Provident Financial Holdings, Inc.

First Quarter of Fiscal 2017

September 30, 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 2017 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:	$19.56
52-Week Range:	$16.05 - $20.00
Shares Outstanding:	7,978,166 shares
Market Capitalization:	$156.1 million
P/E (ttm):	24.45x
Diluted EPS (ttm):	$0.80
Annual Dividend & Yield:	$0.52 (2.66%)
As of September 30, 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:

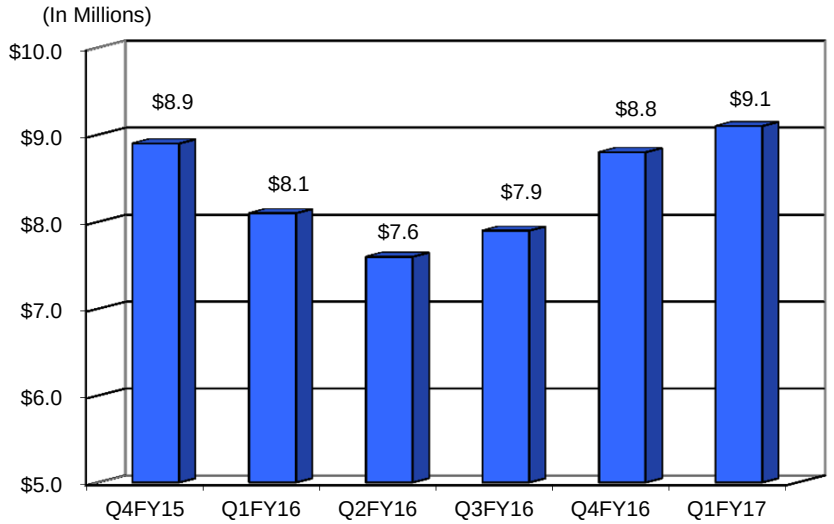
- Brea
- Carlsbad
- Elk Grove
- Escondido
- Glendora
- Livermore
- Rancho Cucamonga
- Riverside, Canyon Crest Drive
- Riverside, Indiana Avenue
- Riverside, Riverside Avenue
- Roseville
- Santa Barbara
- Victorville
- Westlake Village

Financial Performance

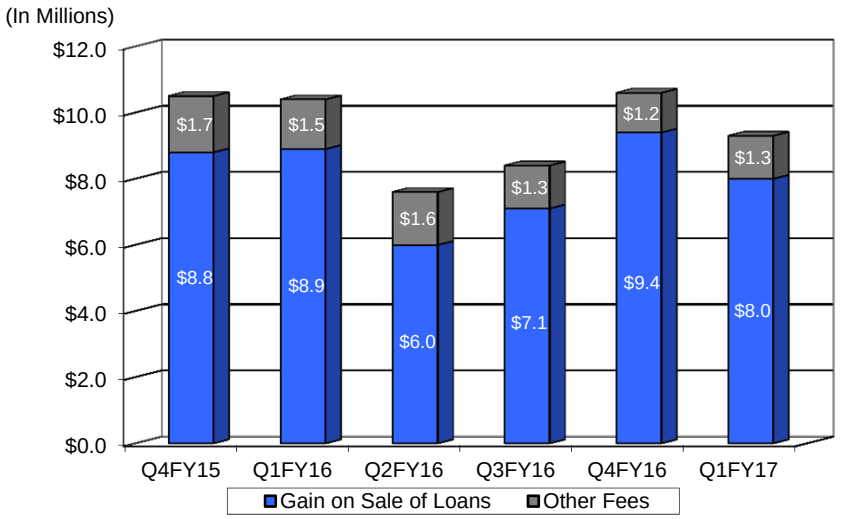
Developments

- Net Interest Income increases by 13%
- Net Interest Margin expands by 26 basis points
- Non-Interest Income declines by 11% or $1.2 million

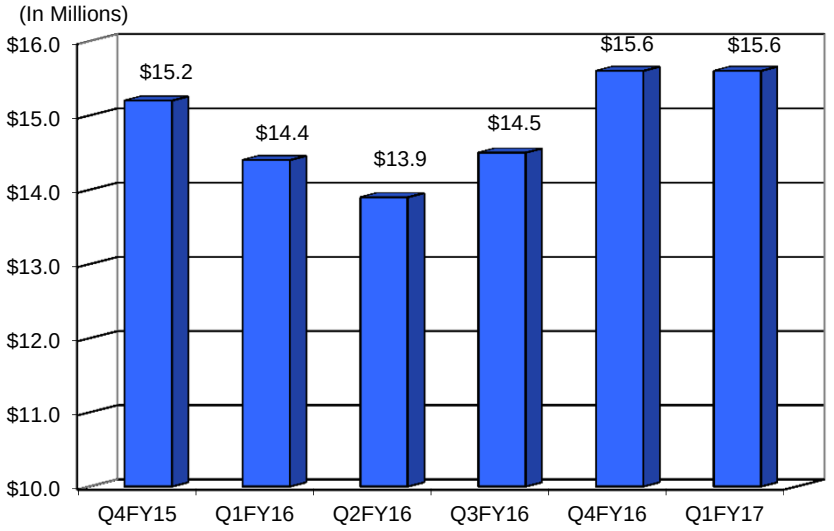
Net Interest Income



Non-Interest Income

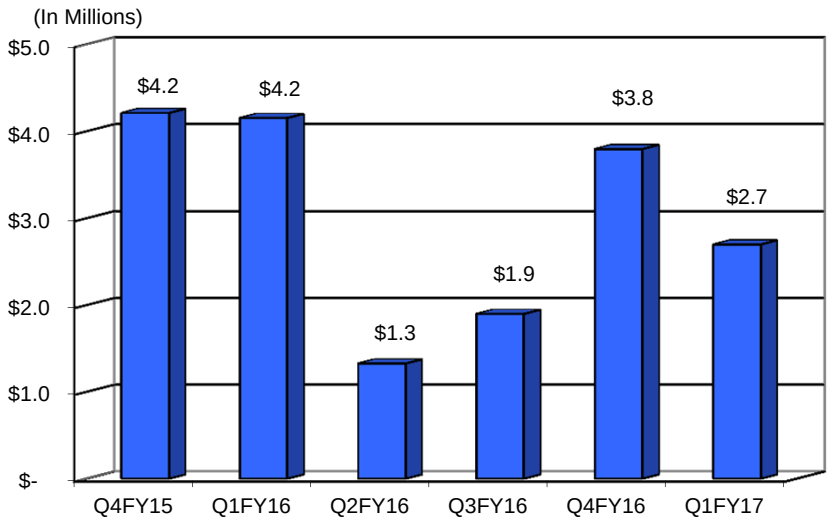


Operating Expenses

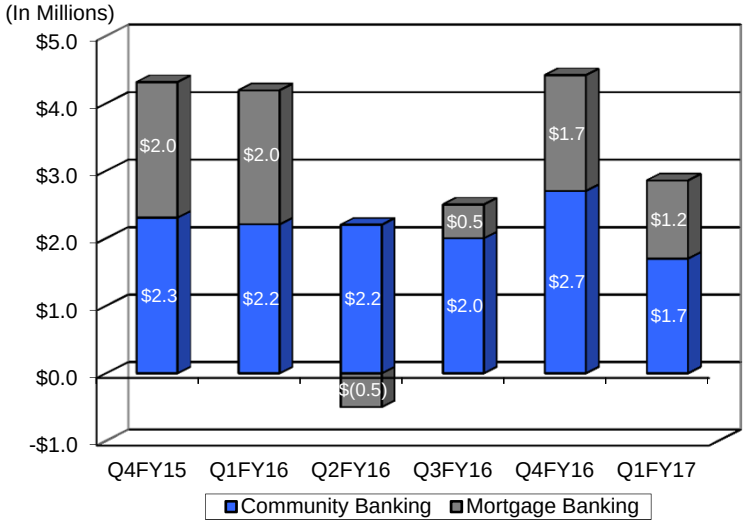


Financial Performance

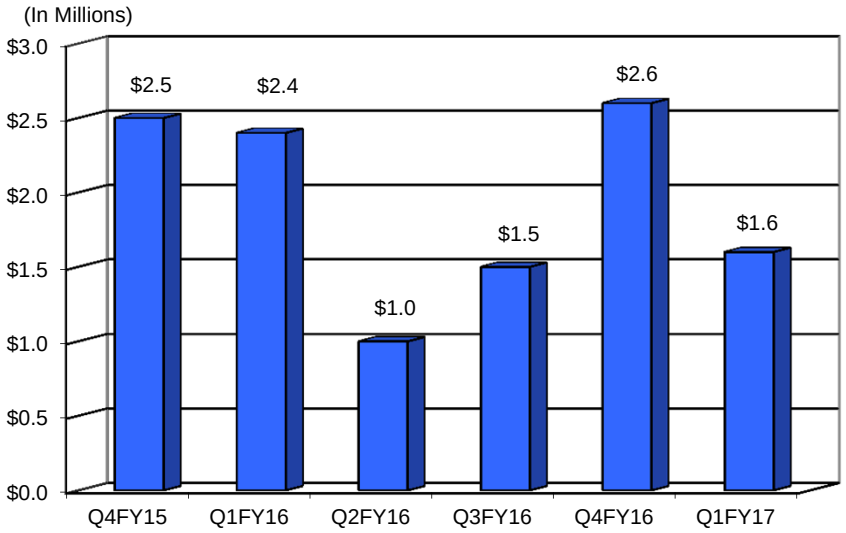
Pre-Provision, Pre-Tax Earnings



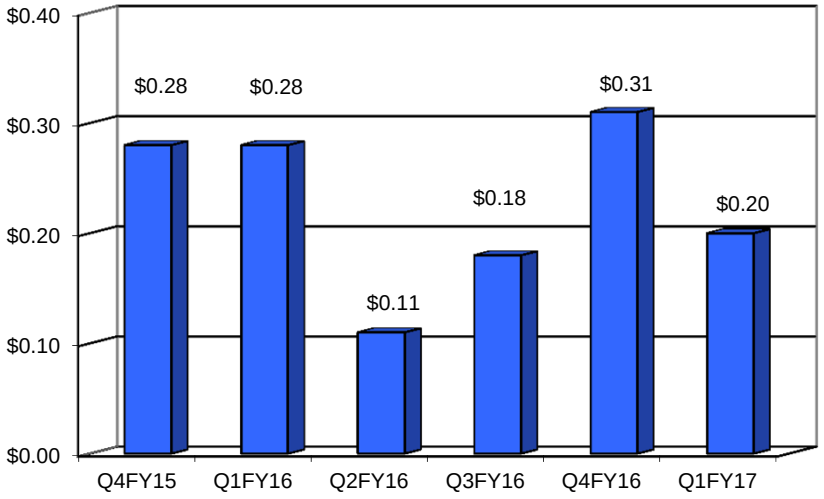
Pre-Tax Income – Operating Segments



Quarterly Net Income

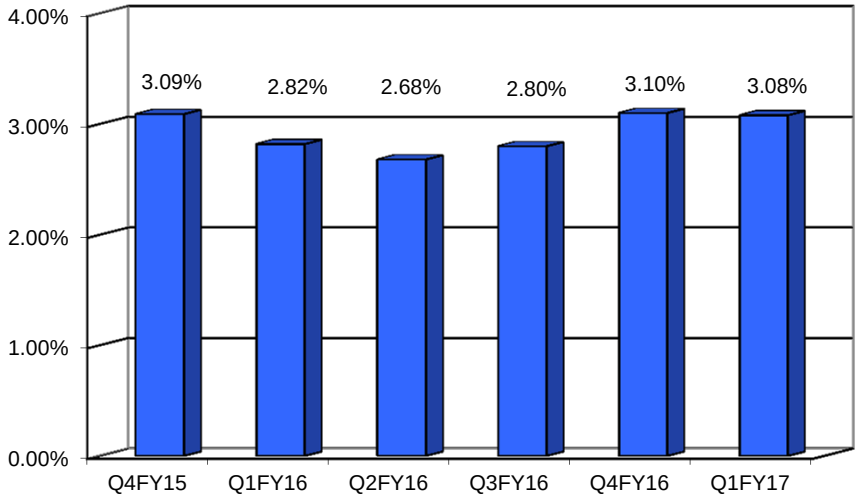


Diluted Earnings Per Share

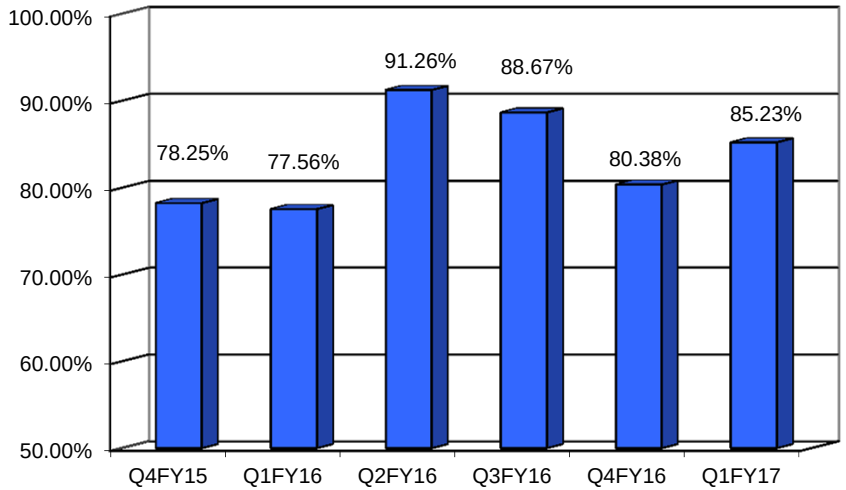


Financial Ratios

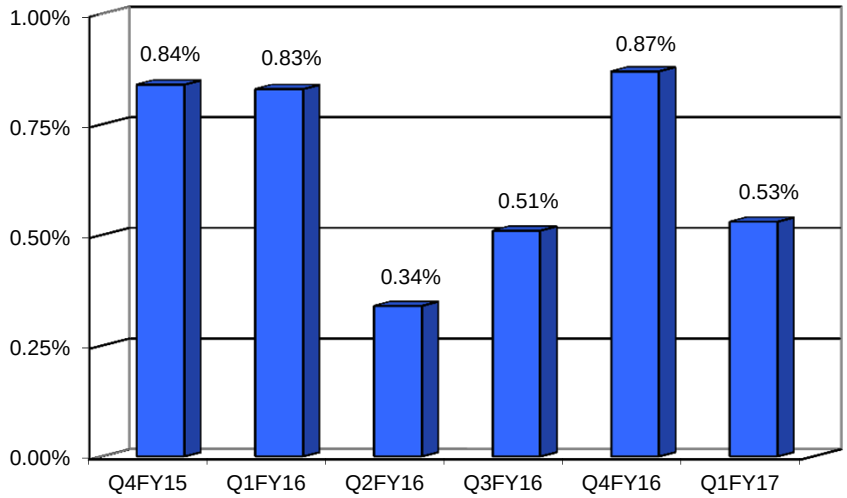
Net Interest Margin



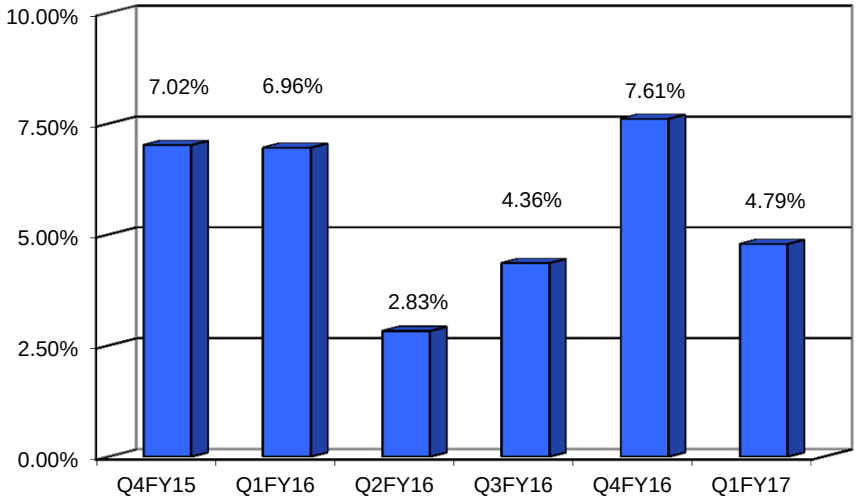
Efficiency Ratio



Return on Average Assets



Return on Average Equity

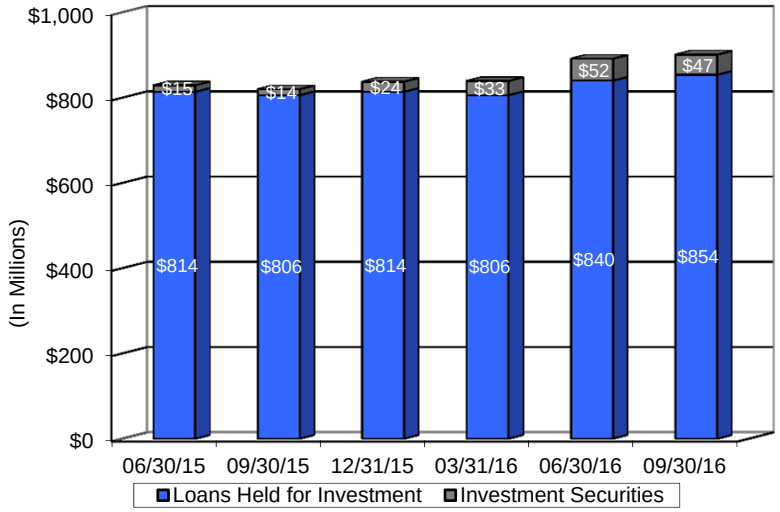


Community Banking

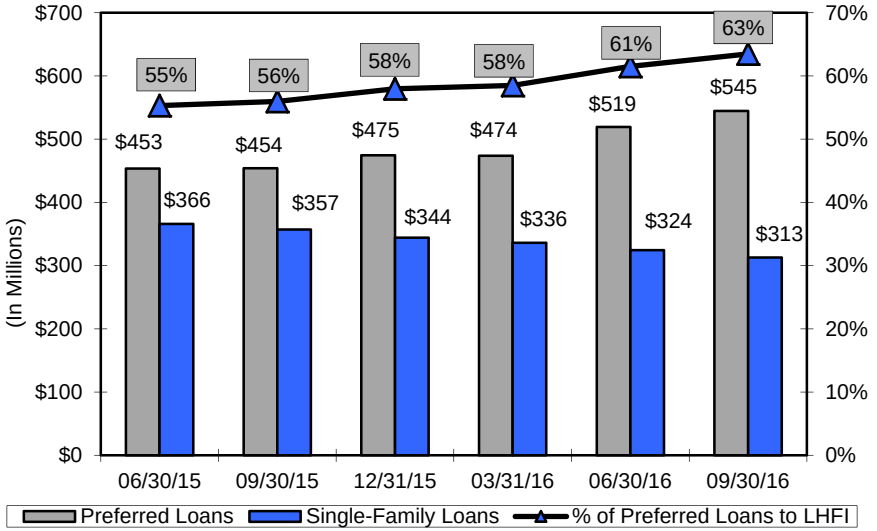
Developments

- Loans Held for Investment grow at 7% annualized pace for September 2016 quarter
- Preferred Loans grow at 20% annualized pace for September 2016 quarter
- Core Deposits grow at 16% annualized pace for September 2016 quarter
- Higher cost Time Deposit balances continue to decline

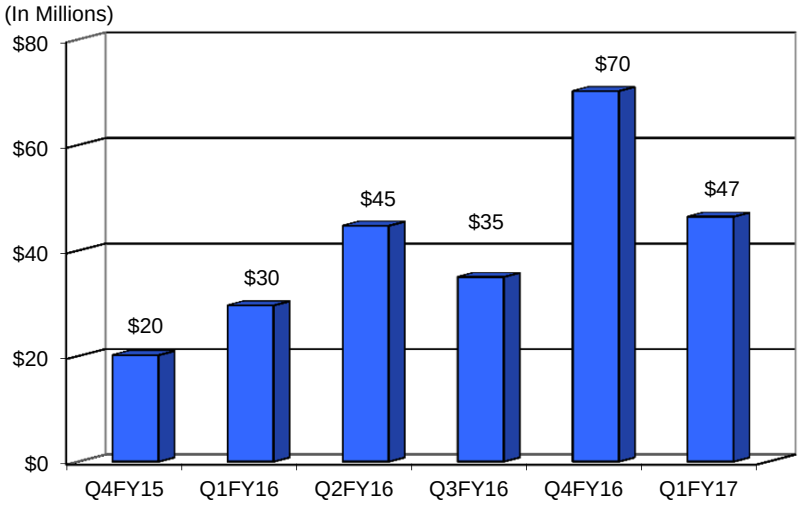
Loan to Investment Mix



Loan Portfolio Mix



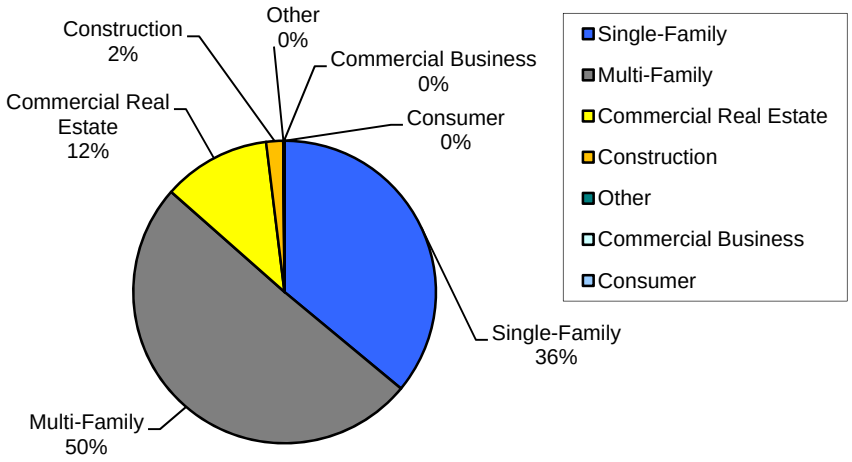
Provident Bank Loan Originations and Purchases



Loans Held for Investment Composition

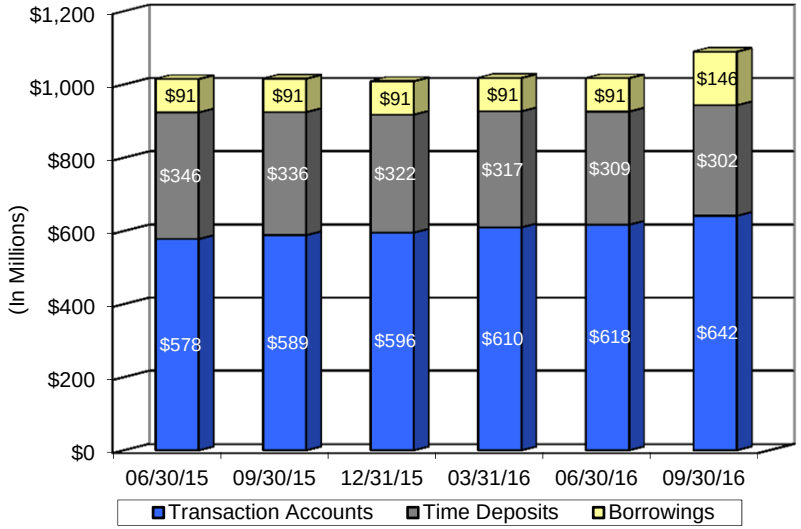
Loan Category (Dollars In Thousands)	Balance as of 09/30/16	Interest Rate	Balance as of 09/30/15	Interest Rate
Single-Family	$ 312,795	3.73%	$ 356,963	3.33%
Multi-Family	438,423	4.09%	355,442	4.36%
Commercial Real Estate	100,136	4.74%	94,580	5.23%
Construction	15,811	5.48%	6,185	5.37%
Other	331	5.66%	72	6.25%
Commercial Business	624	6.11%	399	6.70%
Consumer	199	10.91%	243	10.07%
Total Loans Held for Investment	$ 868,319	4.06%	$ 813,884	4.01%
Undisbursed Loan Funds	(10,447)		(2,691)	
Advance payments of escrows	23		193	
Deferred Loan Costs, net	4,788		3,334	
Allowance for Loan Losses	(8,725)		(9,034)	
Total Loans Held for Investment, net	$ 853,958		$ 805,686	

Loan Composition as of 09/30/16



Community Banking

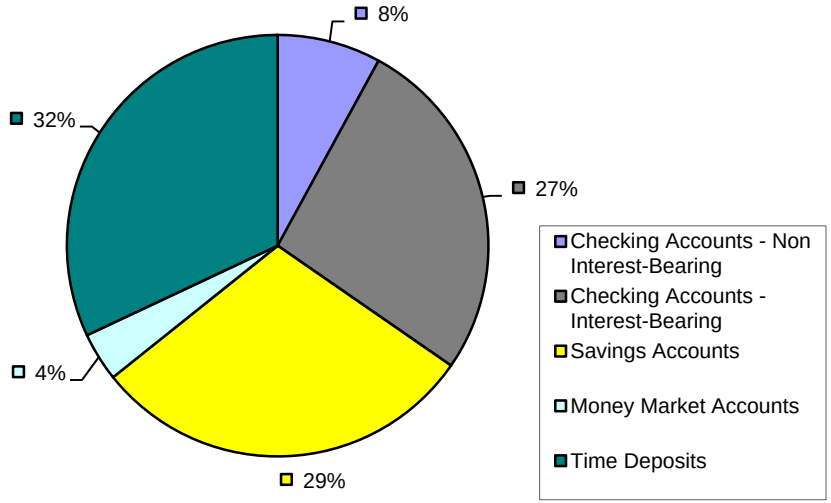
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 09/30/2016	Rate	At 09/30/2015	Rate
Checking Accounts - Non Interest-Bearing	$ 74,963	- %	$ 68,102	- %
Checking Accounts - Interest-Bearing	251,809	0.11%	228,688	0.15%
Savings Accounts	279,565	0.21%	258,911	0.26%
Money Market Accounts	35,312	0.36%	33,424	0.36%
Time Deposits	301,853	1.01%	335,741	1.02%
Total Deposits	$ 943,502	0.43%	$ 924,866	0.49%
Brokered Deposits included above	$ 1,567	3.88%	$ 3,039	3.76%

Deposit Composition at 09/30/16



Borrowing Maturity Schedule

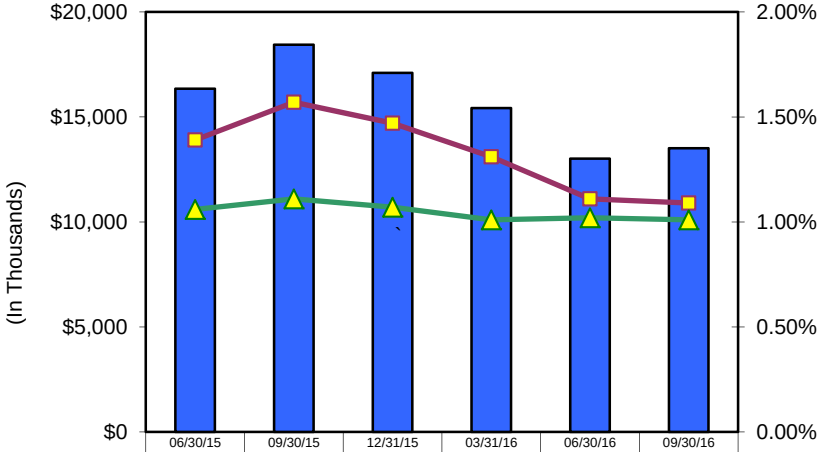
Category (Dollars In Thousands)	At 09/30/2016	Rate	At 09/30/2015	Rate
Overnight	$ 15,000	0.38%	$ -	-
Three Months or Less	20,000	0.40%	-	-
Over Three to Six Months	-	-	-	-
Over Six to Twelve Months	-	-	-	-
Over One to Two Years	10,030	3.02%	-	-
Over Two to Three Years	10,000	1.53%	10,053	3.03%
Over Three to Four Years	-	-	10,000	1.53%
Over Four to Five Years	31,251	3.18%	-	-
Over Five Years	60,000	2.34%	71,298	2.92%
Total Borrowings	$ 146,281	2.04%	$ 91,351	2.78%

Asset Quality

Developments

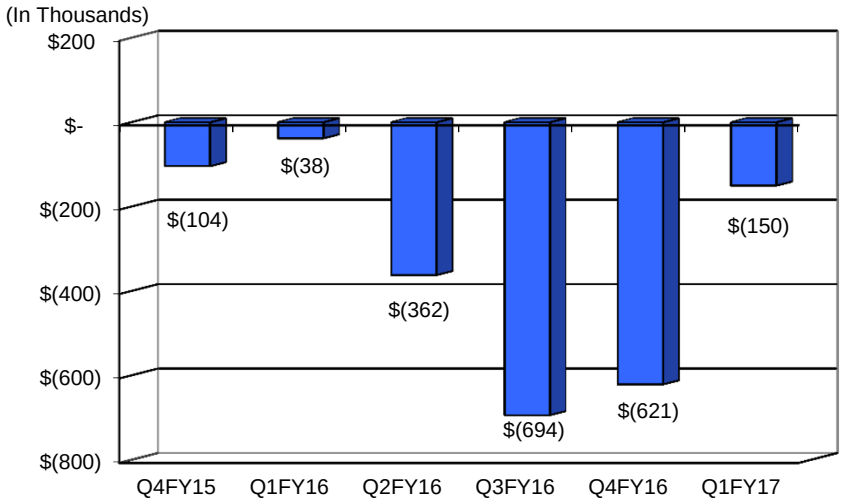
- Non-Performing Assets to Total Assets Ratio decreases to 1.09% at September 30, 2016
- REO activity remains limited
- Allowance for Loan Losses increases slightly to $8.7 million at September 30, 2016
- Early-Stage Delinquencies very low at $1.4 million

NPA, NPA to Total Assets and ALLL to LHI Ratios

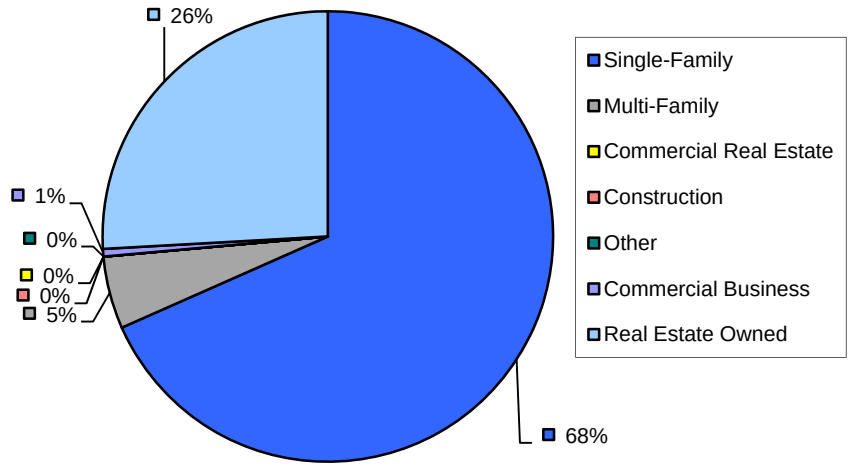


	06/30/15	09/30/15	12/31/15	03/31/16	06/30/16	09/30/16
Non-Performing Assets	$16,344	$18,438	$17,100	$15,426	$13,015	$13,509
NPA to Total Assets	1.39%	1.57%	1.47%	1.31%	1.11%	1.09%
ALLL to LHI	1.06%	1.11%	1.07%	1.01%	1.02%	1.01%

Recovery from Allowance for Loan Losses

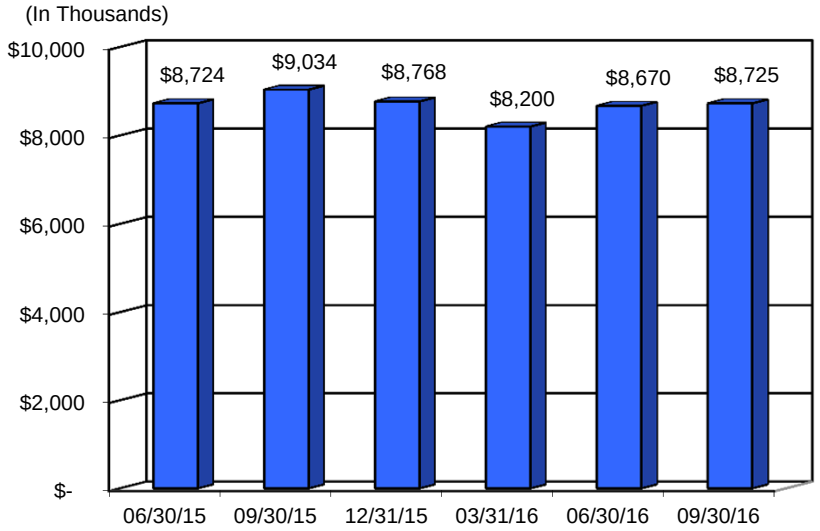


Non-Performing Asset Composition 09/30/16

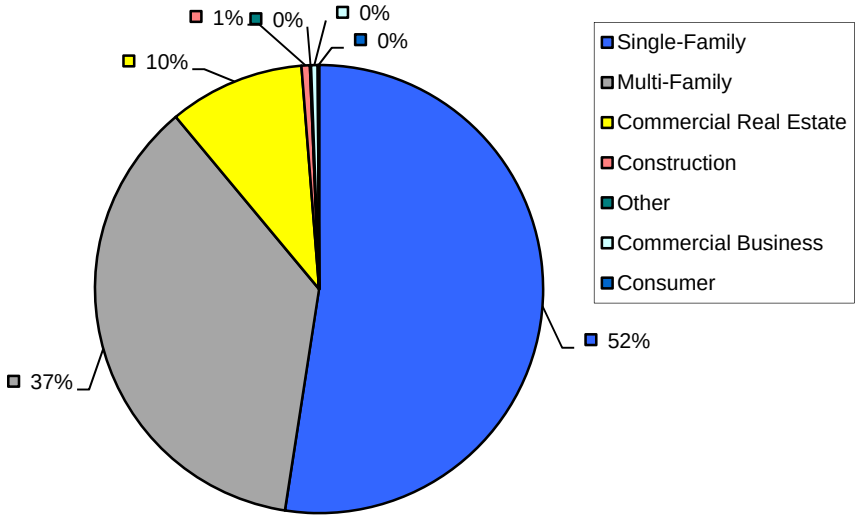


Asset Quality

Allowance for Loan Losses (ALLL)



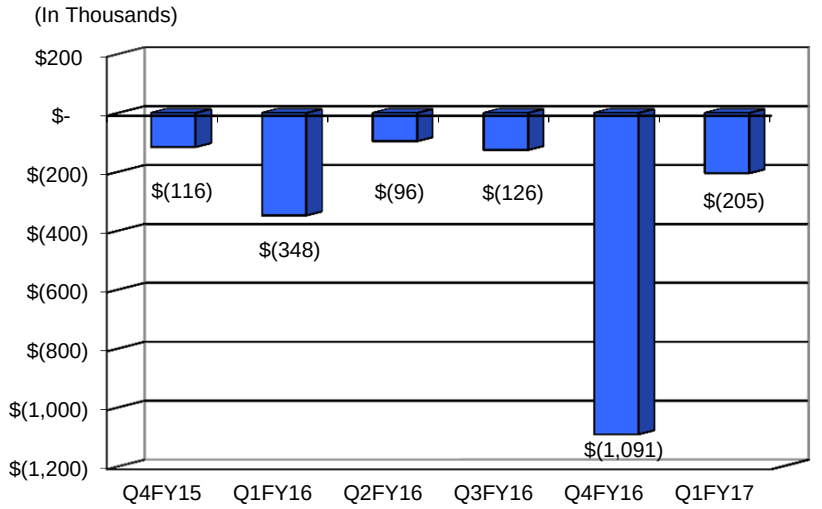
ALLL Allocation as of 09/30/16



Delinquent and Non-Performing Loans

	At September 30, 2016				At September 30, 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	4	$ 1,383	34	$ 9,979	3	$1,217	38	$12,659
Multi-Family	-	-	2	843	-	-	3	1,975
Commercial Real Estate	-	-	-	-	-	-	3	1,016
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	1	94	-	-	1	107
Consumer Loans	2	2	1	-	4	2	-	-
Total	6	$ 1,385	38	$10,916	7	$1,219	45	$ 15,757

Net Charge-Offs (Recoveries)



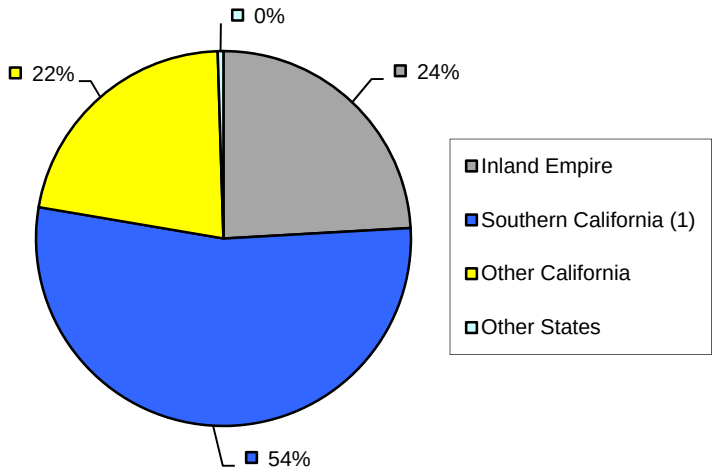
Asset Quality

Geographic Location

Category	Inland Empire Balance	Inland Empire Percentage	Southern California [1] Balance	Southern California [1] Percentage	Other California Balance	Other California Percentage	Other States Balance	Other States Percentage	Total Balance	Total Percentage
Single-Family	$98,223	31%	$160,350	51%	$52,740	17%	$1,482	0%	$312,795	99%
Multi-Family	74,976	17%	252,897	58%	107,727	25%	2,823	1%	$438,423	101%
Commercial Real Estate	34,056	34%	40,929	41%	25,150	25%	-	0%	$100,135	100%
Construction	1,458	10%	10,036	67%	3,575	24%	-	0%	$15,069	101%
Other	260	78%	71	22%	-	0%	-	0%	$331	100%
Total	$208,973	24%	$464,283	54%	$189,192	22%	$4,305	0%	$866,753	100%

[1] Other than Inland Empire.

Geographic Location 09/30/16



[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)	$225,544	$859	$120	$1,005	$3,838	$3,232	$17,506	$20,131	$29,262	$301,497
Weighted Avg. LTV [1]	65%	50%	67%	63%	57%	49%	65%	70%	73%	66%
Weighted Avg. Age (In Years)	10.77	7.15	5.87	5.17	4.18	3.28	2.16	1.29	0.36	8.43
Weighted Avg. FICO [2]	730	750	700	711	740	748	746	748	747	734
Number of Loans	699	3	1	4	19	23	34	30	50	863
Geographic Breakdown (%)										
Inland Empire	31%	100%	100%	58%	11%	47%	36%	26%	28%	31%
Southern California [3]	55%	0%	0%	42%	41%	27%	36%	46%	49%	52%
Other California	13%	0%	0%	0%	48%	26%	28%	28%	23%	16%
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)	$33,670	-	-	$8,000	$24,396	$73,579	$87,154	$95,552	$116,072	$438,423
Weighted Avg. LTV [1]	44%	-	-	53%	54%	56%	55%	54%	50%	52%
Weighted Avg. Debt Coverage Ratio [2]	1.55x	-	-	1.54x	1.75x	1.70x	1.66x	1.62x	1.71x	1.66x
Weighted Avg. Age (In Years)	11.05	-	-	4.96	4.09	3.15	2.22	1.22	0.29	2.48
Weighted Avg. FICO [2]	694	-	-	761	722	758	765	758	759	752
Number of Loans	68	-	-	11	28	102	105	134	126	574
Geographic Breakdown (%)										
Inland Empire	25%	-	-	10%	16%	34%	12%	17%	9%	17%
Southern California [3]	50%	-	-	77%	50%	46%	55%	65%	63%	58%
Other California	17%	-	-	13%	34%	20%	33%	18%	28%	24%
Other States	8%	-	-	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)	$ 6,897	$-	$ 349	$ 738	$ 13,114	$ 17,085	$ 23,738	$ 21,618	$ 16,597	$100,136
Weighted Avg. LTV [1]	40%	0%	55%	59%	48%	47%	46%	43%	53%	47%
Weighted Avg. Debt Coverage Ratio [2]	1.60x	0.00x	1.26x	1.47	1.89x	1.77x	1.93x	1.78x	1.61x	1.78x
Weighted Avg. Age (In Years)	10.82	0.00	6.35	4.77	3.99	3.14	2.17	1.23	0.40	2.71
Weighted Avg. FICO [2]	707	0	704	770	752	758	756	751	760	753
Number of Loans	13	0	2	1	11	21	29	27	20	124
Geographic Breakdown (%)										
Inland Empire	48%	0%	50%	0%	74%	31%	35%	25%	10%	34%
Southern California [3]	28%	0%	50%	100%	26%	37%	47%	33%	61%	41%
Other California	24%	0%	0%	0%	0%	32%	18%	42%	29%	25%
Other States	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	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.

(4) Comprised of the following: $38.1 million in Mixed Use; $13.7 million in Retail; $13.3 million in Office; $11.4 million in Mobile Home Park; $6.1 million in Warehouse; $5.1 million in Medical/Dental Office; $4.1 million in Mini-Storage; $3.3 million in Restaurant/Fast Food; $1.8 million in Light Industrial/Manufacturing; $1.6 million in Hotel and Motel; and $1.6 million in Automotive – Non-Gasoline.

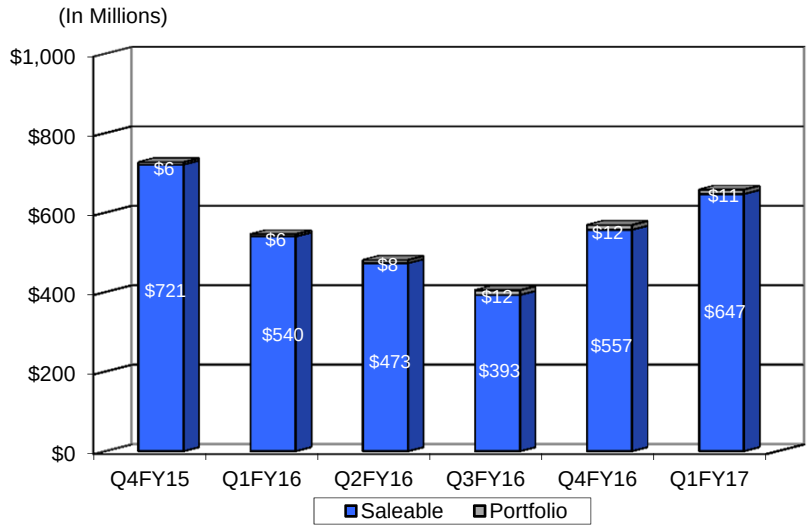
(5) Consisting of $90.7 million or 90.6% in investment properties and $9.4 million or 9.4% in owner occupied properties.

Mortgage Banking

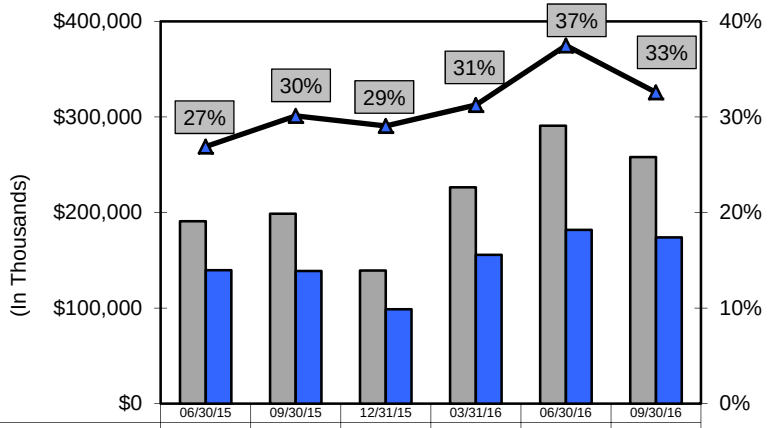
Developments

- Loan Origination Volume increases 16% to $658.5 million (sequential quarter)
- Gain on Sale of Loans decreases 15% to $8.0 million (sequential quarter)
- Gross Locked Pipeline decreases 11% to $258.0 million (sequential quarter)
- Loan Sale Margin decreases 36 basis points to 125 basis points (sequential quarter)

PBM Loan Originations



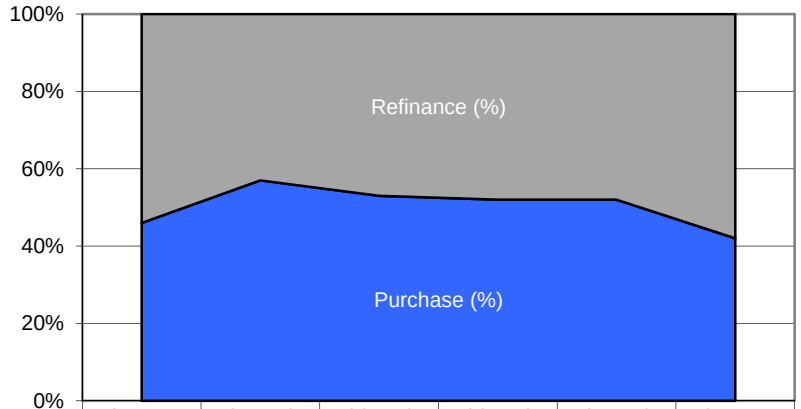
PBM Locked Pipeline



	06/30/15	09/30/15	12/31/15	03/31/16	06/30/16	09/30/16
Gross Locked Pipeline	$190,939	$198,694	$139,214	$226,371	$290,792	$257,964
Net Locked Pipeline (1)	$139,565	$138,849	$98,763	$155,615	$181,780	$173,937
Fall-Out Ratio	27%	30%	29%	31%	37%	33%

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

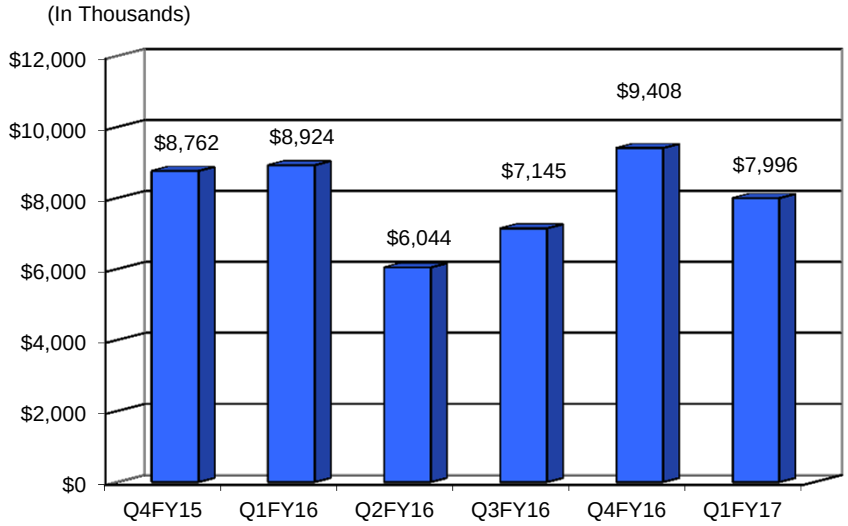
PBM Loan Purchase vs. Refinance



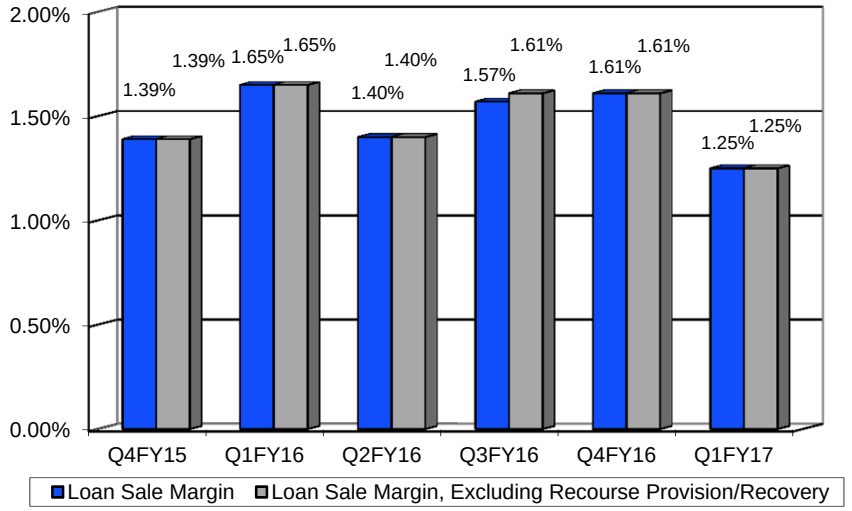
	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17
Refinance	54%	43%	47%	48%	48%	58%
Purchase	46%	57%	53%	52%	52%	42%

Mortgage Banking

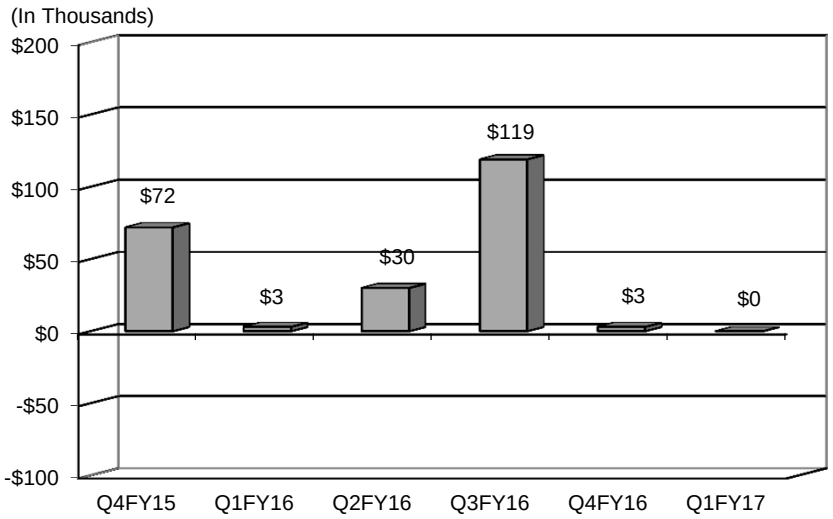
Gain on Sale of Loans



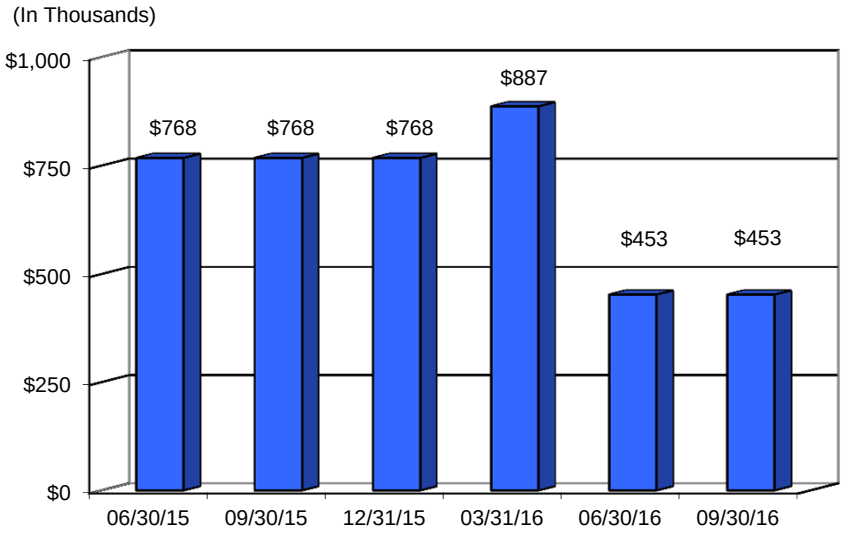
Loan Sale Margin



Recourse Provision



Recourse Reserve

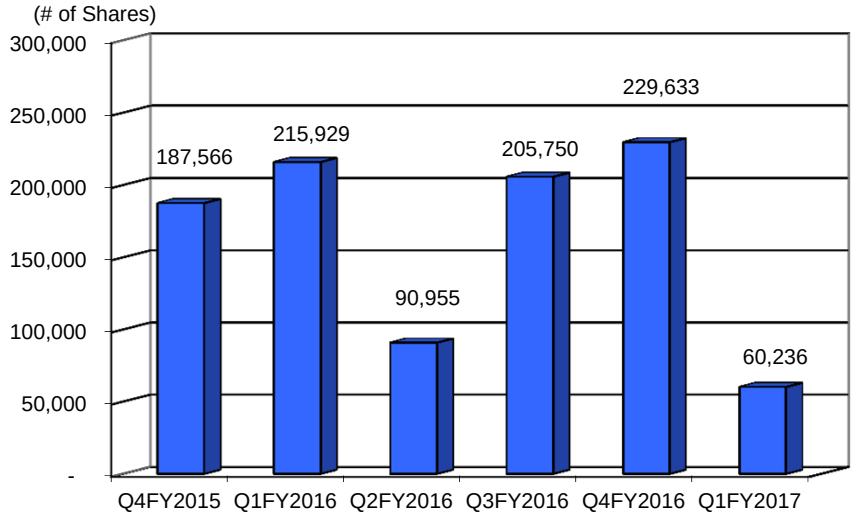


Capital Management

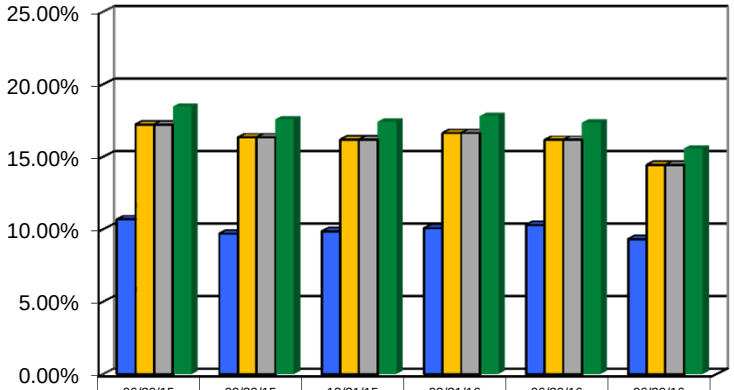
Developments

- Bank Capital Ratios remain strong
- 2.66% cash dividend yield (approximately)
- Repurchased approximately 60,000 shares of common stock

Stock Repurchase Plan Activity

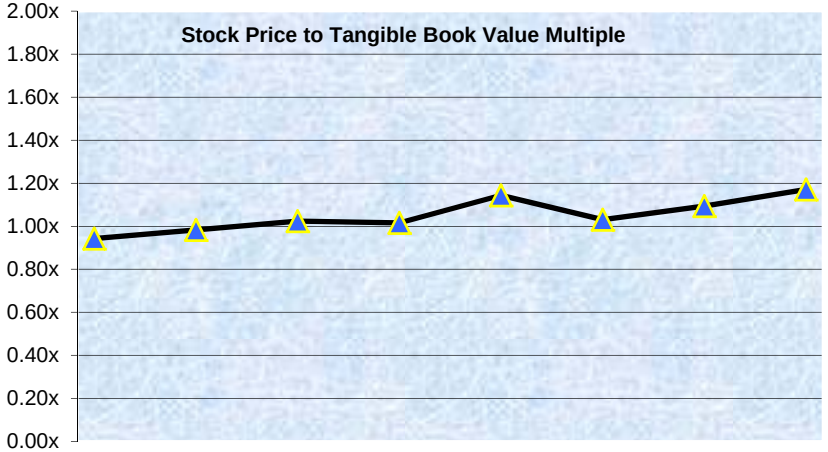


Bank Capital Ratios



	06/30/15	09/30/15	12/31/15	03/31/16	06/30/16	06/30/16
Tier 1 Leverage Ratio	10.68%	9.69%	9.85%	10.06%	10.29%	9.32%
CET1 Ratio	17.22%	16.33%	16.18%	16.63%	16.16%	14.43%
Tier 1 Risk-Based Capital Ratio	17.22%	16.33%	16.18%	16.63%	16.16%	14.43%
Total Risk-Based Capital Ratio	18.47%	17.58%	17.43%	17.82%	17.36%	15.57%

Value Proposition



	12/31/14	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16	06/30/16	09/30/16
Price/TBV	0.94x	0.98x	1.02x	1.02x	1.14x	1.03x	1.09x	1.17x