opened in February 2002

- Core Deposits 24%
- Deposits \$15.4 million
- Consumer Loans \$ 4.0 million
- Small Business Loans \$.5 million
- Investment Services \$.2 million

Leveraging Technology

- 100% Check Imaged
- Advanced MCIF System for Targeted Marketing
- eBank Real-Time Account Information
- Systems Integration on *Every* Workstation

UVEST Program

	<u>Actual</u> ^(a)	<u>UVEST</u> <u>Average</u> ^(a)
• UVEST Investment Sales	\$4,100,000	\$2,700,000
• Gross Revenues – 9 Months	\$138,335	\$135,000
• No. of Trades	275	n/a
• Average Sale per Trade	\$15,000	\$20,000
• Appointments Closed	60%	50%

(a) Based on 9 months of activity

Financial Performance

Assets

(in millions)



(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

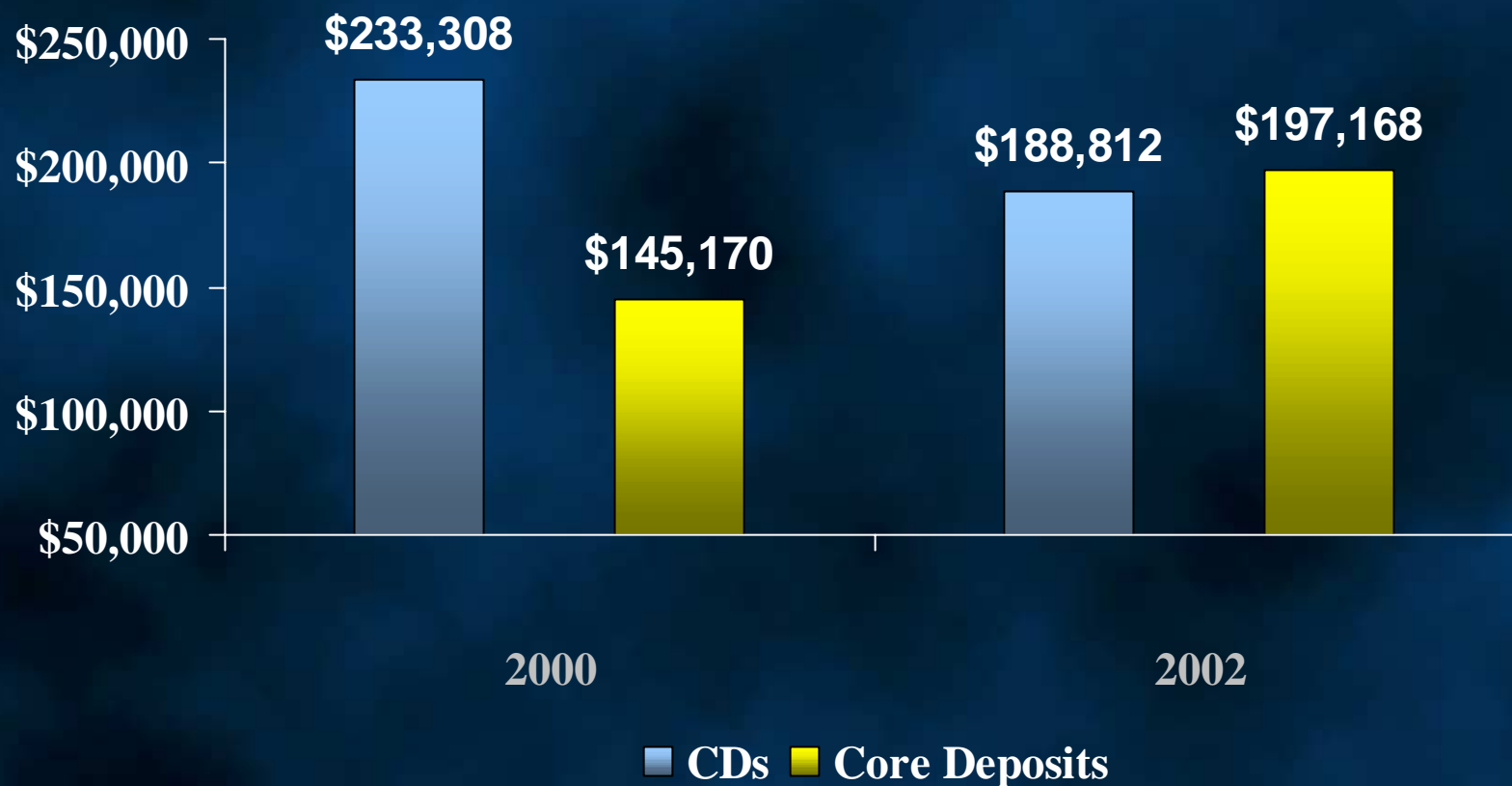
Loans

(in millions)



(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

Deposits



Capital Ratios

At June 30, 2002

	Core	Tier 1	Risk-Based
Regulatory Requirements ^(a)	5.00 %	6.00 %	10.00 %
Peer Group ^(b)	8.03 %	10.56 %	13.17 %
FFB	9.35 %	13.80 %	15.04 %
CVAL	9.97 %	14.75 %	15.99 %

(a) Regulatory Requirements based on well capitalized institution.

(b) Peer Group Source – FDIC Statistics on Depository Institutions Report (National Average)

Net Interest Income

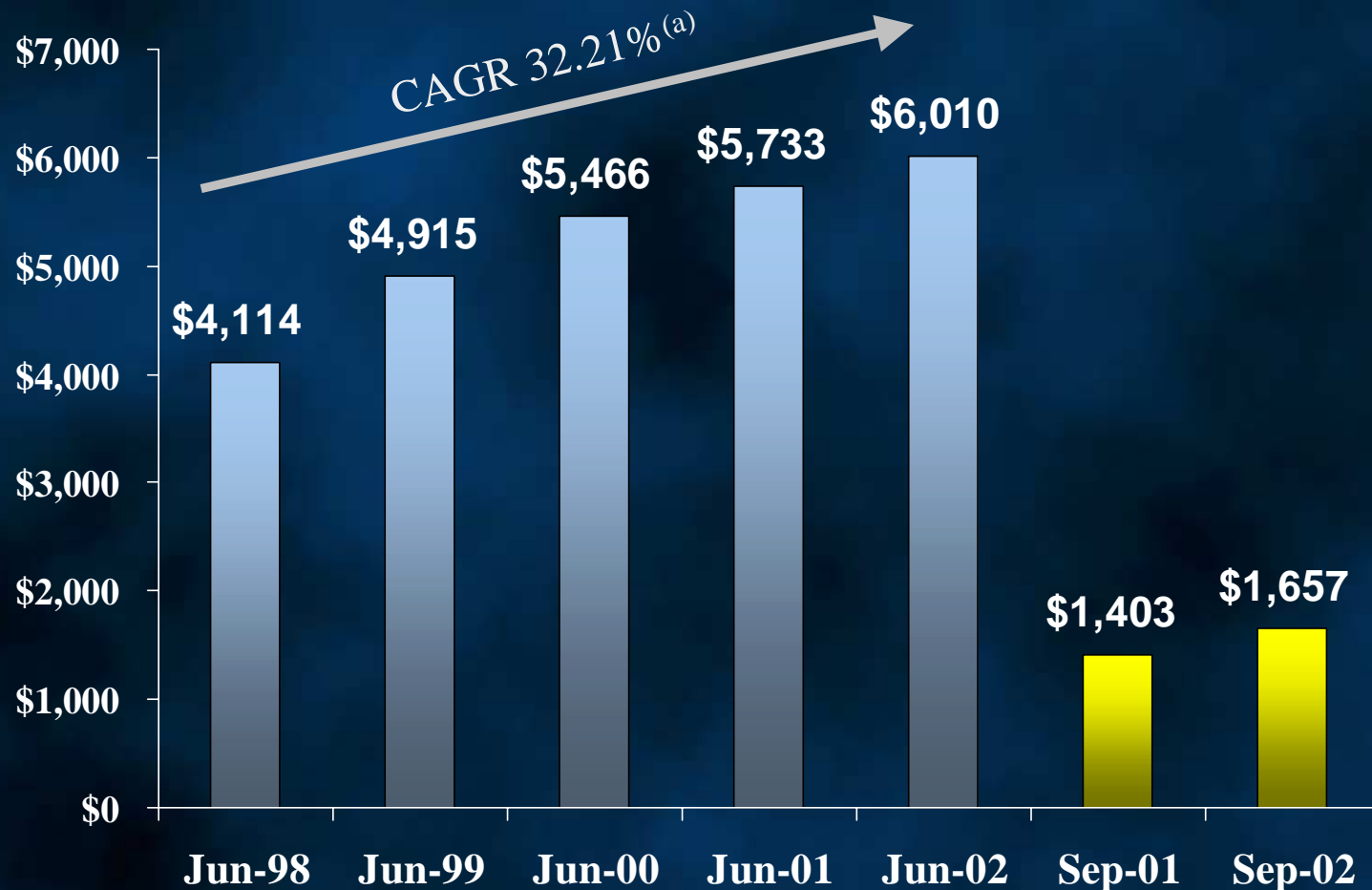
(in millions)



(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

Non-Interest Income *

(in thousands)



* Excludes Securities Gains/Losses

(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

Deposit and Loan Fees

(in thousands)

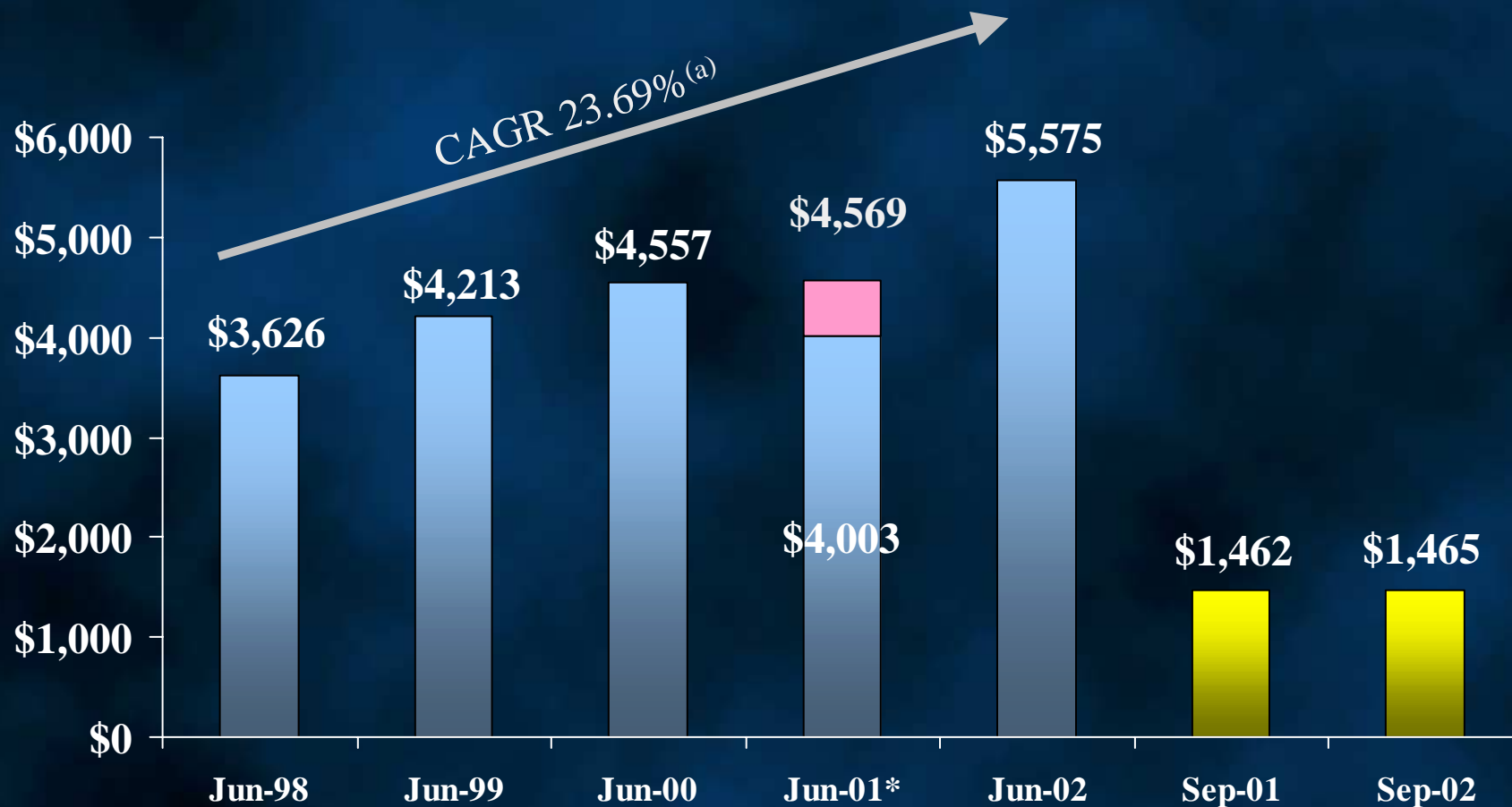


*Three Months Annualized

(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

Net Income Trend

(in thousands)



* June 01 Data excludes non-recurring expenses.

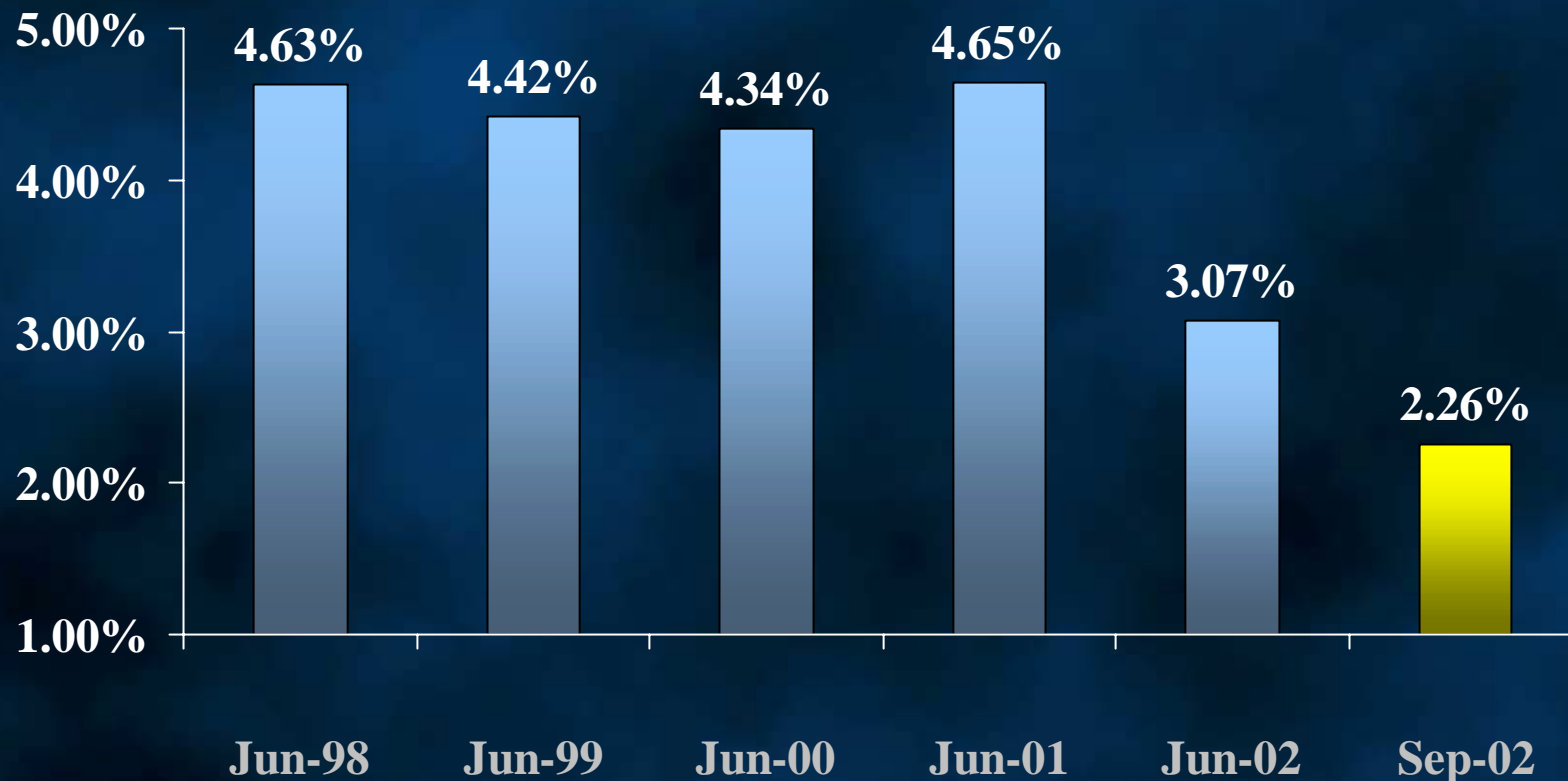
(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/97 to 6/30/02.

Interest Rate Sensitivity

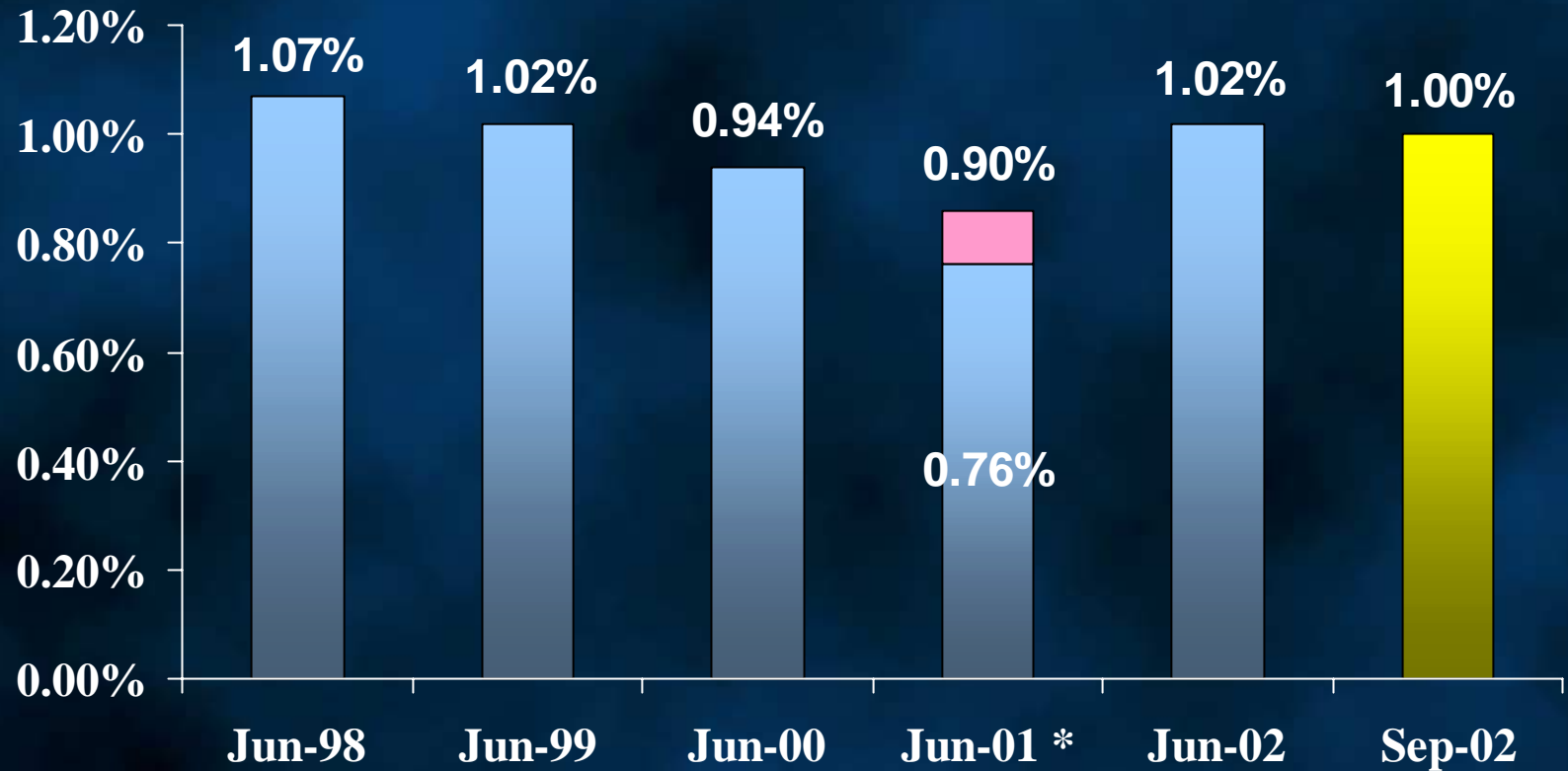
Cumulative Gap Position FYE



Average Cost of Deposits

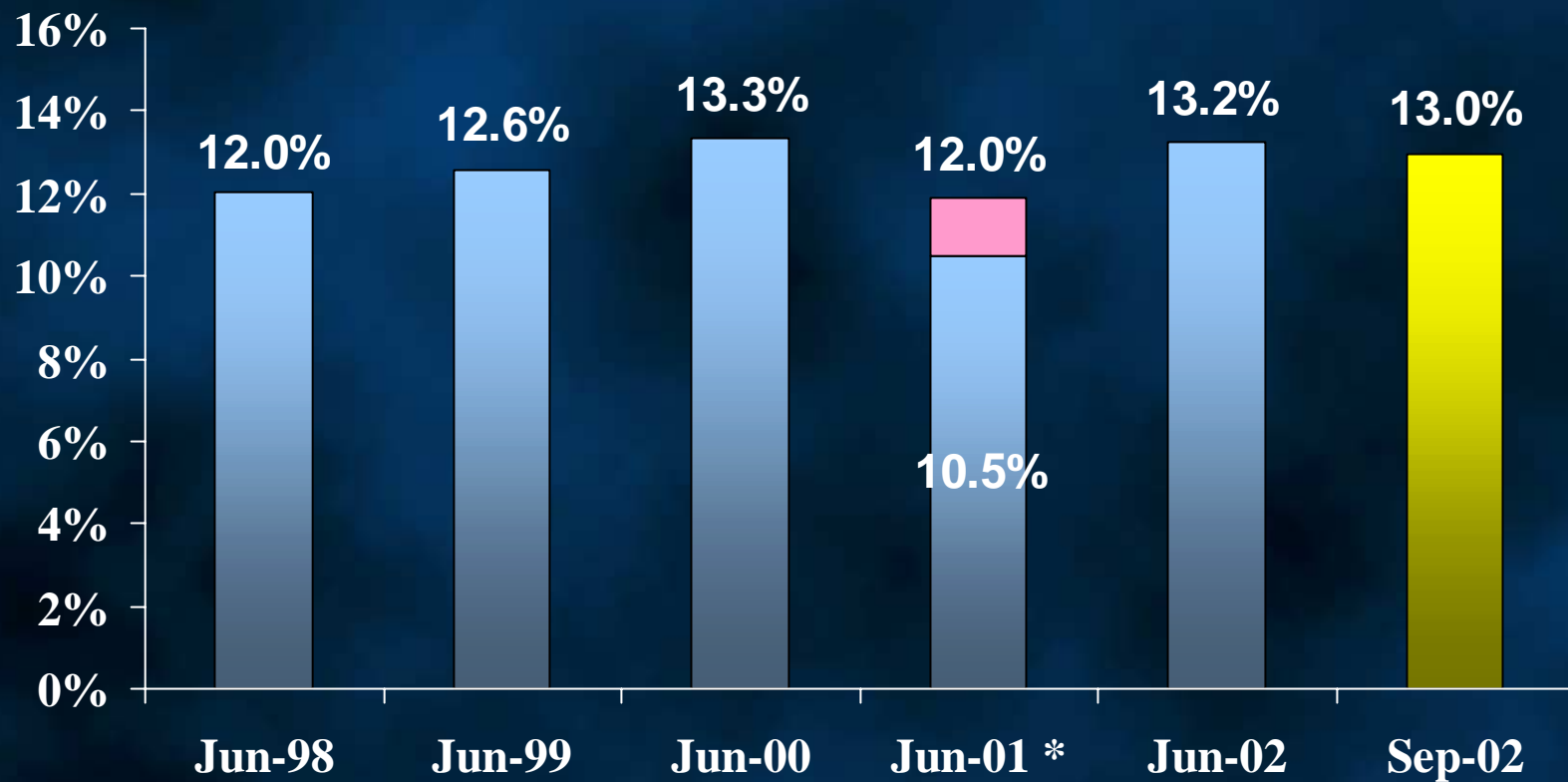


Return on Average Assets



* June 01 Data excludes non-recurring expenses.

Return on Average Equity



* June 01 Data excludes non-recurring expenses.

Why We are a Good Investment

Chester Valley Bancorp

Historical Share Price vs. S&P 500 Index



Source: Bloomberg

Note: All per share amounts have been adapted for stock dividends and stock splits.

(a) Return based on all cash dividends being reinvested into stock at the time of distribution.

(b) CAGR (Compound Annual Growth Rate) is for the period 3/27/87 to 6/30/02.

Chester Valley Bancorp

Historical Diluted Earnings Per Share



Sources: SNL Financial, Bloomberg.

Note: All per share amounts have been adjusted for stock dividends and splits.

(a) 1997 figure excludes a one-time Savings Institutions Insurance Fund (SAIF) special assessment charge.

(b) CAGR (Compound Annual Growth Rate) is for the period 6/30/96 to 6/30/02.

Chester Valley Bancorp

FYE Historical Dividend Per Share



Source: SNL Financial, Bloomberg

(a) CAGR (Compound Annual Growth Rate) is for the period 6/30/96 to 6/30/02.

Continued Increases in Shareholder Value

- Cash dividend paid every year since 1987 IPO
- 5% stock dividend paid annually since 1991
- Stock splits – 5:4 December 1993 and March 1997; 3:2 split in December 1998

Summary

Shareholder Profile

10/22/02 or Most Recent Data Available (in thousands, except number of shareholders)	Number of Shares	Market Cap	% Shares Outstanding	Number of Shareholders (Actual)
Number of shares outstanding	4,536	\$81,821	N/A	1,802

Institutional shares held per 13F Filings	289	\$ 5,206	6.4%	11
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Other Significant shareholders:

Owners of 5% or more	559	\$ 9,982	12.3%	2
Chester Valley Bancorp Inc. ESOP	398	\$ 7,107	8.8%	101

Market Makers

Boenning & Scattergood, Inc.

F. J. Morrissey & Co., Inc.

Ferris Baker Watts, Inc.

Janney Montgomery Scott

Cincinnati Exchange

Goldman, Sachs & Co.

Knight Securities L.P.

Investment Highlights

- NASDAQ-Listed Company (Symbol: CVAL)
- Market Capitalization of \$82 Million*
- Compelling Valuation*
 - Price/2002 EPS: 14.1
 - Price/Book Value: 178%
- Directors and Executive Officers Own Approximately 21.56%

* Price as of October 22, 2002 was \$18.04

Investment Highlights

- Excellent Market Demographics
- Experienced Management Team
 - Consistent Performance
 - Committed to Proven Operating Strategy
- Solid Loan Quality
- Strong Capital Position



Chester Valley Bancorp Inc.