PROVIDENT™

Provident Financial Holdings, Inc.

Second Quarter of Fiscal 2018

December 31, 2017

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 2018 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.

Market Highlights

Provident Financial Holdings, Inc.	
Nasdaq GS:	PROV
Share Price:	$18.40
52-Week Range:	$17.62 - $20.35
Shares Outstanding:	7,474,776 shares
Market Capitalization:	$137.5 million
P/E (ttm):	141.54x
Diluted EPS (ttm):	$0.13
Annual Dividend & Yield:	$0.56 (3.04%)
As of December 31, 2017	

Franchise Overview

Northern California:
Pleasanton
Roseville



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

- **Largest independent community bank headquartered in Riverside County, California**
- **Expanding customer base and market**
- **Eighth largest deposit market share in Riverside County; largest deposit market share of community banks**
- **Strong mortgage operations**

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:

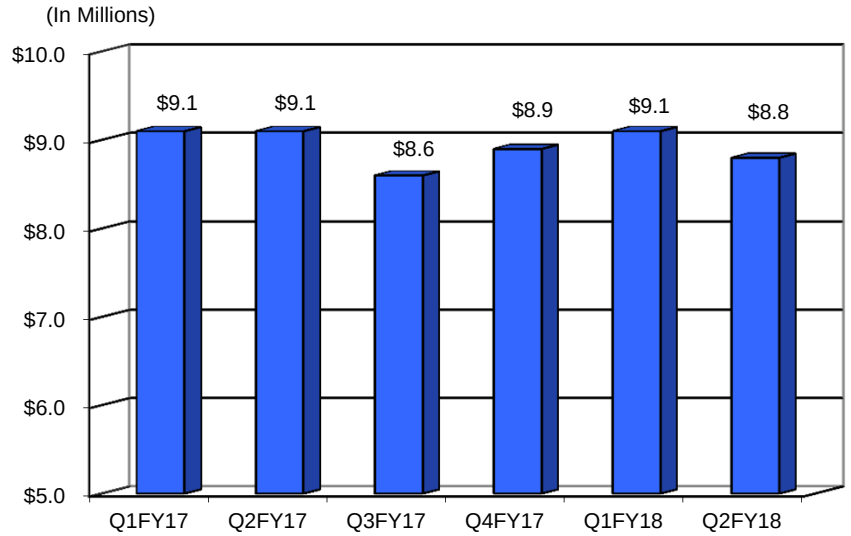
Atascadero
Brea
Escondido
Glendora
Rancho Cucamonga
Riverside, Canyon Crest Drive
Riverside, Indiana Avenue
Riverside, Riverside Avenue
Roseville

Financial Performance

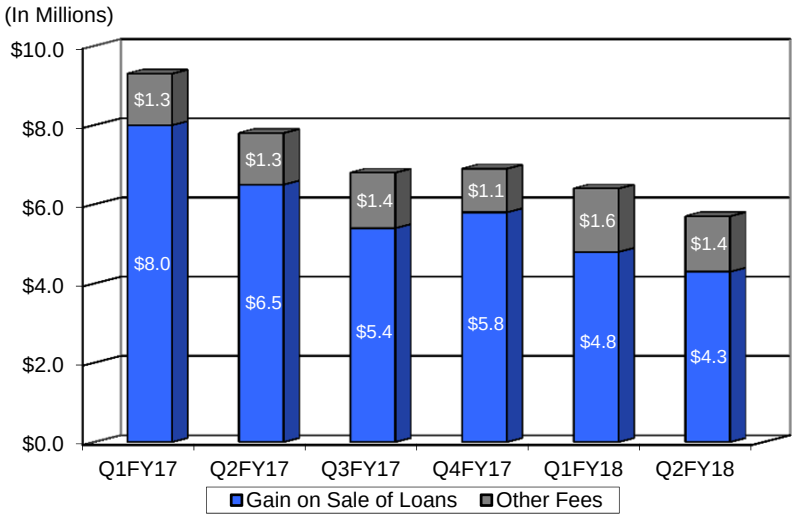
Developments

- Net Interest Income decreases by 3% (sequential quarter)
- Net Interest Margin decreases by nine basis points (sequential quarter)
- Non-Interest Income decreases by 11% (sequential quarter)
- Operating Expenses decrease by 16% (sequential quarter)
- A $1.84 million net deferred tax asset adjustment due to the newly enacted tax legislation

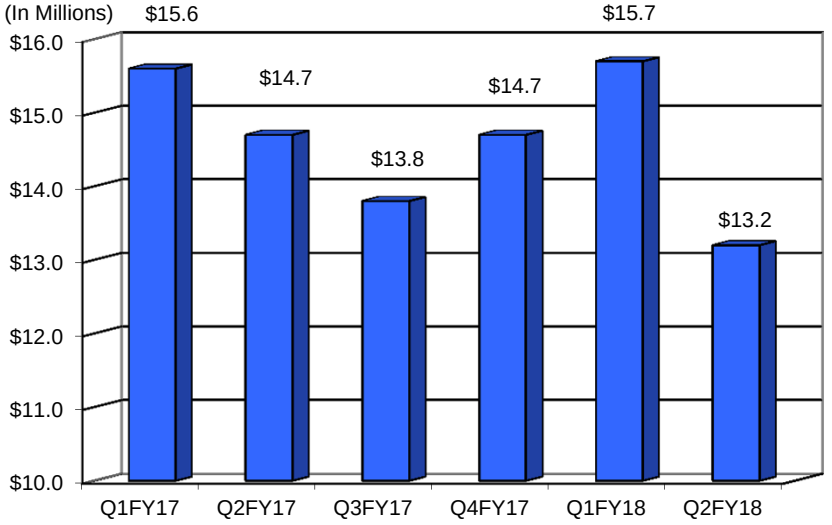
Net Interest Income



Non-Interest Income

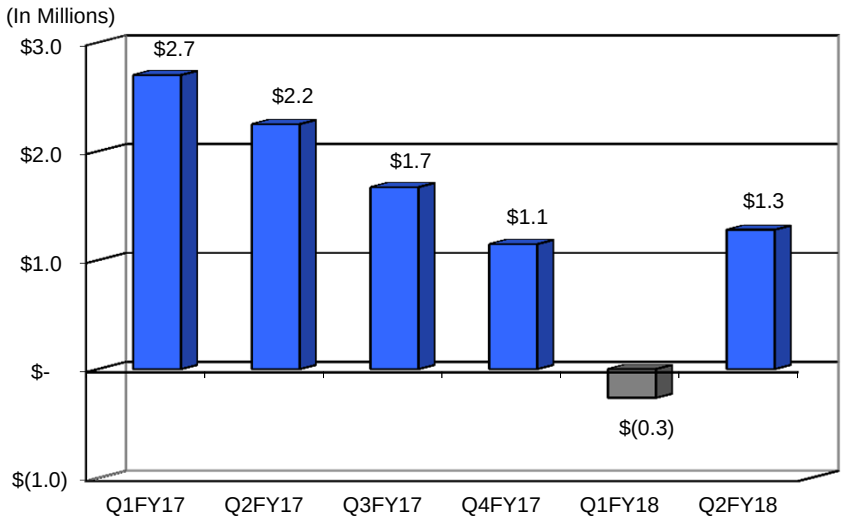


Operating Expenses

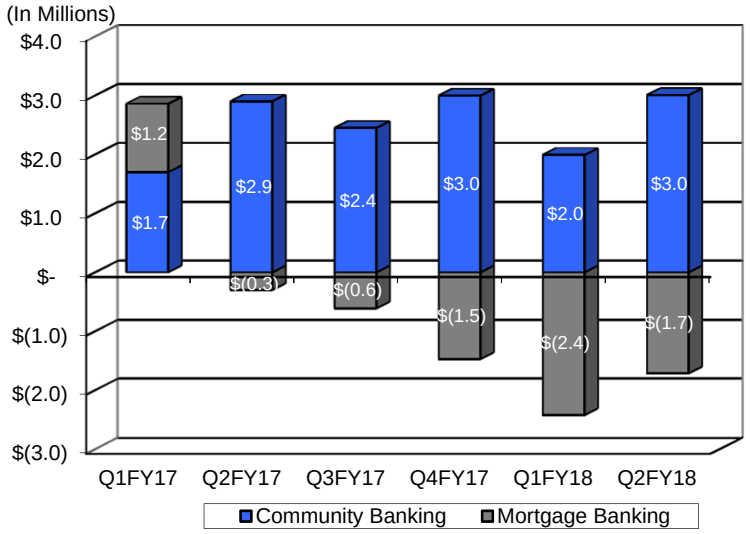


Financial Performance

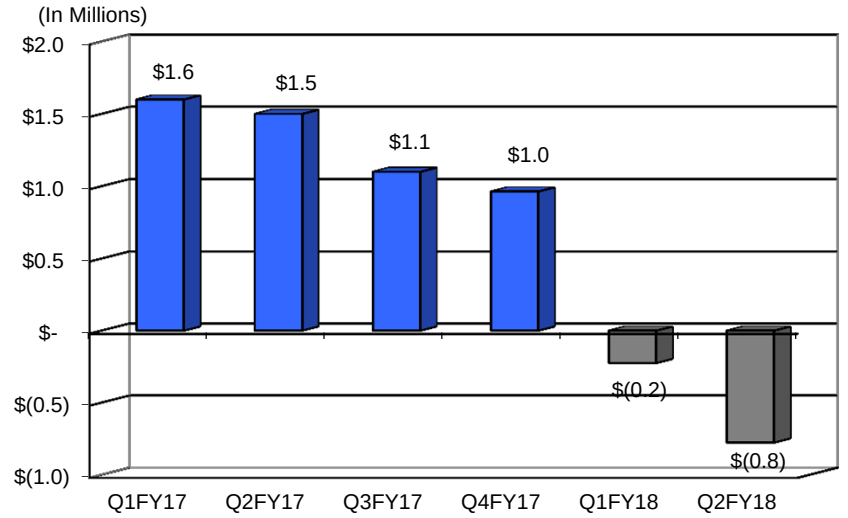
Pre-Provision, Pre-Tax Earnings (Loss)



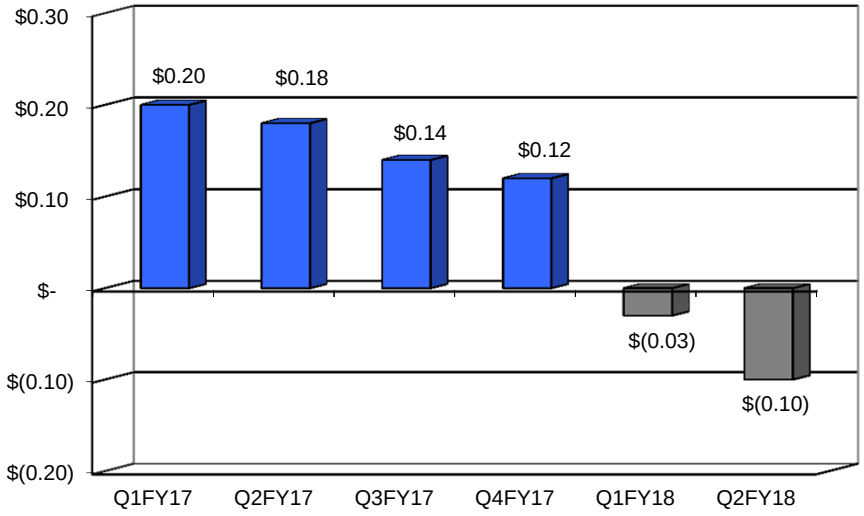
Pre-Tax Income (Loss) – Operating Segments



Quarterly Net Income (Loss)

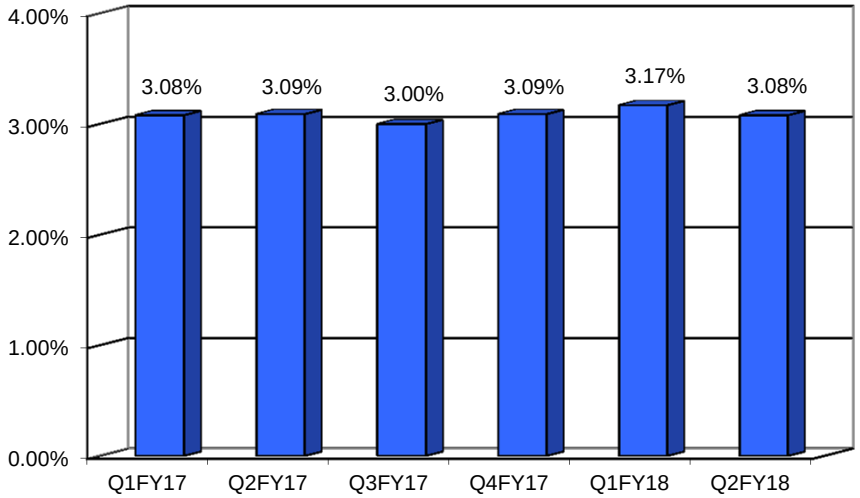


Diluted Earnings (Loss) Per Share

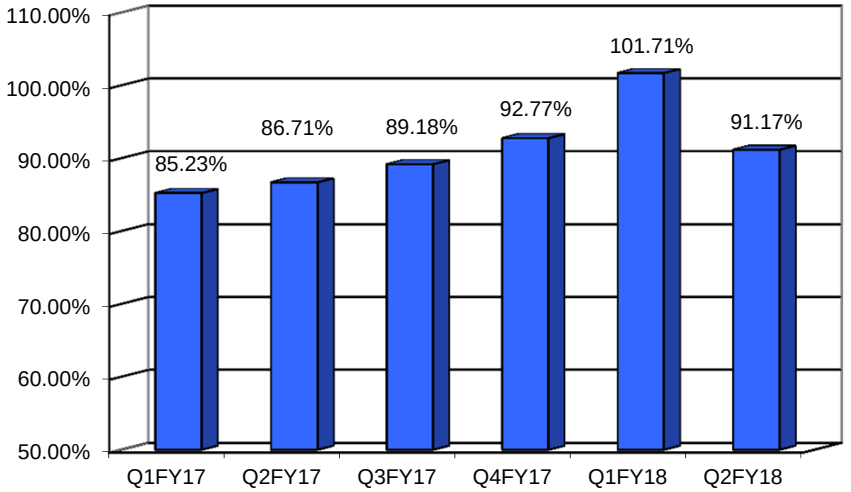


Financial Ratios

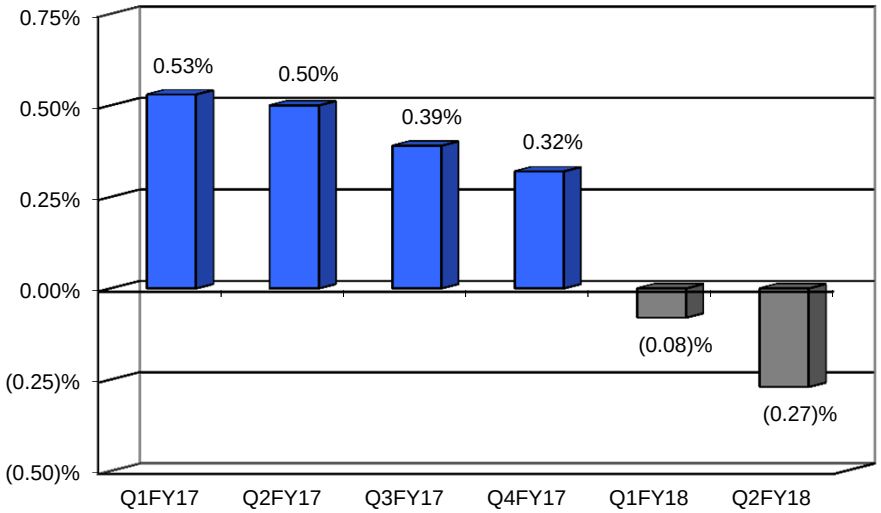
Net Interest Margin



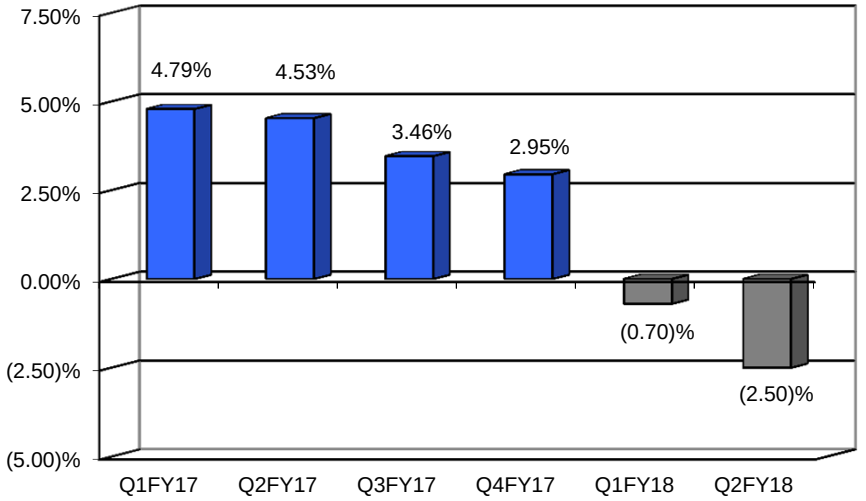
Efficiency Ratio



Return on Average Assets



Return on Average Equity

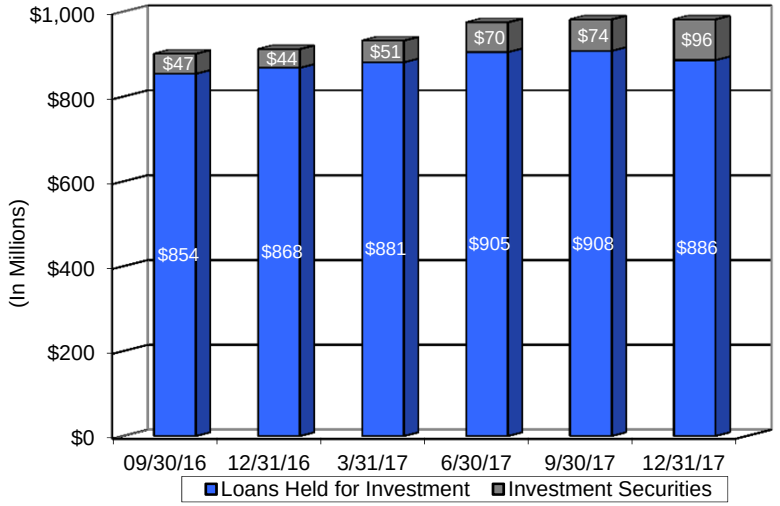


Community Banking

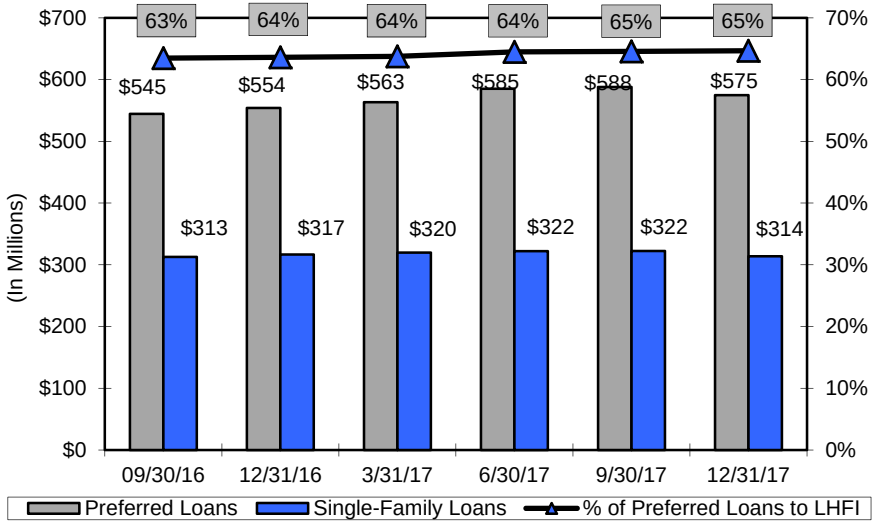
Developments

- Loans Held for Investment grow 2% during the past year
- Preferred Loans grow 4% during the past year
- Loans Held for Investment yield increases 12 basis points from December 31, 2016
- Deposit costs decrease by three basis points from December 31, 2016
- Higher cost Time Deposit balances continue to decline

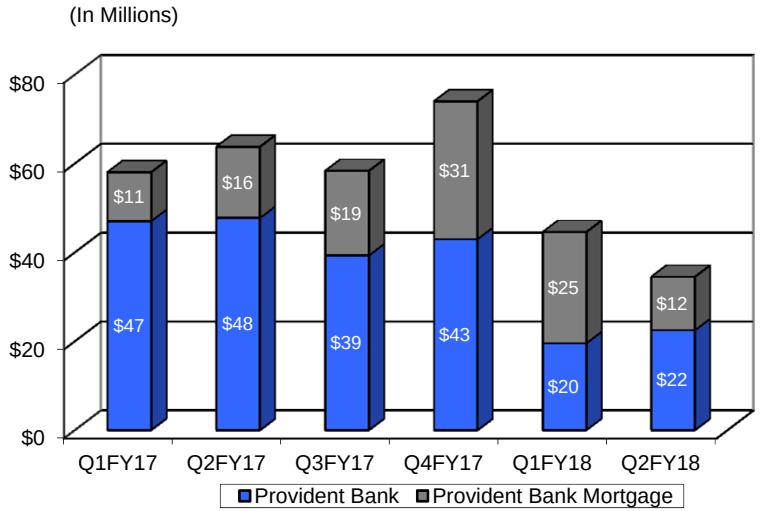
Loan to Investment Mix



Loan Portfolio Mix



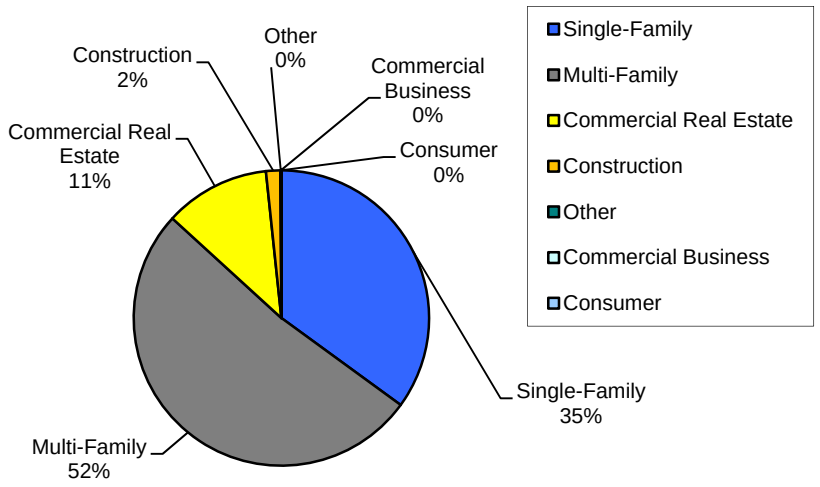
Portfolio Loan Originations and Purchases



Loans Held for Investment Composition

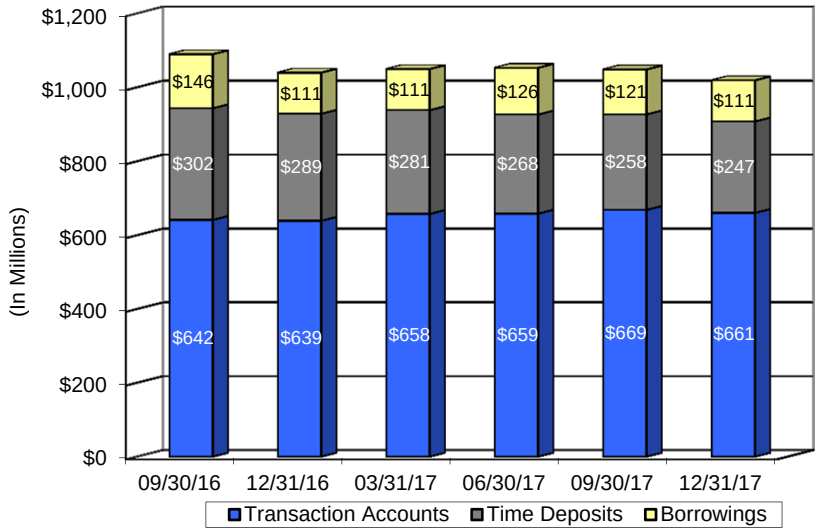
Loan Category (Dollars In Thousands)	Balance as of 12/31/17	Interest Rate	Balance as of 12/31/16	Interest Rate
Single-Family	$ 313,837	4.11%	$ 316,595	3.83%
Multi-Family	463,786	4.10%	448,465	4.05%
Commercial Real Estate	103,366	4.64%	98,044	4.69%
Construction	14,430	6.42%	16,872	5.49%
Other	-	-	265	5.63%
Commercial Business	478	6.10%	610	5.99%
Consumer	144	13.82%	184	11.54%
Total Loans Held for Investment	$ 896,041	4.20%	$ 881,035	4.08%
Undisbursed Loan Funds	(7,358)		(9,953)	
Advance Payments of Escrows	46		99	
Deferred Loan Costs, net	5,322		5,195	
Allowance for Loan Losses	(8,075)		(8,391)	
Total Loans Held for Investment, net	$ 885,976		$ 867,985	

Loan Composition as of 12/31/17



Community Banking

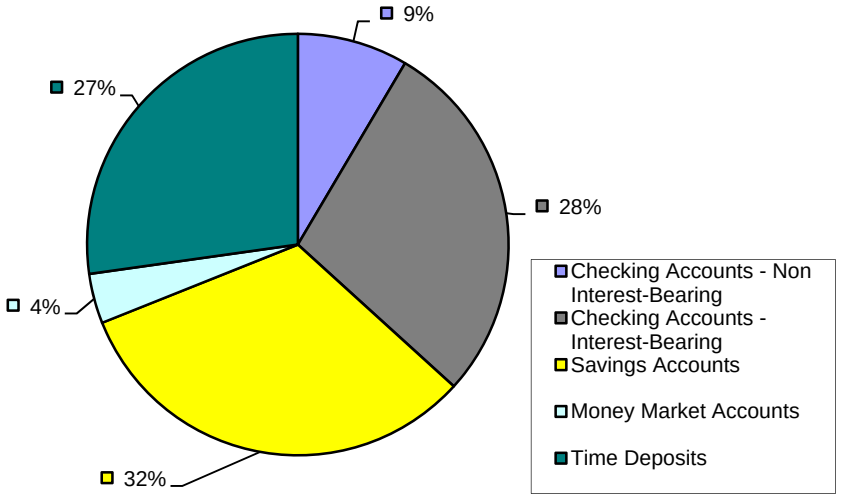
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 12/31/2017	Rate	At 12/31/2016	Rate
Checking Accounts - Non Interest-Bearing	$ 77,144	- %	$ 73,830	- %
Checking Accounts - Interest-Bearing	256,363	0.11%	247,971	0.11%
Savings Accounts	292,420	0.20%	284,204	0.20%
Money Market Accounts	34,724	0.27%	33,202	0.27%
Time Deposits	247,137	1.00%	289,466	1.00%
Total Deposits	$ 907,788	0.38%	$ 928,673	0.41%
Brokered Deposits Included Above	$ 1,567	3.88%	$ 1,567	3.88%

Deposit Composition at 12/31/17



Borrowing Maturity Schedule

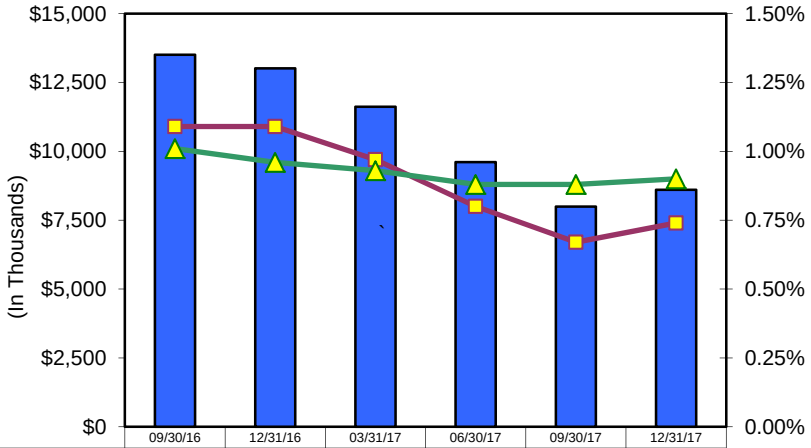
Category (Dollars In Thousands)	At 12/31/2017	Rate	At 12/31/2016	Rate
Overnight	$ -	-	$ -	-
Three Months or Less	10,000	3.01%	-	-
Over Three to Six Months	-	-	-	-
Over Six to Twelve Months	-	-	24	6.49%
Over One to Two Years	10,000	1.53%	10,000	3.01%
Over Two to Three Years	10,000	3.92%	10,000	1.53%
Over Three to Four Years	21,189	2.82%	10,000	3.92%
Over Four to Five Years	10,000	2.20%	21,239	2.83%
Over Five Years	50,000	2.36%	60,000	2.34%
Total Borrowings	$ 111,189	2.56%	$ 111,263	2.56%

Asset Quality

Developments

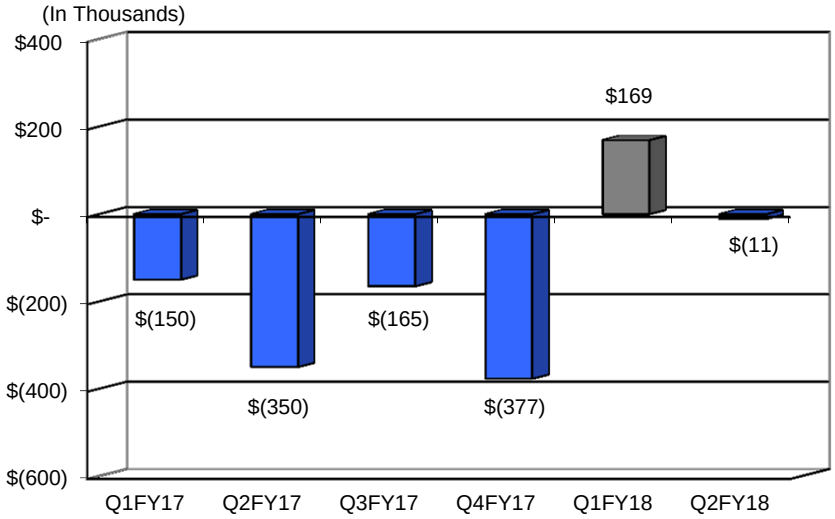
- Non-Performing Assets to Total Assets Ratio at 0.74% on December 31, 2017
- REO activity remains limited
- Early-Stage Delinquencies very low at $1.5 million

NPA, NPA to Total Assets Ratio and ALLL to LHI Ratio

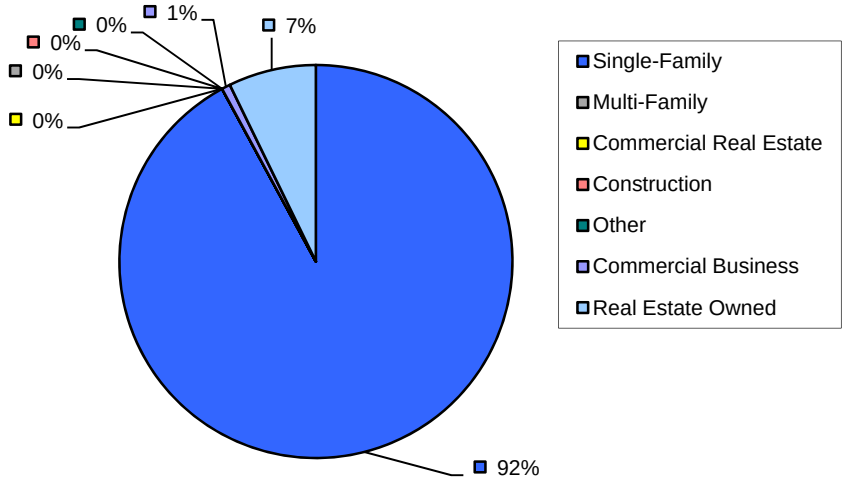


	09/30/16	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17
Non-Performing Assets	$13,509	$13,014	$11,620	$9,610	$7,991	$8,606
NPA to Total Assets	1.09%	1.09%	0.97%	0.80%	0.67%	0.74%
ALLL to LHI	1.01%	0.96%	0.93%	0.88%	0.88%	0.90%

(Recovery) Provision for Loan Losses

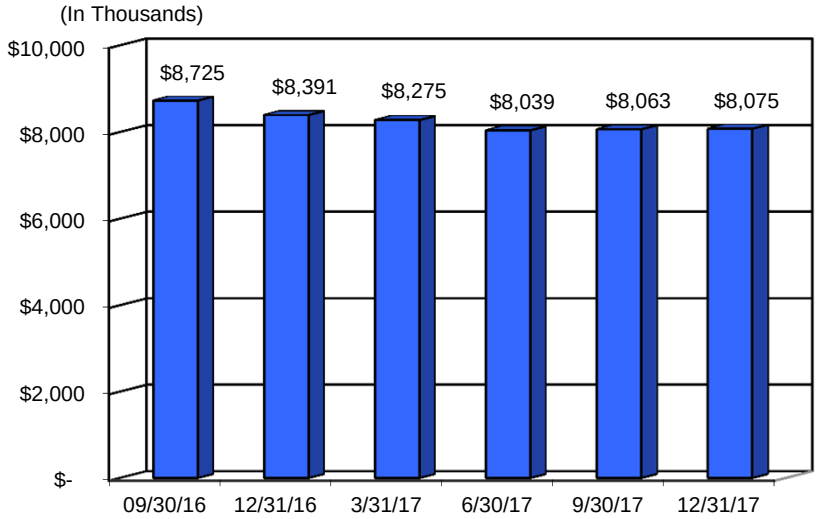


Non-Performing Asset Composition 12/31/17

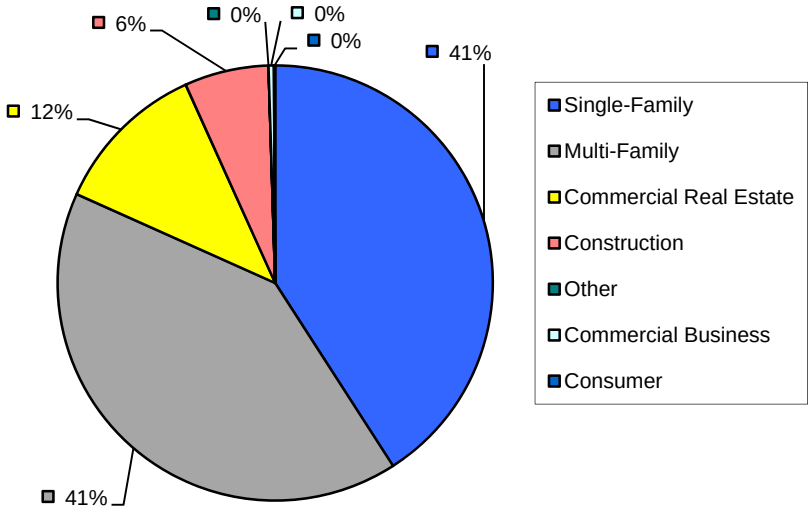


Asset Quality

Allowance for Loan Losses (ALLL)



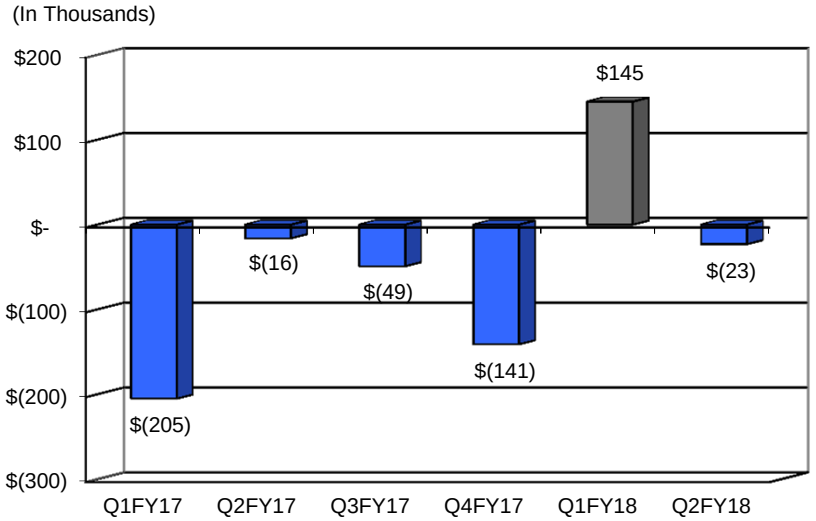
ALLL Allocation as of 12/31/17



Delinquent and Non-Performing Loans

	At December 31, 2017				At December 31, 2016			
	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	3	$1,537	29	$8,127	4	$1,297	33	$9,927
Multi-Family	-	-	-	-	-	-	2	651
Commercial Real Estate	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	1	76	-	-	1	85
Consumer Loans	-	-	-	-	2	1	1	-
Total	3	$ 1,537	30	$ 8,203	6	$1,298	37	$ 10,663

Net Charge-Offs (Recoveries)



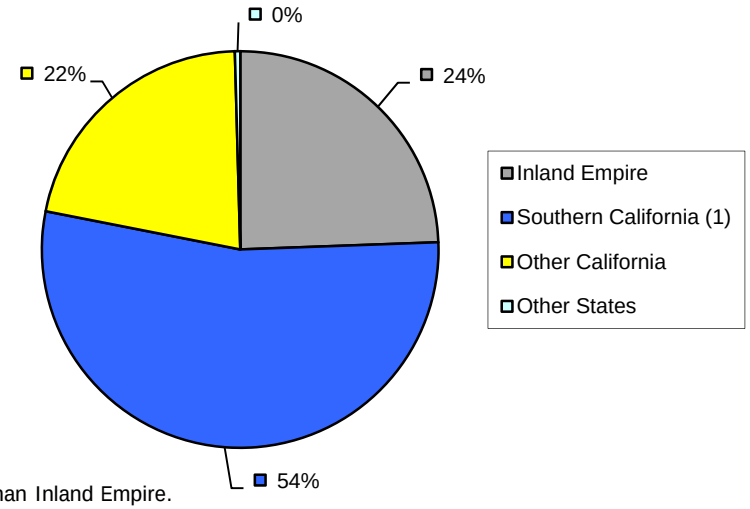
Asset Quality

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	$103,704	33%	$148,932	48%	$60,097	19%	$1,104	0%	$313,837	100%
Multi-Family	79,149	17%	275,716	59%	106,204	23%	2,717	1%	$463,786	100%
Commercial Real Estate	32,604	31%	46,126	45%	24,636	24%	-	0%	$103,366	100%
Construction	3,224	22%	9,808	68%	1,398	10%	-	0%	$14,430	100%
Total	$218,681	24%	$480,582	54%	$192,335	21%	$3,821	1%	$895,419	100%

[1] Other than Inland Empire.

Geographic Location 12/31/17



[1] Other than Inland Empire.

Asset Quality

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

	Year of Origination									
	2009 & Prior	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Loan Balance (In Thousands)	$150,053	$116	$949	$2,322	$2,565	$9,087	$13,363	$35,908	$84,521	$298,884
Weighted Avg. LTV [1]	62%	65%	60%	51%	44%	66%	69%	66%	74%	66%
Weighted Avg. Age (In Years)	12.10	7.13	6.43	5.33	4.50	3.35	2.58	1.44	0.69	6.76
Weighted Avg. FICO [2]	730	700	711	758	754	753	738	743	737	735
Number of Loans	512	1	4	13	22	23	20	66	126	787
Geographic Breakdown (%)										
Inland Empire	35%	100%	57%	14%	44%	45%	24%	28%	31%	33%
Southern California [3]	52%	0%	43%	50%	26%	30%	51%	38%	49%	48%
Other California	12%	0%	0%	36%	30%	25%	25%	34%	20%	18%
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									
	2009 & Prior	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Loan Balance (In Thousands)	$21,081	-	$6,735	$12,378	$59,669	$76,297	$82,196	$126,905	$78,525	$463,786
Weighted Avg. LTV [1]	41%	-	52%	50%	54%	53%	54%	49%	50%	51%
Weighted Avg. Debt Coverage Ratio [2]	1.62x	-	1.57x	1.82x	1.68x	1.66x	1.64x	1.66x	1.66x	1.66x
Weighted Avg. Age (In Years)	12.61	-	6.24	5.33	4.38	3.47	2.49	1.50	0.56	2.89
Weighted Avg. FICO [2]	696	-	768	735	766	764	757	762	752	757
Number of Loans	49	-	9	16	84	95	122	148	123	646
Geographic Breakdown (%)										
Inland Empire	36%	-	7%	2%	35%	12%	17%	10%	18%	17%
Southern California [3]	43%	-	78%	64%	50%	54%	63%	64%	64%	59%
Other California	8%	-	15%	34%	15%	34%	20%	26%	18%	23%
Other States	13%	-	0%	0%	0%	0%	0%	0%	0%	1%
	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.

Commercial RE – Loans Held for Investment

	Year of Origination									
	2009 & Prior	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL [4][5]
Loan Balance (In Thousands)	$1,198	$ 336	-	$ 10,451	$12,887	$ 21,087	$ 20,033	$ 17,446	$19,928	$103,366
Weighted Avg. LTV [1]	25%	54%	-	45%	46%	45%	41%	50%	44%	45%
Weighted Avg. Debt Coverage Ratio [2]	1.47x	1.25x	-	1.94x	1.64x	1.93x	1.80x	1.58x	1.67x	1.75x
Weighted Avg. Age (In Years)	16.49	7.60	-	5.27	4.43	3.40	2.45	1.61	0.37	2.81
Weighted Avg. FICO [2]	707	703	-	743	759	752	758	759	773	759
Number of Loans	6	2	-	9	19	26	25	23	23	133
Geographic Breakdown (%)										
Inland Empire	73%	49%	-	72%	22%	37%	31%	11%	26%	31%
Southern California [3]	27%	51%	-	28%	48%	43%	32%	62%	51%	45%
Other California	0%	0%	-	0%	30%	20%	37%	27%	23%	24%
Other States	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: $34.2 million in Mixed Use; $19.4 million in Retail; $15.9 million in Office; $11.1 million in Mobile Home Parks; $8.8 million in Warehouse; $5.4 million in Medical/Dental Office; $3.4 million in Mini-Storage; $2.1 million in Restaurant/Fast Food; $1.6 million in Automotive – Non-Gasoline; and $1.5 million in Light Industrial/Manufacturing.

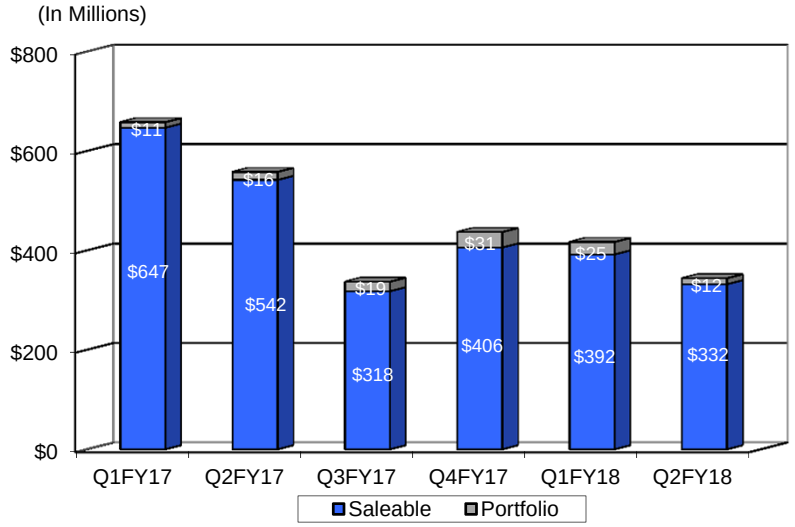
(5) Consisting of $98.3 million or 95.1% in investment properties and $5.1 million or 4.9% in owner occupied properties.

Mortgage Banking

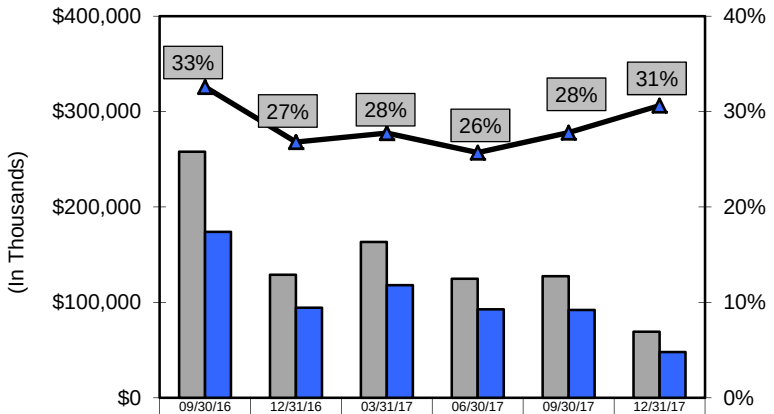
Developments

- Loan Origination Volume decreases 18% to $344.3 million (sequential quarter)
- Gain on Sale of Loans decreases 11% to $4.3 million (sequential quarter)
- Gross Locked Pipeline decreases 46% to $69.2 million (sequential quarter)
- Loan Sale Margin increases 25 basis points to 149 basis points (sequential quarter)

PBM Loan Originations



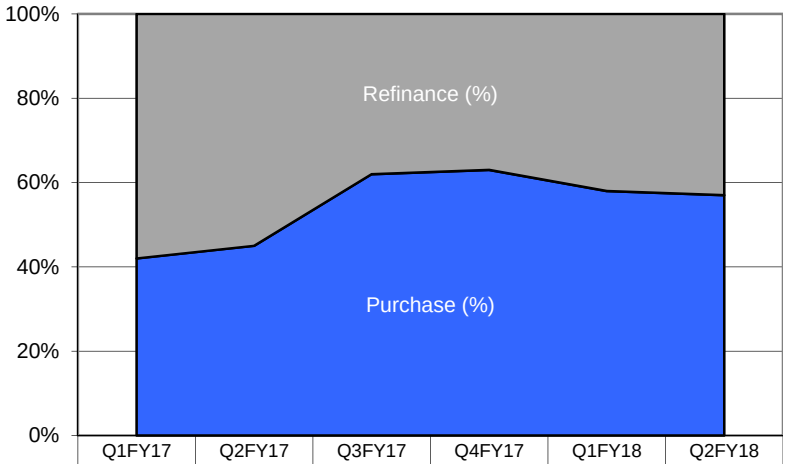
PBM Locked Pipeline



	09/30/16	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17
Gross Locked Pipeline	$257,964	$128,917	$163,306	$124,799	$127,505	$69,234
Net Locked Pipeline (1)	$173,937	$94,354	$117,993	$92,726	$92,065	$48,032
Fall-Out Ratio	33%	27%	28%	26%	28%	31%

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

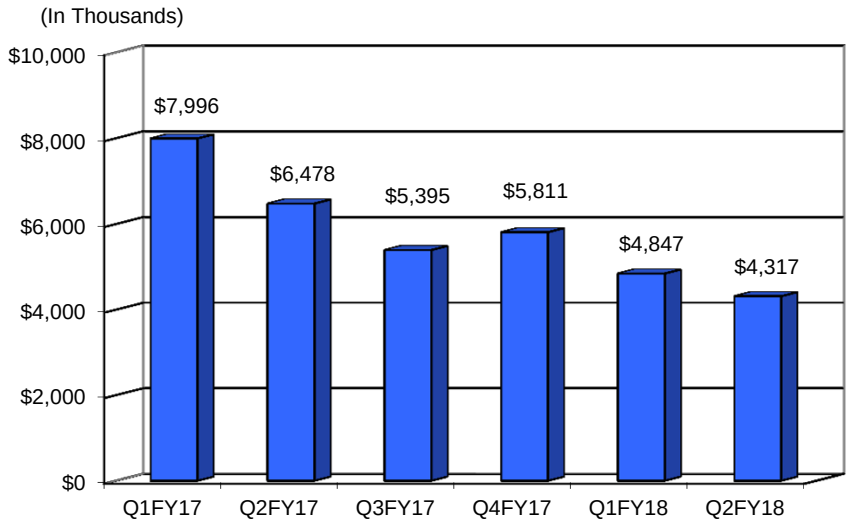
PBM Loan Purchase vs. Refinance



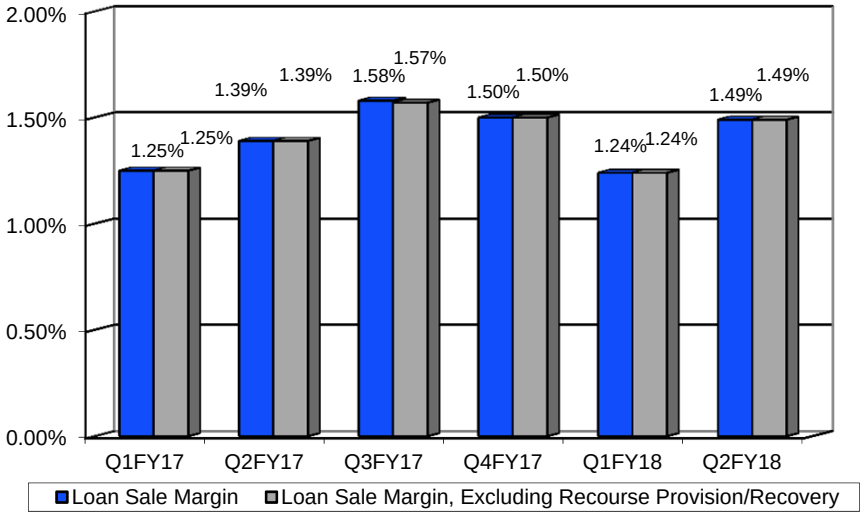
	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
Refinance	58%	55%	38%	37%	42%	43%
Purchase	42%	45%	62%	63%	58%	57%

Mortgage Banking

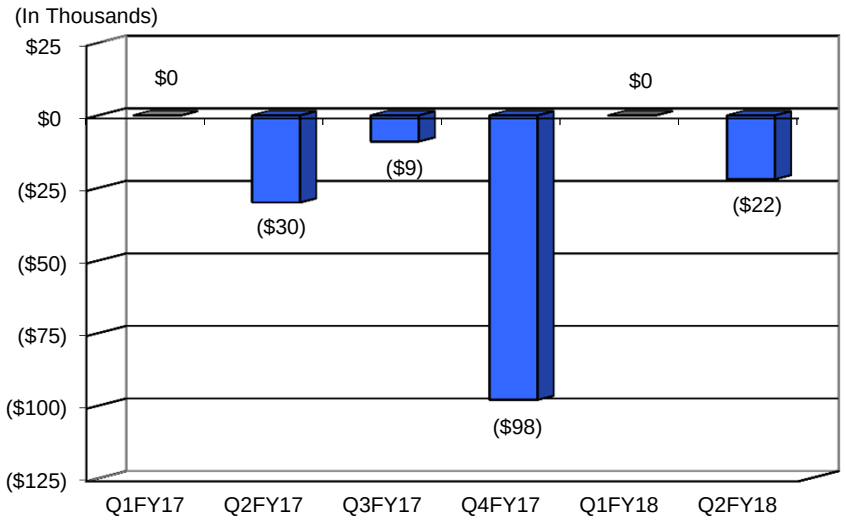
Gain on Sale of Loans



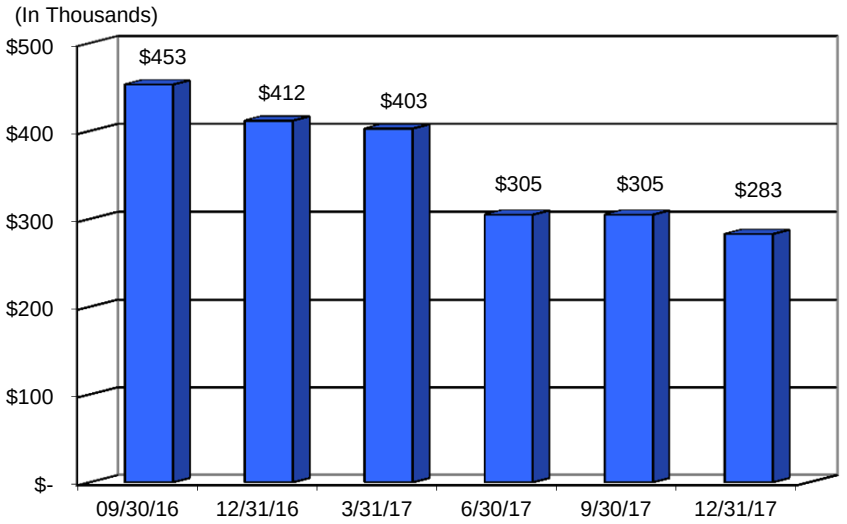
Loan Sale Margin



Recourse Provision (Recovery)



Recourse Reserve

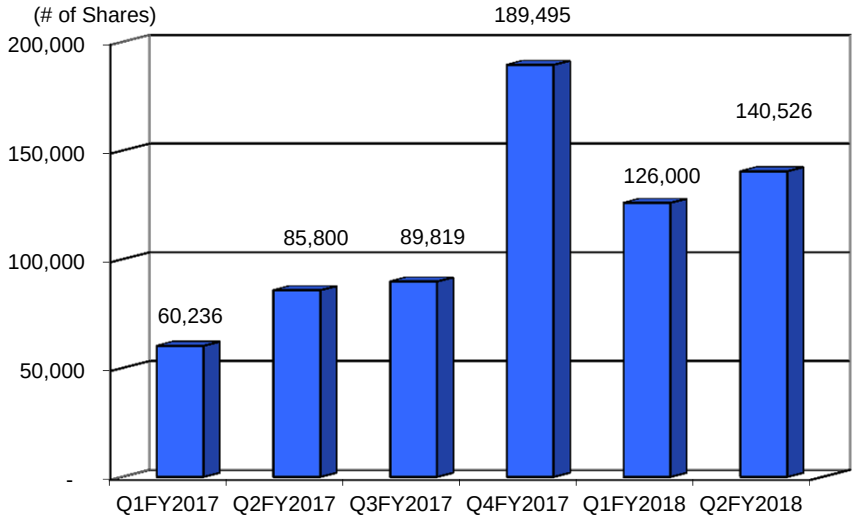


Capital Management

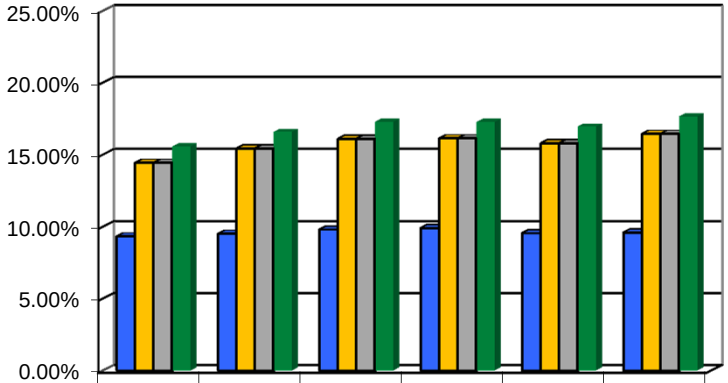
Developments

- Bank Capital Ratios remain strong
- 3.04% cash dividend yield (approximately)
- Repurchased approximately 141,000 shares of common stock

Stock Repurchase Plan Activity

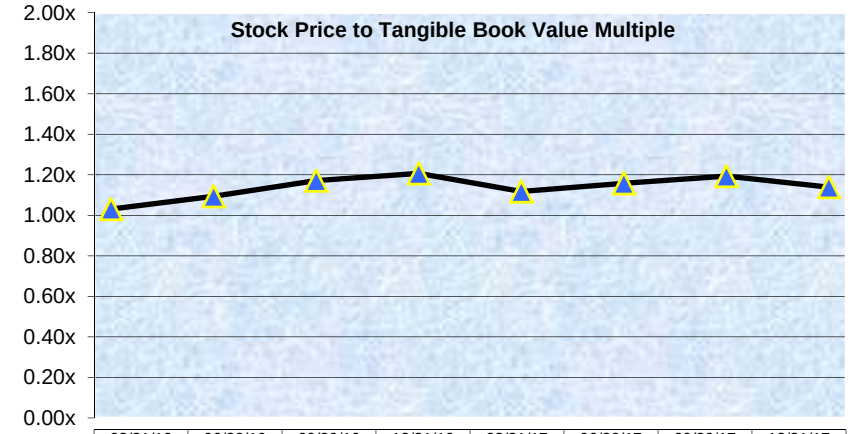


Bank Capital Ratios



	09/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Tier 1 Leverage Ratio	9.32%	9.50%	9.79%	9.90%	9.54%	9.59%
CET1 Ratio	14.43%	15.43%	16.10%	16.13%	15.79%	16.44%
Tier 1 Risk-Based Capital Ratio	14.43%	15.43%	16.10%	16.13%	15.79%	16.44%
Total Risk-Based Capital Ratio	15.57%	16.58%	17.28%	17.27%	16.95%	17.65%

Value Proposition



	03/31/16	06/30/16	09/30/16	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17
Price/TBV	1.03x	1.09x	1.17x	1.21x	1.12x	1.16x	1.19x	1.14x