

Provident Financial Holdings, Inc.

June 30, 2009

www.myprovident.com

Provident Financial Holdings, Inc.

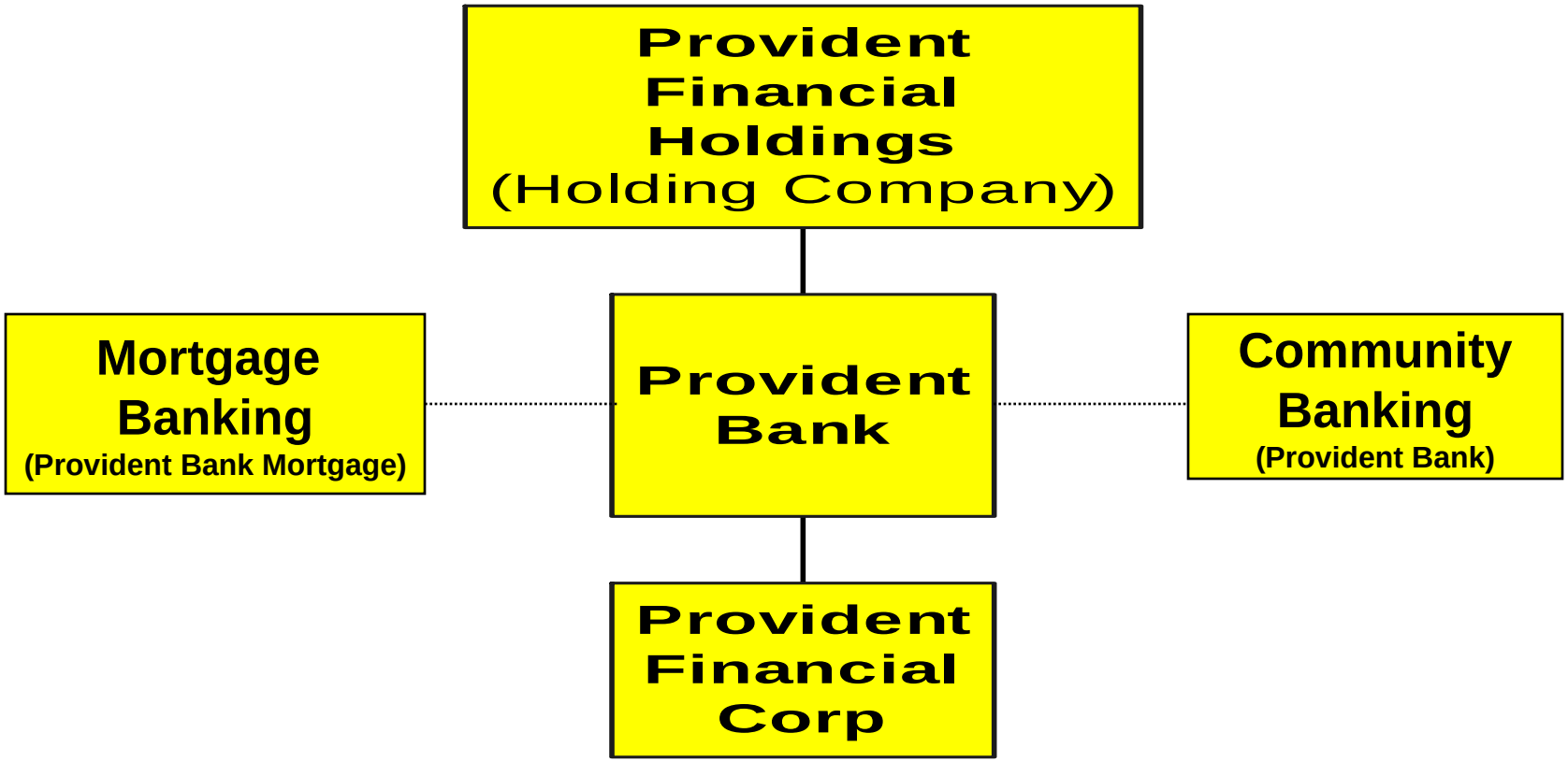
Safe-Harbor Statement

This presentation contains statements that the Corporation believes are “forward-looking statements.” These statements relate to the Corporation’s financial condition, results of operations, plans, objectives, future performance or business. You should not place undue reliance on these statements, as they are subject to risks and uncertainties. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements the Corporation may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to the Corporation. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors which could cause actual results to differ materially include, but are not limited to, the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write-offs that may be impacted by deterioration in the housing and commercial real estate markets and may lead to increased losses and non-performing assets in our loan portfolio, resulting in our allowance for loan losses not being adequate to cover actual losses, and require us to materially increase our reserves; changes in general economic conditions, either nationally or in our market areas; changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes and other properties and fluctuations in real estate values in our market areas; results of examinations of us by the Office of Thrift Supervision and our bank subsidiary by the Federal Deposit Insurance Corporation, the Office of Thrift Supervision or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our reserve for loan losses to write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings; our ability to control operating costs and expenses; our ability to implement our branch expansion strategy; our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we have acquired or may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; our ability to manage loan delinquency rates; the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; difficulties in reducing risk associated with the loans on our balance sheet; staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; computer systems on which we depend could fail or experience a security breach, or the implementation of new technologies may not be successful; our ability to retain key members of our senior management team; costs and effects of litigation, including settlements and judgments; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; legislative or regulatory changes that adversely affect our business; adverse changes in the securities markets; the inability of key third-party providers to perform their obligations to us; changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; the economic impact of war or terrorist activities; other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and other risks detailed in the Corporation’s reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2008.

Market Highlights

Provident Financial Holdings, Inc.	
Nasdaq GS:	PROV
Share price:	$5.54
52-week range:	$4.00 - $10.28
Shares outstanding	6,219,654 shares
Market cap:	$34.5 million
P/E (ttm):	NM
EPS (ttm):	-$1.20
Annual div & yield:	$0.12 (2.17%)
Div distribution date:	12-Jun-09
Div record date:	21-May-09
As of June 30, 2009	

Organizational Chart



PROV Overview

Regional Banking Services Company Based in the Inland Empire Region of Southern California

- Expanding customer base and market
- Strong mortgage operations
- Largest independent community bank headquartered in Riverside County, California
- Fifth largest deposit market share in the Riverside-San Bernardino RMA

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Provident Locations

Pleasanton, Northern California



Provident Bank

Full Service Offices:

- Blythe
- Canyon Crest, Riverside
- Corona
- Corporate Office, Riverside
- Downtown, Riverside
- Hemet
- La Sierra, Riverside
- Moreno Valley - Heacock St.
- Moreno Valley - Iris Plaza
- Orangecrest, Riverside
- Rancho Mirage
- Redlands
- Sun City
- Temecula

Provident Bank Mortgage

Wholesale Offices:

- Pleasanton
- Rancho Cucamonga

Retail Offices:

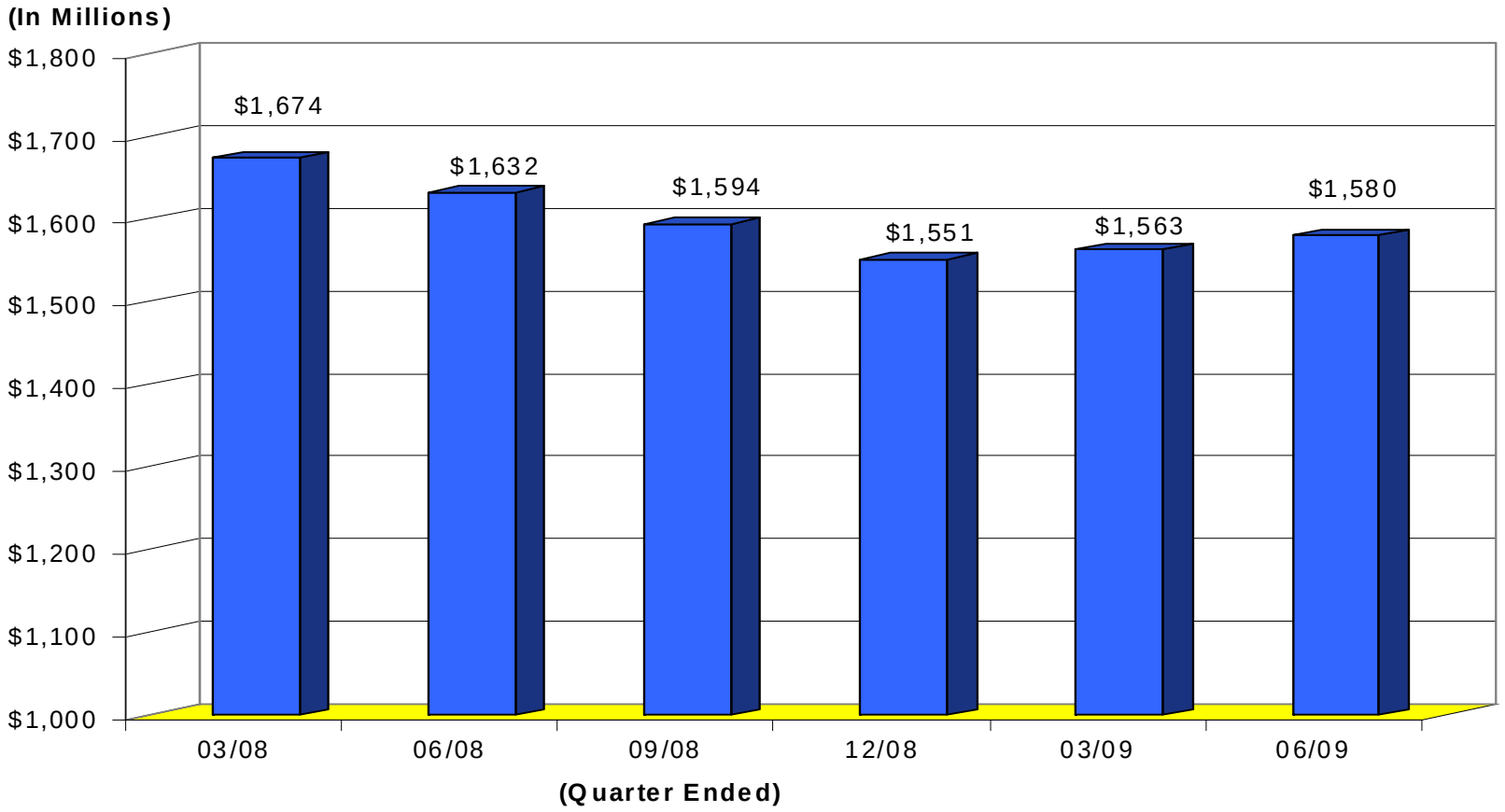
- Glendora
- Riverside

PROV Highlights

Financial Position:	As of 06/30/2009	As of 03/31/2008
Total Assets	$ 1.58 Billion	$ 1.67 Billion
Loans Held for Investment	$ 1.17 Billion	$ 1.41 Billion
Deposits	$ 989.2 Million	$ 1.03 Billion
Equity	$ 114.9 Million	$ 127.2 Million
Tangible Equity	$ 114.9 Million	$ 127.2 Million

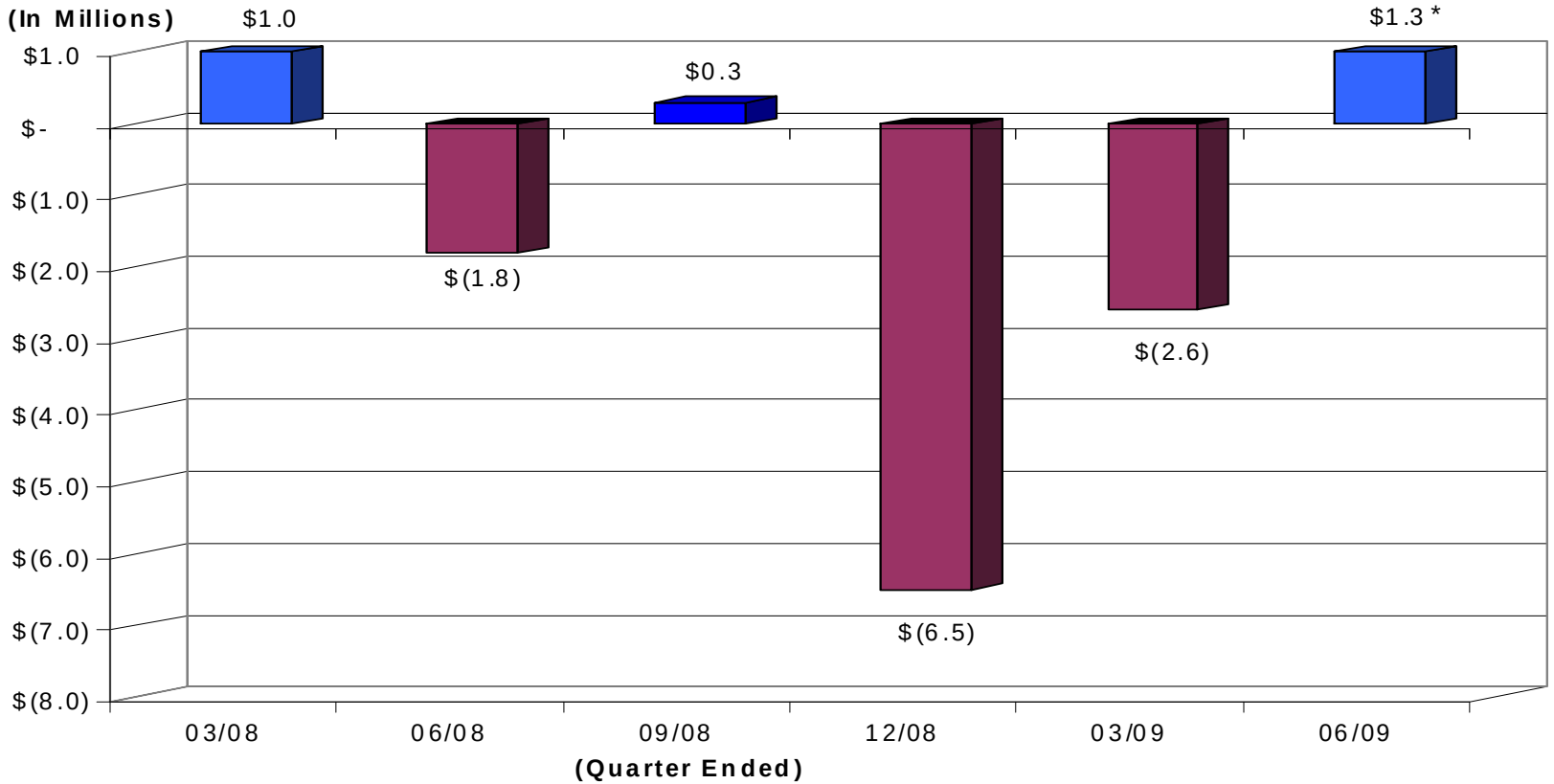
Financial Results:	Quarter Ended 06/30/2009	Quarter Ended 03/31/2008
Net Income	$ 1.3 Million	$957,000
Return on Average Equity	4.51%	2.99%
Return on Average Assets	0.33%	0.23%
Net Interest Margin	2.99%	2.69%
Efficiency Ratio	36.09%	59.23%
Total Loan Originations	$ 625.2 Million	$ 154.4 Million
Provident Bank	$ 8.0 Million	$ 36.4 Million
Provident Bank Mortgage	$ 617.2 Million	$ 118.0 Million

Total Assets



Provident Financial Holdings, Inc.

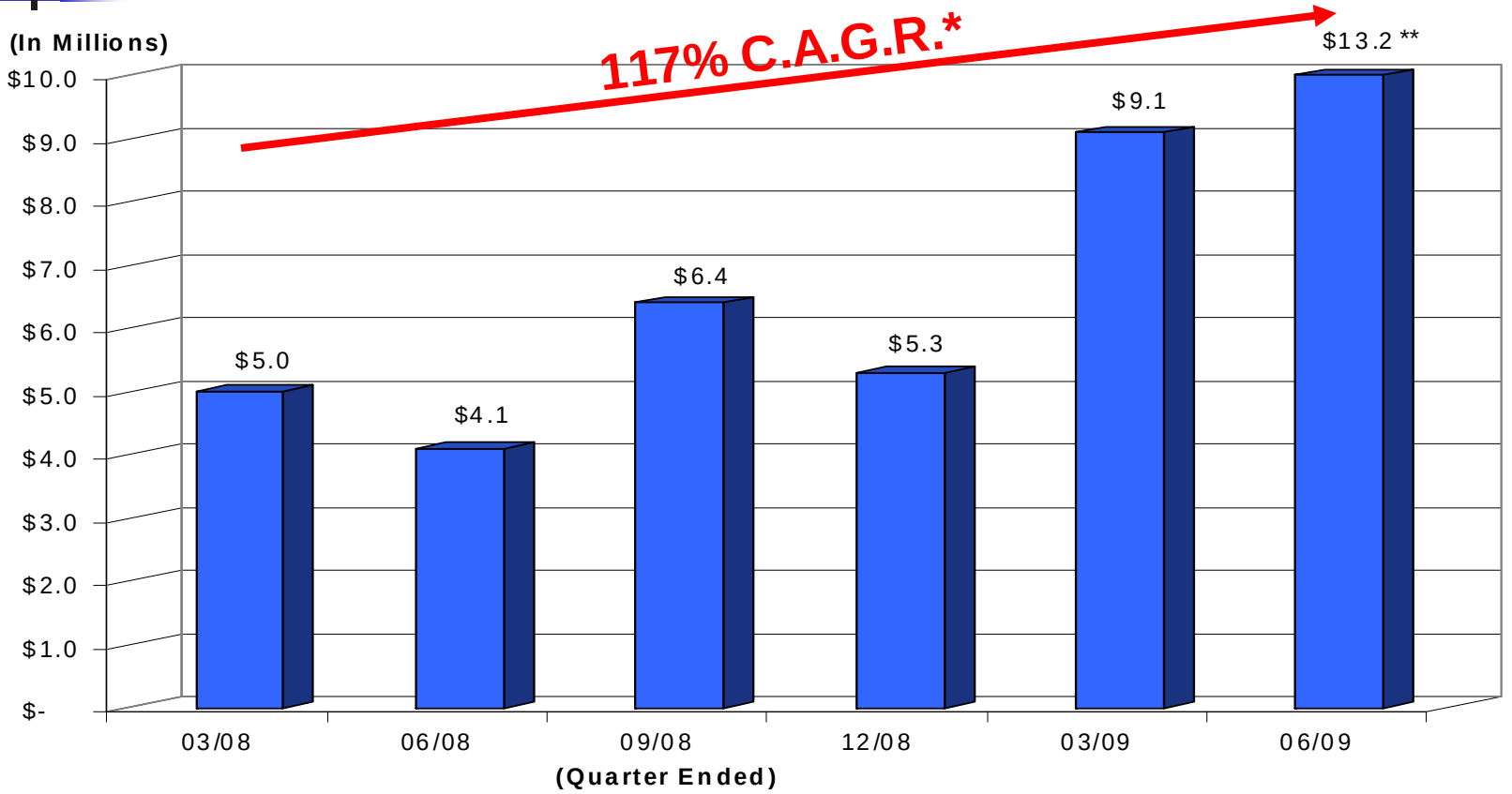
Quarterly Net Income



* Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction and the $734,000 FDIC special assessment expense payable in September 2009.

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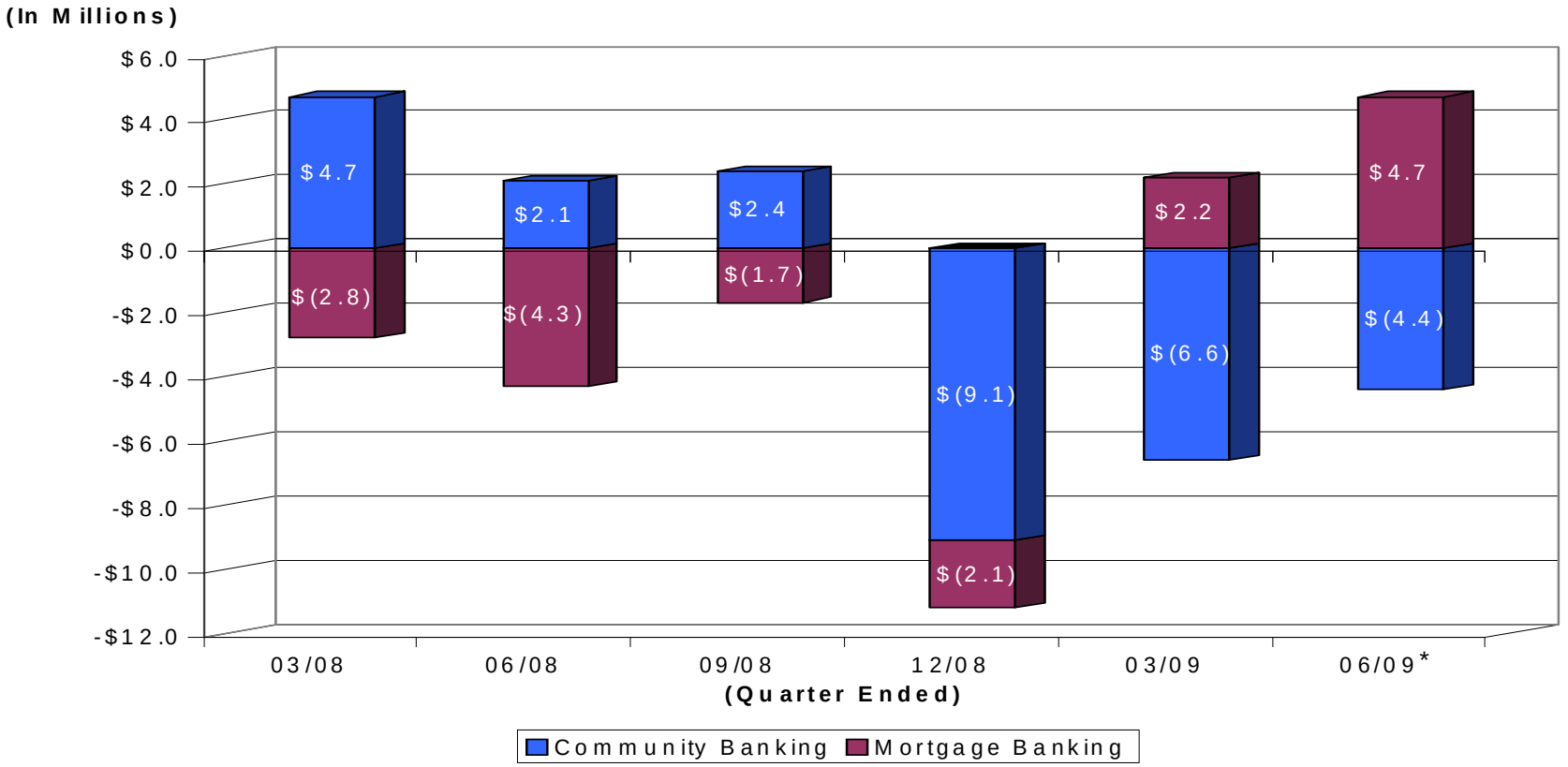
Pre-Provision, Pre-Tax Earnings



* C.A.G.R. - Compound annual growth rate from the quarter ended 03/31/08 through 06/30/09.

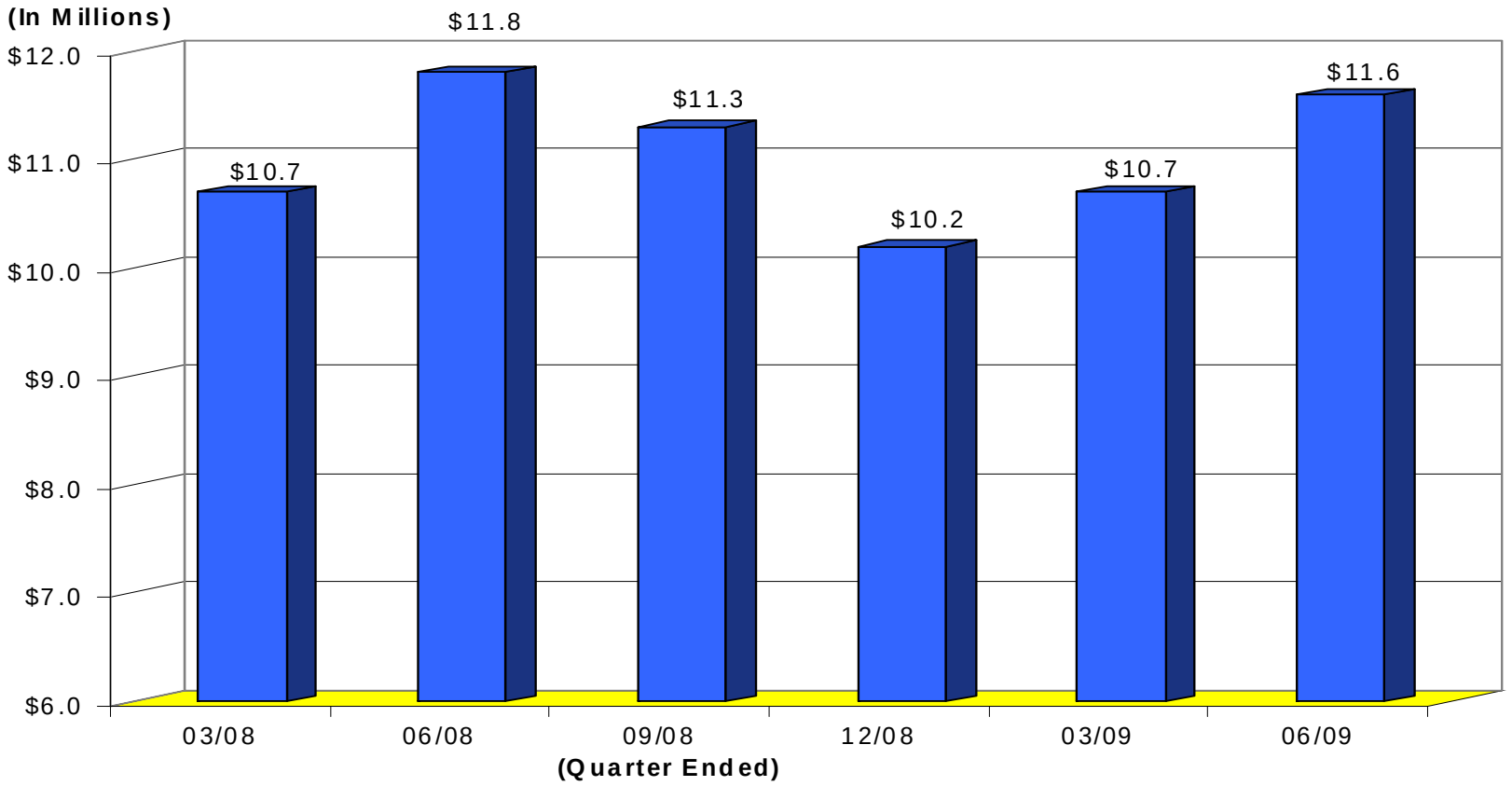
** Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction and the $734,000 FDIC special assessment expense payable in September 2009.

Pre-Tax Income - Operating Segments

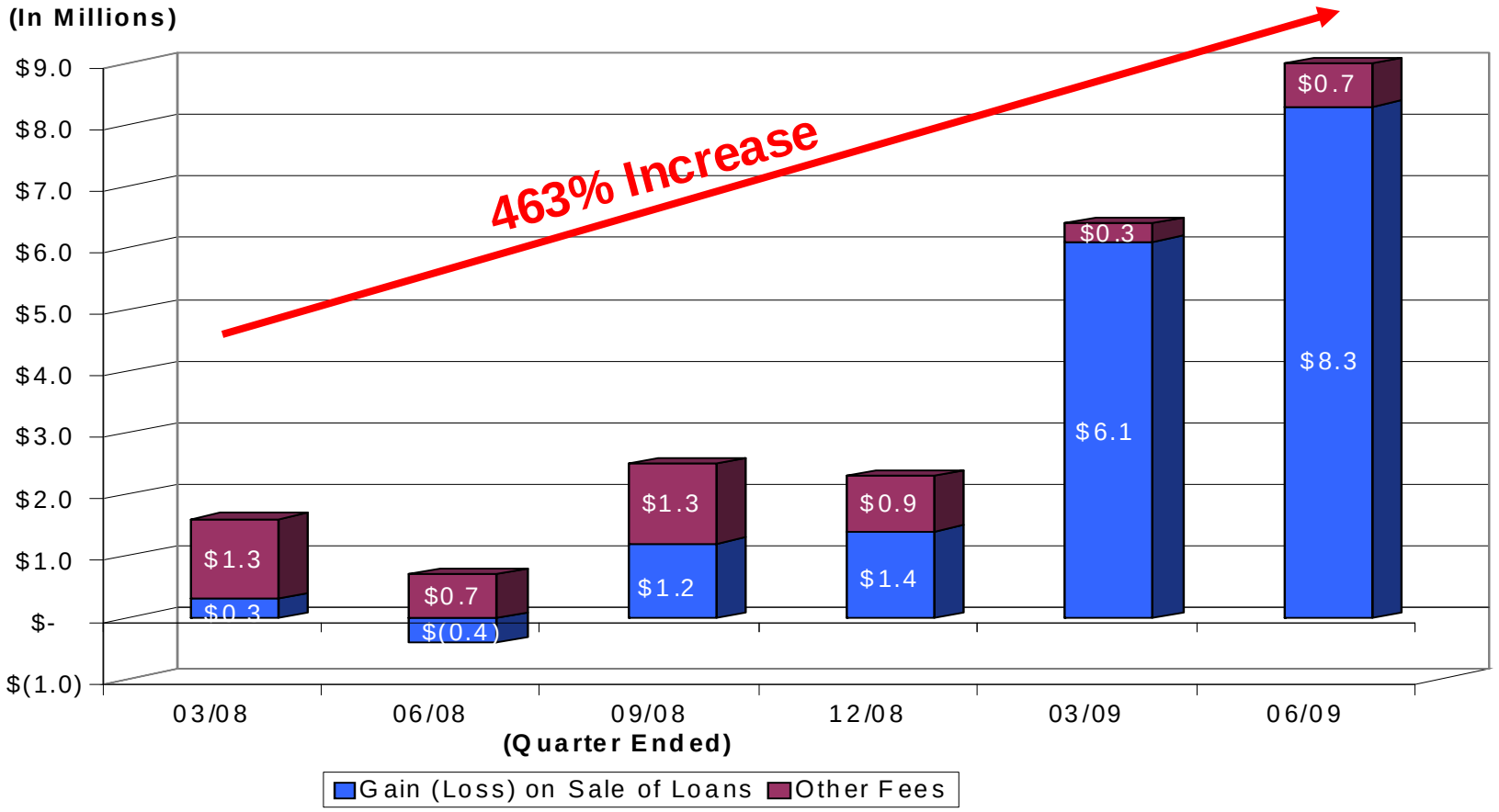


* Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction ($596,000 was allocated to Mortgage Banking) and the $734,000 FDIC special assessment expense payable in September 2009.

Quarterly Net Interest Income

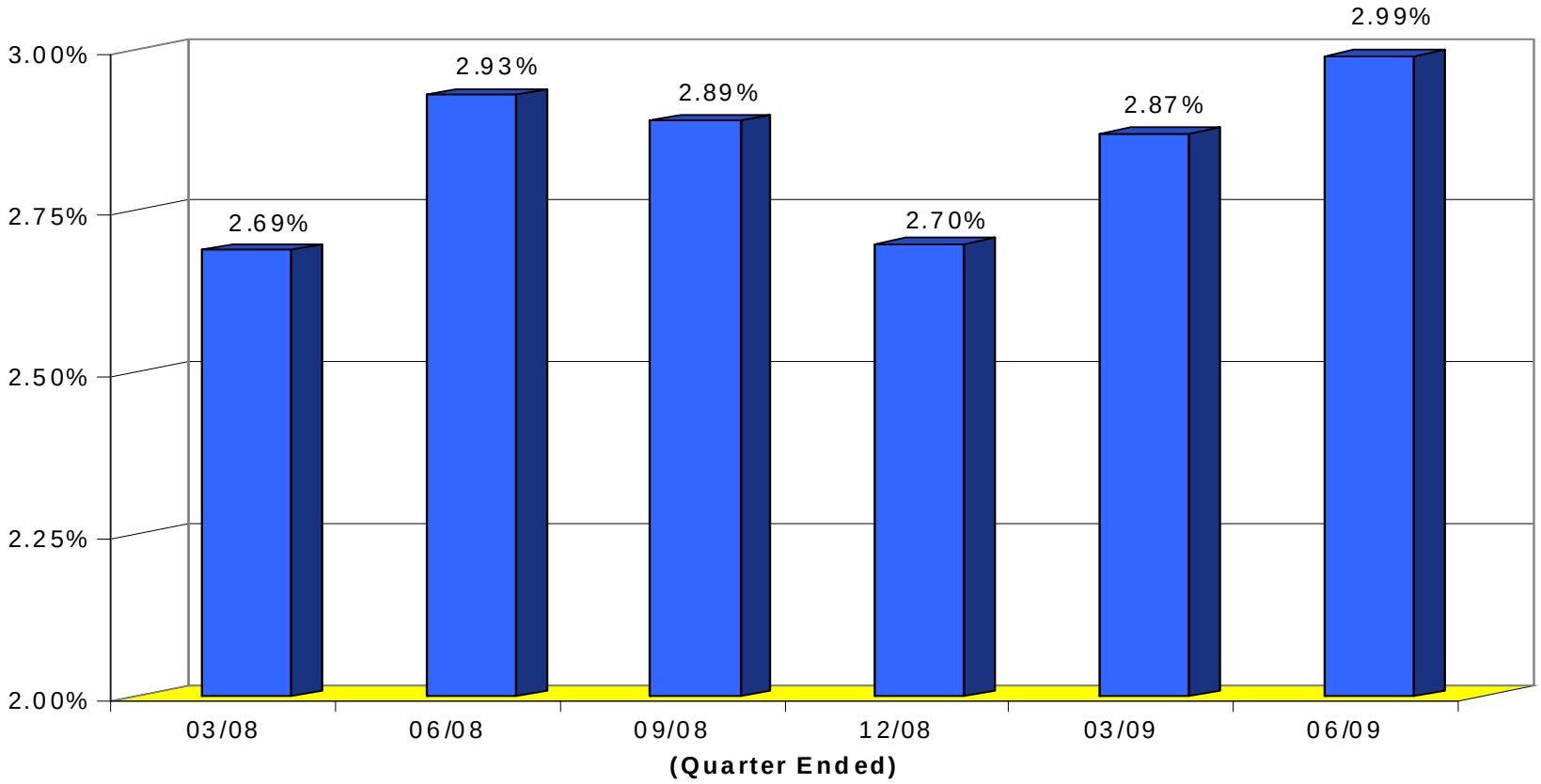


Non-Interest Income

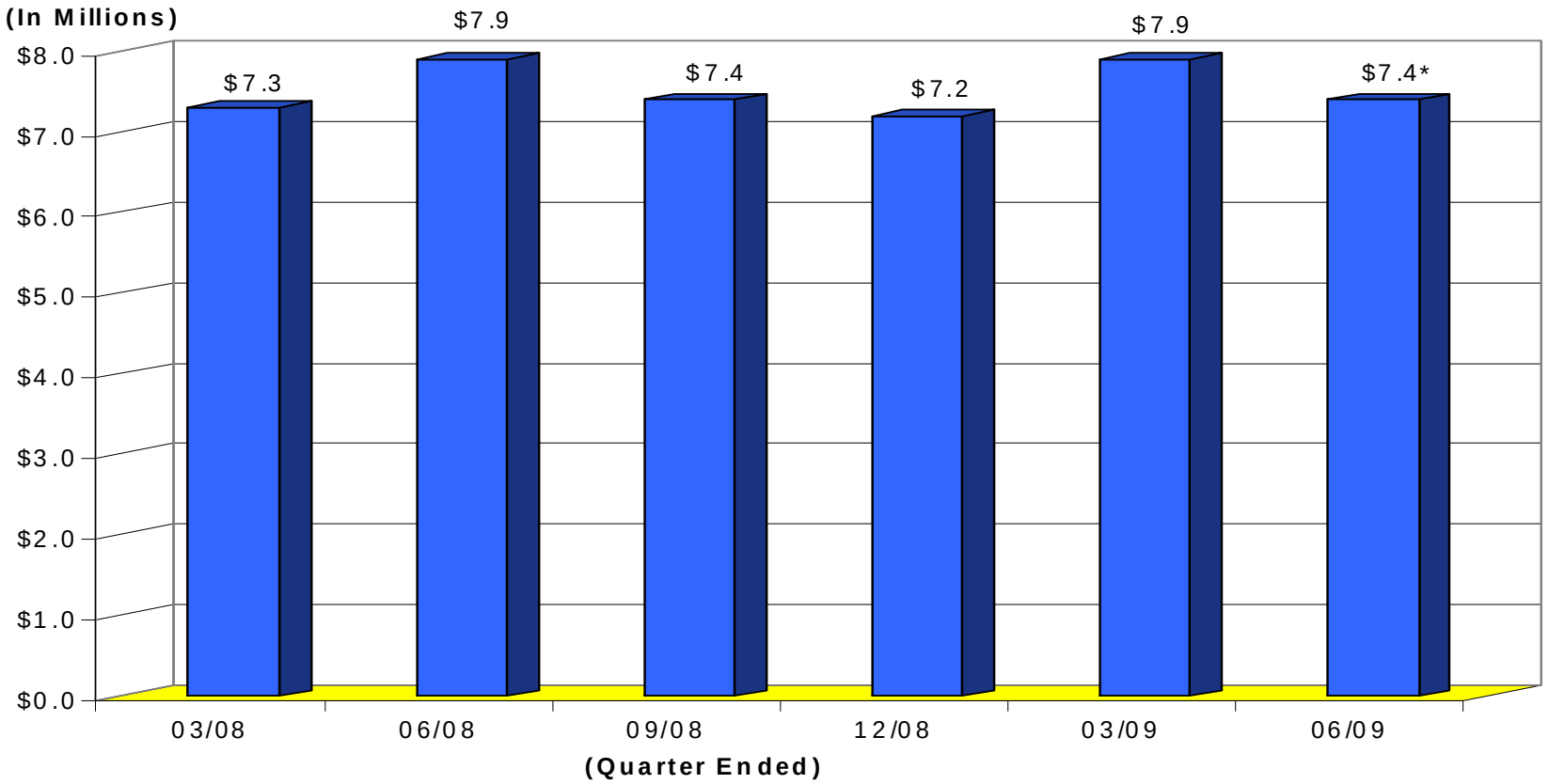


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Net Interest Margin

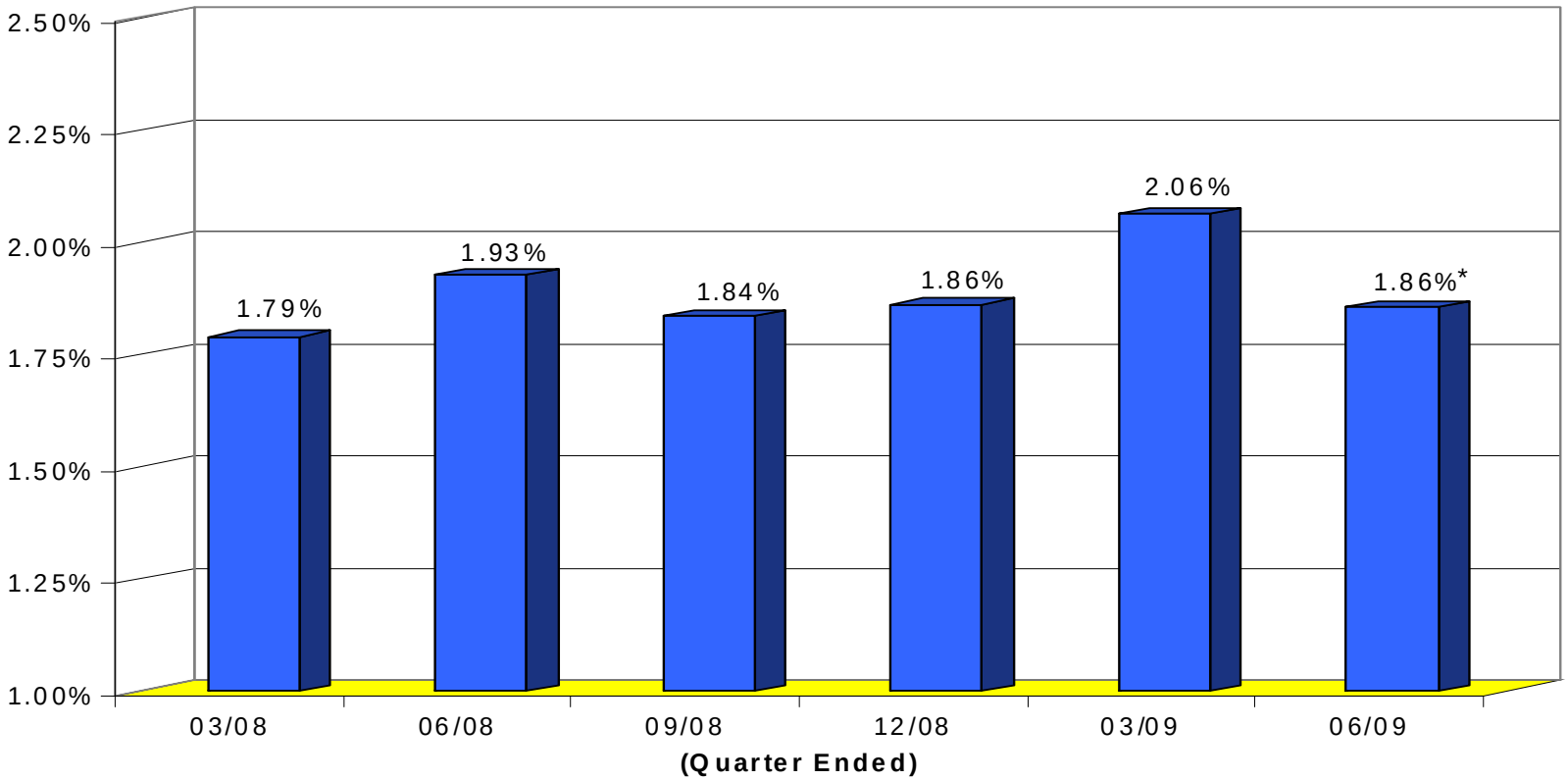


Operating Expenses



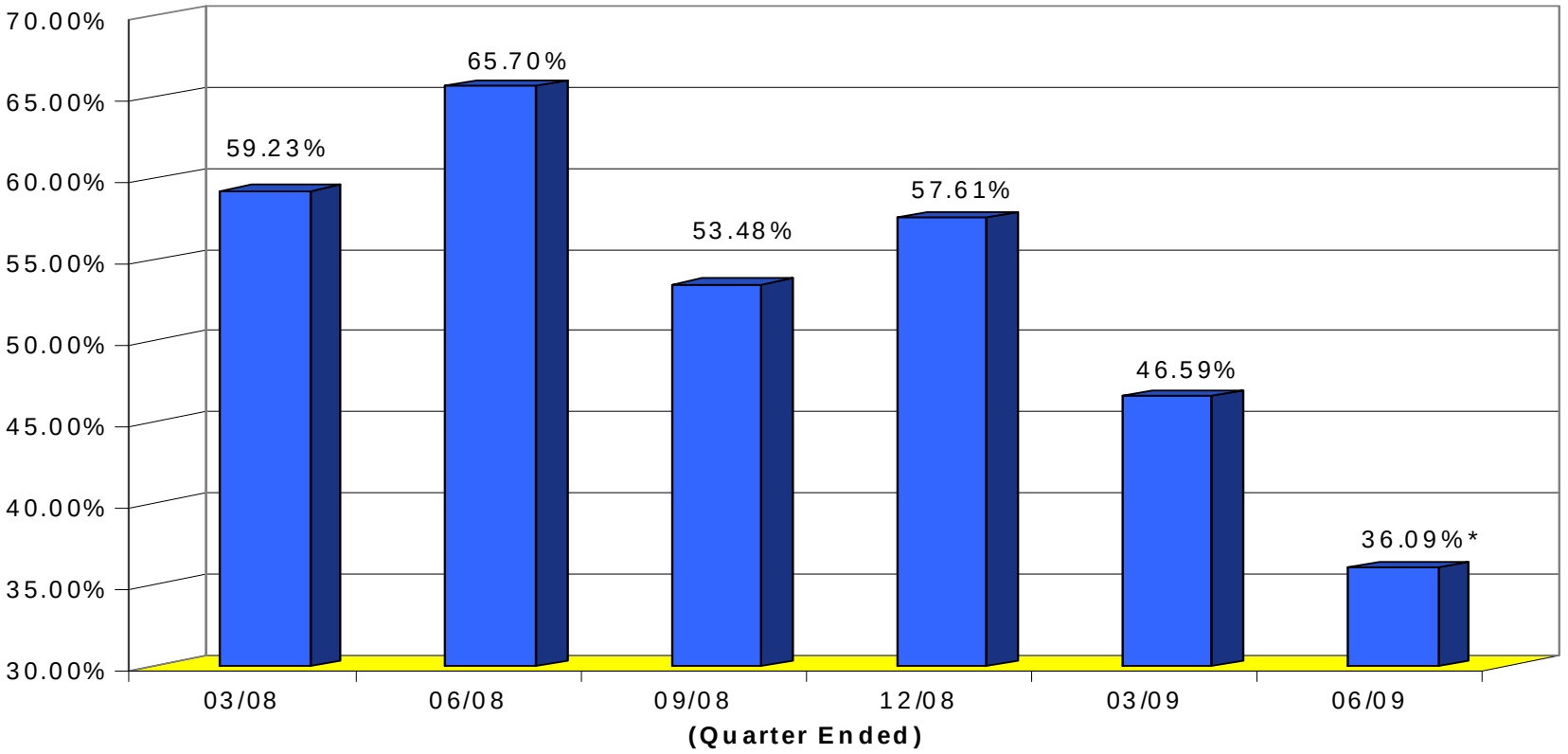
* Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction and the $734,000 FDIC special assessment expense payable in September 2009.

G&A to Average Assets



* Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction and the $734,000 FDIC special assessment expense payable in September 2009.

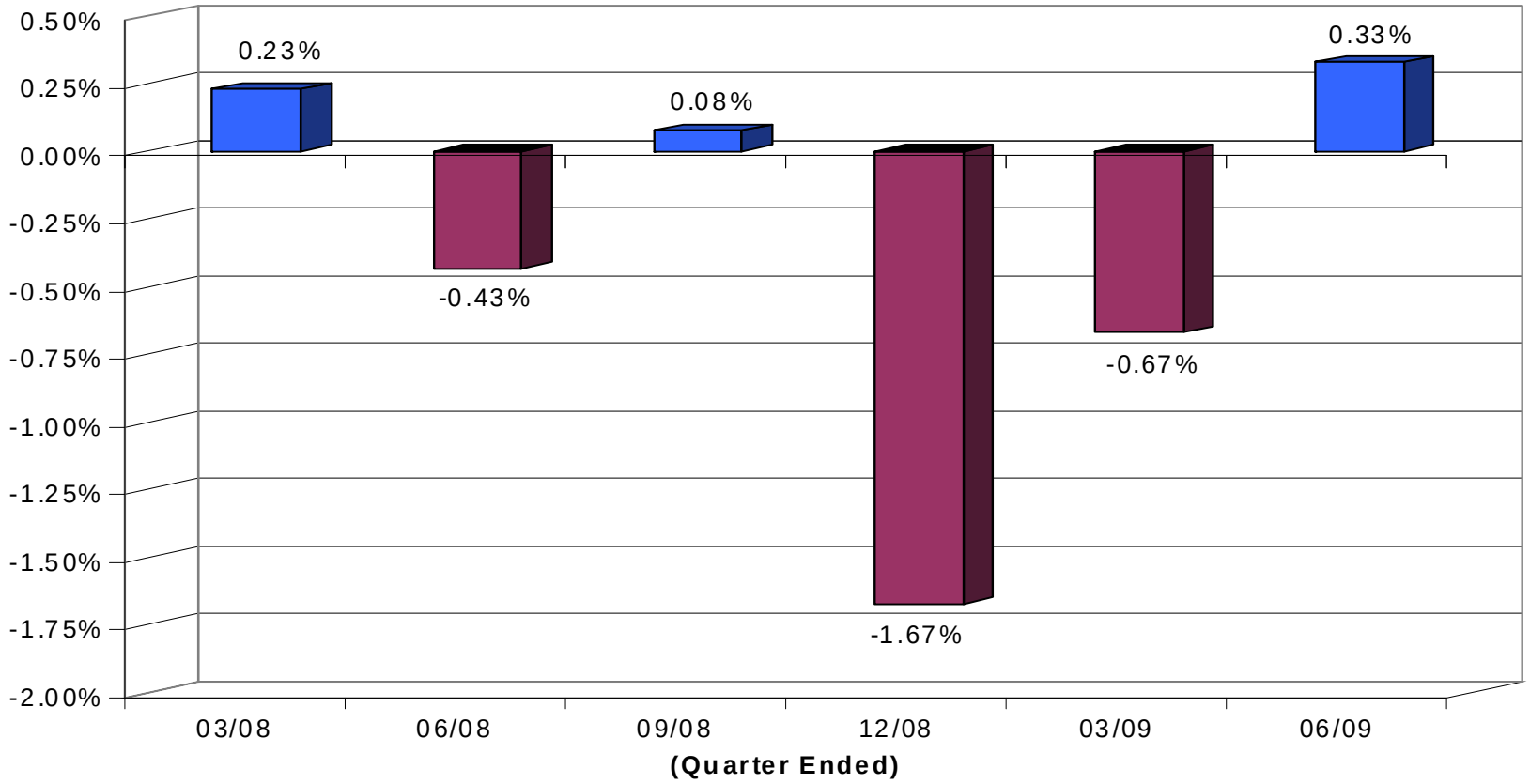
Efficiency Ratio



* Includes a $2.6 million non-recurring, non-taxable compensation expense recovery as a result of the ESOP self-correction and the $734,000 FDIC special assessment expense payable in September 2009 .

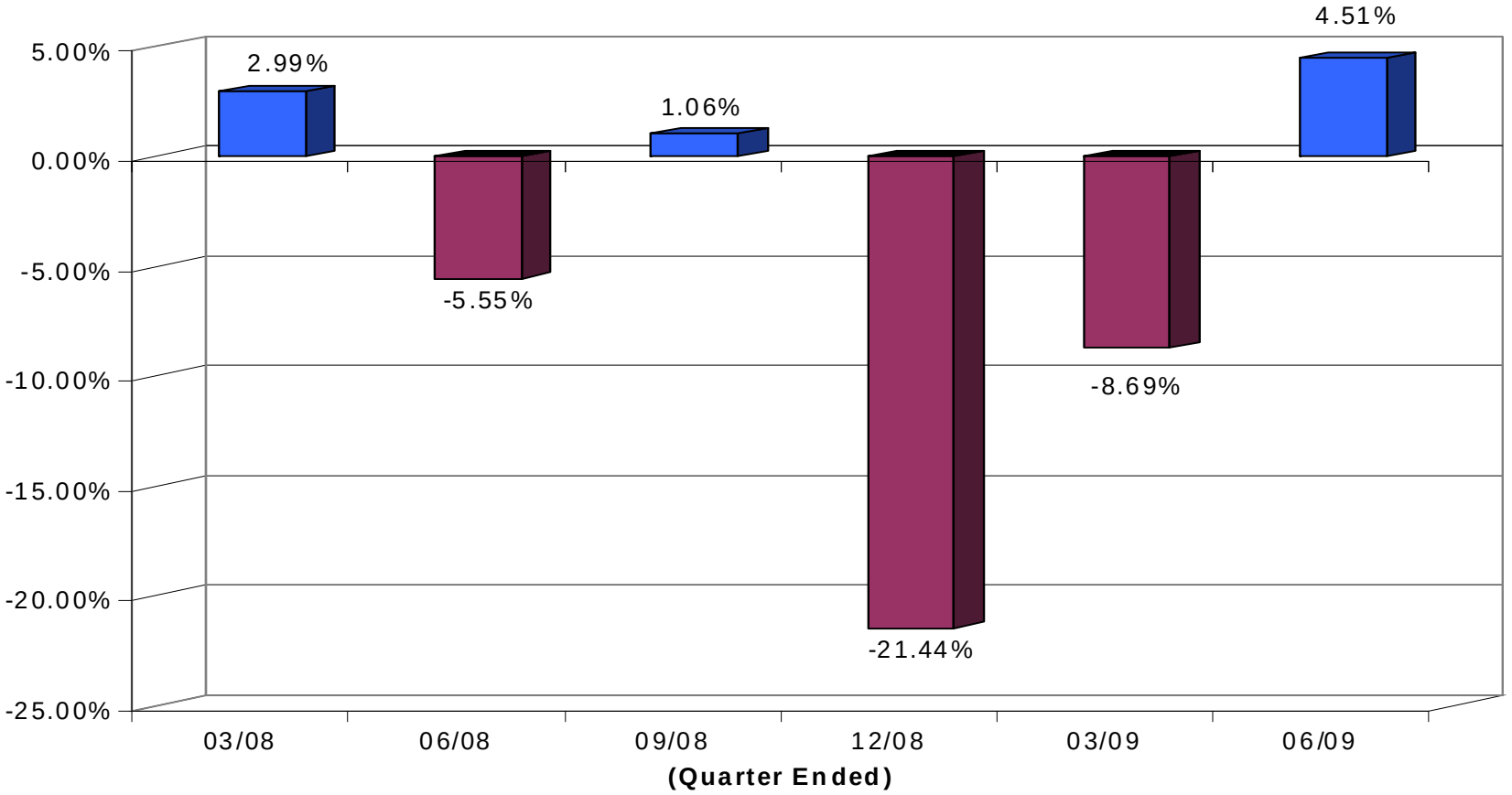
Provident Financial Holdings, Inc.

Return on Average Assets



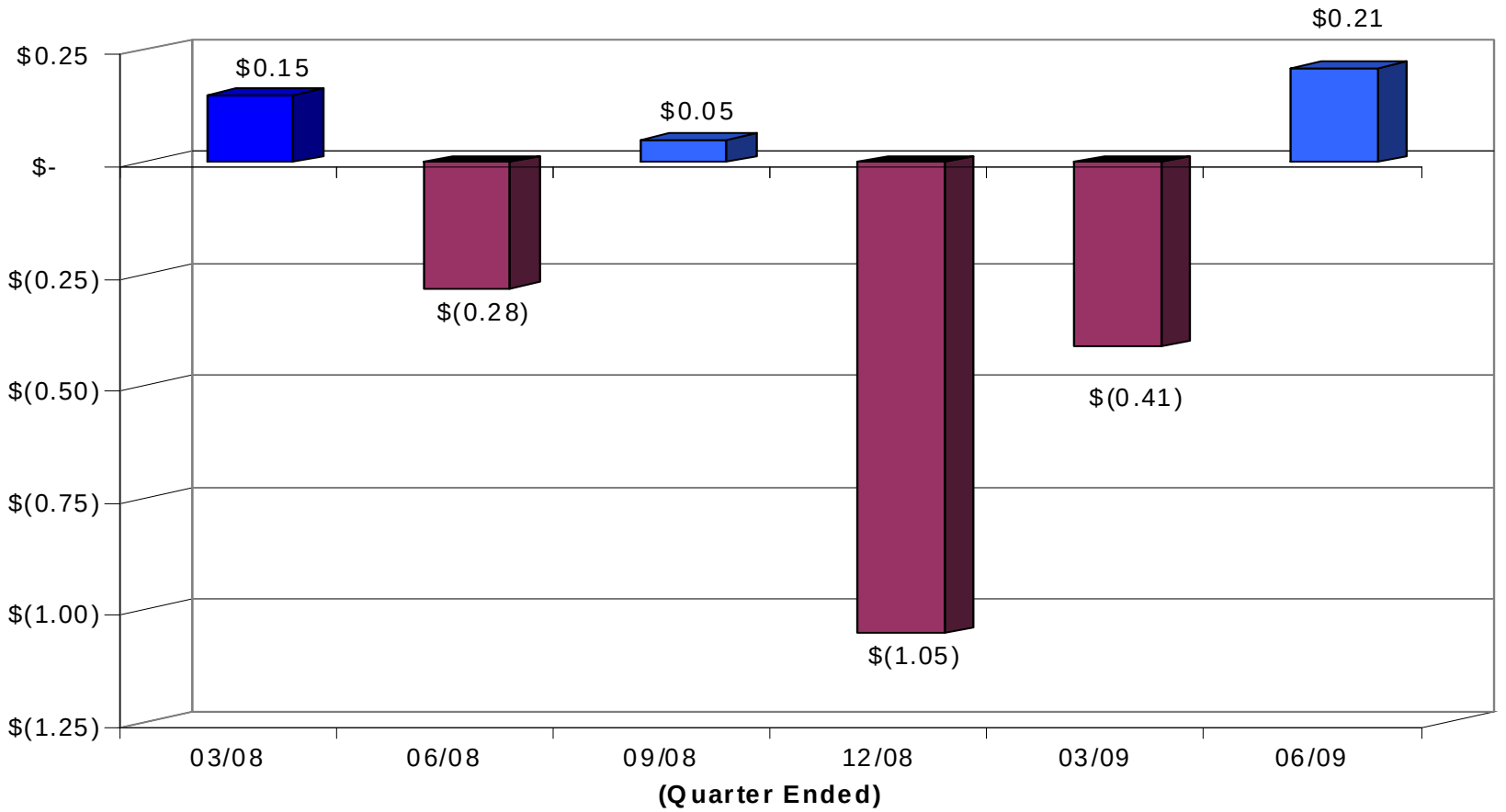
Provident Financial Holdings, Inc.

Return on Average Equity



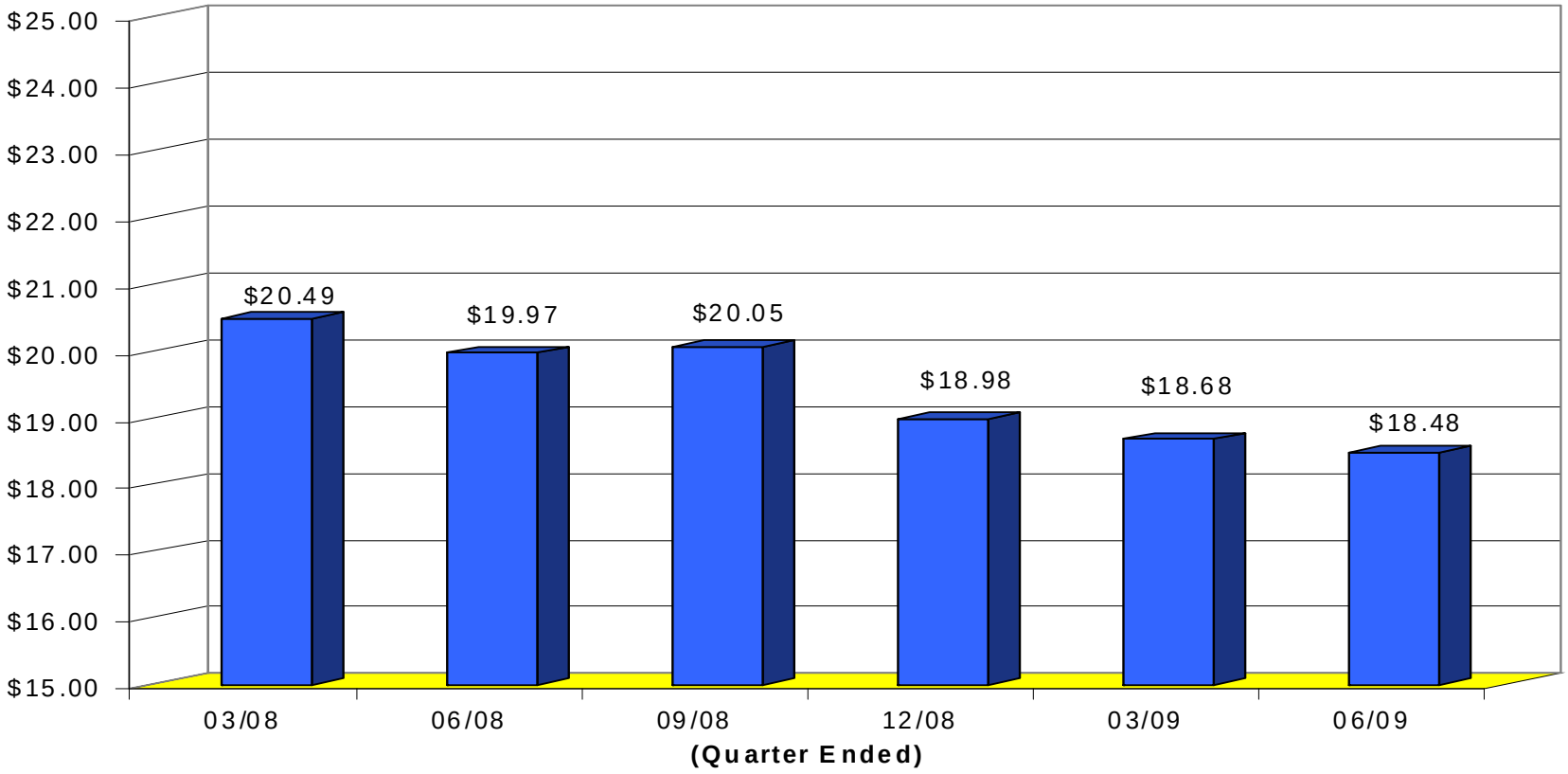
Provident Financial Holdings, Inc.

Diluted Earnings per Share



Provident Financial Holdings, Inc.

Book Value per Share



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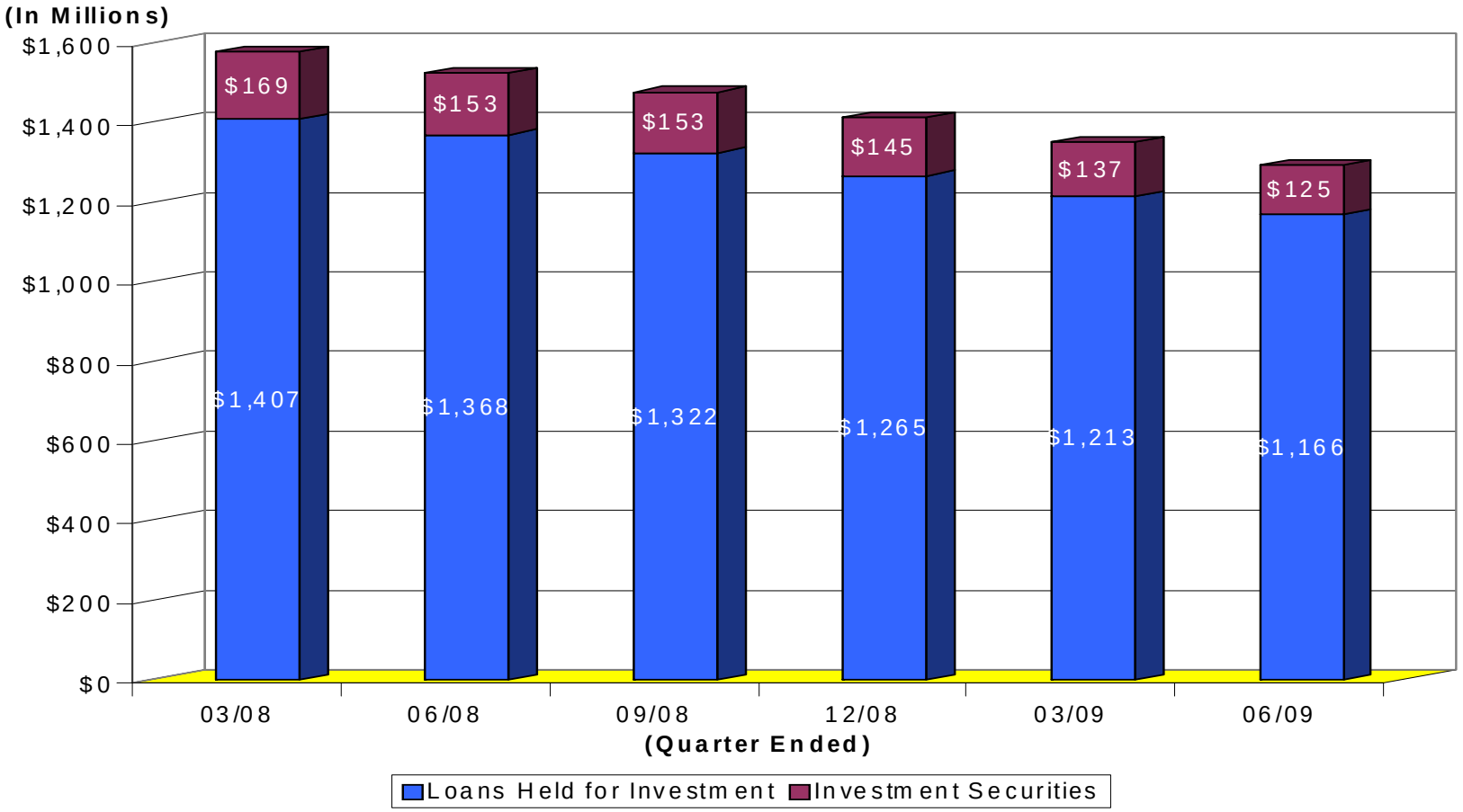
Community Banking

PROVIDENT Bank™

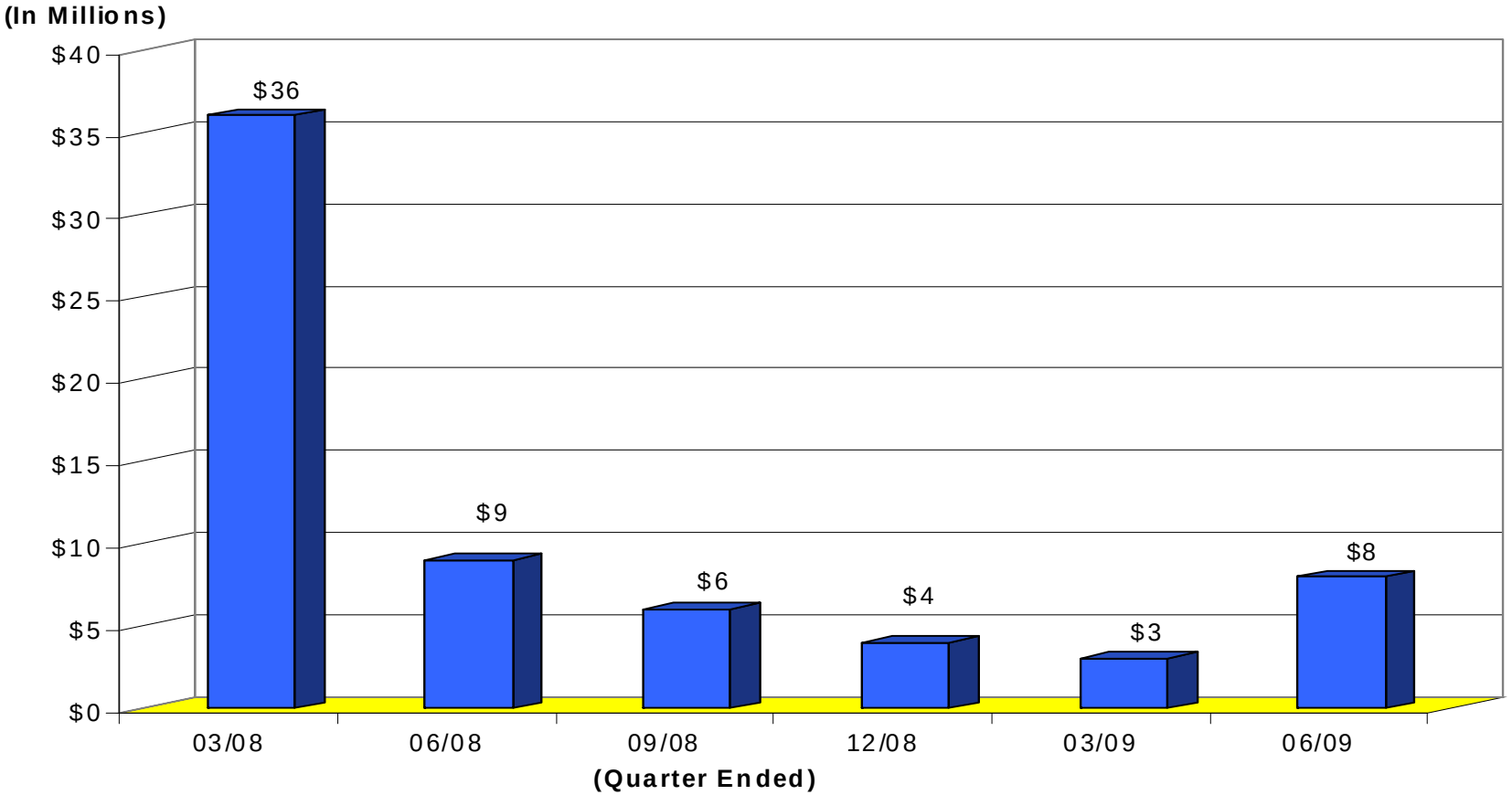
More for you everyday.

Provident Financial Holdings, Inc.

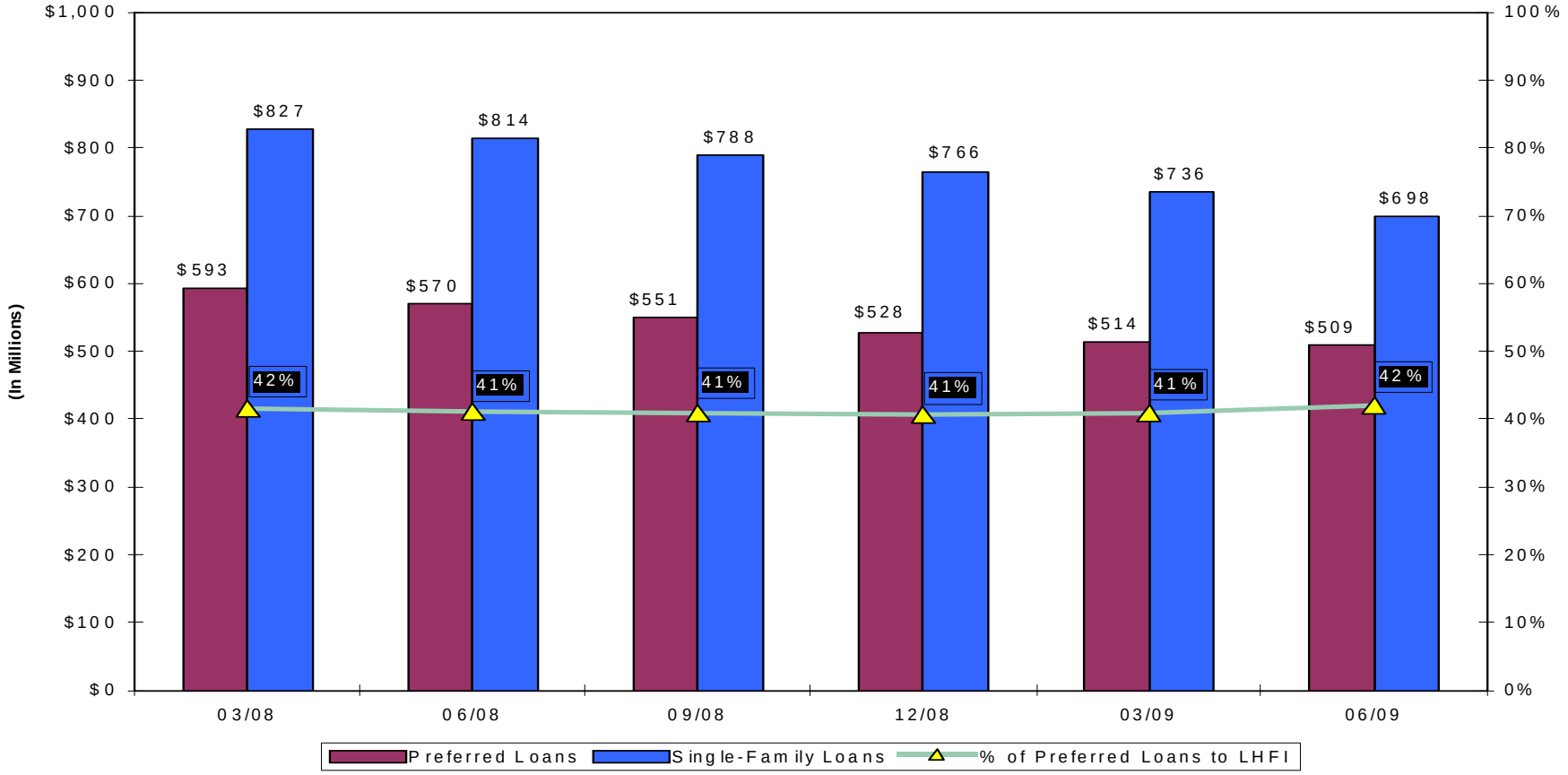
Loan to Investment Mix



Provident Bank Loan Originations (Primarily "Preferred Loans")



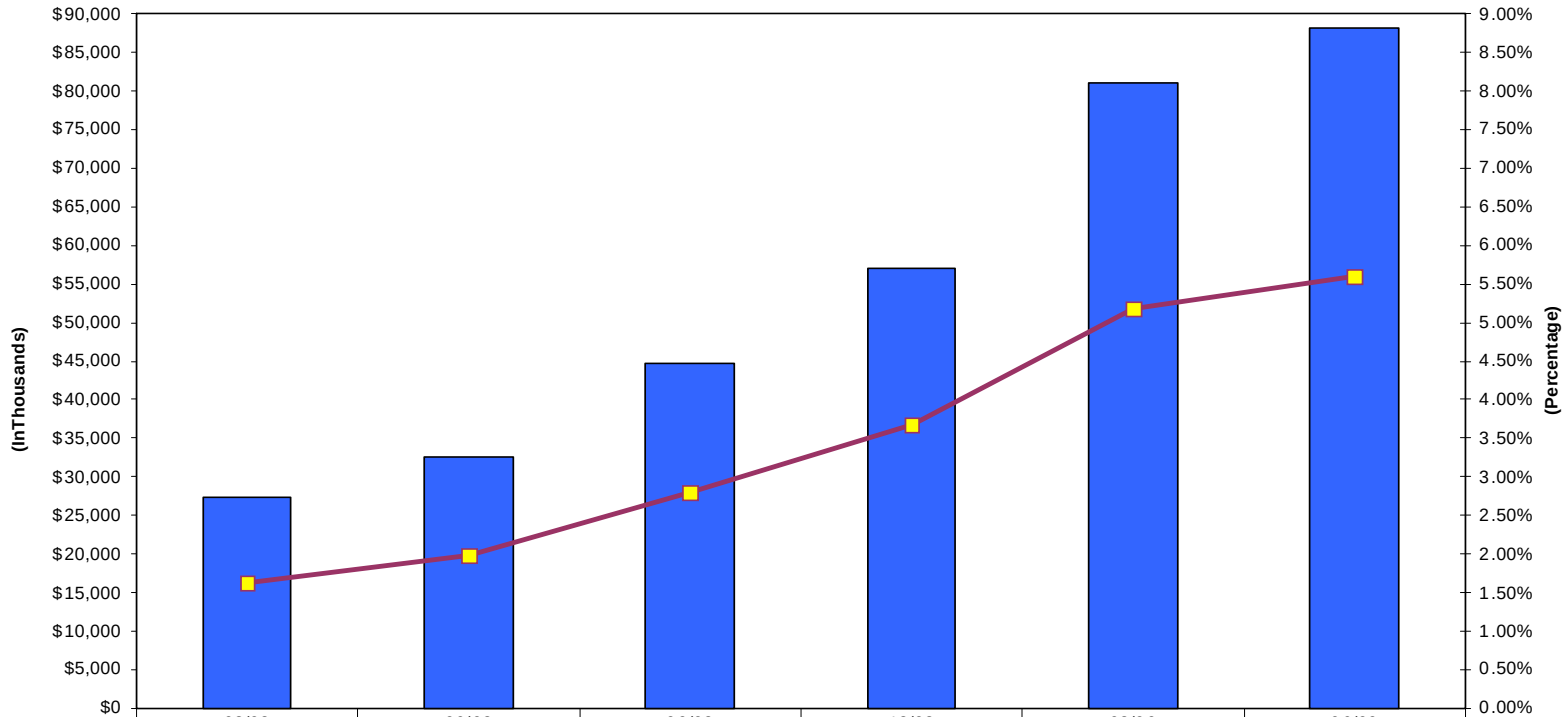
Loan Portfolio Mix
(Loans Held for Investment)



"Preferred Loans" – Multi-Family, Commercial Real Estate, Construction and Commercial Business Loans.

Asset Quality

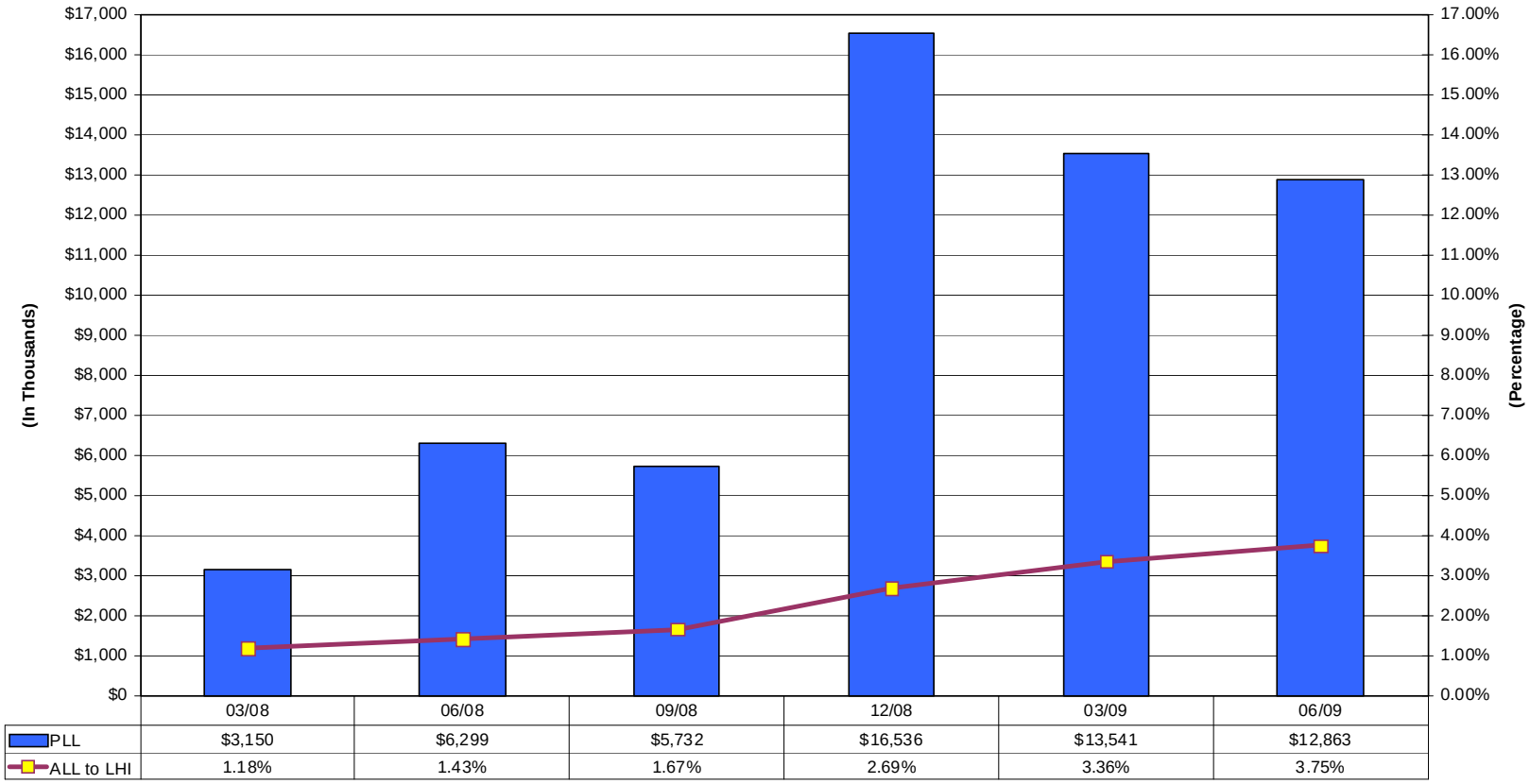
Non-Performing Assets ("NPA") & NPA to Total Assets



	03/08	06/08	09/08	12/08	03/09	06/09
Non-Performing Assets	$27,292	$32,548	$44,676	$56,963	$80,998	$88,257
NPA to Total Assets	1.63%	1.99%	2.80%	3.67%	5.18%	5.59%

Asset Quality

Provision for Loan Losses (PLL) &
Allowance for Loan Losses to Loans Held for Investment (ALL to LHI)



	03/08	06/08	09/08	12/08	03/09	06/09
PLL	$3,150	$6,299	$5,732	$16,536	$13,541	$12,863
ALL to LHI	1.18%	1.43%	1.67%	2.69%	3.36%	3.75%

Asset Quality

Single-Family (1st) – Loans Held for Investment

	Year of Origination									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	YTD 2009	TOTAL
Loan Balance (In Thousands)	$11,746	$3,369	$25,449	$94,208	$221,326	$171,679	$109,738	$51,113	$1,478	$690,106
Weighted Avg. LTV (1)	50%	66%	71%	76%	72%	70%	72%	75%	65%	72%
Weighted Avg. Age (In Years)	14.99	6.86	5.82	4.79	3.94	2.96	1.98	1.23	0.18	3.56
Weighted Avg. FICO	695	694	723	721	731	743	733	743	754	733
Number of Loans	145	12	96	279	568	383	208	92	4	1,787
Geographic Breakdown (%)										
Inland Empire	36%	31%	39%	31%	32%	28%	29%	24%	96%	30%
Southern CA (Other than Inland Empire)	53%	60%	58%	63%	60%	53%	42%	50%	2%	55%
Other California	7%	9%	3%	5%	7%	16%	28%	26%	2%	14%
Other States	4%	0%	0%	1%	1%	2%	1%	0%	0%	1%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Current loan balance in comparison to the original appraised value.

Asset Quality

Commercial Real Estate – Loans Held for Investment

	Year of Origination									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	YTD 2009	TOTAL (3)
Loan Balance (In Thousands)	$3,488	$6,922	$13,788	$13,310	$21,730	$26,311	$22,757	$6,349	$8,043	$122,697
Weighted Avg. LTV (1)	37%	53%	47%	52%	50%	55%	56%	38%	67%	52%
Weighted Avg. Debt Coverage Ratio (2)	1.40x	1.45x	1.63x	2.23x	2.08x	2.47x	2.34x	1.74x	1.19x	2.05x
Weighted Avg. Age (In Years)	14.22	6.96	6.01	4.95	3.96	2.93	2.00	1.18	0.15	3.78
Weighted Avg. FICO	747	735	731	713	712	726	717	756	722	722
Number of Loans	12	5	23	22	27	31	26	12	2	160
Geographic Breakdown (%)										
Inland Empire	79%	96%	52%	49%	71%	25%	45%	7%	80%	51%
Southern CA (Other than Inland Empire)	18%	4%	48%	51%	29%	74%	47%	93%	0%	46%
Other California	3%	0%	0%	0%	0%	1%	8%	0%	0%	2%
Other States	0%	0%	0%	0%	0%	0%	0%	0%	20%	1%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Current loan balance in comparison to the original appraised value.

(2) At time of loan origination.

(3) Comprised of the following: $28.3 million in Office; $29.2 million in Retail; $15.2 million in Light Industrial/Manufacturing; $12.4 million in Mixed Use; $10.7 million in Medical/Dental Office; $6.6 million in Warehouse; $4.1 million in Restaurant/Fast Food; $3.7 million in Mini-Storage; $3.2 million in Research and Development; $2.7 million in Mobile Home Parks; $1.9 million in Hotel and Motel; $1.8 million in Automotive – Non Gasoline; $1.3 million in School; and $1.6 million in Other.

Asset Quality

Multi-Family – Loans Held for Investment

	Year of Origination									
	2001 & Prior	2002	2003	2004	2005	2006	2007	2008	YTD 2009	TOTAL
Loan Balance (In Thousands)	$2,004	$4,272	$19,489	$42,504	$66,283	$112,446	$103,728	$20,152	$1,745	$372,623
Weighted Avg. LTV (1)	29%	45%	58%	52%	56%	57%	57%	56%	53%	56%
Weighted Avg. Debt Coverage Ratio (2)	2.57x	1.56x	1.41x	1.46x	1.28x	1.27x	1.25x	1.28x	1.21x	1.30x
Weighted Avg. Age (In Years)	14.42	6.70	5.86	5.01	3.97	3.02	1.98	1.07	0.36	3.26
Weighted Avg. FICO	720	744	732	710	708	714	701	763	735	718
Number of Loans	7	8	32	57	99	123	123	23	1	473
Geographic Breakdown (%)										
Inland Empire	78%	16%	5%	21%	8%	12%	3%	8%	0%	9%
Southern CA (Other than Inland Empire)	22%	84%	83%	75%	60%	59%	83%	91%	100%	71%
Other California	0%	0%	12%	3%	32%	27%	14%	1%	0%	19%
Other States	0%	0%	0%	1%	0%	2%	0%	0%	0%	1%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Current loan balance in comparison to the original appraised value.

(2) At time of loan origination.

Asset Quality

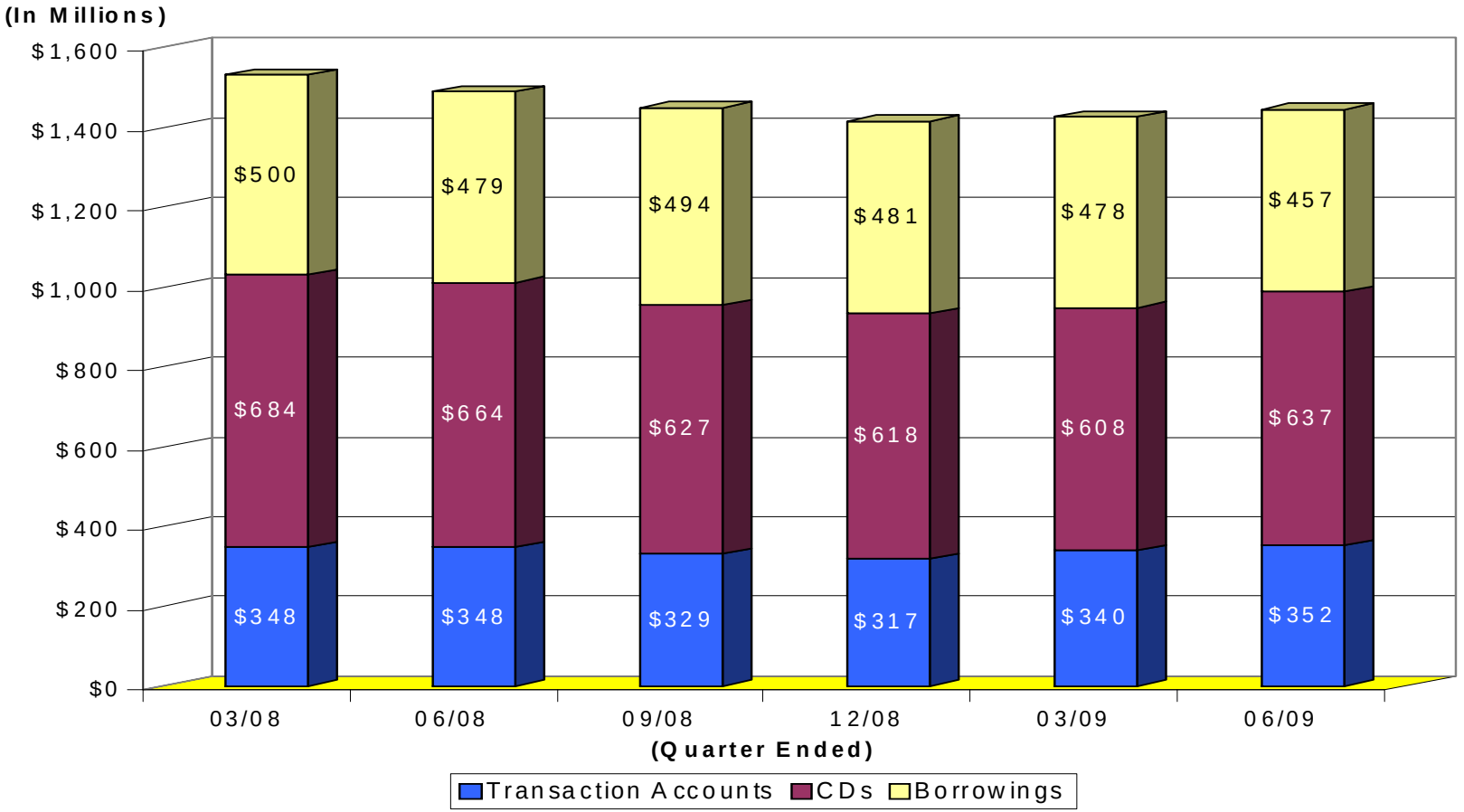
Geographic Locations

	Inland Empire		Southern California (1)		Other California		Other States		Total	
Category	Balance	Percentage	Balance	Percentage	Balance	Percentage	Balance	Percentage	Balance	Percentage
Single-Family	$211,400	30%	$380,227	55%	$94,111	14%	$8,616	1%	$694,354	100%
Multi-Family	34,624	9%	264,239	71%	70,079	19%	3,682	1%	372,624	100%
Commercial Real Estate	62,201	51%	56,489	46%	2,364	2%	1,643	1%	122,697	100%
Construction	4,113	91%	400	9%	-	0%	-	0%	4,513	100%
Other loans	2,513	100%	-	0%	-	0%	-	0%	2,513	100%
Total	$314,851	26%	$701,355	59%	$166,554	14%	$13,941	1%	$1,196,701	100%

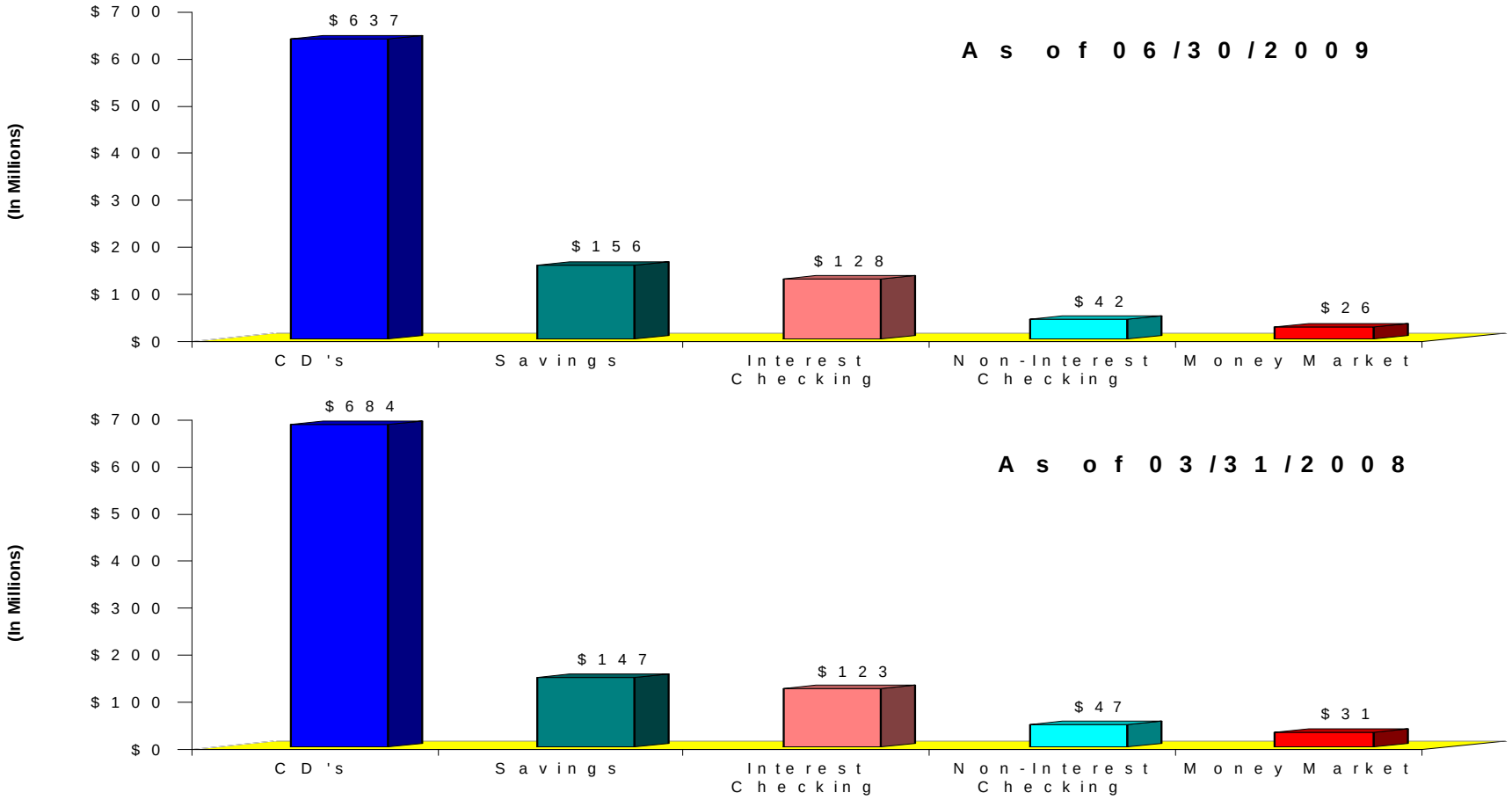
(1) Other than the Inland Empire.

Provident Financial Holdings, Inc.

Transaction Accounts, CDs & Borrowings



Deposit Composition



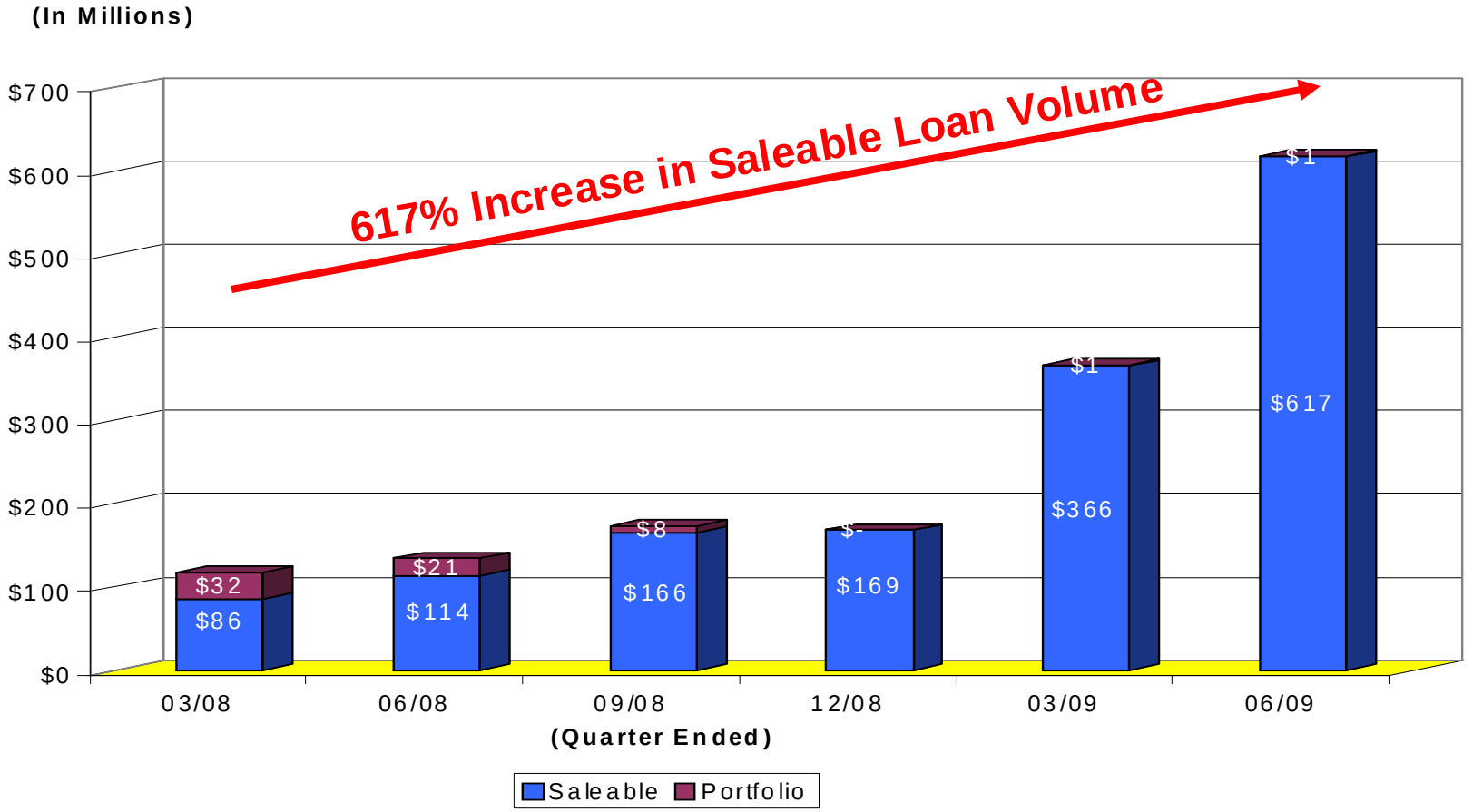
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Mortgage Banking

PROVIDENT
Bank Mortgage™
Faster funded home loans.

Provident Financial Holdings, Inc.

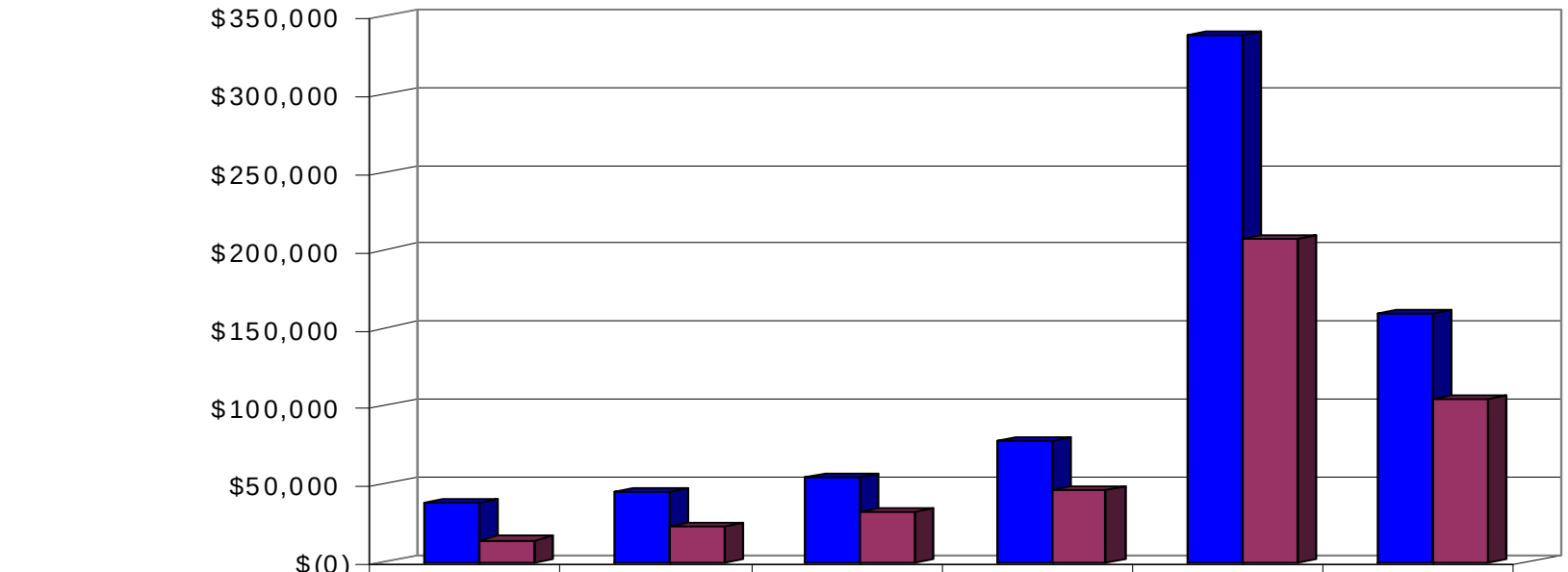
Provident Bank Mortgage Loan Originations



Provident Bank Mortgage Locked Pipeline

Locked Pipeline - Available for Sale

(In Thousands)

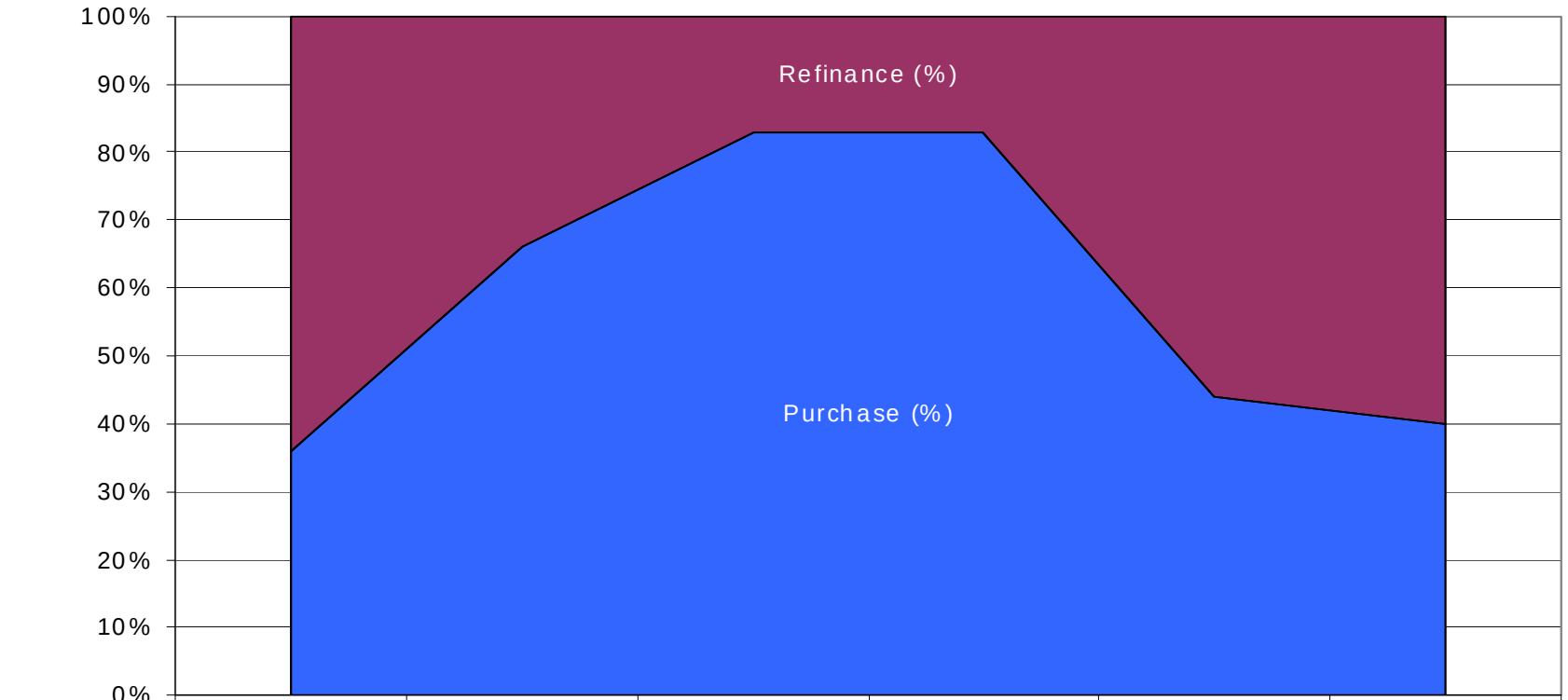


	03/08	06/08	09/08	12/08	03/09	06/09
Gross Locked Pipeline	$37,938	$44,599	$54,666	$77,243	$338,103	$159,726
Net Locked Pipeline (*)	$14,037	$23,191	$32,253	$45,573	$206,966	$104,630

(Quarter Ended)

(*) Net of management's estimate of commitments to extend credit which may not fund.

PBM Purchase vs. Refinance

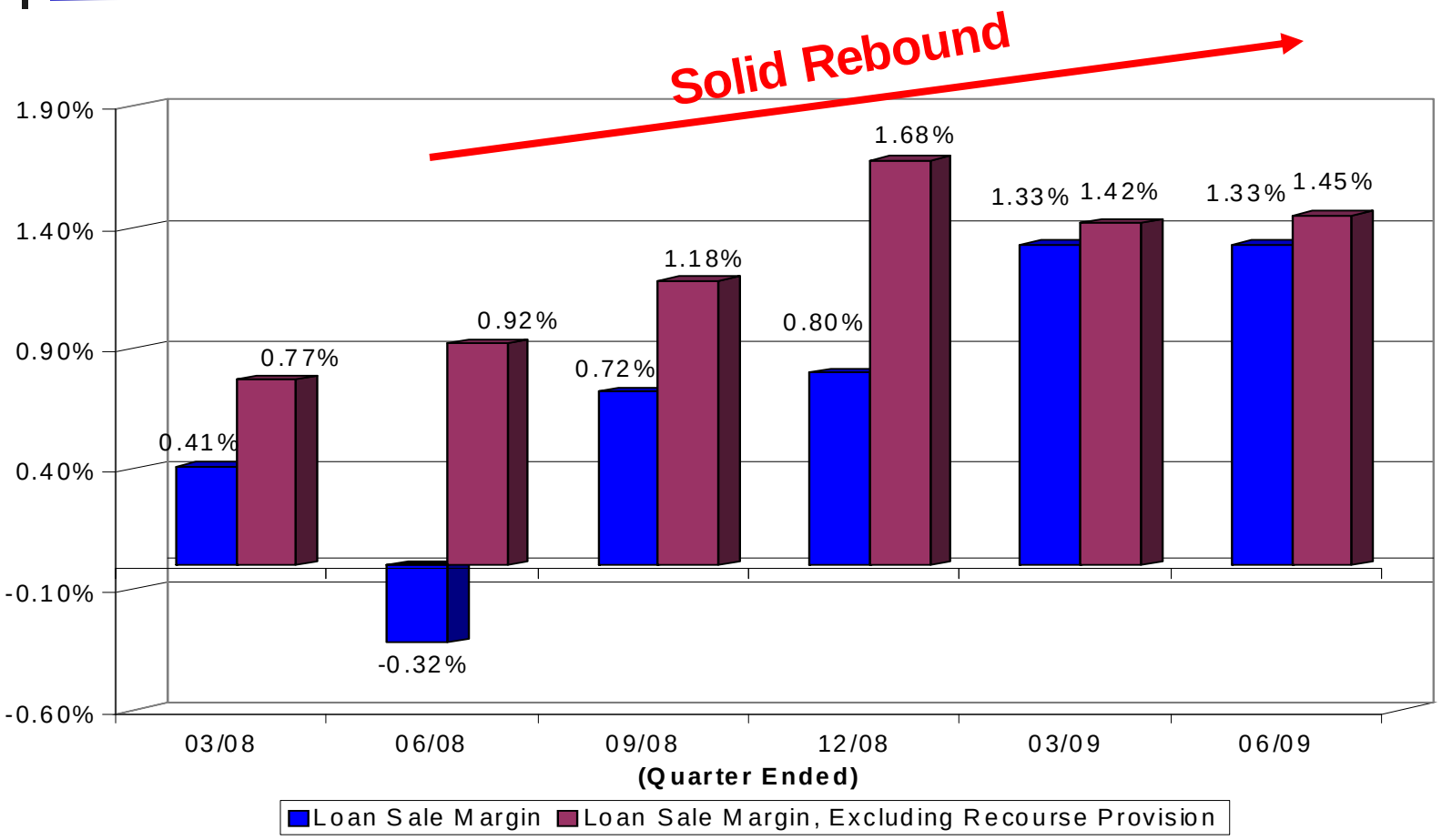


	03/08	06/08	09/08	12/08	03/09	06/09
Refinance	64%	34%	17%	17%	56%	60%
Purchase	36%	66%	83%	83%	44%	40%

(Quarter Ended)

Provident Financial Holdings, Inc.

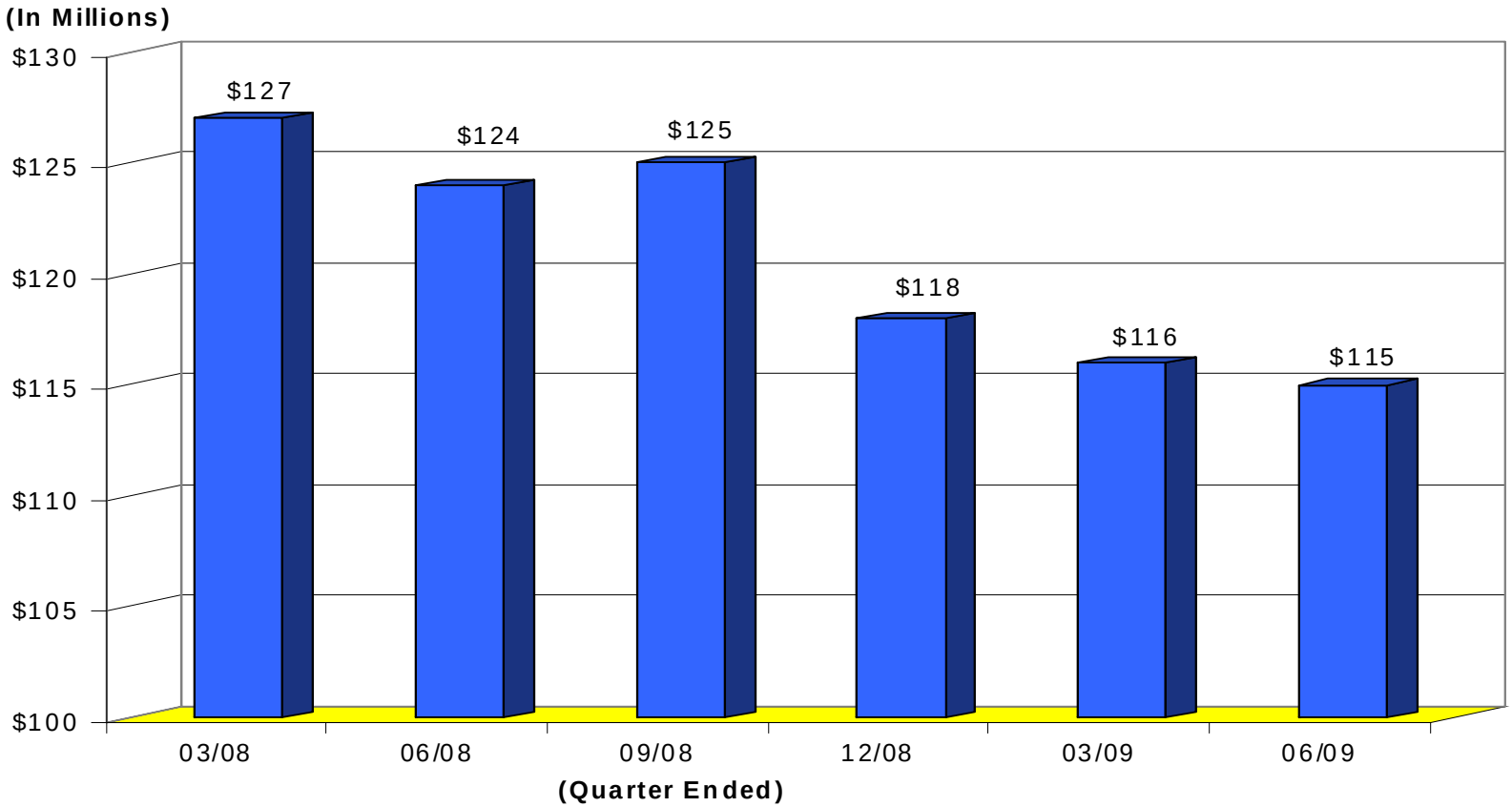
Loan Sale Margin



PROVIDENT
Provident Financial Holdings, Inc.

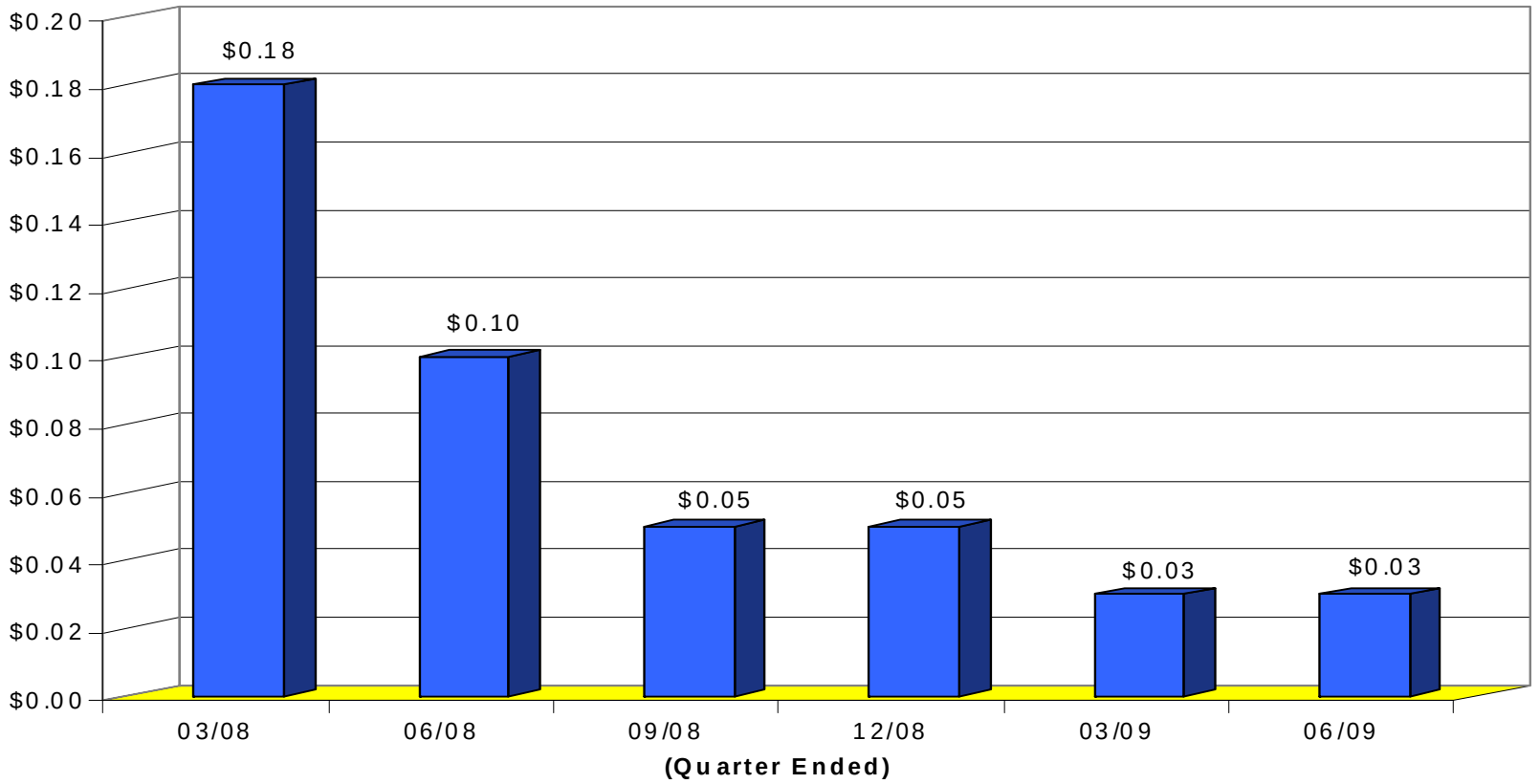
Capital Management

Stockholders' Equity

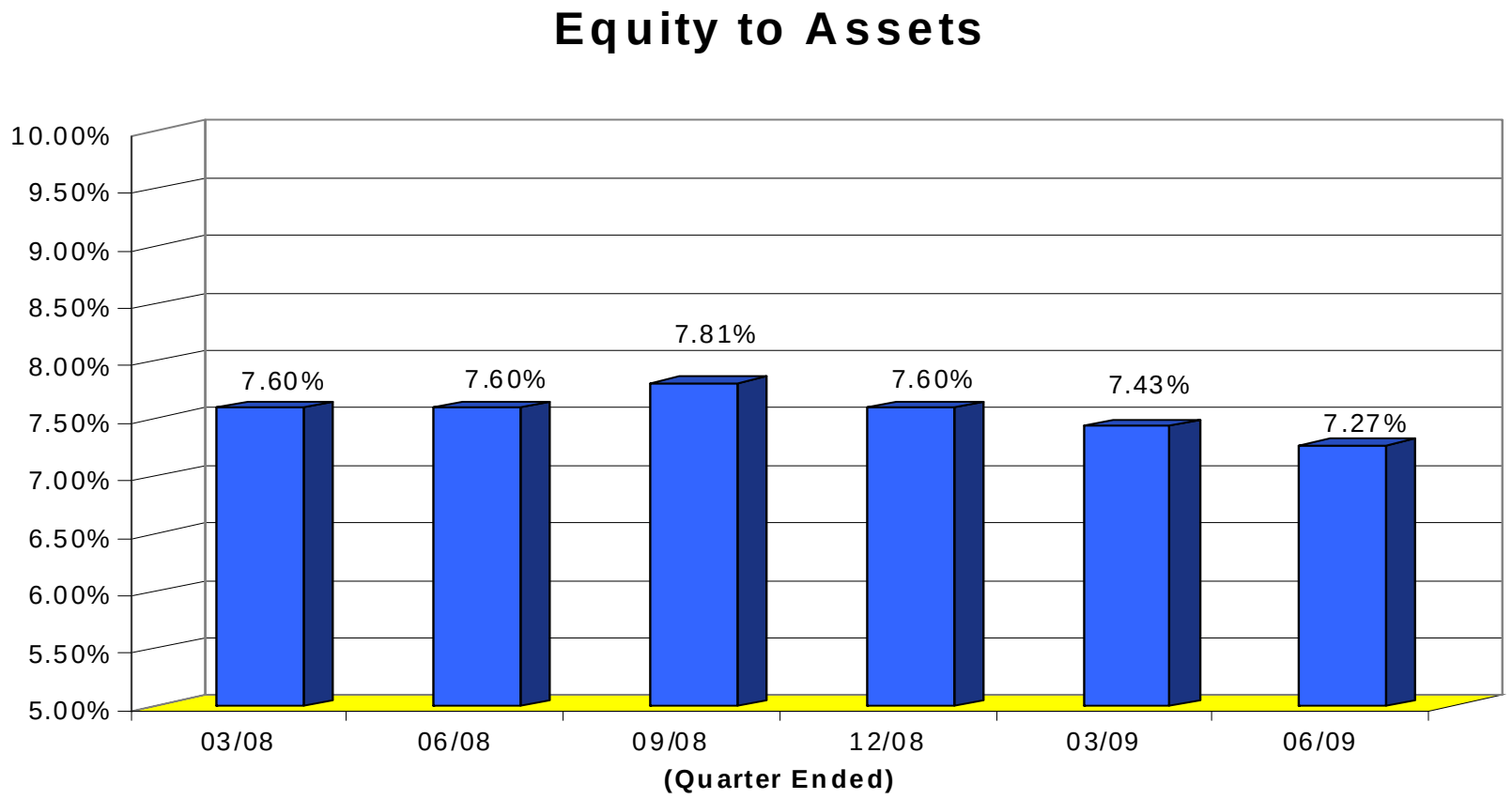


Provident Financial Holdings, Inc.

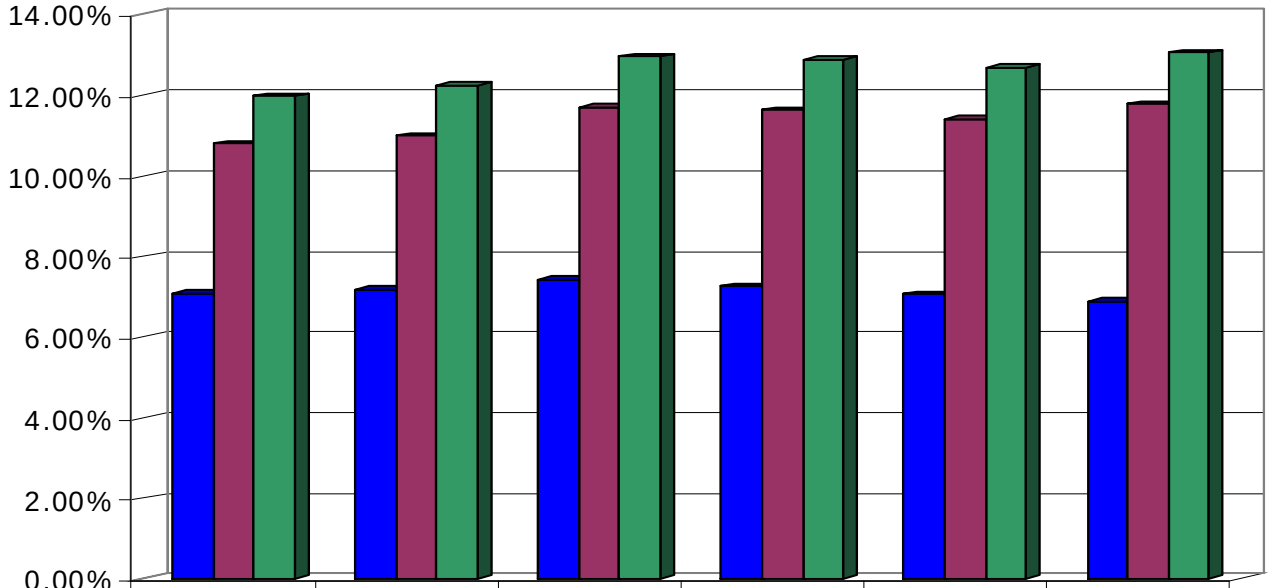
Cash Dividend per Share



Consolidated Capital Ratio



Bank Capital Ratios



	03/08	06/08	09/08	12/08	03/09	06/09
Core Capital Ratio	7.09%	7.19%	7.42%	7.25%	7.06%	6.88%
Tier 1 Risk-Based Capital Ratio	10.80%	10.99%	11.71%	11.63%	11.42%	11.78%
Total Risk-Based Capital Ratio	11.98%	12.26%	12.96%	12.88%	12.68%	13.05%

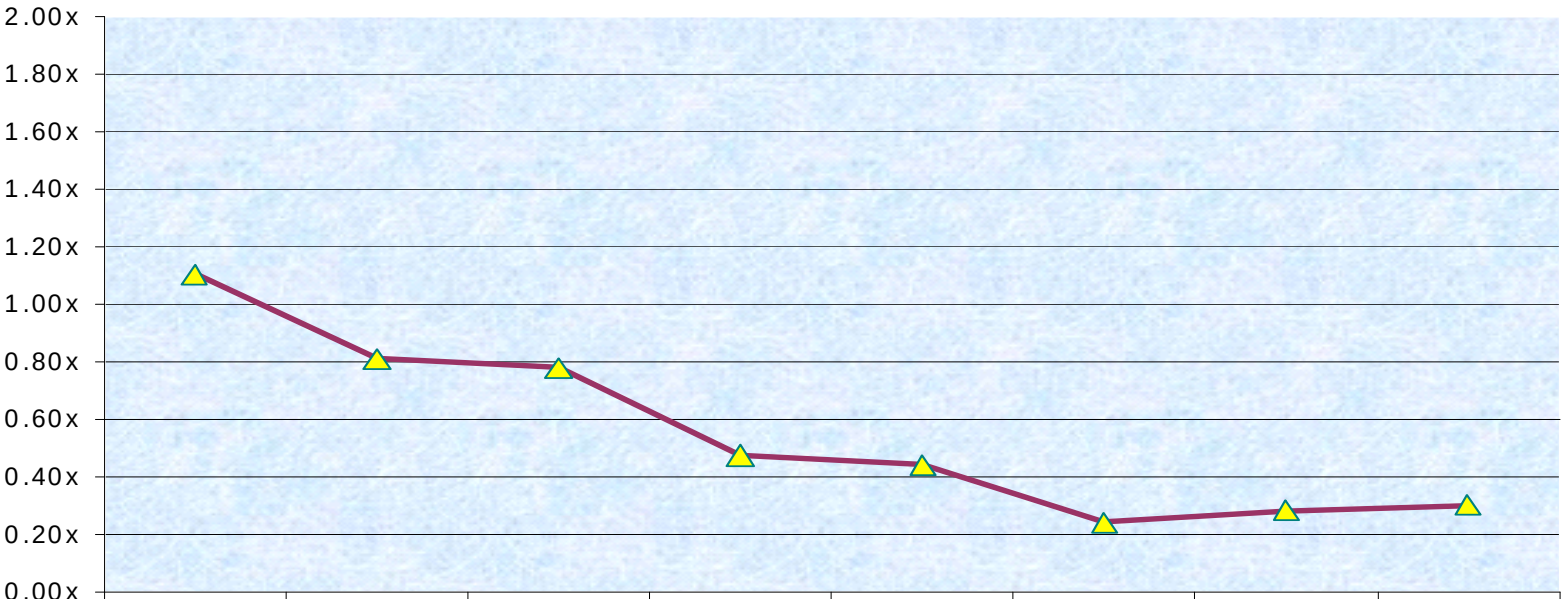
(Quarter Ended)

To be deemed "Well Capitalized," the Bank must maintain its Core Capital Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio at or above 5.00%, 6.00% and 10.00%, respectively.

Value Proposition

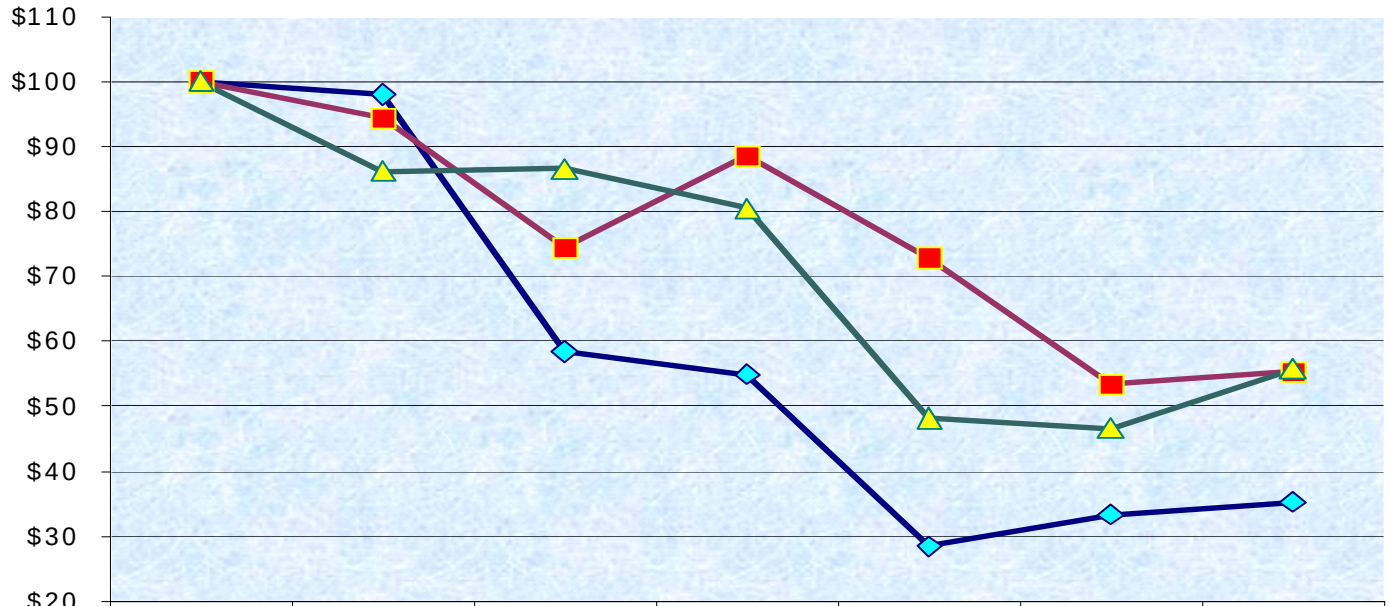
Provident Financial Holdings, Inc.

Stock Price to Tangible Book Value Multiple



	Sep 2007	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Price/TBV	1.10x	0.81x	0.78x	0.47x	0.44x	0.24x	0.28x	0.30x

Stock Performance



	Dec 2007	Mar 2008	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
PROV	$100	$98	$58	$55	$28	$33	$35
Nasdaq Bank Index	$100	$94	$75	$88	$73	$53	$55
Nasdaq Stock Index	$100	$86	$87	$80	$48	$47	$56

Assumes that the value of the investment in the Company's Common Stock and in each Index was $100 on December 31, 2007 and that all dividends were reinvested.

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