Provident Financial Holdings, Inc.

Third Quarter of Fiscal 2016

March 31, 2016

Safe Harbor Statement

This presentation contains statements that the Company believes are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to the Company’s financial condition, liquidity, 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 Company 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 Company. 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 from the results anticipated or implied by our forward-looking statements include, but are not limited to increased competitive pressures; changes in the interest rate environment; secondary market conditions for loans and our ability to sell loans in the secondary market; changes in general economic conditions and conditions within the securities markets; legislative and regulatory changes; and other factors described in the Company’s latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission-which are available on our website at www.myprovident.com and on the SEC’s website at www.sec.gov. We do not undertake and specifically disclaim any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements whether as a result of new information, future events or otherwise. These risks could cause our actual results for fiscal 2016 and beyond to differ materially from those expressed in any forward-looking statements by, or on behalf of us and could negatively affect our operating and stock price performance.

Provident Financial Holdings, Inc.	
Nasdaq GS:	PROV
Share Price:	$17.05
52-Week Range:	$15.51 - $19.19
Shares Outstanding:	8,201,883 shares
Market Capitalization:	$139.8 million
P/E (ttm):	20.06x
Diluted EPS (ttm):	$0.85
Annual Dividend & Yield:	$0.48 (2.82%)
As of March 31, 2016	

Franchise Overview

Northern California:
Pleasanton
Elk Grove, Livermore and Roseville



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**
- **Ninth largest deposit market share in the Riverside-San Bernardino RMA; fourth largest of community banks**

Provident Bank

Full-Service Offices:

Blythe
Canyon Crest, Riverside
Corona
Corporate Office, Riverside
Downtown, Riverside
Hemet
La Quinta
La Sierra, Riverside
Moreno Valley
Orangecrest, Riverside
Rancho Mirage
Redlands
Sun City
Temecula

Provident Bank Mortgage

Wholesale Offices:

Pleasanton
Rancho Cucamonga

Retail Offices:

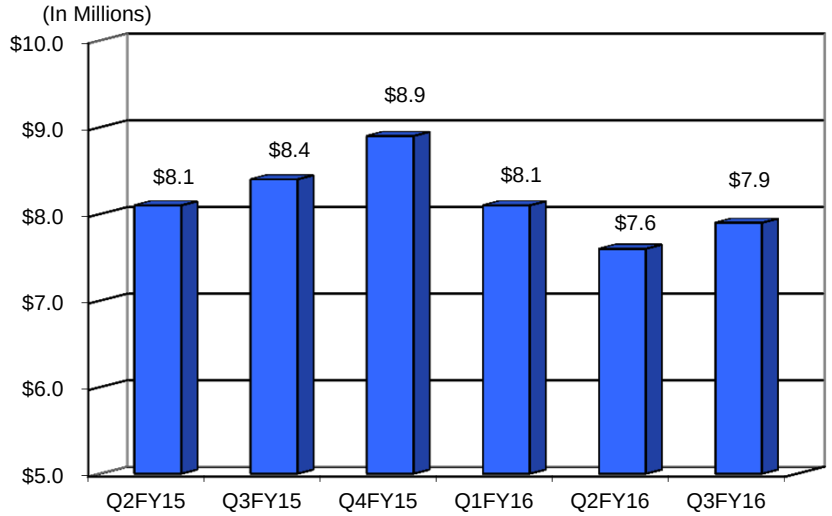
Carlsbad
City of Industry
Elk Grove
Escondido
Glendora
Livermore
Rancho Cucamonga
Riverside, Canyon Crest Drive
Riverside, Indiana Avenue
Riverside, Riverside Avenue
Roseville
Santa Barbara
Victorville
Westlake Village

Financial Performance

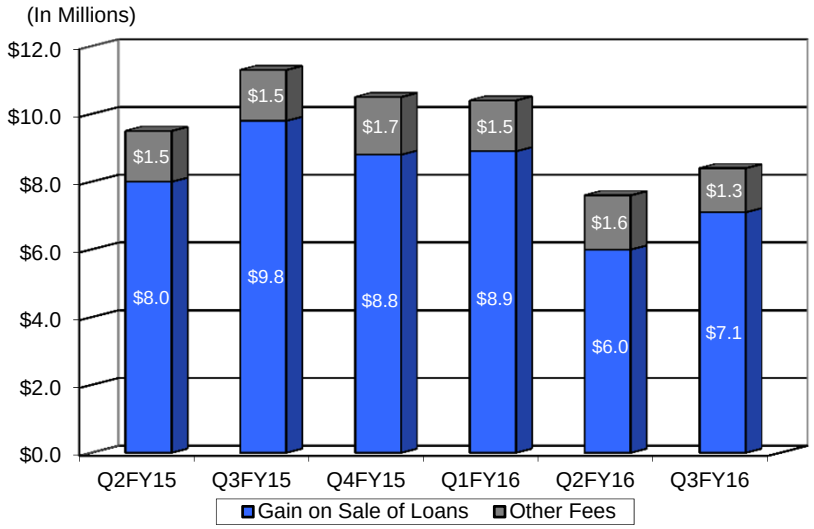
Developments

- Net Income increases 52% (sequential quarter)
- Diluted Earnings per Share increases 64% (sequential quarter)
- Net Interest Income increases 4% (sequential quarter)
- Non-Interest Income increases 11% (sequential quarter)
- Operating Expenses increase 5% (sequential quarter)
- Net Interest Margin expands 12 basis points (sequential quarter)

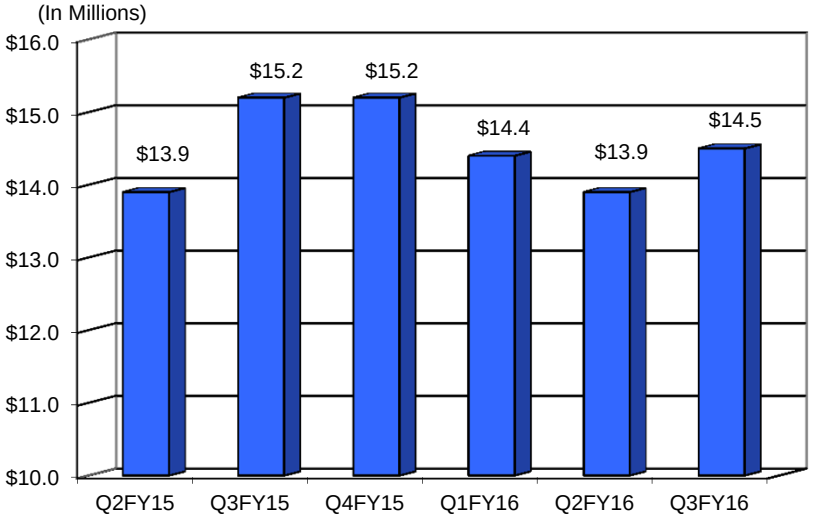
Net Interest Income



Non-Interest Income

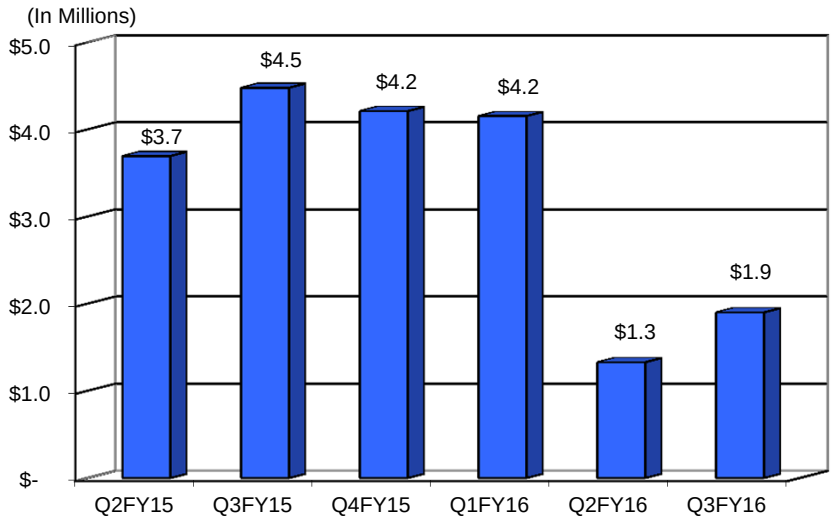


Operating Expenses

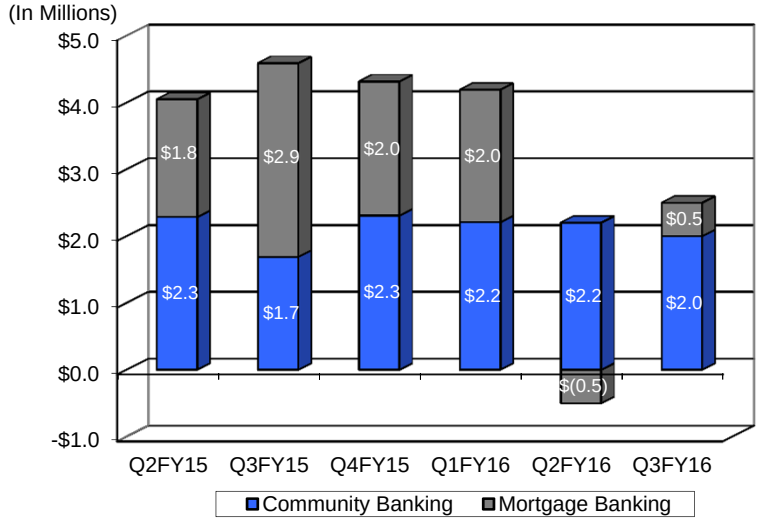


Financial Performance

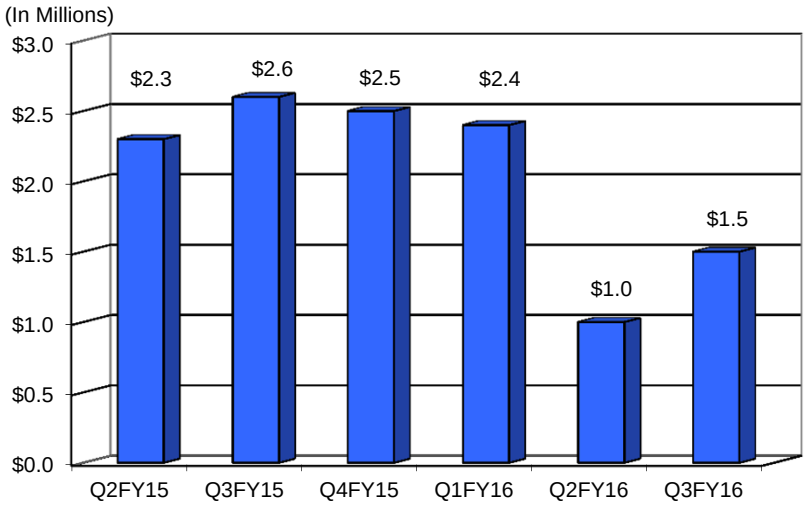
Pre-Provision, Pre-Tax Earnings



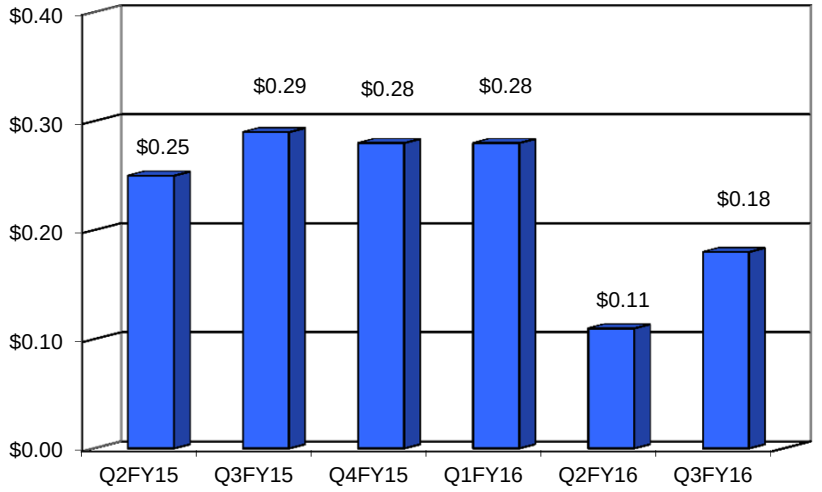
Pre-Tax Income – Operating Segments



Quarterly Net Income

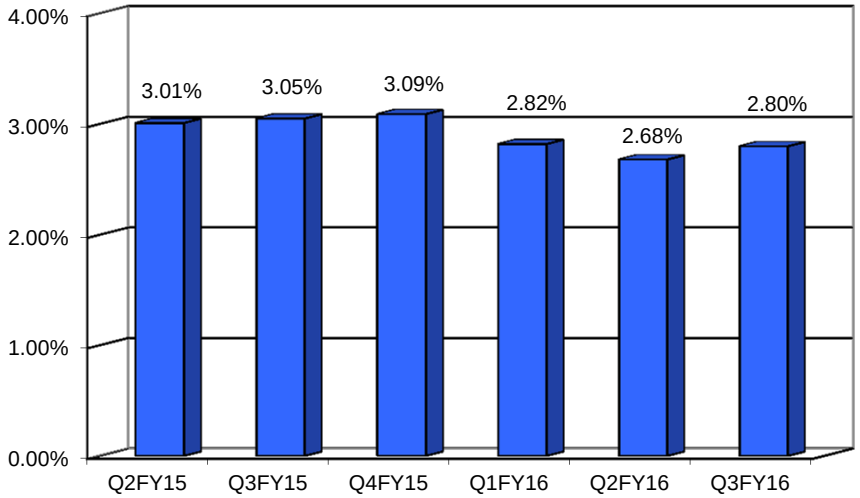


Diluted Earnings Per Share

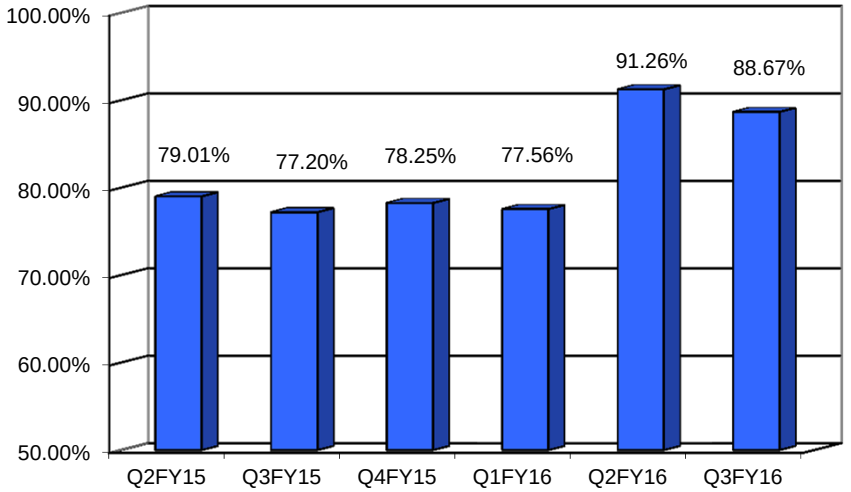


Financial Ratios

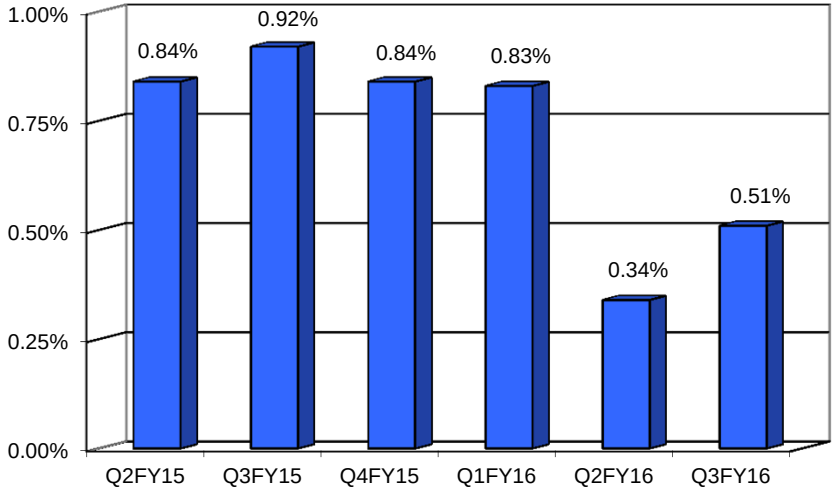
Net Interest Margin



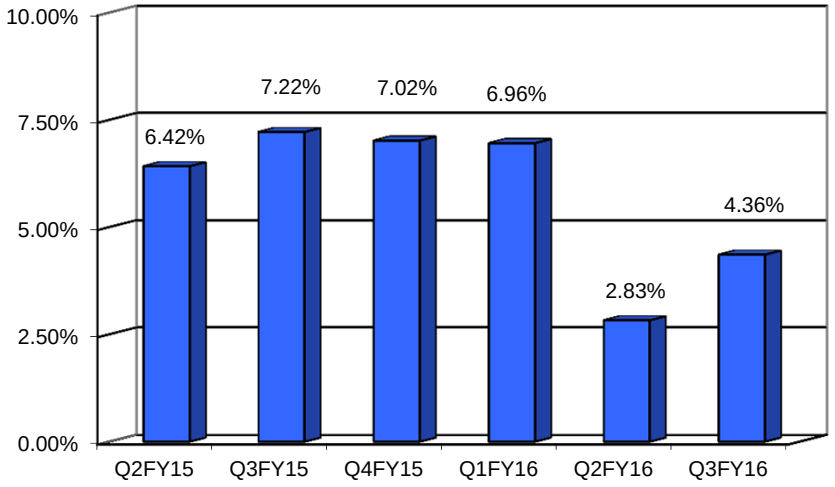
Efficiency Ratio



Return on Average Assets



Return on Average Equity

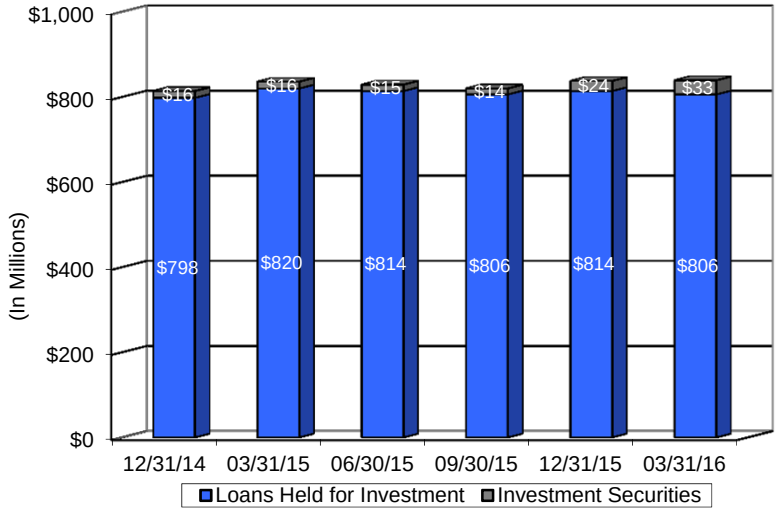


Community Banking

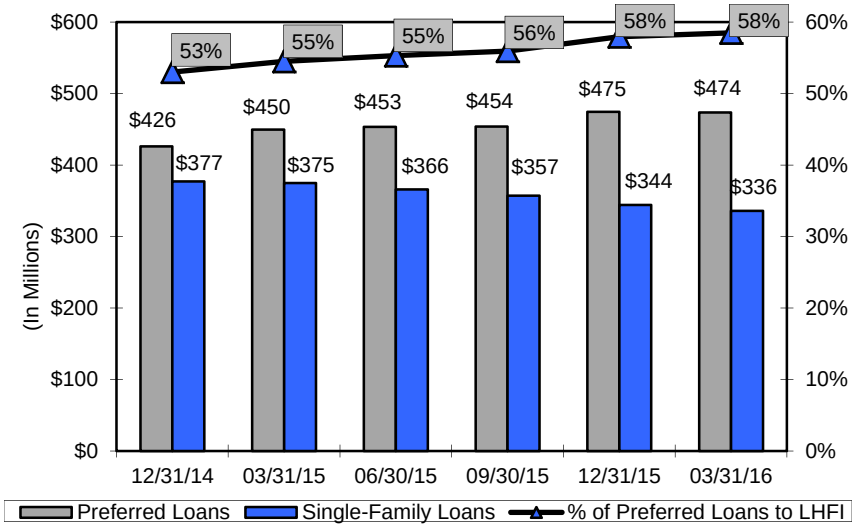
Developments

- Loans Held for Investment decrease slightly (1%) since June 30, 2015
- Preferred loans increase by 5% since June 30, 2015
- Core Deposits increase by $31.9 million, or 6%, since June 30, 2015
- Higher cost Time Deposit balances continue to decline

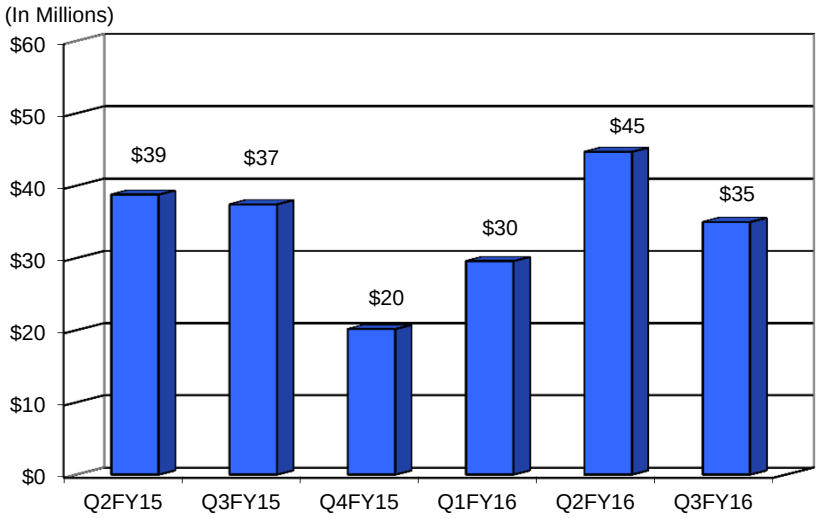
Loan to Investment Mix



Loan Portfolio Mix



Provident Bank Loan Originations and Purchases

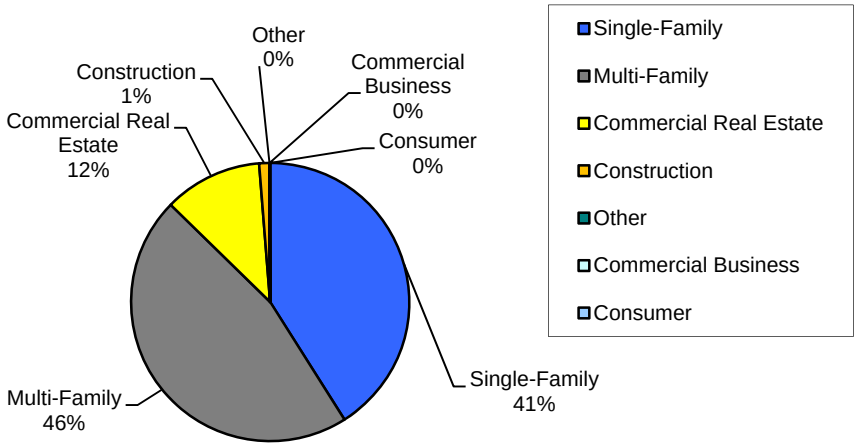


Community Banking

Loans Held for Investment Composition

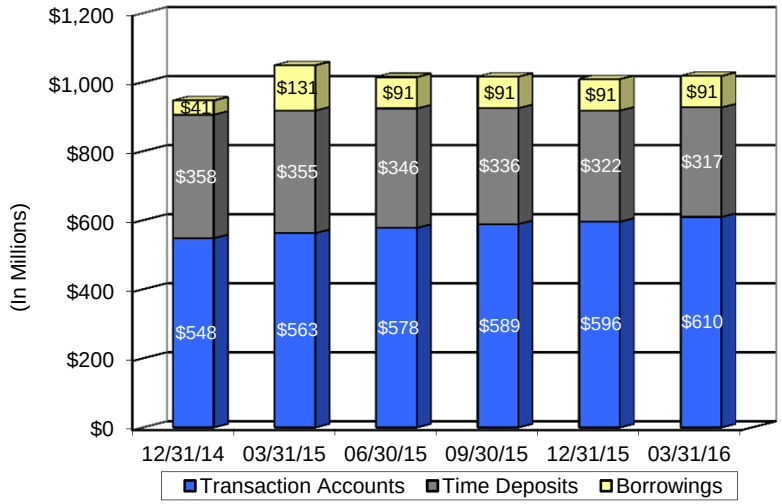
Loan Category (Dollars In Thousands)	Balance as of 03/31/16	Interest Rate	Balance as of 03/31/15	Interest Rate
Single-Family	$ 335,797	3.51%	$ 374,981	3.27%
Multi-Family	378,871	4.26%	344,277	4.52%
Commercial Real Estate	93,384	4.85%	101,618	5.25%
Construction	9,679	5.42%	6,039	5.27%
Other	72	6.25%	-	-
Commercial Business	452	6.57%	652	6.14%
Consumer	230	10.13%	246	9.87%
Total Loans Held for Investment	$ 818,485	4.03%	$ 827,813	4.05%
Undisbursed Loan Funds	(8,648)		(2,911)	
Advance payments of escrows	247		392	
Deferred Loan Costs, net	3,683		3,054	
Allowance for Loan Losses	(8,200)		(8,712)	
Total Loans Held for Investment, net	$ 805,567		$ 819,636	

Loan Composition as of 03/31/16



Community Banking

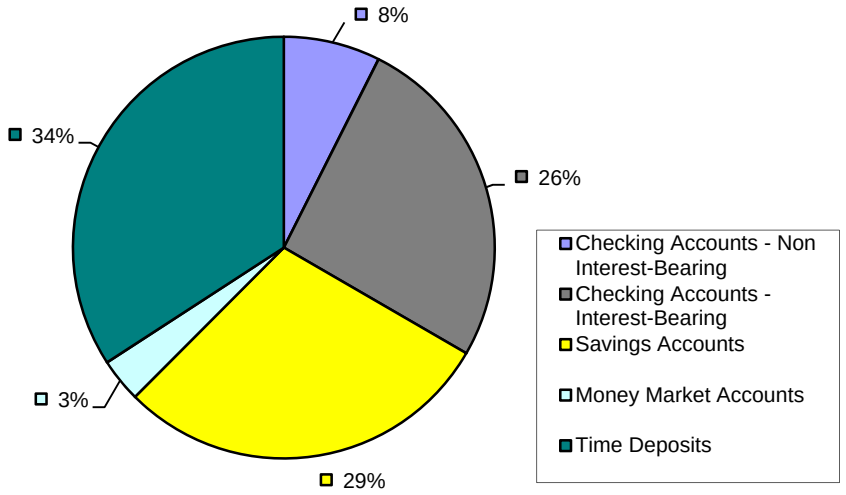
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 03/31/2016	Rate	At 03/31/2015	Rate
Checking Accounts - Non Interest-Bearing	$ 68,748	- %	$ 62,824	- %
Checking Accounts - Interest-Bearing	240,502	0.15%	222,358	0.15%
Savings Accounts	269,909	0.26%	252,060	0.26%
Money Market Accounts	31,171	0.26%	26,079	0.27%
Time Deposits	316,735	1.03%	354,579	1.03%
Total Deposits	$ 927,065	0.47%	$ 917,900	0.51%
Brokered Deposits included above	$ 3,039	3.76%	$ 3,039	3.76%

Deposit Composition at 03/31/2016



Borrowing Maturity Schedule

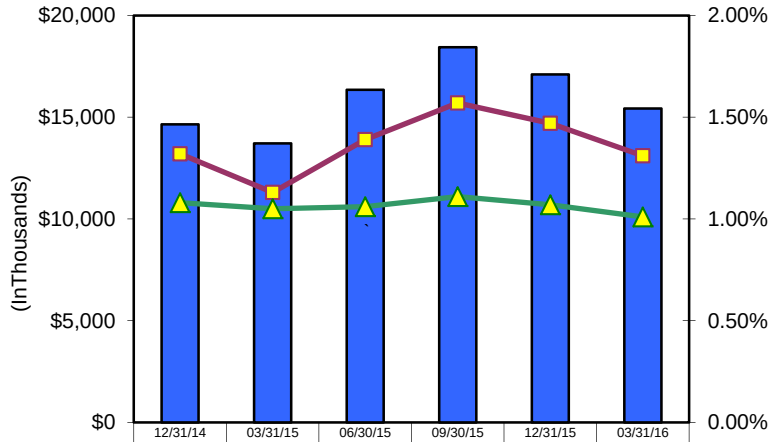
Category (Dollars In Thousands)	At 03/31/2016	Rate	At 03/31/2015	Rate
Overnight	$ -	-	$ 60,000	0.24%
Three Months or Less	-	-	-	-
Over Three to Six Months	-	-	-	-
Over Six to Twelve Months	-	-	-	-
Over One to Two Years	10,042	3.02%	-	-
Over Two to Three Years	-	-	10,066	3.03%
Over Three to Four Years	10,000	1.53%	-	-
Over Four to Five Years	20,000	3.85%	10,000	1.53%
Over Five Years	51,275	2.55%	51,318	3.08%
Total Borrowings	$ 91,317	2.78%	$ 131,384	1.66%

Asset Quality

Developments

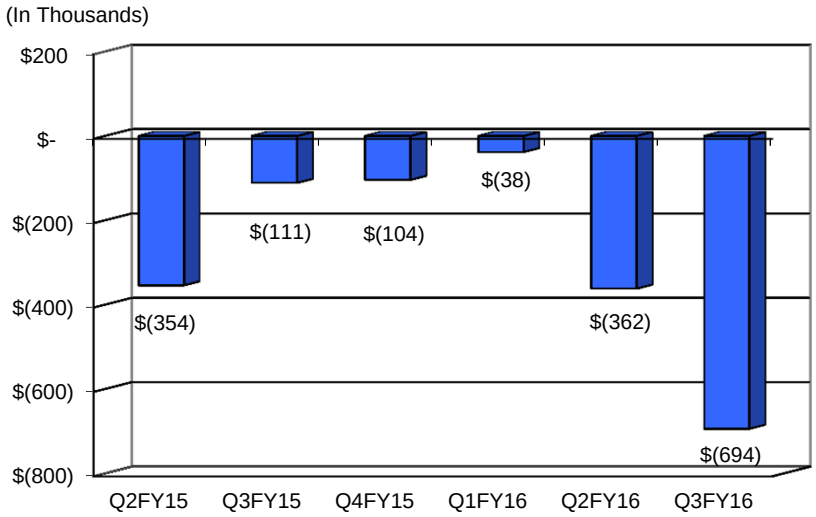
- Non-Performing Assets to Total Assets Ratio decreases eight basis points to 1.31% since June 30, 2015
- Net Recoveries in six consecutive quarters
- REO activity remains limited
- Early-Stage Delinquencies very low at $1.5 million

NPA, NPA to Total Assets and ALLL to LHI Ratios

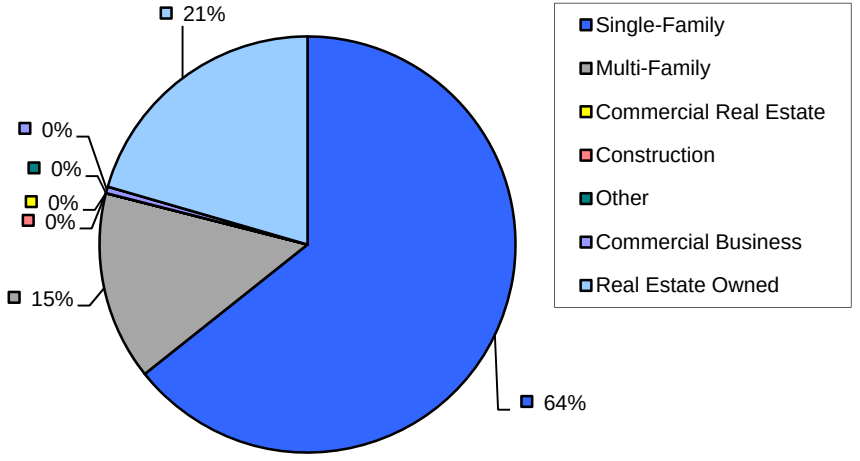


	12/31/14	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16
Non-Performing Assets	$14,647	$13,711	$16,344	$18,438	$17,100	$15,426
NPA to Total Assets	1.32%	1.13%	1.39%	1.57%	1.47%	1.31%
ALLL to LHI	1.08%	1.05%	1.06%	1.11%	1.07%	1.01%

Recovery from Allowance for Loan Losses

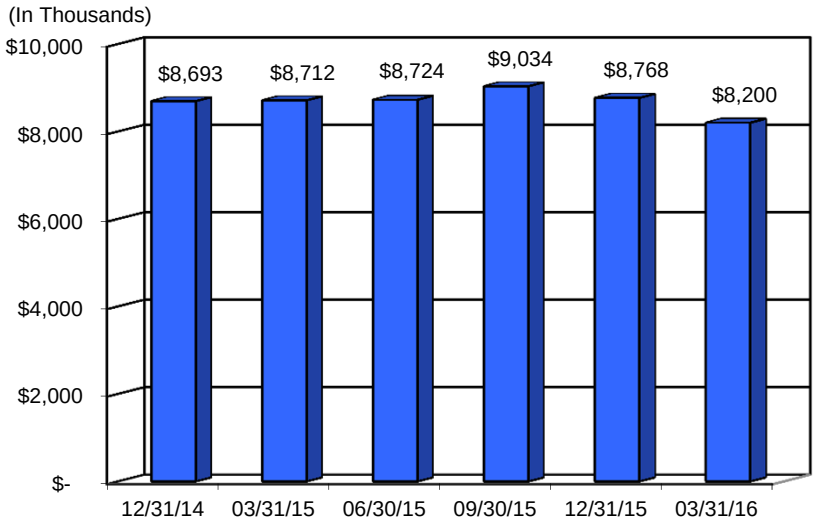


Non-Performing Asset Composition 03/31/16

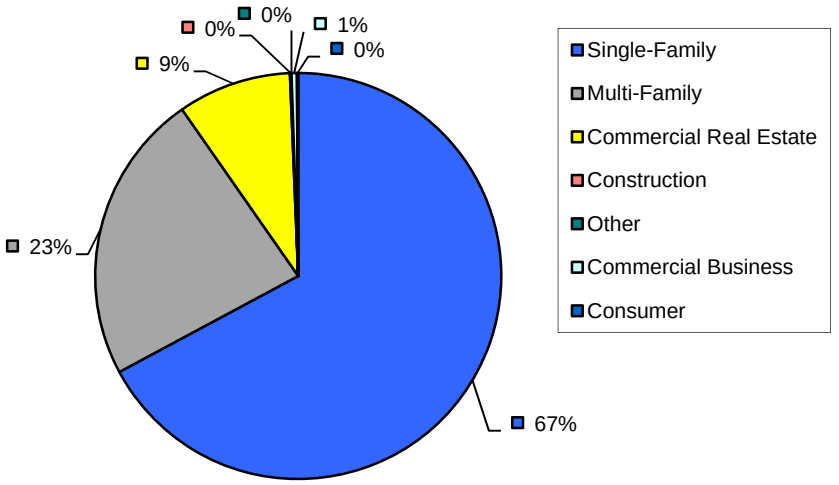


Asset Quality

Allowance for Loan Losses (ALLL)



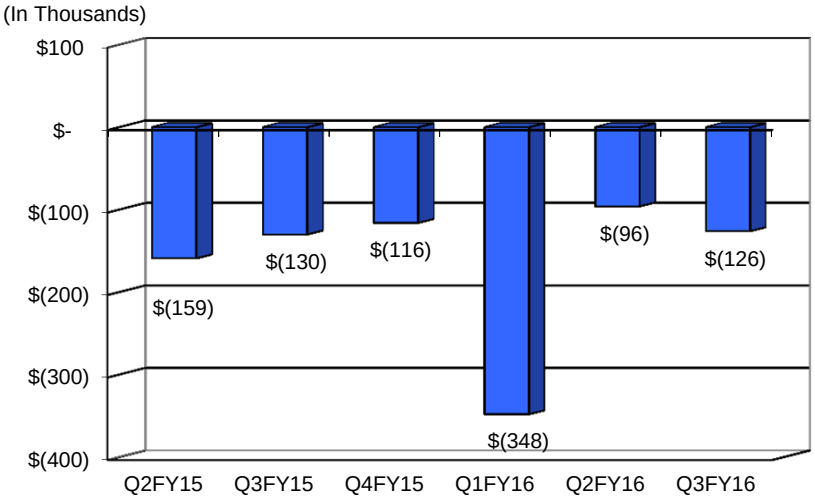
ALLL Allocation as of 03/31/16



Delinquent and Non-Performing Loans

	At March 31, 2016				At March 31, 2015			
	30 - 89 Days		Non-performing		30 - 89 Days		Non-performing	
(Dollars In Thousands)	# of Loans	Balance	# of Loans	Balance	# of Loans	Balance	# of Loans	Balance
Mortgage Loans:								
Single-Family	5	$ 1,508	36	$10,657	8	$4,444	29	$ 7,105
Multi-Family	-	-	4	2,404	-	-	4	2,239
Commercial Real Estate	-	-	-	-	-	-	4	1,468
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	1	98	-	-	2	114
Consumer Loans	1	-	-	-	2	1	-	-
Total	6	$ 1,508	41	$13,159	10	$4,445	39	$ 10,926

Net Charge-Offs (Recoveries)



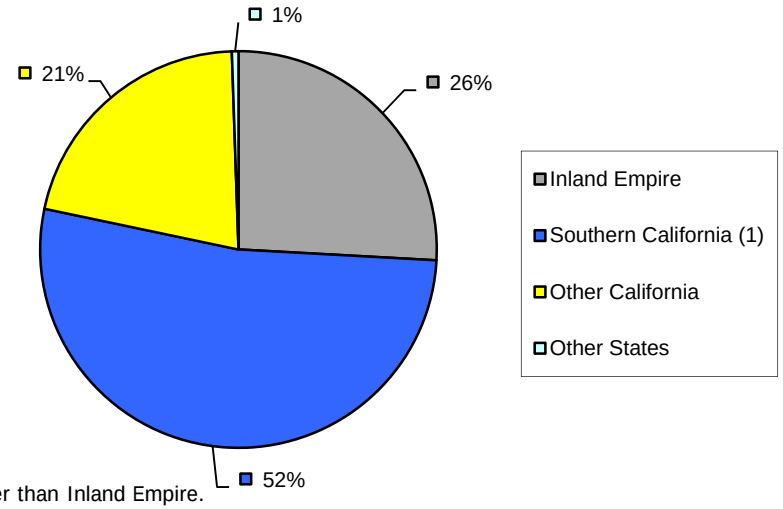
Asset Quality

Geographic Location

Category	Inland Empire		Southern California [1]		Other California		Other States		Total	
	Balance	Percentage	Balance	Percentage	Balance	Percentage	Balance	Percentage	Balance	Percentage
Single-Family	$101,393	30%	$174,051	52%	$58,839	17%	$1,514	0%	$335,797	99%
Multi-Family	74,491	20%	210,026	55%	91,488	24%	2,866	1%	$378,871	100%
Commercial Real Estate	34,593	37%	37,183	40%	21,608	23%	-	0%	$93,384	100%
Construction	1,075	11%	7,415	77%	1,189	12%	-	0%	$9,679	100%
Other	-	0%	72	100%	-	0%	-	0%	$72	100%
Total	$211,552	26%	$428,747	52%	$173,124	21%	$4,380	1%	$817,803	100%

[1] Other than Inland Empire.

Geographic Location 03/31/16



[1] Other than Inland Empire.

Asset Quality

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

	Year of Origination									
	2008 & Prior	2009	2010	2011	2012	2013	2014	2015	YTD2016	TOTAL
Loan Balance (In Thousands)	$259,717	$871	$121	$1,026	$4,402	$4,634	$20,261	$23,724	$10,832	$325,588
Weighted Avg. LTV [1]	66%	51%	68%	63%	56%	51%	66%	71%	73%	66%
Weighted Avg. Age (In Years)	10.28	6.65	5.37	4.67	3.65	2.78	1.67	0.76	0.10	8.48
Weighted Avg. FICO [2]	731	750	700	712	745	751	750	742	740	733
Number of Loans	786	3	1	4	22	28	39	36	17	936
Geographic Breakdown (%)										
Inland Empire	30%	100%	100%	59%	19%	35%	37%	24%	25%	30%
Southern California [3]	56%	0%	0%	41%	37%	21%	34%	45%	40%	52%
Other California	13%	0%	0%	0%	44%	44%	29%	31%	35%	17%
Other States	1%	0%	0%	0%	0%	0%	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.

(3) Other than Inland Empire.

Multi-Family – Loans Held for Investment

	Year of Origination									
	2008 & Prior	2009	2010	2011	2012	2013	2014	2015	YTD2016	TOTAL
Loan Balance (In Thousands)	$43,619	-	-	$13,672	$25,691	$82,314	$89,784	$99,934	$23,857	$378,871
Weighted Avg. LTV [1]	45%	-	-	55%	55%	56%	56%	55%	53%	54%
Weighted Avg. Debt Coverage Ratio [2]	1.49x	-	-	1.54x	1.74x	1.71x	1.65x	1.62x	1.71x	1.64x
Weighted Avg. Age (In Years)	10.37	-	-	4.55	3.58	2.66	1.72	0.73	0.09	2.78
Weighted Avg. FICO [2]	693	-	-	735	724	759	765	758	755	749
Number of Loans	84	-	-	15	31	112	107	139	31	519
Geographic Breakdown (%)										
Inland Empire	22%	-	-	42%	16%	32%	12%	17%	9%	20%
Southern California [3]	52%	-	-	50%	52%	44%	56%	65%	65%	55%
Other California	19%	-	-	8%	32%	24%	32%	18%	26%	24%
Other States	7%	-	-	0%	0%	0%	0%	0%	0%	1%
	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) Other than Inland Empire.

Commercial RE – Loans Held for Investment

	Year of Origination									
	2008 & Prior	2009	2010	2011	2012	2013	2014	2015	YTD2016	TOTAL [4][5]
Loan Balance (In Thousands)	$ 8,286	$ -	$ 354	$ 747	$ 14,710	$ 17,807	$ 24,311	$ 21,876	$ 5,293	$93,384
Weighted Avg. LTV [1]	43%	0%	56%	60%	49%	47%	46%	44%	59%	47%
Weighted Avg. Debt Coverage Ratio [2]	1.67x	0.00x	1.26x	1.47	1.90x	1.79x	1.93x	1.78x	1.68x	1.82x
Weighted Avg. Age (In Years)	10.33	0.00	5.85	4.27	3.49	2.65	1.67	0.73	0.15	2.64
Weighted Avg. FICO [2]	704	0	704	770	753	758	757	751	753	751
Number of Loans	17	0	2	1	14	22	29	27	6	118
Geographic Breakdown (%)										
Inland Empire	45%	0%	51%	0%	71%	33%	36%	25%	0%	37%
Southern California [3]	35%	0%	49%	100%	29%	36%	46%	33%	81%	40%
Other California	20%	0%	0%	0%	0%	31%	18%	42%	19%	23%
Other States	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	100%	0%	-	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) Other than Inland Empire.

(4) Comprised of the following: $33.5 million in Mixed Use; $14.8 million in Retail; $11.1 million in Office; $10.7 million in Mobile Home Park; $5.2 million in Medical/Dental Office; $5.2 million in Warehouse; $4.4 million in Mini-Storage; $3.4 million in Restaurant/Fast Food; $1.8 million in Light Industrial/Manufacturing; $1.7 million in Hotel and Motel; and $1.6 million in Automotive – Non-Gasoline.

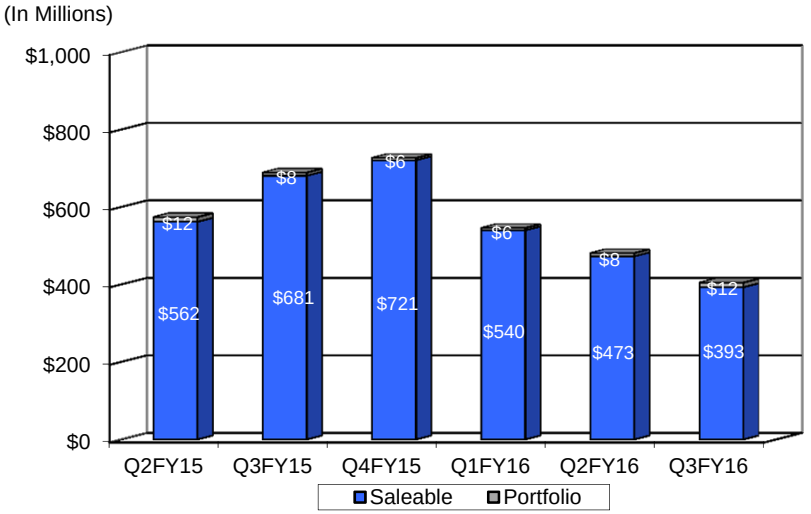
(5) Consisting of $82.8 million or 88.7% in investment properties and $10.6 million or 11.3% in owner occupied properties.

Mortgage Banking

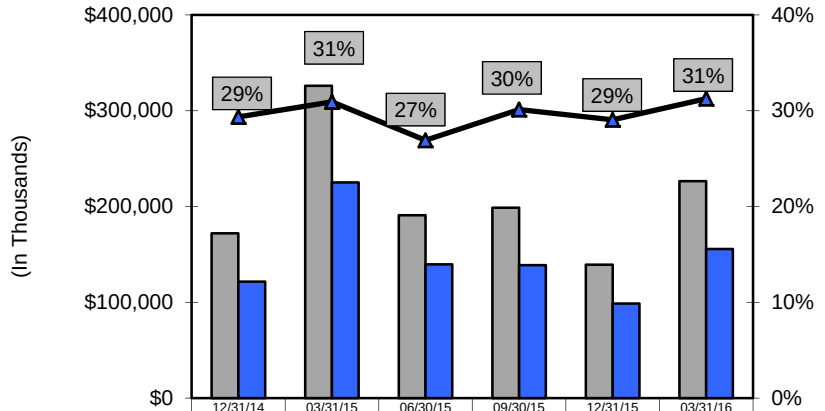
Developments

- Loan Origination Volume decreases 16% to $404.5 million (sequential quarter)
- Gross Locked Pipeline increases 63% to $226.4 million (sequential quarter)
- Loan Sale Margin increases 17 basis points to 157 basis points (sequential quarter)

PBM Loan Originations



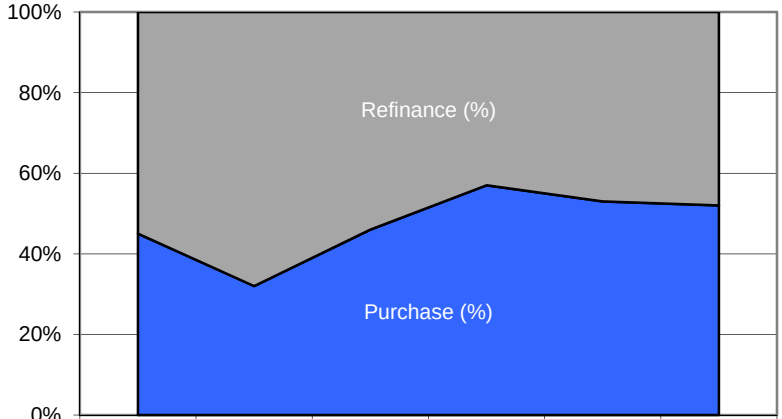
PBM Locked Pipeline



	12/31/14	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16
Gross Locked Pipeline	$172,063	$325,982	$190,939	$198,694	$139,214	$226,371
Net Locked Pipeline (1)	$121,575	$225,182	$139,565	$138,849	$98,763	$155,615
Fall-Out Ratio	29%	31%	27%	30%	29%	31%

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

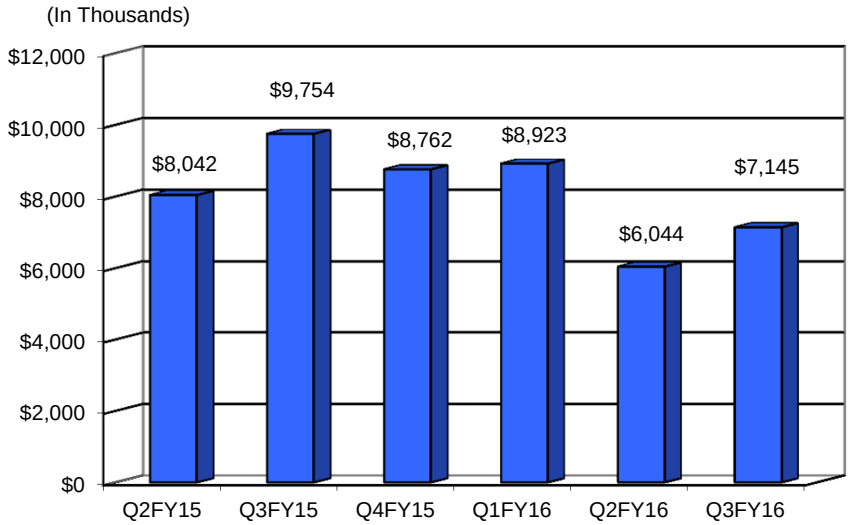
PBM Loan Purchase vs. Refinance



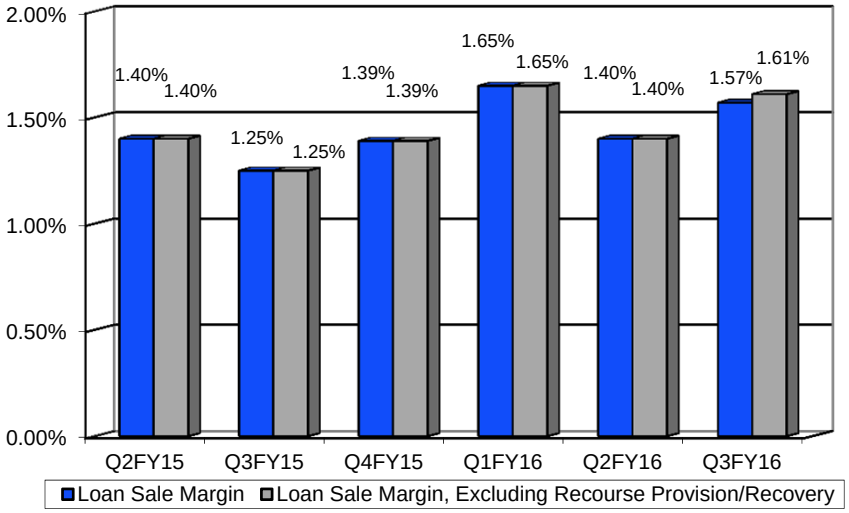
	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16
Refinance	55%	68%	54%	43%	47%	48%
Purchase	45%	32%	46%	57%	53%	52%

Mortgage Banking

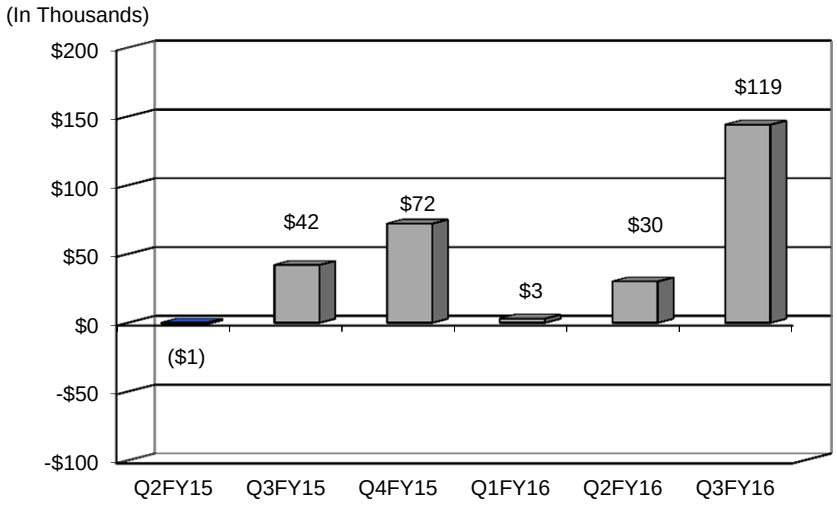
Gain on Sale of Loans



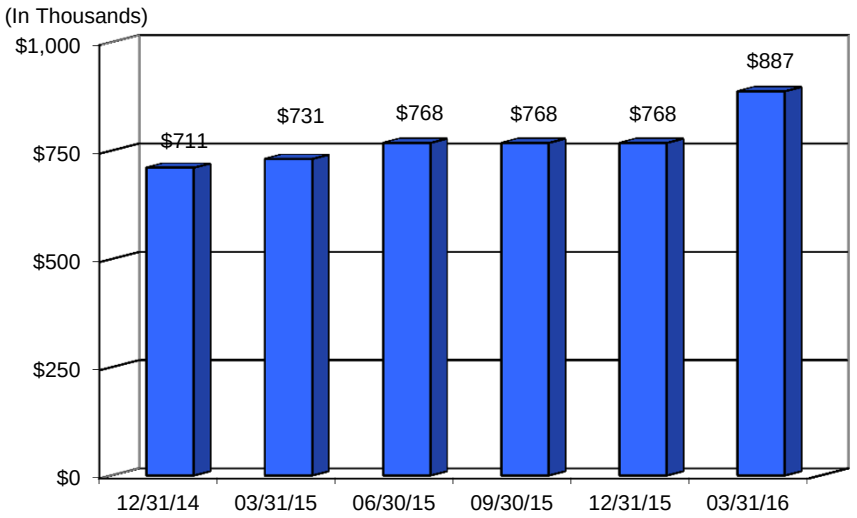
Loan Sale Margin



Recourse (Recovery) Provision



Recourse Reserve

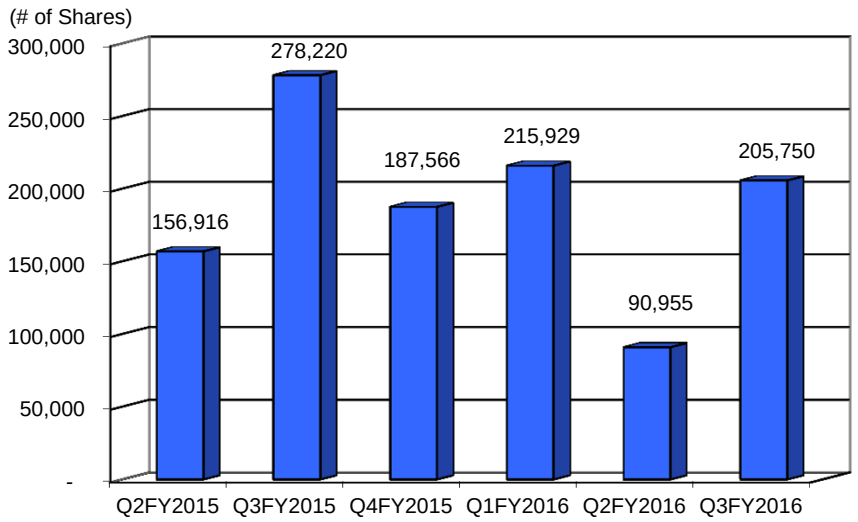


Capital Management

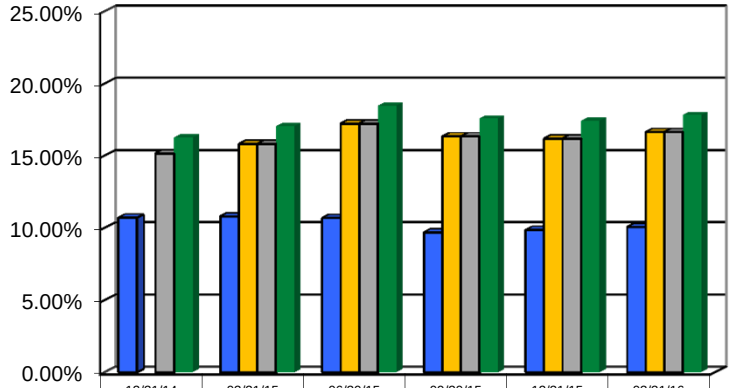
Developments

- Bank Capital Ratios remain strong
- 2.82% cash dividend yield (approximately)
- Repurchased approximately 206,000 shares of common stock

Stock Repurchase Plan Activity

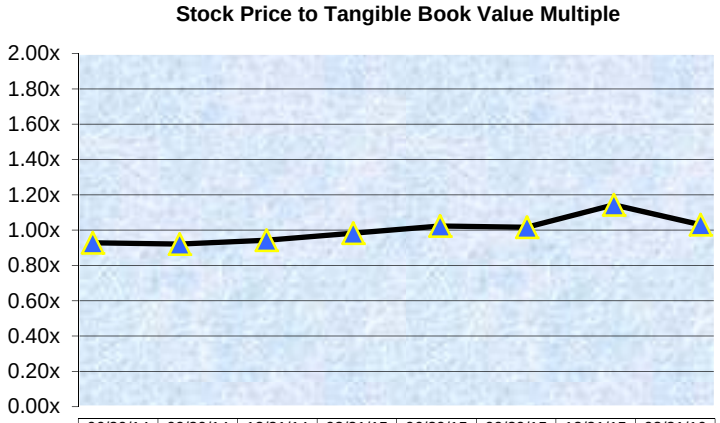


Bank Capital Ratios



	12/31/14	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16
Tier 1 Leverage Ratio	10.70%	10.79%	10.68%	9.69%	9.85%	10.06%
CET1 Ratio		15.81%	17.22%	16.33%	16.18%	16.63%
Tier 1 Risk-Based Capital Ratio	15.15%	15.81%	17.22%	16.33%	16.18%	16.63%
Total Risk-Based Capital Ratio	16.26%	17.04%	18.47%	17.58%	17.43%	17.82%

Value Proposition



	06/30/14	09/30/14	12/31/14	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16
Price/ TBV	0.93x	0.92x	0.94x	0.98x	1.02x	1.02x	1.14x	1.03x