

Fourth Quarter of Fiscal 2019

June 30, 2019

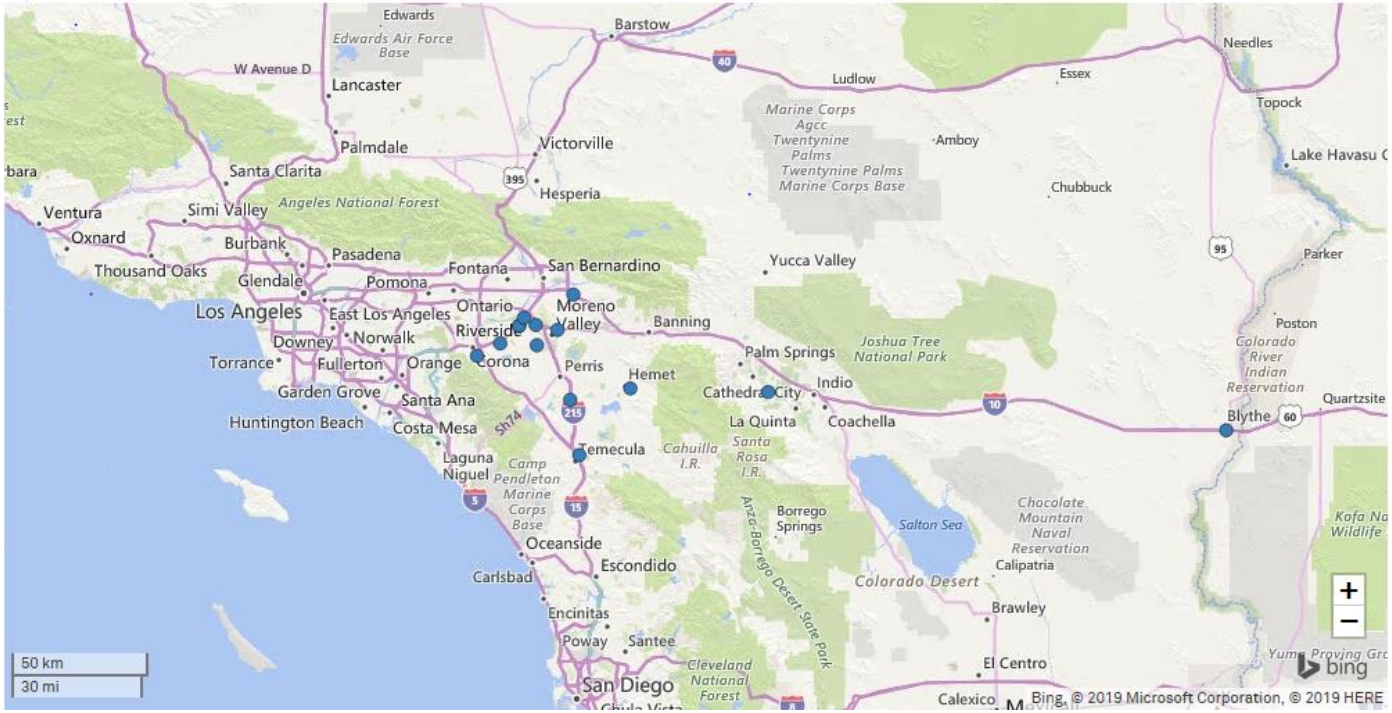
Safe Harbor Statement

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 2020 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:	$20.99
52-Week Range:	$14.67 - $21.80
Shares Outstanding:	7,486,106 shares
Market Capitalization:	$157.1 million
P/E (ttm):	36.19x
Diluted EPS (ttm):	$0.58
Annual Dividend & Yield:	$0.56 (2.67%)
As of June 30, 2019	

Franchise Overview



Provident Bank Offices:

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

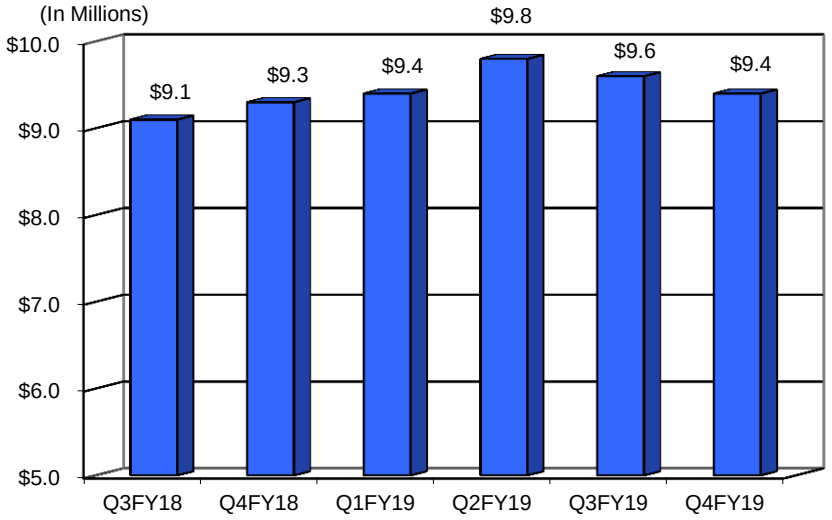
- **Largest independent community bank headquartered in Riverside County, California**
- **Expanding customer base and market**
- **Ninth largest deposit market share in Riverside County; second largest deposit market share of community banks**

Financial Performance

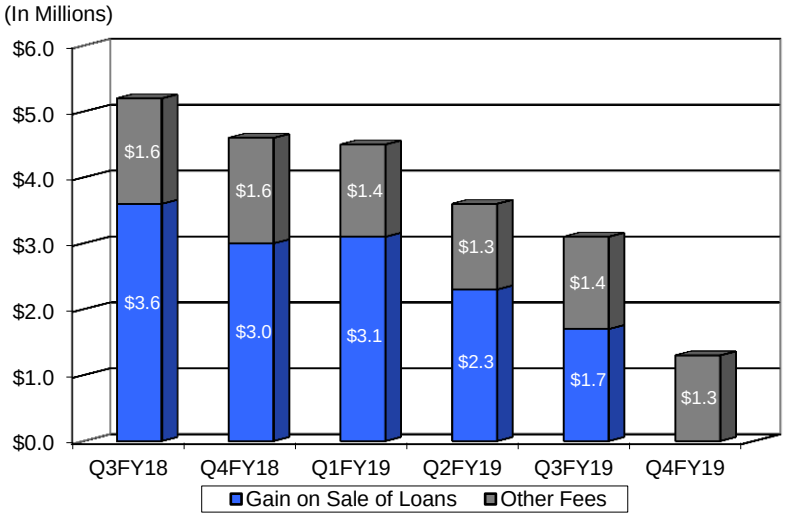
Developments

- Net Interest Income decreases by 2% (sequential quarter)
- Net Interest Margin decreases by one basis point (sequential quarter)
- Operating Expenses decrease by 25% (sequential quarter)
- $2.8 million of expenses ($1.2 million in Q4 2019 and $1.6 million in Q3 2019) related to scaling back the origination of saleable single-family mortgage loans

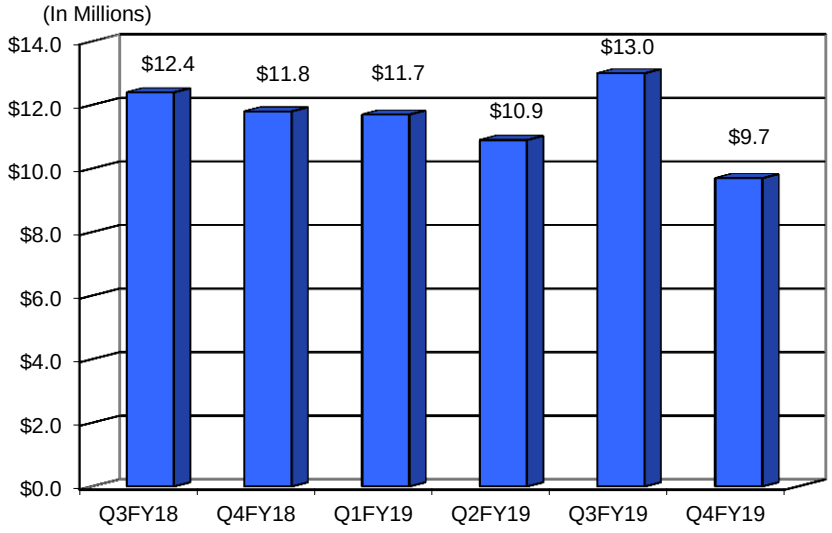
Net Interest Income



Non-Interest Income

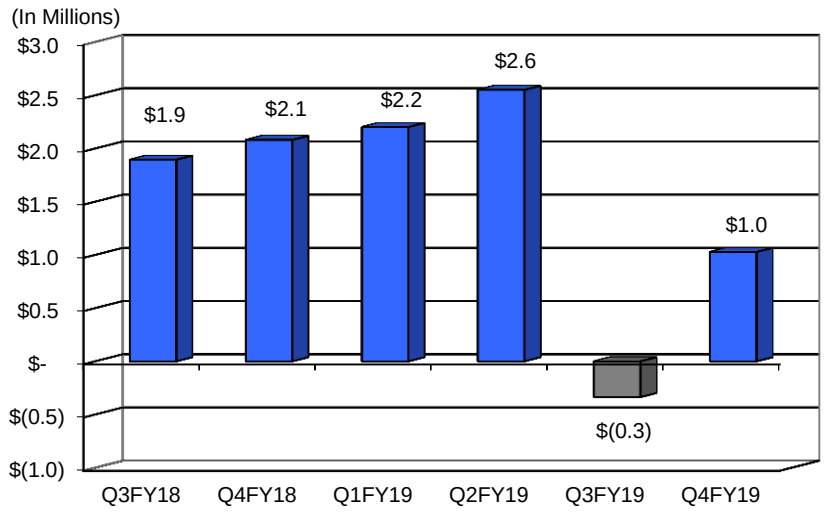


Operating Expenses

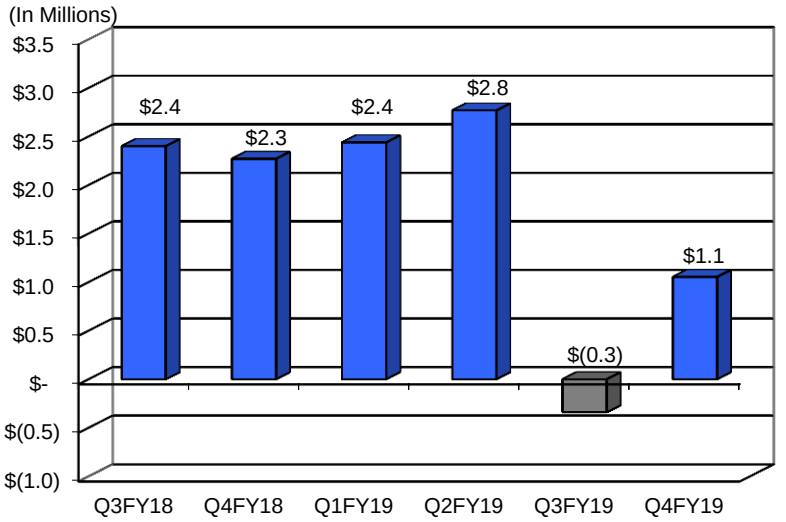


Financial Performance

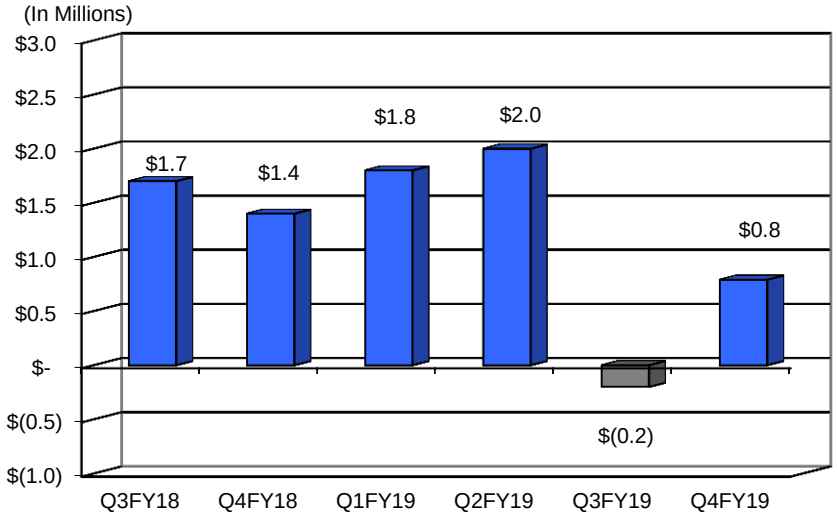
Pre-Provision, Pre-Tax Earnings (Loss)



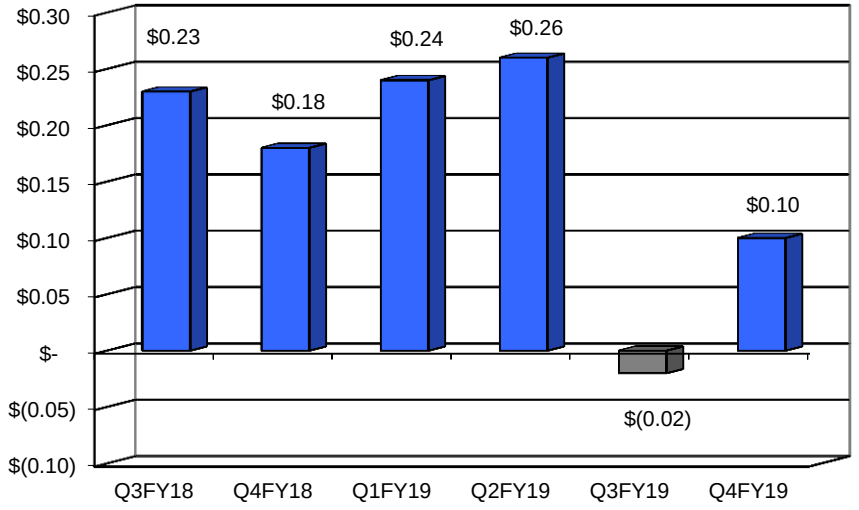
Pre-Tax Income (Loss)



Quarterly Net Income (Loss)

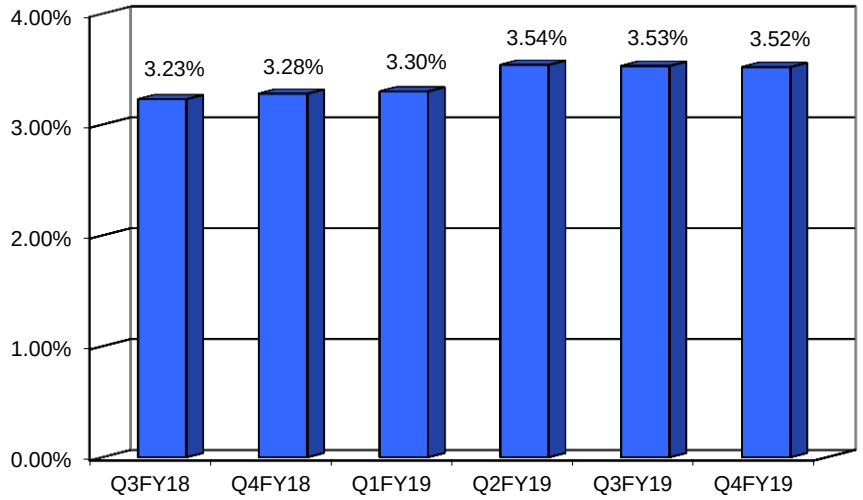


Diluted Earnings (Loss) Per Share

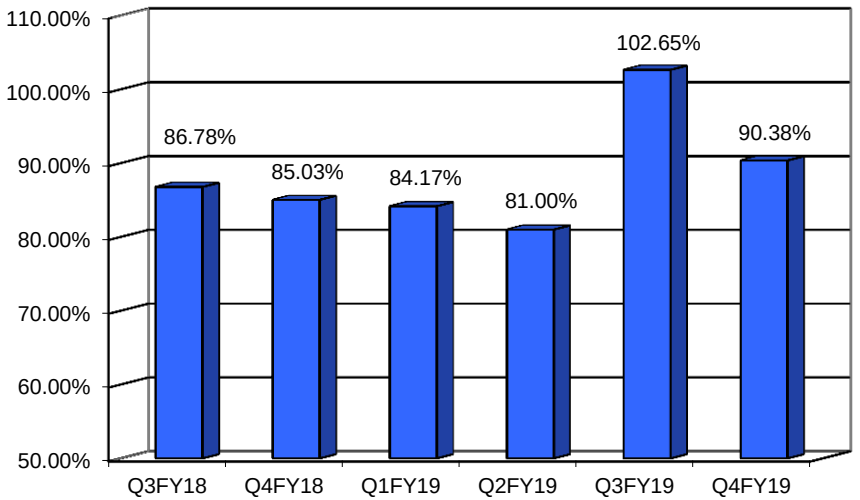


Financial Ratios

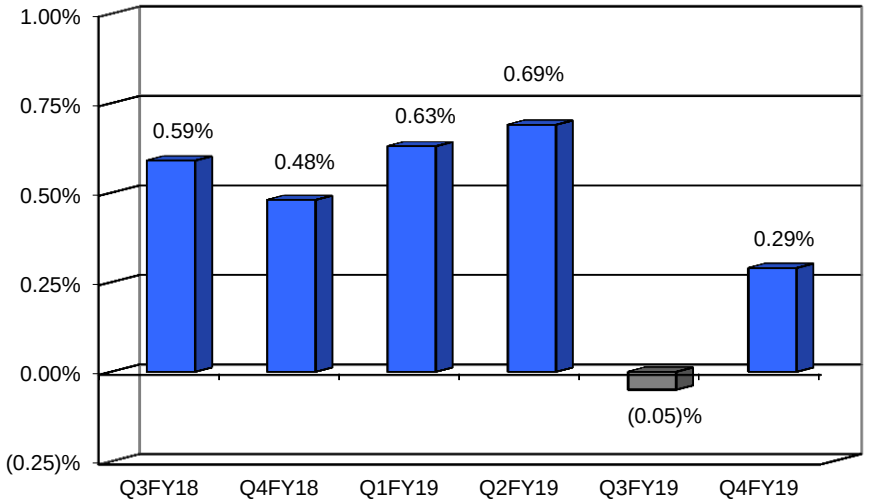
Net Interest Margin



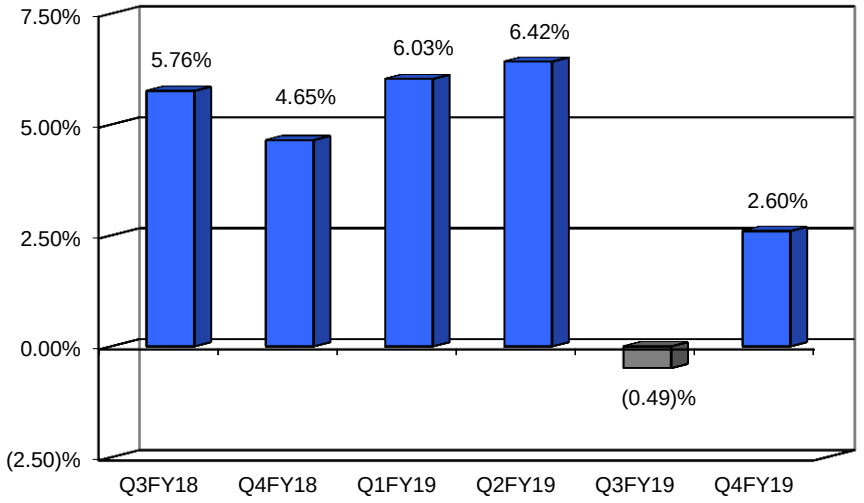
Efficiency Ratio



Return on Average Assets



Return on Average Equity

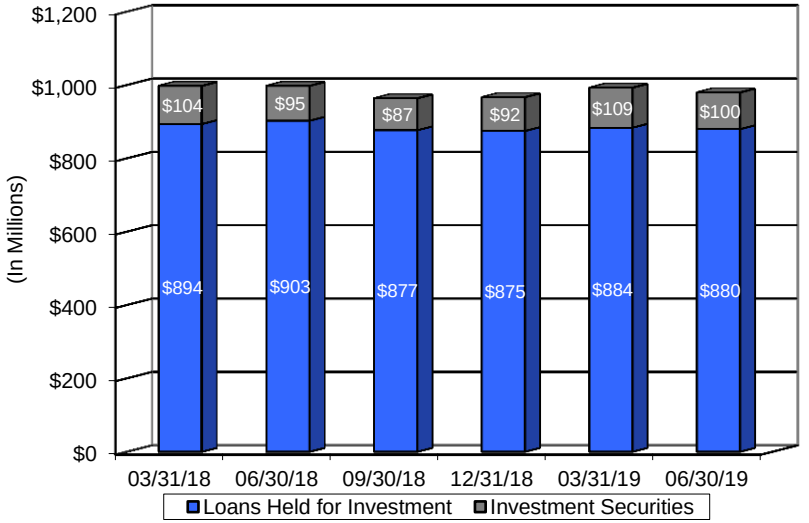


Balances and Activity

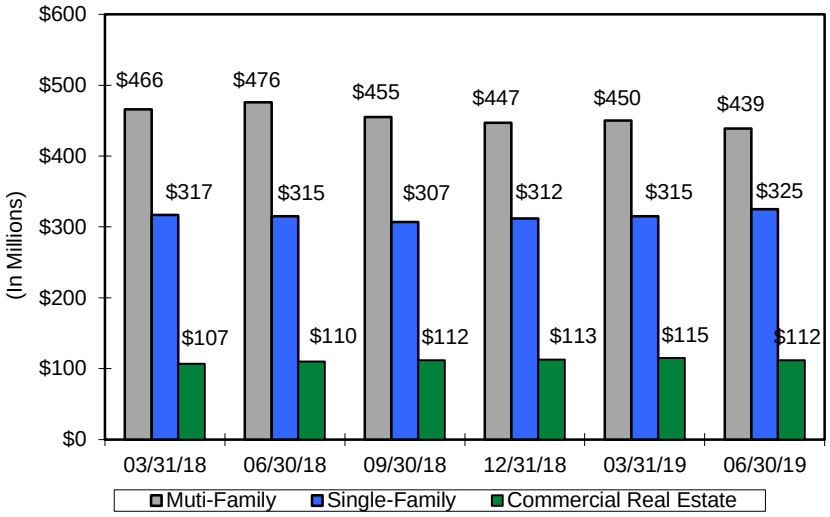
Developments

- Loans Held for Investment balance essentially unchanged at June 30, 2019 in comparison to March 31, 2019
- Yield on Loans Held for Investment increases 25 basis points from June 30, 2018
- Deposit costs decline by two basis points from June 30, 2018
- Borrowing costs increase 15 basis points from June 30, 2018

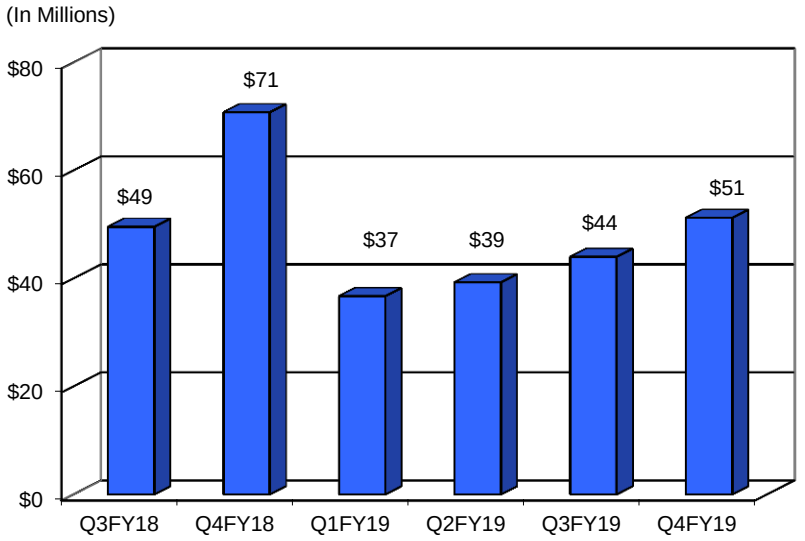
Loan to Investment Mix



Loan Portfolio Mix



Portfolio Loan Originations and Purchases

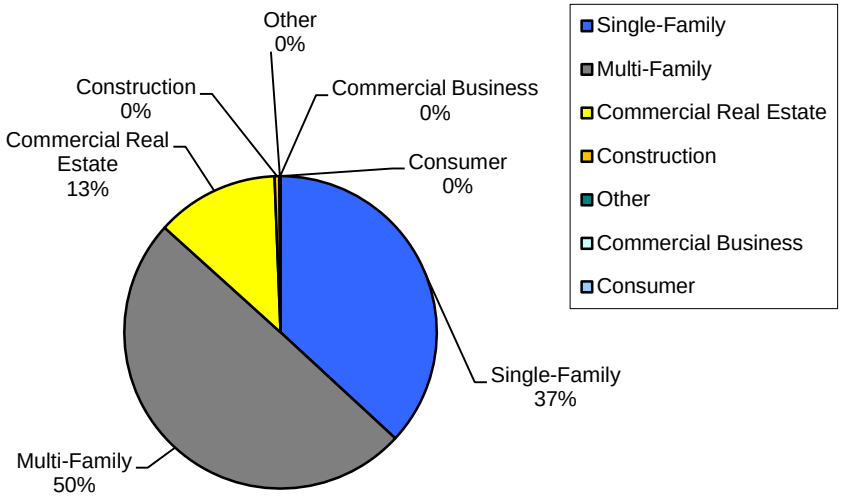


Balances and Activity

Loans Held for Investment Composition

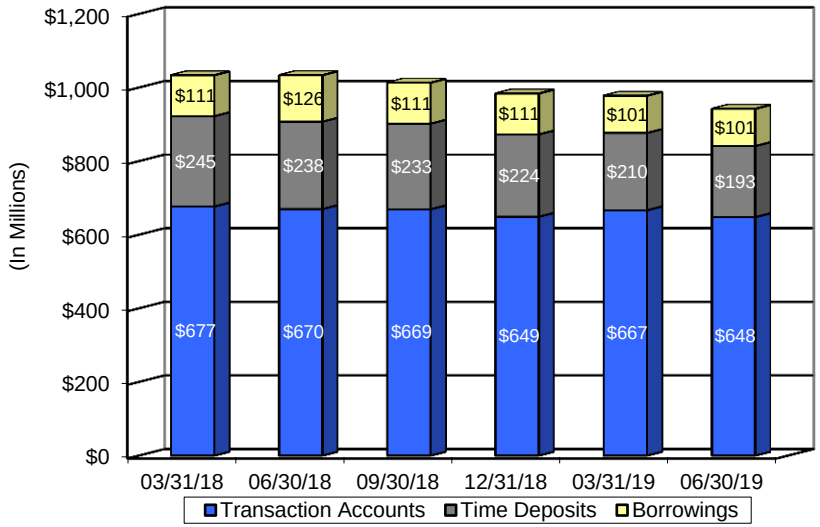
Loan Category (Dollars In Thousands)	Balance as of 06/30/19	Interest Rate	Balance as of 06/30/18	Interest Rate
Single-Family	$ 324,952	4.50%	$ 314,808	4.34%
Multi-Family	439,041	4.52%	476,008	4.20%
Commercial Real Estate	111,928	4.92%	109,726	4.71%
Construction	4,638	7.34%	3,174	6.65%
Other	167	6.50%	167	6.50%
Commercial Business	478	6.72%	500	6.17%
Consumer	134	15.50%	109	14.71%
Total Loans Held for Investment	$ 881,338	4.58%	$ 904,492	4.33%
Advance Payments of Escrows	53		18	
Deferred Loan Costs, net	5,610		5,560	
Allowance for Loan Losses	(7,076)		(7,385)	
Total Loans Held for Investment, net	879,925		902,685	

Loan Composition as of 06/30/19



Balances and Activity

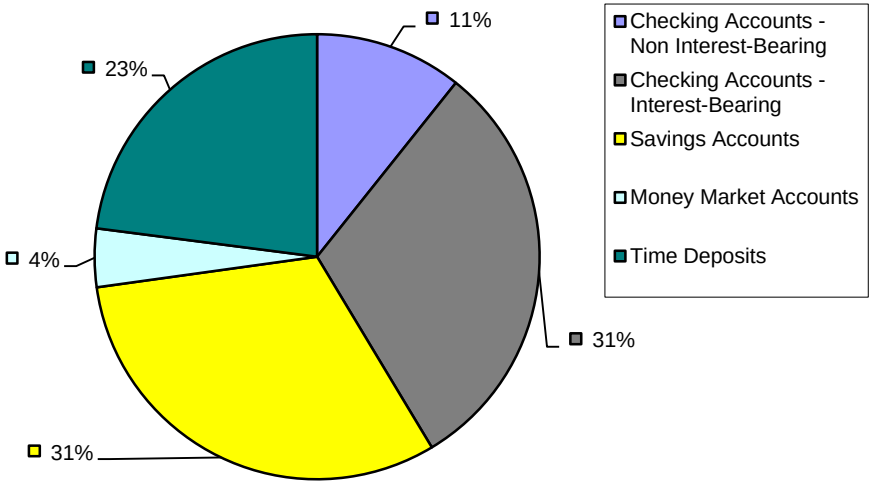
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 06/30/2019	Rate	At 06/30/2018	Rate
Checking Accounts - Non Interest-Bearing	$ 90,184	- %	$ 86,174	- %
Checking Accounts - Interest-Bearing	257,909	0.12%	259,372	0.11%
Savings Accounts	264,387	0.20%	289,791	0.21%
Money Market Accounts	35,646	0.28%	34,633	0.29%
Time Deposits	193,145	1.12%	237,628	1.05%
Total Deposits	$ 841,271	0.37%	$ 907,598	0.39%
Brokered Deposits Included Above	$ -	- %	$ 1,567	3.88%

Deposit Composition at 06/30/19



Borrowings Maturity Schedule

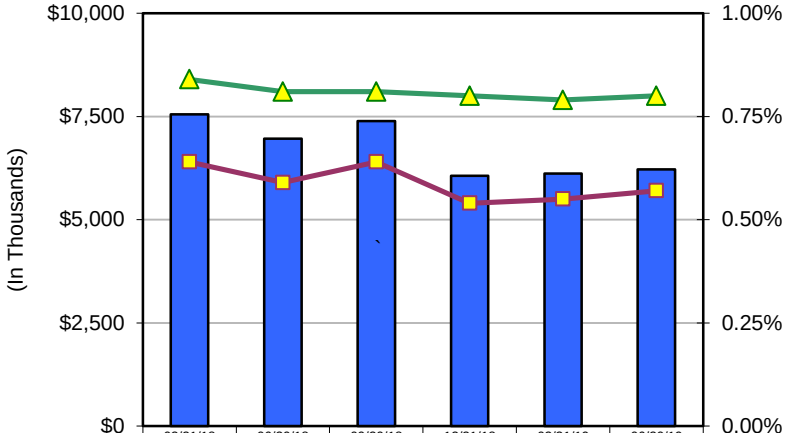
Category (Dollars In Thousands)	At 06/30/2019	Rate	At 06/30/2018	Rate
Overnight	$ -	-	$ 15,000	2.08%
Three Months or Less	-	-	-	-
Over Three to Six Months	-	-	-	-
Over Six to Twelve Months	-	-	10,000	1.53%
Over One to Two Years	20,000	3.85%	-	-
Over Two to Three Years	21,107	2.06%	20,000	3.85%
Over Three to Four Years	10,000	2.25%	21,163	2.07%
Over Four to Five Years	30,000	2.25%	10,000	2.25%
Over Five Years	20,000	2.70%	50,000	2.43%
Total Borrowings	$ 101,107	2.62%	$ 126,163	2.47%

Asset Quality

Developments

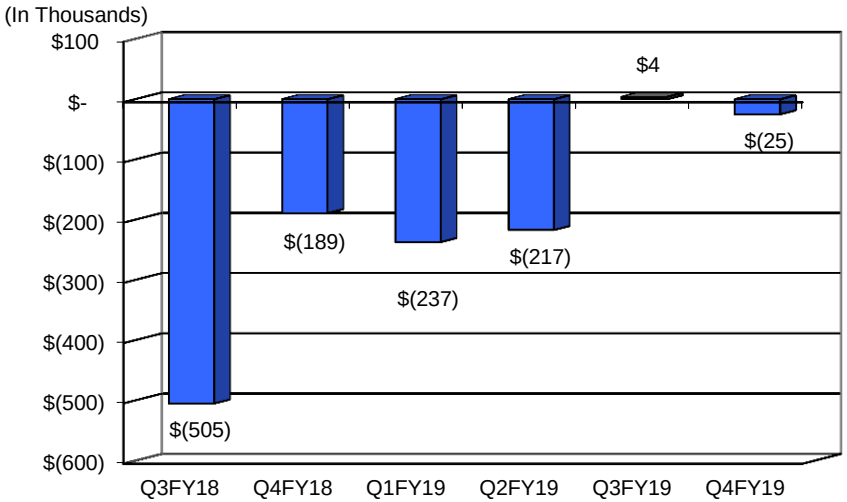
- Low level of Non-Performing Assets
- Non-Performing Assets to Total Assets Ratio at 0.57% on June 30, 2019
- No outstanding REO
- Early-Stage Delinquencies remain at low levels

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

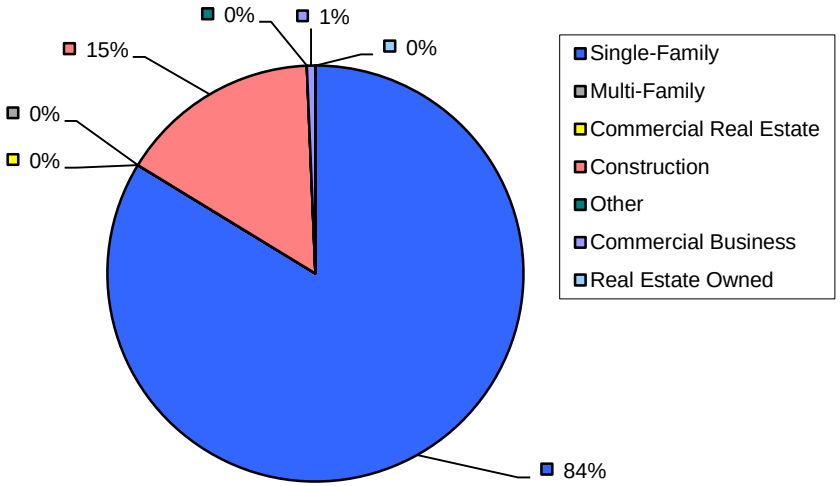


	03/31/18	06/30/18	09/30/18	12/31/18	03/31/19	06/30/19
Non-Performing Assets	$7,553	$6,963	$7,386	$6,062	$6,115	$6,218
NPA to Total Assets	0.64%	0.59%	0.64%	0.54%	0.55%	0.57%
ALLL to LHI	0.84%	0.81%	0.81%	0.80%	0.79%	0.80%

(Recovery) Provision for Loan Losses

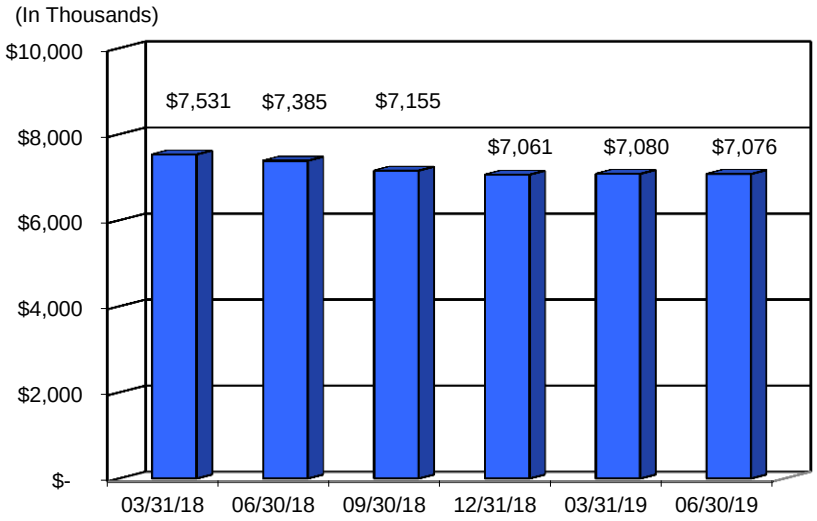


Non-Performing Asset Composition 06/30/19

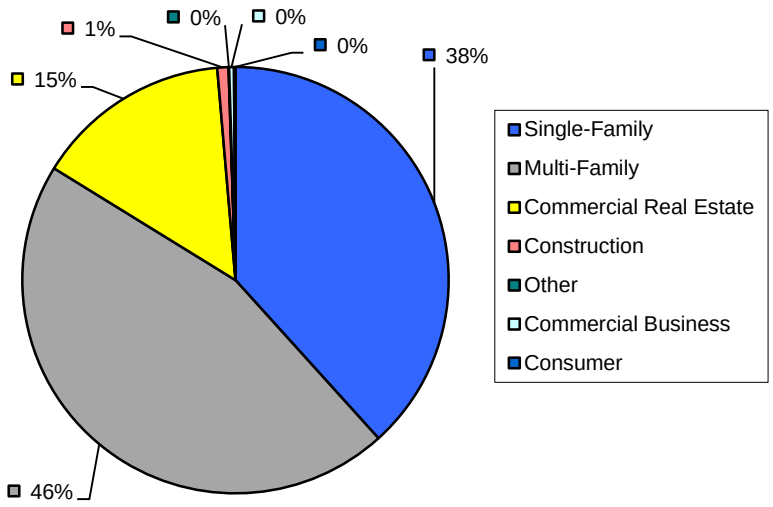


Asset Quality

Allowance for Loan Losses (ALLL)



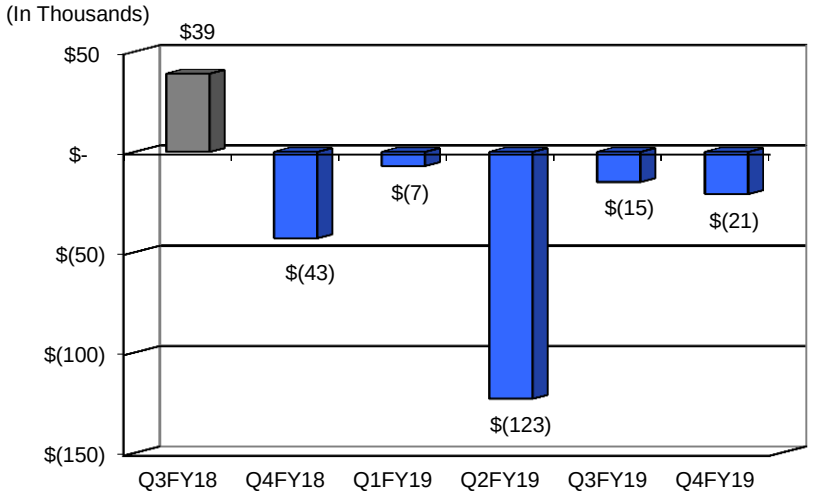
ALLL Allocation as of 06/30/19



Delinquent and Non-Performing Loans

	At June 30, 2019				At June 30, 2018			
	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	2	$660	20	$5,206	1	$804	21	$5,993
Multi-Family	-	-	-	-	-	-	-	-
Commercial Real Estate	-	-	-	-	-	-	-	-
Construction	-	-	1	971	-	-	-	-
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	1	41	-	-	1	64
Consumer Loans	-	-	-	-	2	1	-	-
Total	2	$ 660	22	$ 6,218	3	$ 805	22	$ 6,057

Net Charge-Offs (Recoveries)



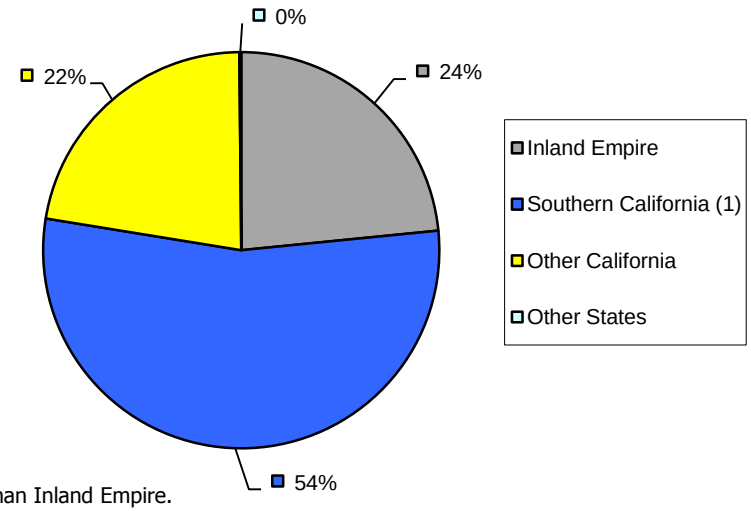
Asset Quality

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	$ 104,967	33%	$ 146,963	45%	$ 71,997	22%	$ 1,025	0%	$ 324,952	100%
Multi-Family	70,241	16%	272,282	62%	96,192	22%	326	0%	439,041	100%
Commercial Real Estate	30,551	27%	54,010	48%	27,367	25%	-	0%	111,928	100%
Construction	525	11%	3,579	77%	534	12%	-	0%	4,638	100%
Other	-	0%	-	0%	167	100%	-	0%	167	100%
Total	$ 206,284	24%	$ 476,834	54%	$ 196,257	22%	$ 1,351	0%	$ 880,726	100%

[1] Other than Inland Empire.

Geographic Location 06/30/19



[1] Other than Inland Empire.

Asset Quality

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

	Year of Origination									
	2011 & Prior	2012	2013	2014	2015	2016	2017	2018	2019 YTD	TOTAL
Loan Balance (In Thousands)	$87,718	$1,922	$1,617	$4,593	$7,857	$26,919	$61,339	$75,709	$45,950	$313,624
Weighted Avg. LTV [1]	57%	54%	40%	62%	67%	62%	71%	69%	63%	64%
Weighted Avg. Age (In Years)	13.66	6.83	6.10	4.96	4.07	2.76	2.03	0.99	0.15	4.96
Weighted Avg. FICO [2]	730	755	757	751	747	752	739	744	773	744
Number of Loans	331	10	18	15	12	54	97	131	104	772
Geographic Breakdown (%)										
Inland Empire	37%	17%	57%	26%	20%	25%	36%	43%	10%	32%
Southern California [3]	50%	52%	24%	42%	64%	36%	42%	49%	39%	46%
Other California	12%	31%	19%	32%	16%	39%	22%	8%	51%	22%
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									
	2011 & Prior	2012	2013	2014	2015	2016	2017	2018	2019 YTD	TOTAL
Loan Balance (In Thousands)	$15,608	$9,763	$24,523	$38,124	$64,539	$105,745	$69,103	$75,675	$35,961	$439,041
Weighted Avg. LTV [1]	37%	48%	47%	50%	51%	47%	48%	45%	52%	48%
W. Avg. Debt Coverage Ratio [2]	1.76x	1.90x	1.83x	1.77x	1.69x	1.66x	1.68x	1.57x	1.56x	1.67x
Weighted Avg. Age (In Years)	13.22	6.79	5.88	4.95	3.96	3.00	2.07	1.08	0.23	3.21
Weighted Avg. FICO [2]	727	745	768	767	755	763	750	757	758	757
Number of Loans	38	13	41	65	110	131	111	93	42	644
Geographic Breakdown (%)										
Inland Empire	34%	0%	42%	19%	19%	11%	18%	12%	7%	16%
Southern California [3]	56%	78%	46%	54%	58%	61%	65%	68%	73%	62%
Other California	8%	22%	12%	27%	23%	28%	17%	20%	20%	22%
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									
	2011 & Prior	2012	2013	2014	2015	2016	2017	2018	2019 YTD	TOTAL [4][5]
Loan Balance (In Thousands)	$516	$9,319	$5,603	$15,732	$19,136	$14,537	$19,250	$19,780	$8,055	$111,928
Weighted Avg. LTV [1]	37%	43%	0.47	42%	39%	47%	42%	44%	43%	43%
W. Avg. Debt Coverage Ratio [2]	1.38x	1.98x	1.68x	1.99x	1.79x	1.59x	1.82x	1.61x	1.40x	1.75x
Weighted Avg. Age (In Years)	10.28	6.73	6.10	4.80	3.94	3.12	1.86	1.04	0.26	3.19
Weighted Avg. FICO [2]	711	742	761	752	757	761	773	754	754	758
Number of Loans	4	7	9	19	25	20	23	29	10	146
Geographic Breakdown (%)										
Inland Empire	68%	78%	16%	47%	31%	12%	26%	10%	0%	27%
Southern California [3]	32%	22%	53%	36%	32%	62%	52%	55%	88%	48%
Other California	0%	0%	31%	17%	37%	26%	22%	35%	12%	25%
Other States	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

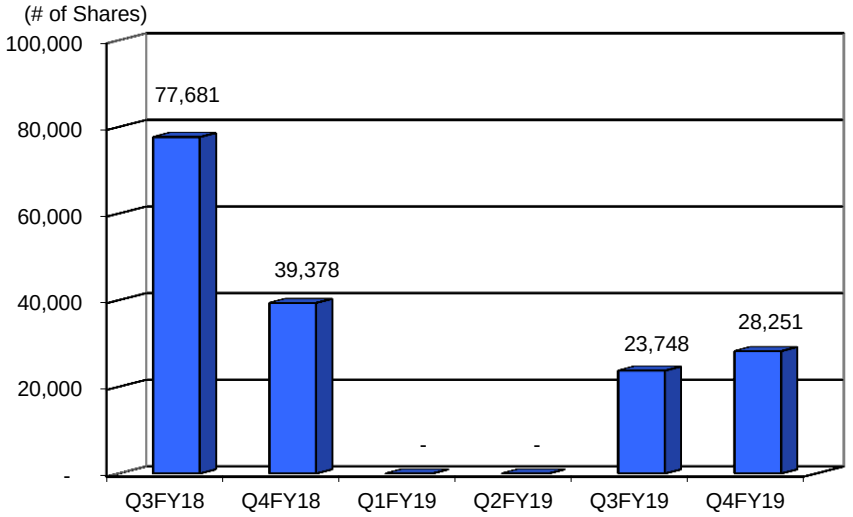
(1) Current loan balance in comparison to the original appraised value.
(2) At time of loan origination.
(3) Other than Inland Empire.
(4) Comprised of the following: $47.3 million in Mixed Use; $21.8 million in Office; $18.2 million in Retail; $8.6 million in Mobile Home Parks; $6.4 million in Warehouse; $4.2 million in Medical/Dental Office; $2.7 million in Mini-Storage; $1.3 million in Restaurant/Fast Food; $1.1 million in Automotive – Non-Gasoline; and $314,000 in Light Industrial/Manufacturing.
(5) Consisting of $105.5 million or 94.3% in investment properties and $6.4 million or 5.7% in owner occupied properties.

Capital Management

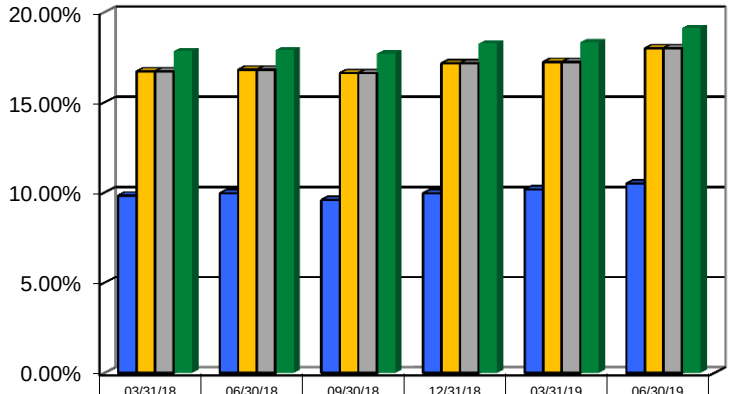
Developments

- Bank Capital Ratios remain strong
- 2.67% cash dividend yield (approximately)
- Repurchased approximately 28,000 shares of common stock

Stock Repurchase Plan Activity

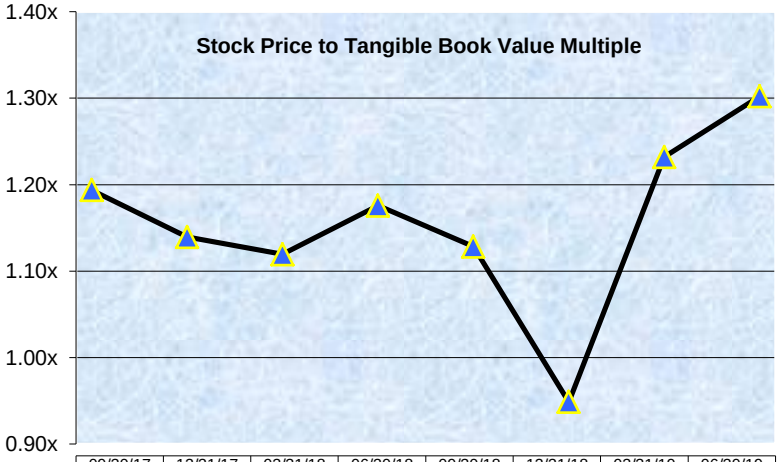


Bank Capital Ratios



	03/31/18	06/30/18	09/30/18	12/31/18	03/31/19	06/30/19
Tier 1 Leverage Ratio	9.83%	9.96%	9.59%	9.96%	10.17%	10.50%
CET1 Ratio	16.72%	16.81%	16.62%	17.17%	17.24%	18.00%
Tier 1 Risk-Based Capital Ratio	16.72%	16.81%	16.62%	17.17%	17.24%	18.00%
Total Risk-Based Capital Ratio	17.84%	17.90%	17.71%	18.26%	18.34%	19.13%

Value Proposition



	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18	12/31/18	03/31/19	06/30/19
Price/TBV	1.19x	1.14x	1.12x	1.18x	1.13x	0.95x	1.23x	1.30x