

First Quarter of Fiscal 2019

September 30, 2018

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 2019 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:	$18.30
52-Week Range:	$17.21 - $19.99
Shares Outstanding:	7,500,860 shares
Market Capitalization:	$137.3 million
P/E (ttm):	33.27x
Diluted EPS (ttm):	$0.55
Annual Dividend & Yield:	$0.56 (3.06%)
As of September 30, 2018	

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**
- **Ninth largest deposit market share in Riverside County; second largest deposit market share 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:

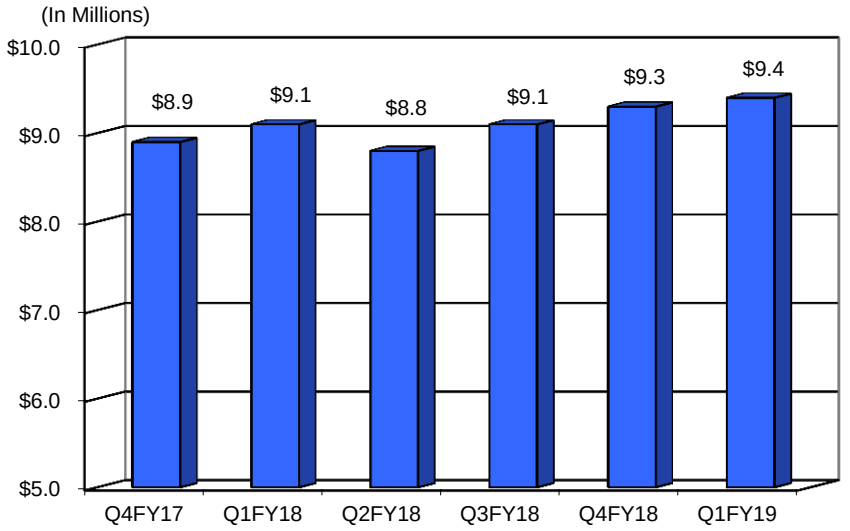
- Atascadero
- Brea
- Escondido
- Glendora
- Rancho Cucamonga
- Riverside, Canyon Crest Drive
- Riverside, Indiana Avenue
- Riverside, Riverside Avenue
- Roseville

Financial Performance

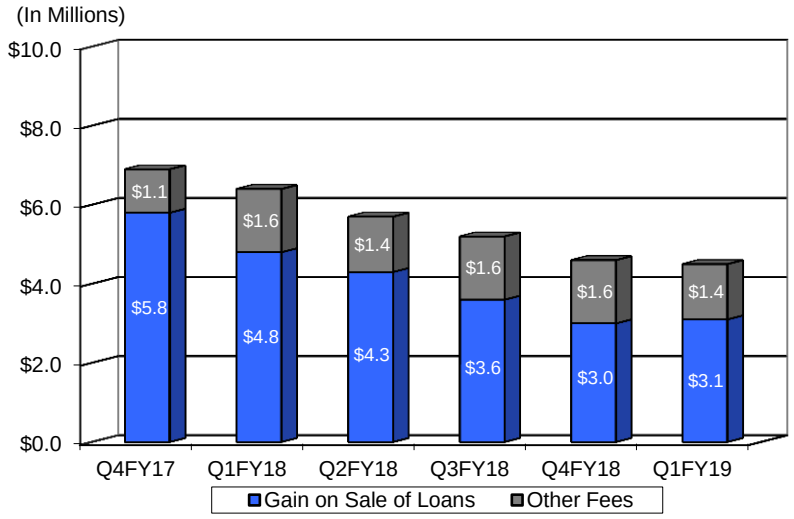
Developments

- Pre-Provision, Pre-Tax Earnings increase by 5% (sequential quarter)
- Net Interest Income increases by 1% (sequential quarter)
- Net Interest Margin increases by two basis points (sequential quarter)
- Operating Expenses decrease by 1% (sequential quarter)

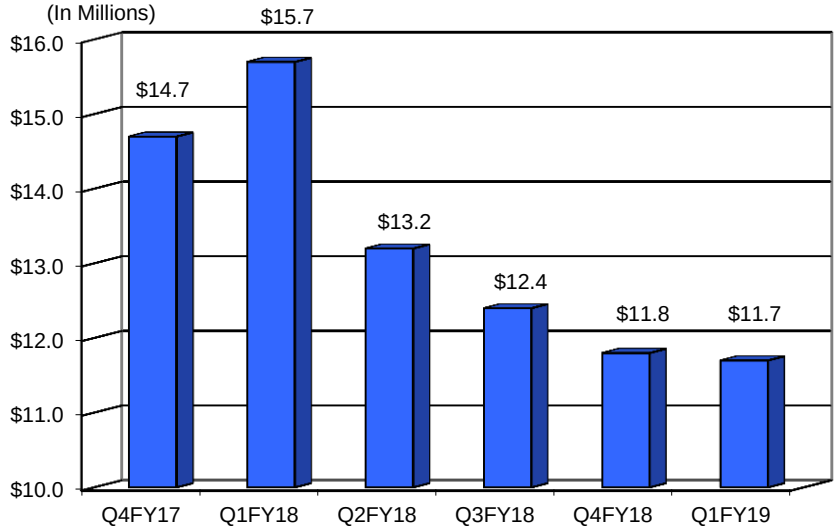
Net Interest Income



Non-Interest Income

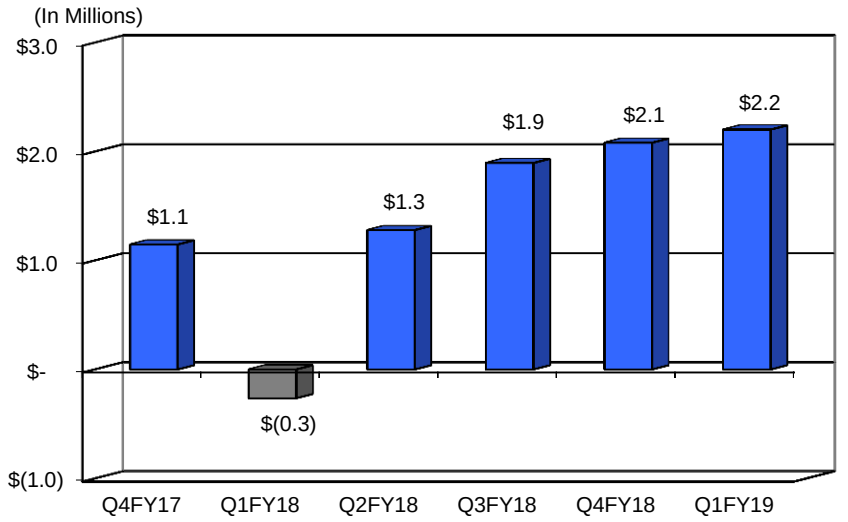


Operating Expenses

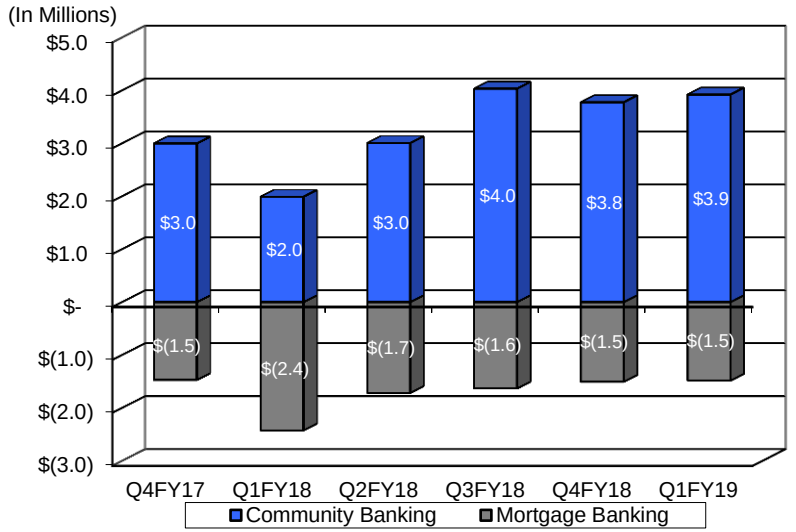


Financial Performance

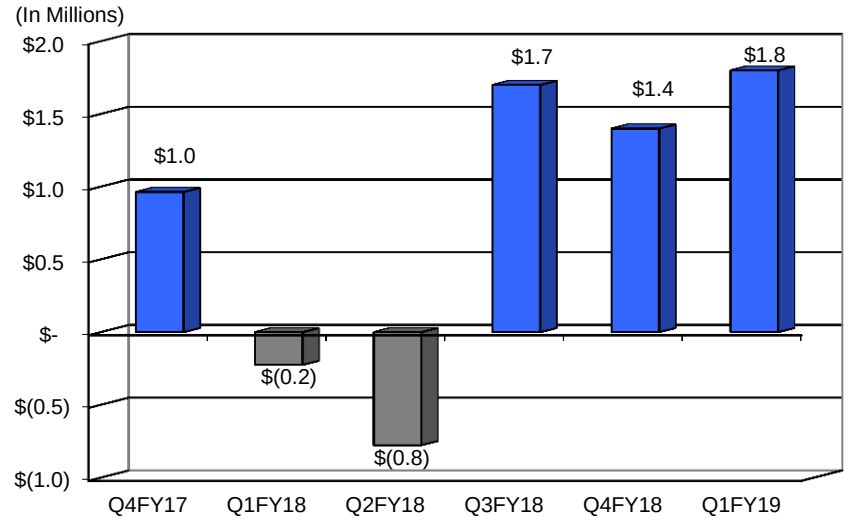
Pre-Provision, Pre-Tax Earnings (Loss)



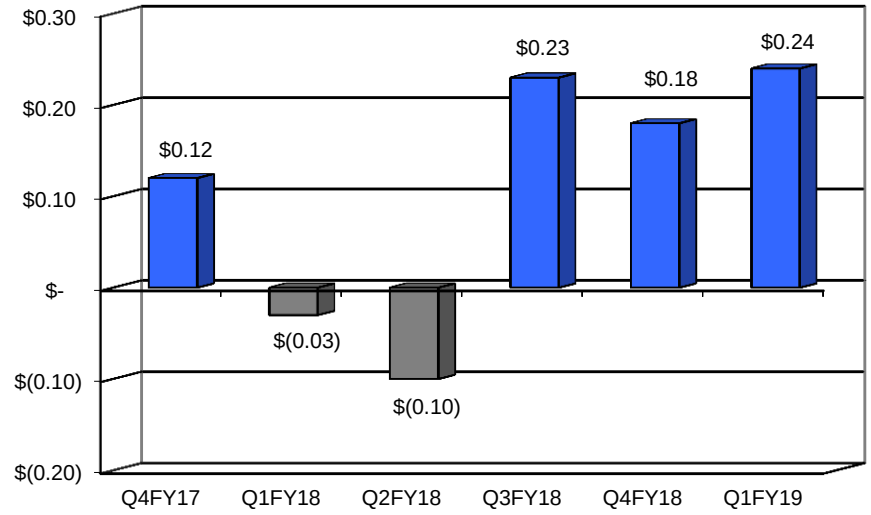
Pre-Tax Income (Loss) – Operating Segments



Quarterly Net Income (Loss)

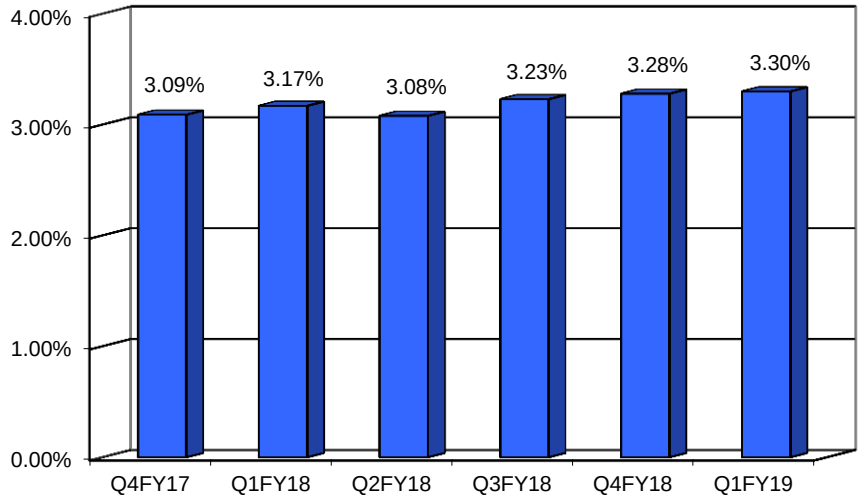


Diluted Earnings (Loss) Per Share

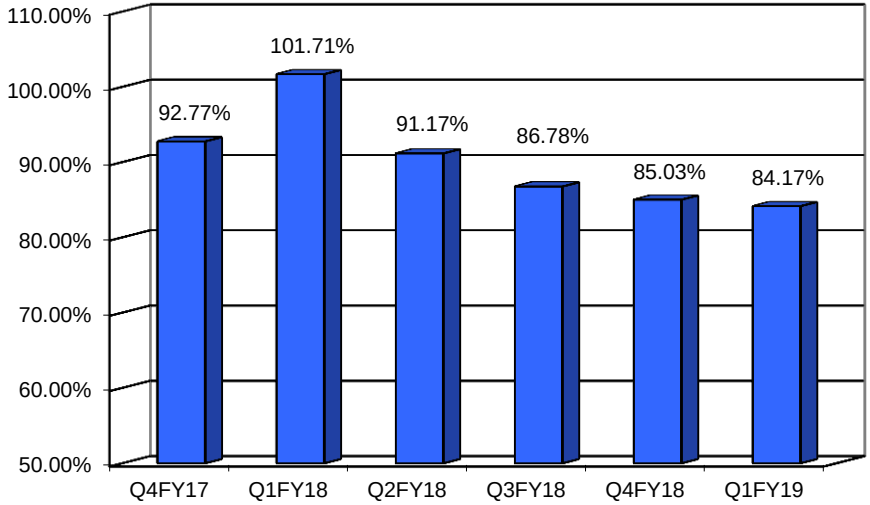


Financial Ratios

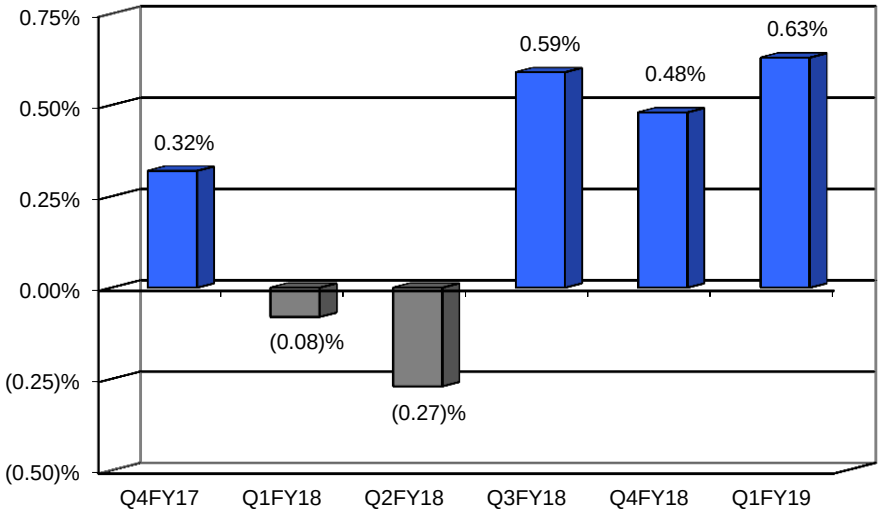
Net Interest Margin



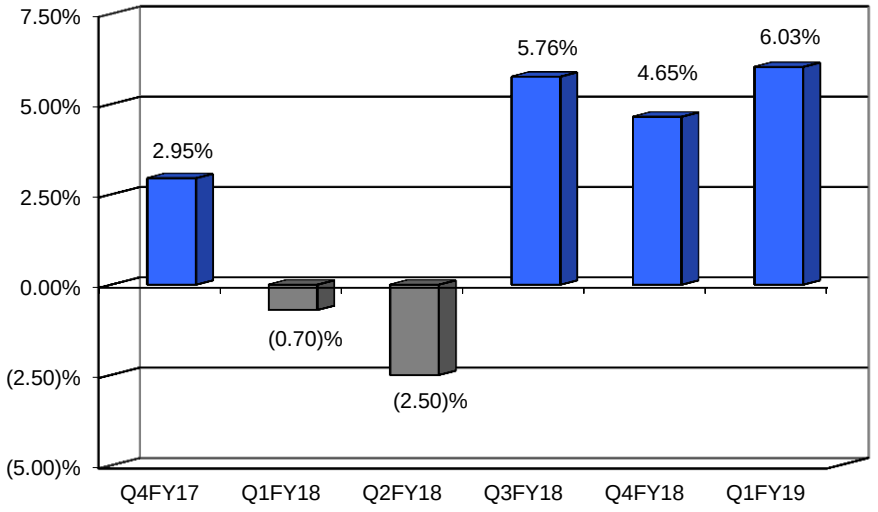
Efficiency Ratio



Return on Average Assets



Return on Average Equity

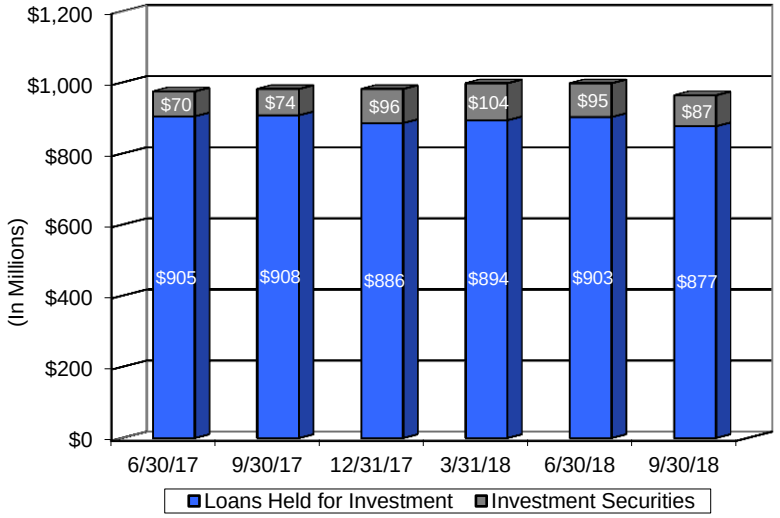


Community Banking

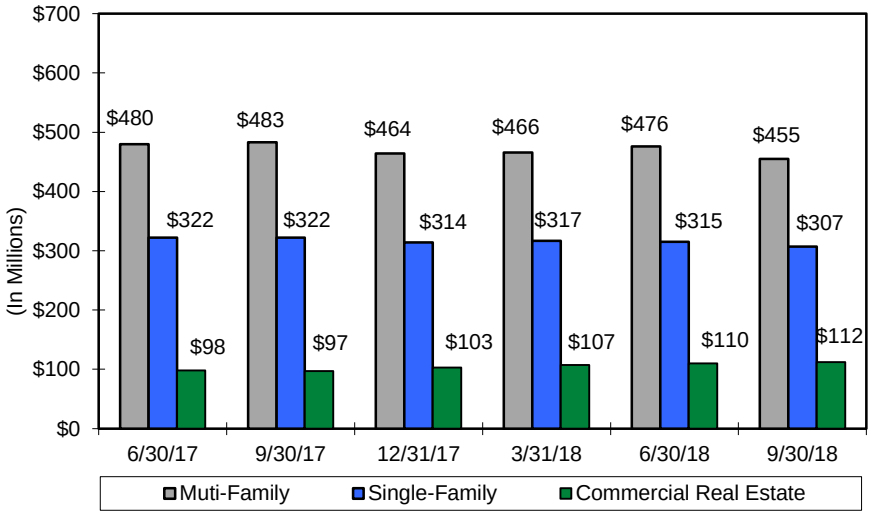
Developments

- Loans Held for Investment decline 3% during September 2018 quarter
- Yield on Loans Held for Investment increases 23 basis points from September 30, 2017
- Deposit costs increase two basis points from September 30, 2017
- Higher cost Time Deposit balances continue to decline
- Borrowing costs increase seven basis points from September 30, 2017

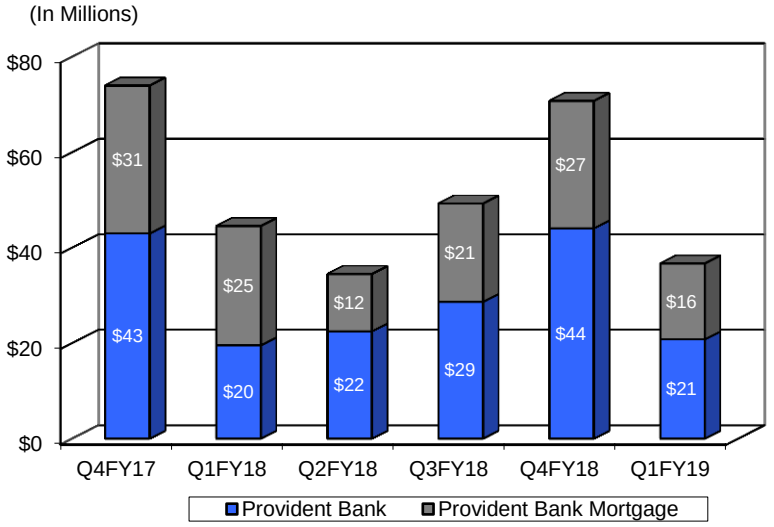
Loan to Investment Mix



Loan Portfolio Mix



Portfolio Loan Originations and Purchases

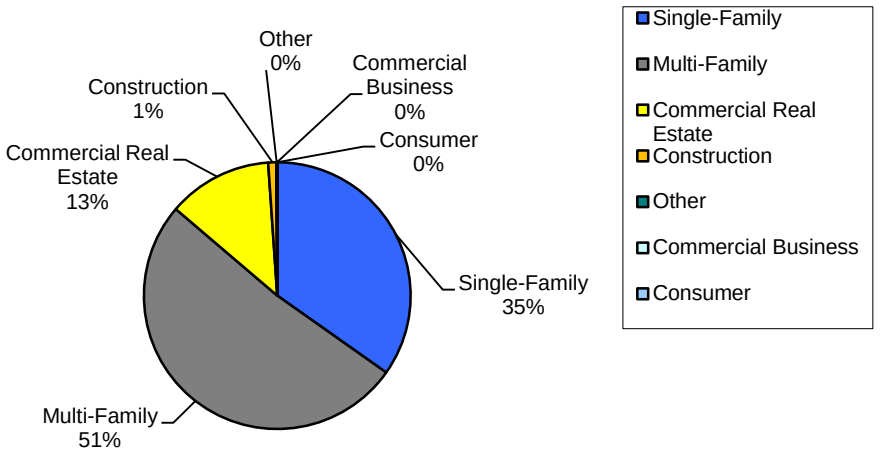


Community Banking

Loans Held for Investment Composition

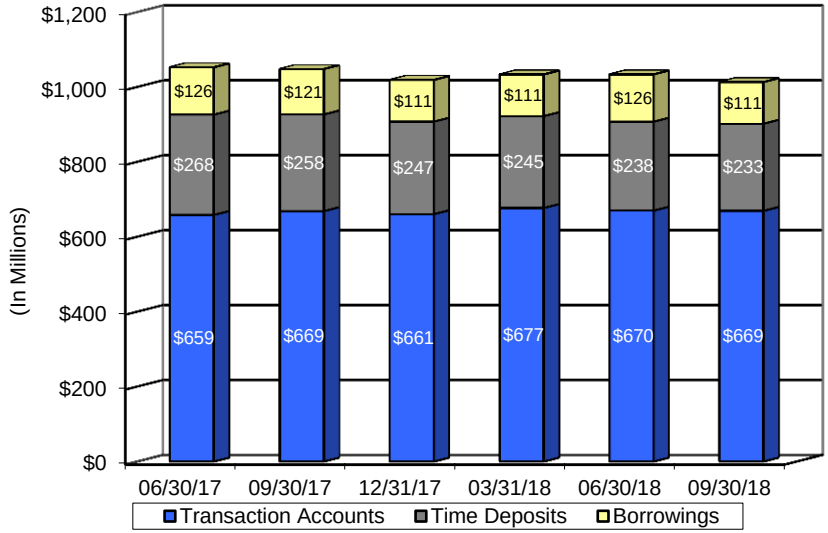
Loan Category (Dollars In Thousands)	Balance as of 09/30/18	Interest Rate	Balance as of 09/30/17	Interest Rate
Single-Family	$ 307,480	4.45%	$ 322,363	4.07%
Multi-Family	454,821	4.23%	482,617	4.06%
Commercial Real Estate	112,026	4.79%	96,863	4.65%
Construction	8,956	6.68%	16,290	6.30%
Other	167	6.50%	-	-
Commercial Business	416	6.44%	466	6.52%
Consumer	104	14.76%	131	13.63%
Total Loans Held for Investment	$ 883,970	4.40%	$ 918,730	4.17%
Undisbursed Loan Funds	(5,110)		(8,189)	
Advance Payments of Escrows	3		24	
Deferred Loan Costs, net	5,383		5,558	
Allowance for Loan Losses	(7,155)		(8,063)	
Total Loans Held for Investment, net	$ 877,091		$ 908,060	

Loan Composition as of 09/30/18



Community Banking

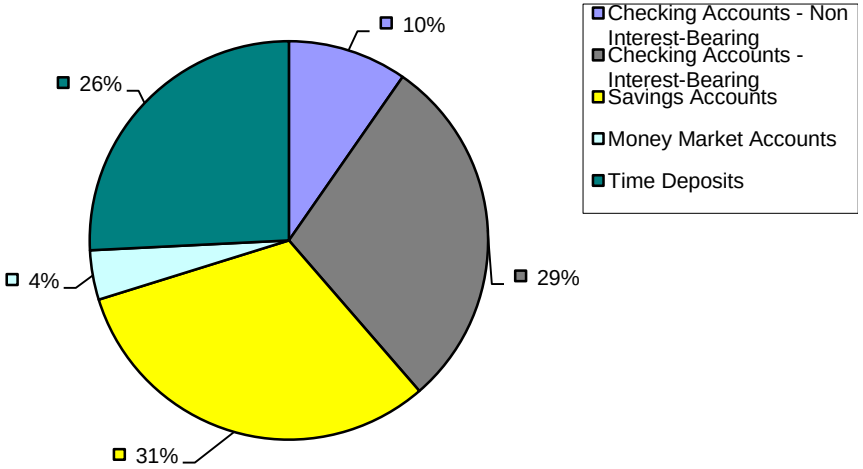
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 09/30/2018	Rate	At 09/30/2017	Rate
Checking Accounts - Non Interest-Bearing	$ 87,250	- %	$ 82,415	- %
Checking Accounts - Interest-Bearing	261,295	0.12%	260,969	0.11%
Savings Accounts	284,705	0.21%	288,358	0.20%
Money Market Accounts	36,213	0.37%	37,015	0.34%
Time Deposits	232,649	1.10%	258,259	0.99%
Total Deposits	$ 902,112	0.40%	$ 927,016	0.38%
Brokered Deposits Included Above	$ 1,567	3.88%	$ 1,567	3.88%

Deposit Composition at 09/30/18



Borrowings Maturity Schedule

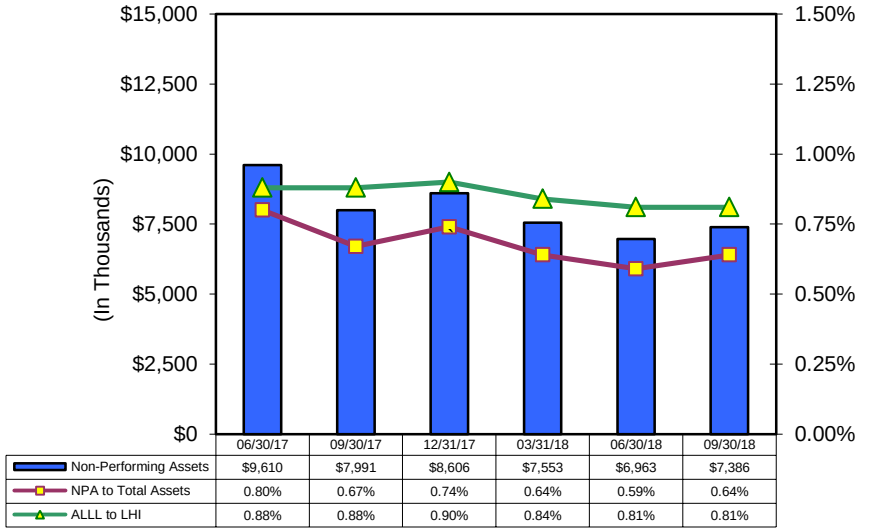
Category (Dollars In Thousands)	At 09/30/2018	Rate	At 09/30/2017	Rate
Overnight	$ -	-	$ -	-
Three Months or Less	-	-	10,004	1.20%
Over Three to Six Months	-	-	10,000	3.01%
Over Six to Twelve Months	10,000	1.53%	-	-
Over One to Two Years	-	-	10,000	1.53%
Over Two to Three Years	31,149	3.17%	-	-
Over Three to Four Years	10,000	2.20%	31,202	3.18%
Over Four to Five Years	20,000	2.00%	10,000	2.20%
Over Five Years	40,000	2.60%	50,000	2.36%
Total Borrowings	$ 111,149	2.52%	$ 121,206	2.45%

Asset Quality

Developments

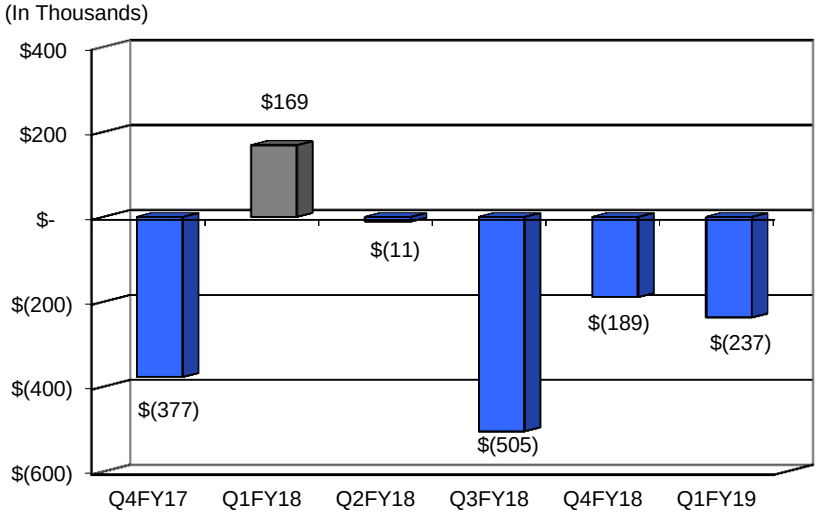
- Low level of Non-Performing Assets
- Non-Performing Assets to Total Assets Ratio at 0.64% on September 30, 2018
- REO activity remains limited
- Early-Stage Delinquencies insignificant

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

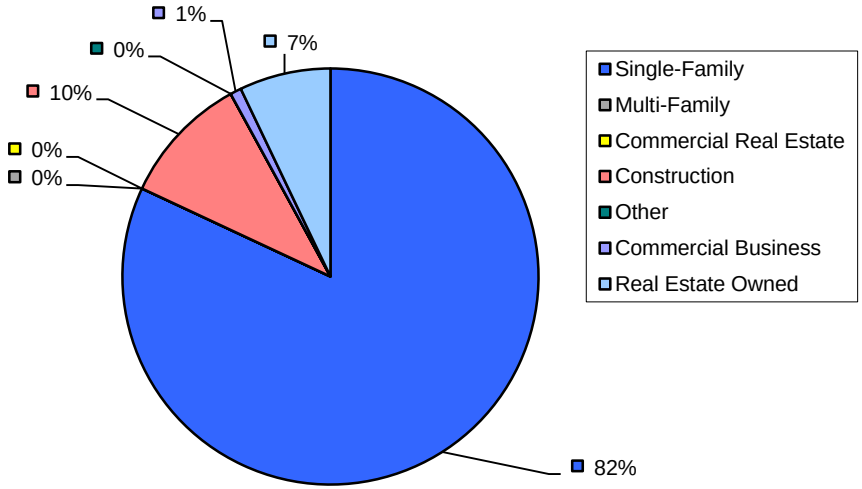


	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Non-Performing Assets	$9,610	$7,991	$8,606	$7,553	$6,963	$7,386
NPA to Total Assets	0.80%	0.67%	0.74%	0.64%	0.59%	0.64%
ALLL to LHI	0.88%	0.88%	0.90%	0.84%	0.81%	0.81%

(Recovery) Provision for Loan Losses

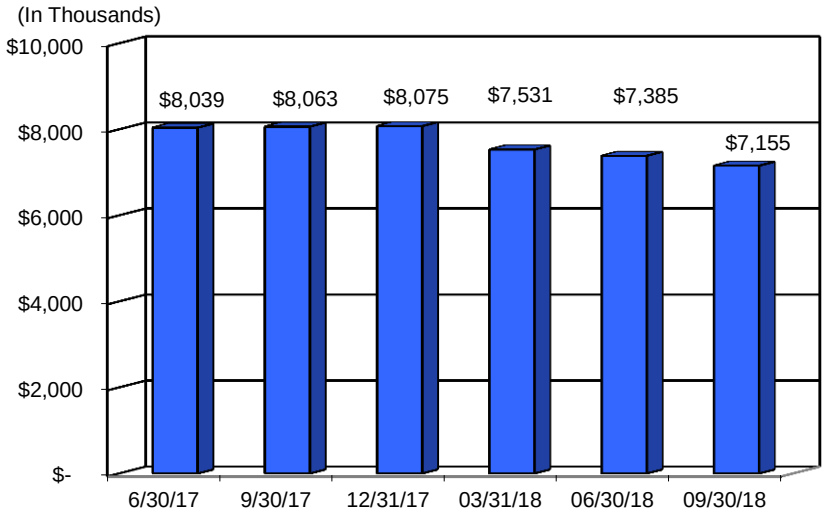


Non-Performing Asset Composition 09/30/18

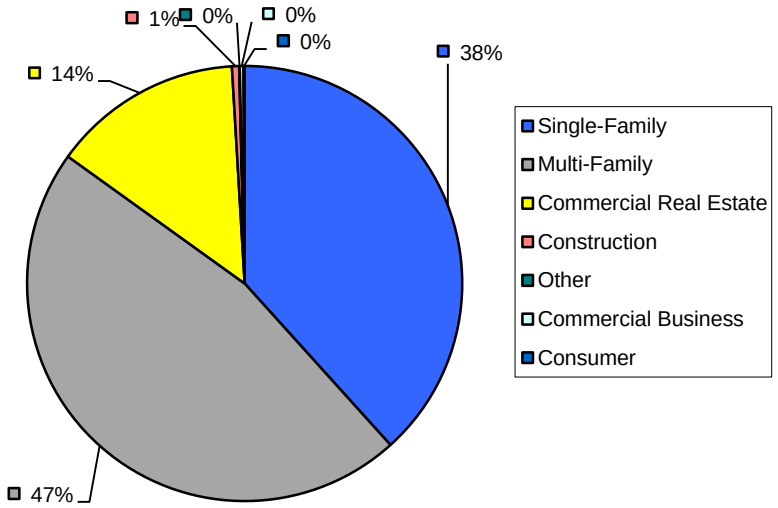


Asset Quality

Allowance for Loan Losses (ALLL)



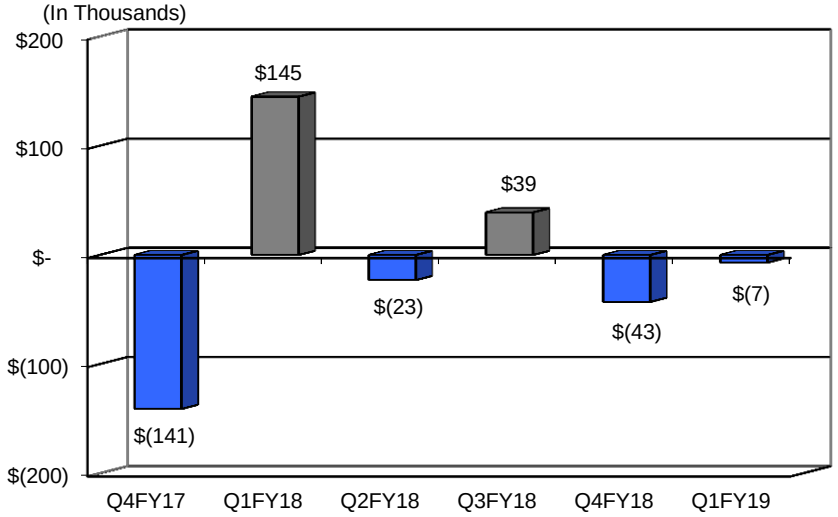
ALLL Allocation as of 09/30/18



Delinquent and Non-Performing Loans

	At September 30, 2018				At September 30, 2017			
	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	-	$0	22	$6,425	3	$1,512	29	$8,352
Multi-Family	-	-	-	-	-	-	-	-
Commercial Real Estate	-	-	-	-	-	-	-	-
Construction	-	-	1	745	-	-	-	-
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	1	68	-	-	1	79
Consumer Loans	2	-	-	-	-	-	-	-
Total	2	$ -	24	$ 7,238	3	$1,512	30	$ 8,431

Net Charge-Offs (Recoveries)



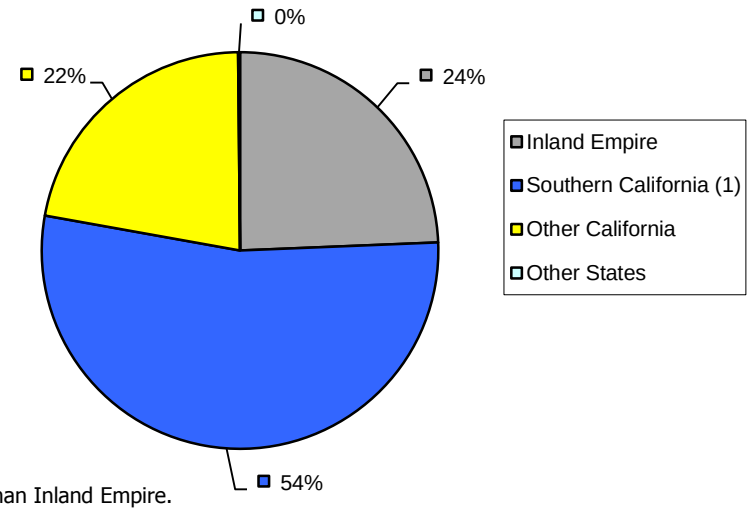
Asset Quality

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	$109,033	36%	$142,685	46%	$54,698	18%	$1,064	0%	$307,480	100%
Multi-Family	72,770	16%	271,686	60%	110,029	24%	336	0%	$454,821	100%
Commercial Real Estate	32,495	29%	50,418	45%	29,113	26%	-	0%	$112,026	100%
Construction	823	9%	7,628	85%	505	6%	-	0%	$8,956	100%
Other	-	0%	-	0%	167	100%	-	0%	$167	100%
Total	$215,121	24%	$472,417	54%	$194,512	22%	$1,400	0%	$883,450	100%

[1] Other than Inland Empire.

Geographic Location 09/30/18



[1] Other than Inland Empire.

Asset Quality

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

	Year of Origination									
	2010 & Prior	2011	2012	2013	2014	2015	2016	2017	2018 YTD	TOTAL
Loan Balance (In Thousands)	$109,438	$739	$2,108	$2,218	$5,879	$10,434	$29,982	$70,338	$62,439	$293,575
Weighted Avg. LTV [1]	59%	59%	51%	45%	64%	68%	65%	72%	71%	66%
Weighted Avg. Age (In Years)	12.91	7.08	6.08	5.24	4.18	3.33	2.22	1.36	0.37	5.75
Weighted Avg. FICO [2]	729	724	757	753	756	740	750	738	739	737
Number of Loans	391	3	11	20	18	15	58	108	102	726
Geographic Breakdown (%)										
Inland Empire	37%	46%	15%	45%	38%	20%	29%	33%	43%	36%
Southern California [3]	52%	54%	52%	22%	34%	48%	33%	46%	49%	47%
Other California	10%	0%	33%	33%	28%	32%	38%	21%	8%	17%
Other States	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	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									
	2010 & Prior	2011	2012	2013	2014	2015	2016	2017	2018YTD	TOTAL
Loan Balance (In Thousands)	$14,283	$3,816	$10,082	$39,637	$57,562	$73,458	$114,679	$73,872	$67,432	$454,821
Weighted Avg. LTV [1]	36%	49%	48%	50%	51%	52%	48%	49%	46%	49%
W. Avg. Debt Coverage Ratio [2]	1.74x	1.74x	1.89x	1.72x	1.68x	1.66x	1.67x	1.67x	1.56x	1.67x
Weighted Avg. Age (In Years)	13.98	7.05	6.05	5.12	4.24	3.21	2.25	1.31	0.40	2.97
Weighted Avg. FICO [2]	715	742	744	767	767	756	762	751	756	757
Number of Loans	39	6	14	64	81	117	140	118	77	656
Geographic Breakdown (%)										
Inland Empire	39%	0%	2%	34%	16%	18%	10%	18%	11%	16%
Southern California [3]	54%	74%	77%	45%	49%	60%	62%	64%	66%	60%
Other California	5%	26%	21%	21%	35%	22%	28%	18%	23%	24%
Other States	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	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.

Commercial RE – Loans Held for Investment

	Year of Origination									
	2010 & Prior	2011	2012	2013	2014	2015	2016	2017	2018YTD	TOTAL [4][5]
Loan Balance (In Thousands)	$607	$0	$9,923	$9,193	$20,082	$19,560	$16,102	$19,599	$16,960	$112,026
Weighted Avg. LTV [1]	35%	0%	0.44	48%	44%	40%	48%	43%	44%	44%
W. Avg. Debt Coverage Ratio [2]	1.38x	0.00x	1.97x	1.60x	1.94x	1.80x	1.57x	1.82x	1.63x	1.77x
Weighted Avg. Age (In Years)	10.70	0.00	6.02	5.21	4.14	3.20	2.36	1.12	0.37	2.91
Weighted Avg. FICO [2]	712	0	741	763	753	757	758	773	751	758
Number of Loans	5	0	8	15	23	25	22	23	25	146
Geographic Breakdown (%)										
Inland Empire	67%	0%	75%	23%	37%	31%	11%	26%	12%	29%
Southern California [3]	33%	0%	25%	48%	43%	32%	65%	52%	47%	45%
Other California	0%	0%	0%	29%	20%	37%	24%	22%	41%	26%
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: $49.5 million in Mixed Use; $17.2 million in Retail; $15.1 million in Office; $10.0 million in Mobile Home Parks; $8.0 million in Warehouse; $4.4 million in Medical/Dental Office; $2.7 million in Mini-Storage; $2.0 million in Restaurant/Fast Food; $1.6 million in Automotive – Non-Gasoline; and $1.5 million in Light Industrial/Manufacturing.

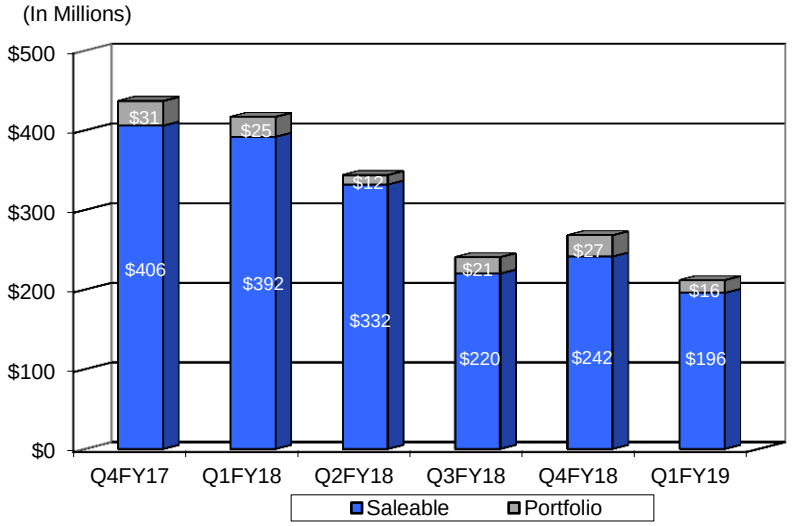
(5) Consisting of $106.4 million or 95.0% in investment properties and $5.6 million or 5.0% in owner occupied properties.

Mortgage Banking

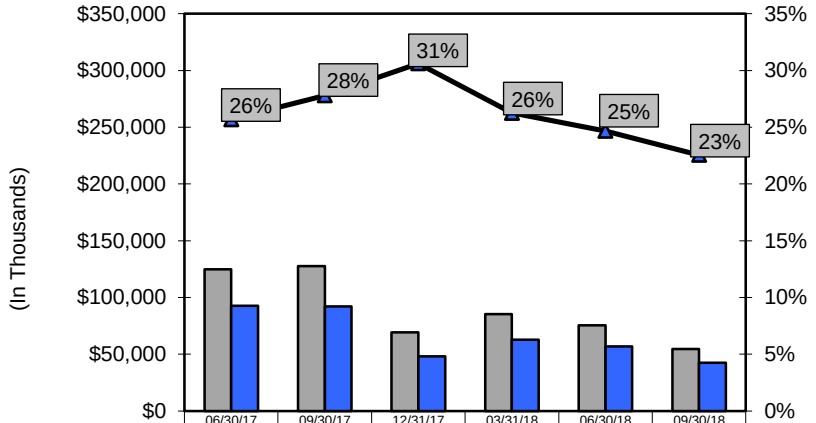
Developments

- Loan Origination Volume decreases 21% to $212.0 million (sequential quarter)
- Gain on Sale of Loans increases 3% to $3.1 million (sequential quarter)
- Gross Locked Pipeline decreases 28% to $54.8 million (sequential quarter)
- Loan Sale Margin increases 41 basis points to 170 basis points (sequential quarter)

PBM Loan Originations



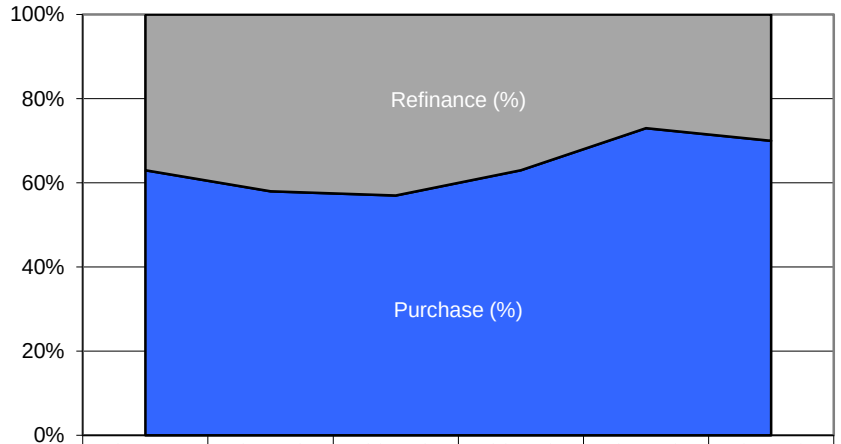
PBM Locked Pipeline



	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Gross Locked Pipeline	$124,799	$127,505	$69,234	$85,271	$75,546	$54,755
Net Locked Pipeline (1)	$92,726	$92,065	$48,032	$62,871	$56,906	$42,403
Fall-Out Ratio	26%	28%	31%	26%	25%	23%

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

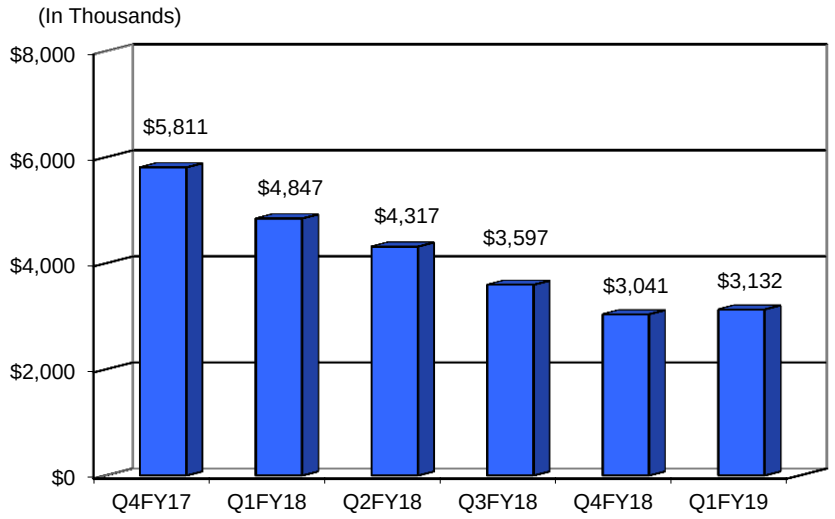
PBM Loan Purchase vs. Refinance



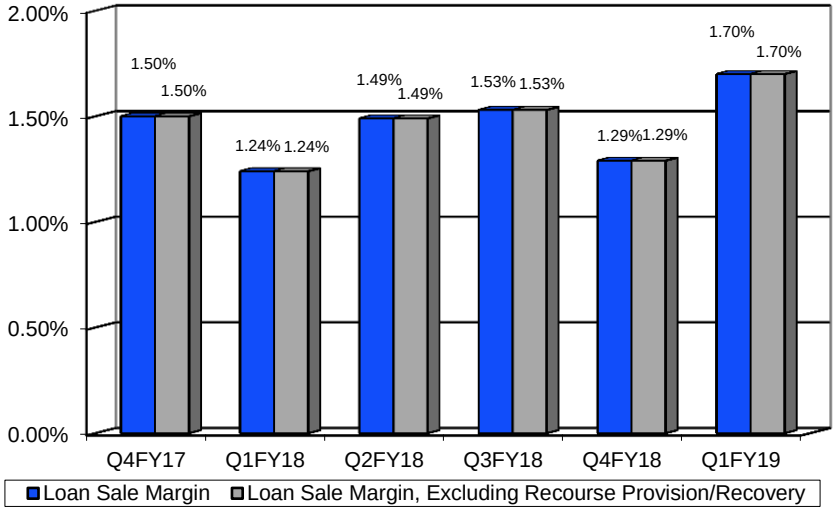
	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19
Refinance	37%	42%	43%	37%	27%	30%
Purchase	63%	58%	57%	63%	73%	70%

Mortgage Banking

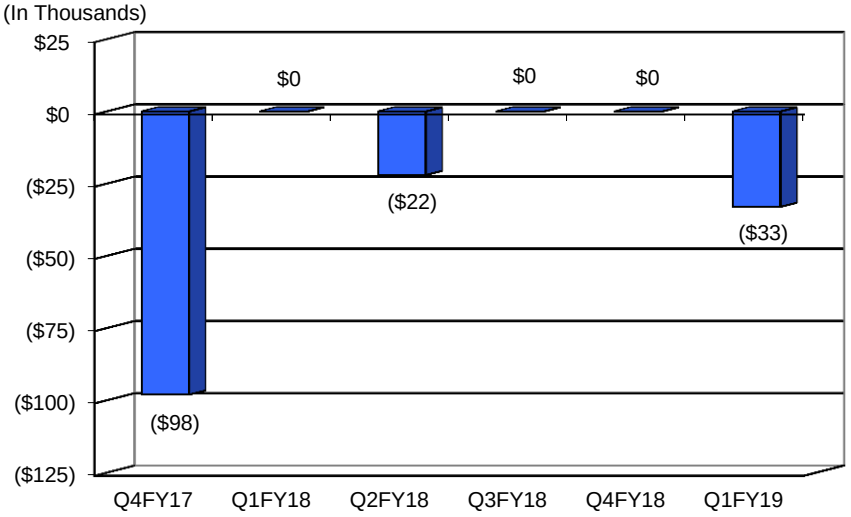
Gain on Sale of Loans



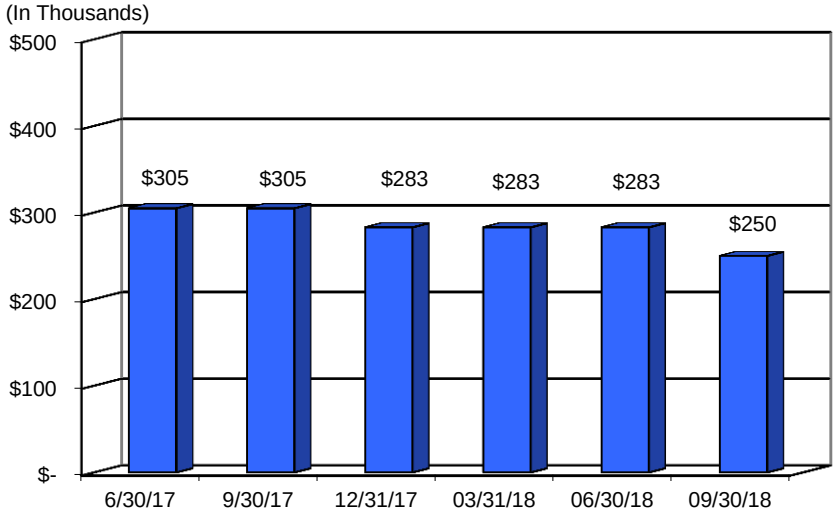
Loan Sale Margin



Recourse Provision (Recovery)



Recourse Reserve Balance

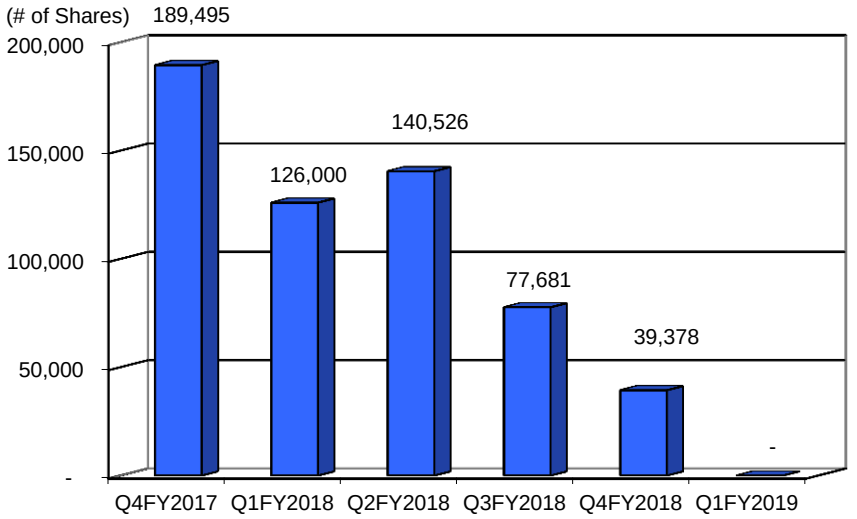


Capital Management

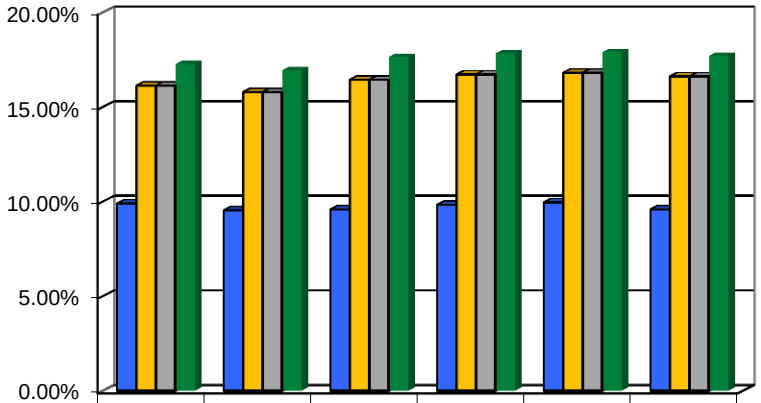
Developments

- Bank Capital Ratios remain strong
- 3.06% cash dividend yield (approximately)
- Bank paid a $7.5 million cash dividend to Holding Company on September 28, 2018

Stock Repurchase Plan Activity

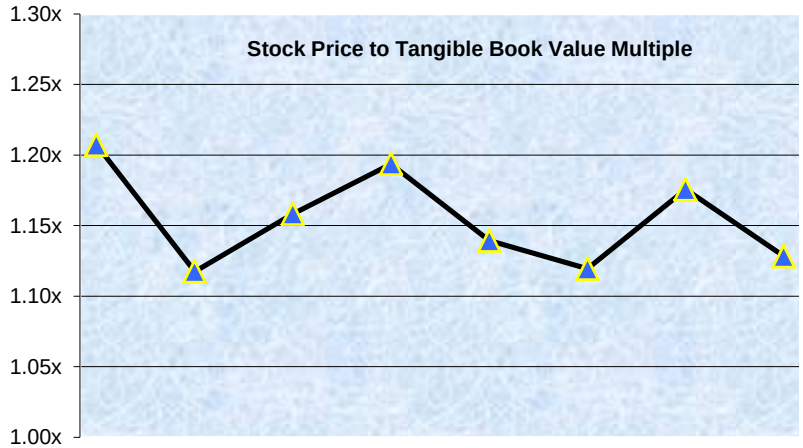


Bank Capital Ratios



	6/30/17	9/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Tier 1 Leverage Ratio	9.90%	9.54%	9.59%	9.83%	9.96%	9.59%
CET1 Ratio	16.13%	15.79%	16.44%	16.72%	16.81%	16.62%
Tier 1 Risk-Based Capital Ratio	16.13%	15.79%	16.44%	16.72%	16.81%	16.62%
Total Risk-Based Capital Ratio	17.27%	16.95%	17.65%	17.84%	17.90%	17.71%

Value Proposition



	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Price/TBV	1.21x	1.12x	1.16x	1.19x	1.14x	1.12x	1.18x	1.13x