

Fourth Quarter of Fiscal 2021

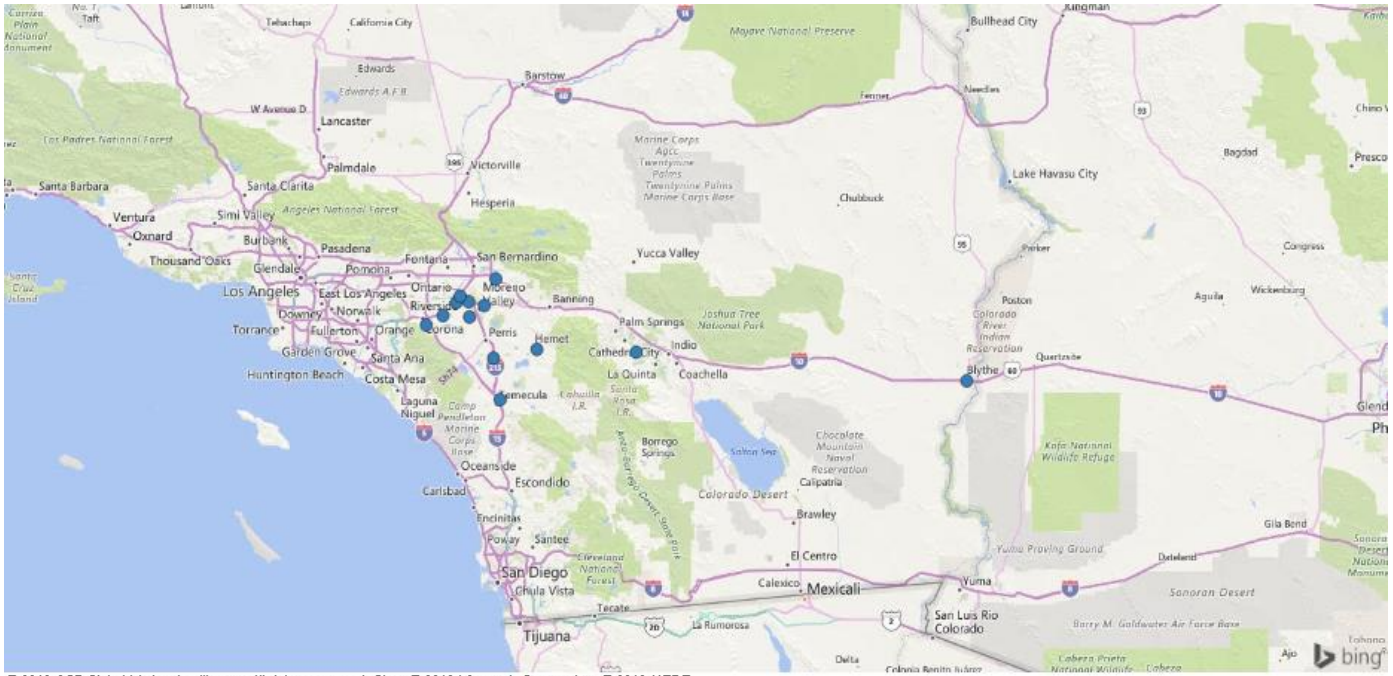
June 30, 2021

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, the expected or potential impact of the novel coronavirus (COVID-19) pandemic; increased competitive pressures; changes in the interest rate environment; secondary market conditions for loans and our ability to buy or 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 2022 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:	$17.27
52-Week Range:	$11.40 - $18.48
Shares Outstanding:	7,541,469 shares
Market Capitalization:	$130.2 million
P/E (ttm):	17.27x
Diluted EPS (ttm):	$1.00
Annual Dividend & Yield:	$0.56 (3.24%)
As of June 30, 2021	

Franchise Overview



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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

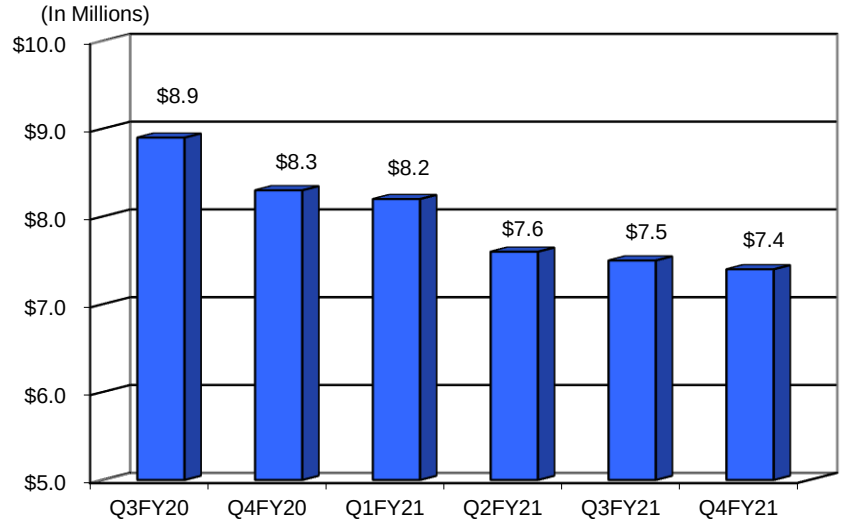
- Largest independent community bank headquartered in Riverside County, California
- Expanding customer base and market
- Tenth largest deposit market share in Riverside County; second largest deposit market share of community banks

Financial Performance

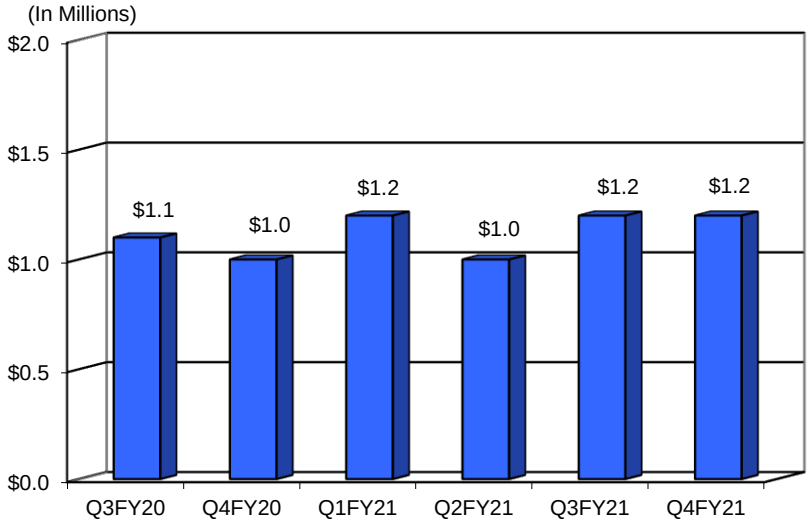
Developments

- Net Income increases approximately 114% (sequential quarter)
- Net Interest Margin decreases six basis points (sequential quarter)
- Non-Interest Income remains unchanged (sequential quarter)
- Operating Expenses decrease 29% (sequential quarter), attributable mainly to the $2.4 million credit from the Employee Retention Tax Credit

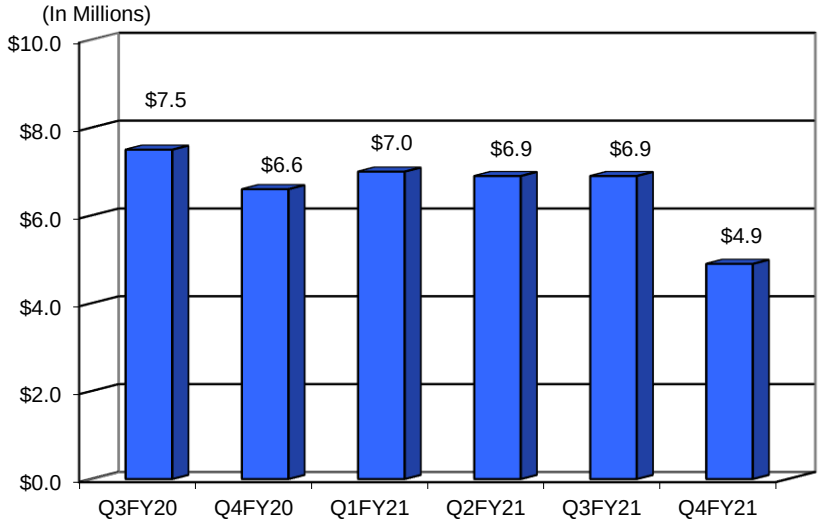
Net Interest Income



Non-Interest Income

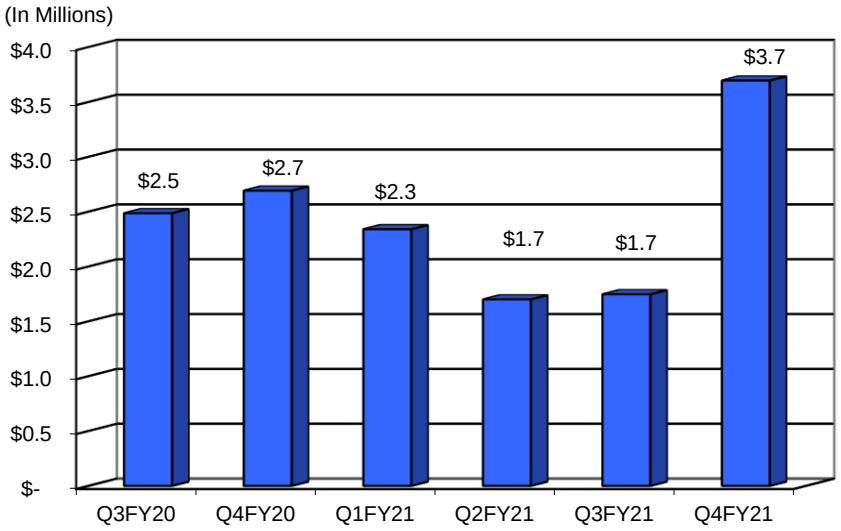


Operating Expenses

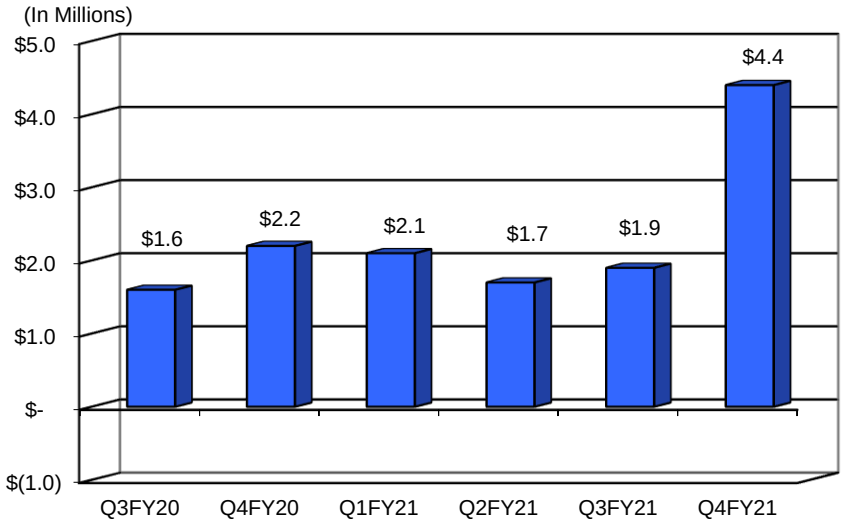


Financial Performance

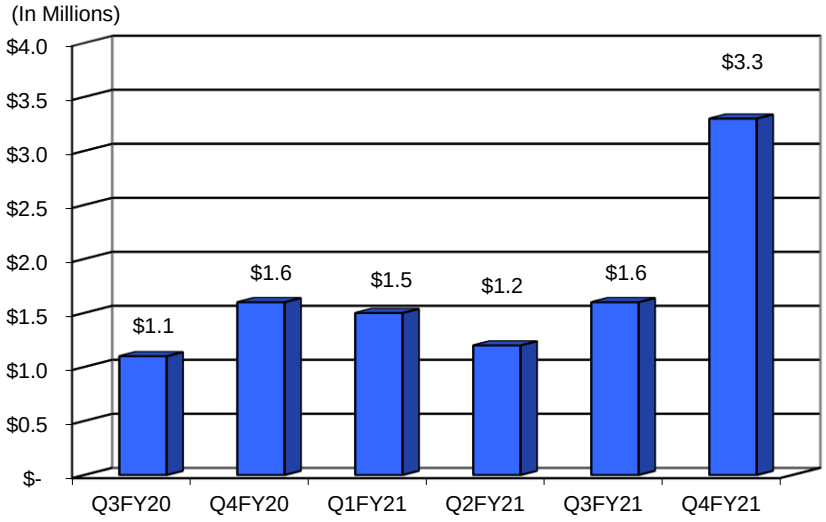
Pre-Provision, Pre-Tax Earnings



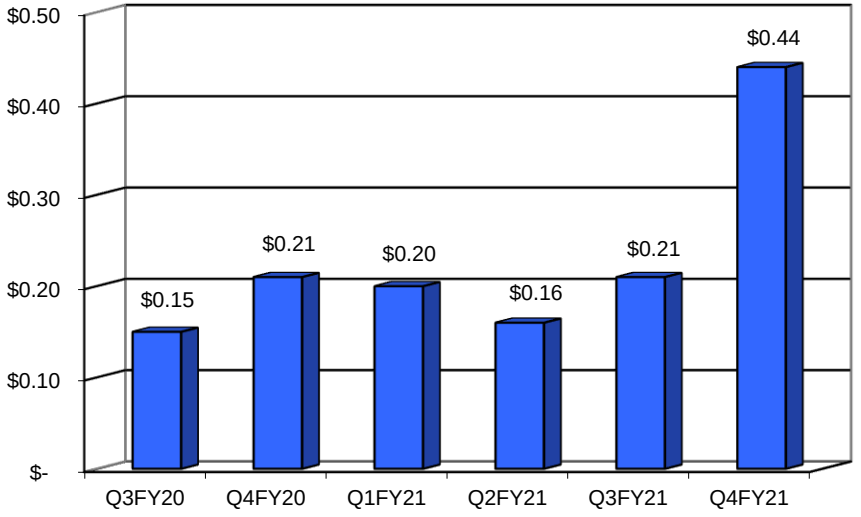
Pre-Tax Income



Quarterly Net Income

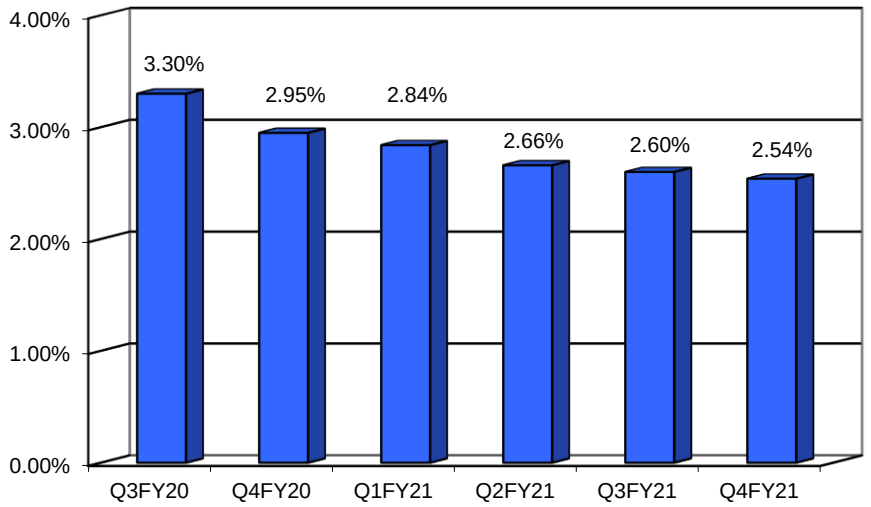


Diluted Earnings Per Share

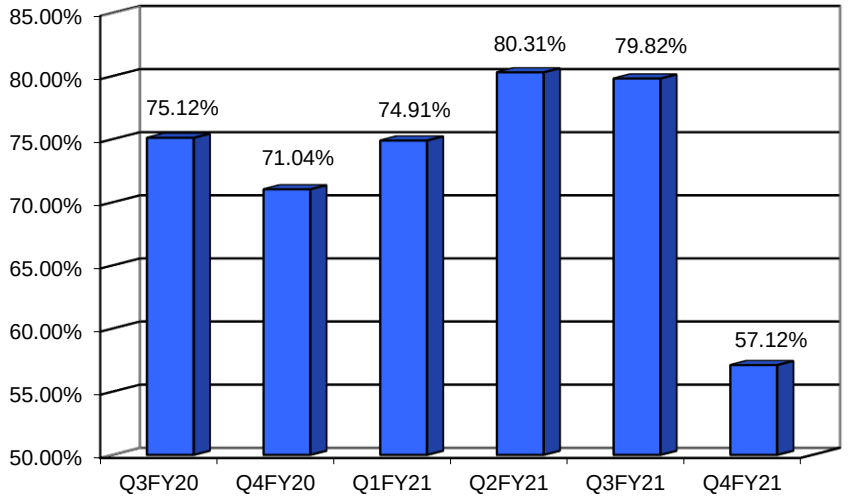


Financial Ratios

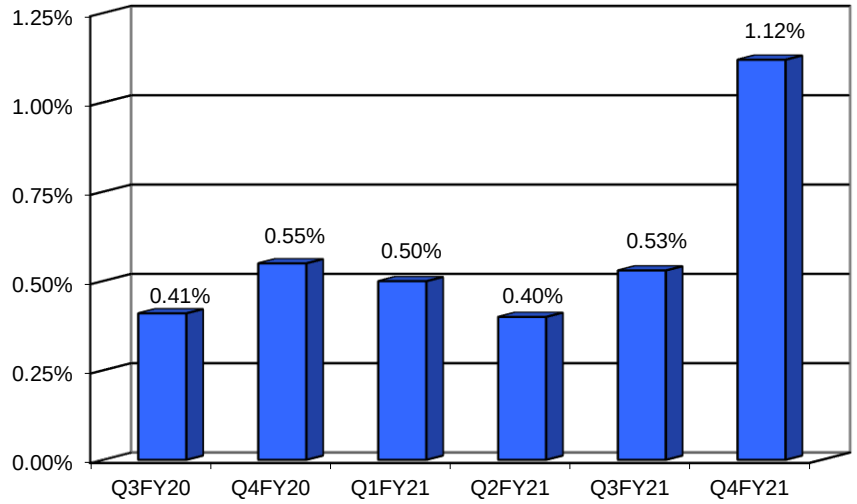
Net Interest Margin



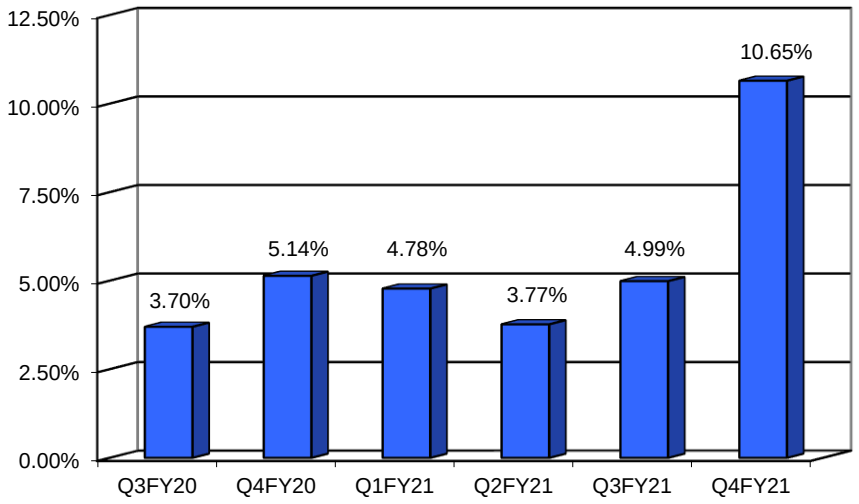
Efficiency Ratio



Return on Average Assets



Return on Average Equity

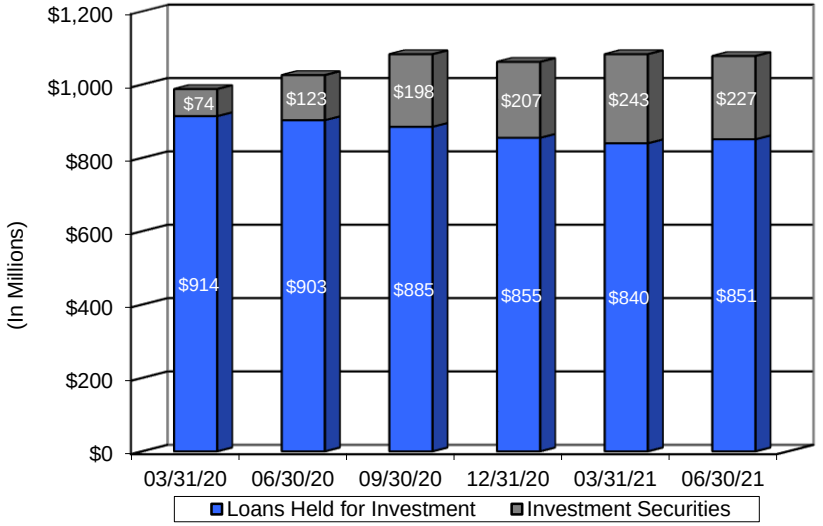


Balances and Activity

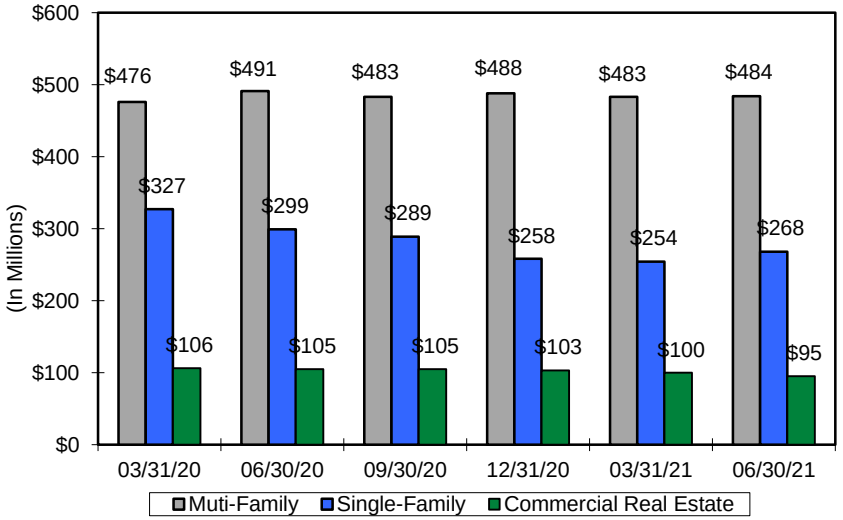
Developments

- Loans Held for Investment balance increases by approximately 1% (sequential quarter)
- Yield on Loans Held for Investment decreases 29 basis points from June 30, 2020
- Total Deposits balance increases (sequential quarter)
- Deposit costs decline by 11 basis points from June 30, 2020
- Total Borrowings decline by approximately 9% (sequential quarter)
- Borrowing costs decline by four basis points from June 30, 2020

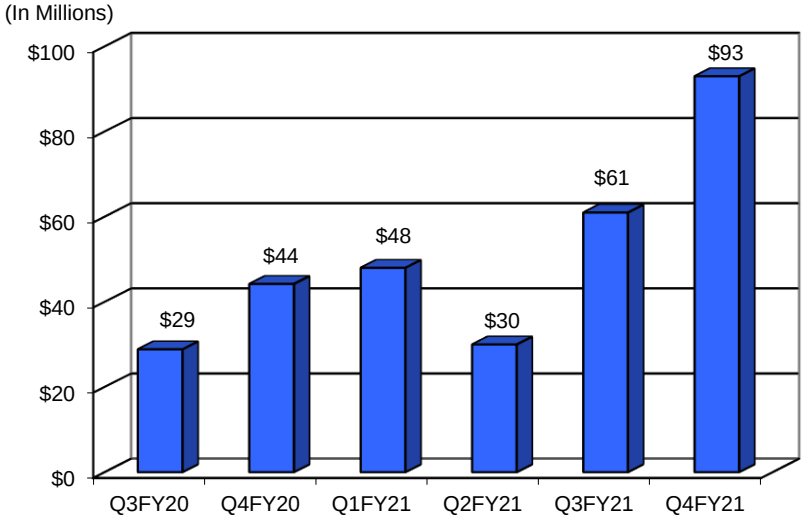
Loan to Investment Mix



Loan Portfolio Mix



Portfolio Loan Originations and Purchases

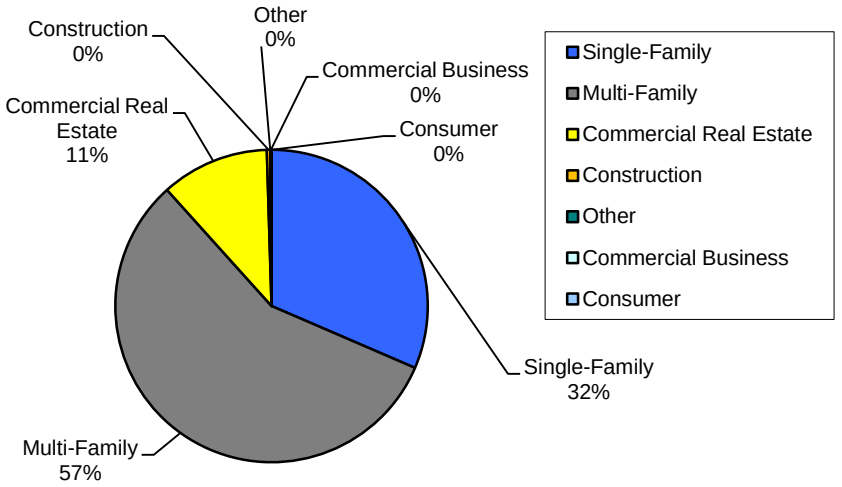


Balances and Activity

Loans Held for Investment Composition

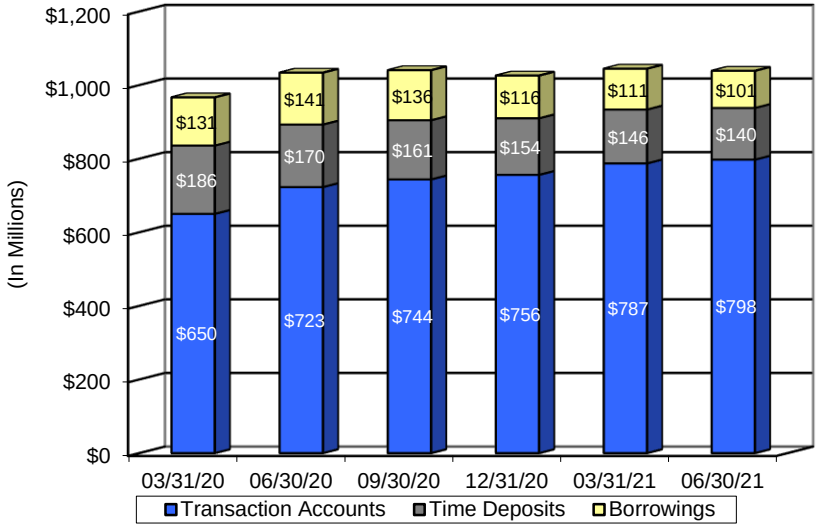
Loan Category (Dollars In Thousands)	Balance as of 06/30/21	Interest Rate	Balance as of 06/30/20	Interest Rate
Single-Family	$ 268,272	3.42%	$ 298,810	4.04%
Multi-Family	484,408	4.09%	491,903	4.24%
Commercial Real Estate	95,279	4.68%	105,235	4.75%
Construction	3,040	5.84%	7,801	6.35%
Other	139	5.25%	143	5.25%
Commercial Business	849	6.39%	480	5.99%
Consumer	95	15.00%	94	15.00%
Total Loans Held for Investment	$ 852,082	3.96%	$ 904,466	4.25%
Advance Payments of Escrows	157		68	
Deferred Loan Costs, net	6,308		6,527	
Allowance for Loan Losses	(7,587)		(8,265)	
Total Loans Held for Investment, net	850,960		902,796	

Loan Composition as of 06/30/21



Balances and Activity

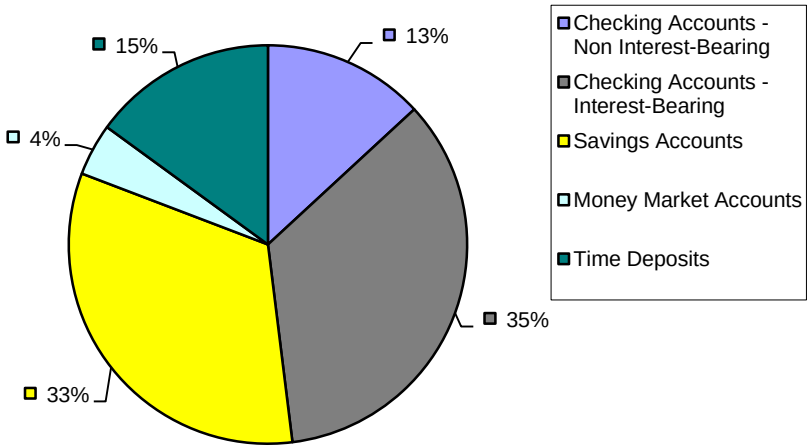
Deposits and Borrowings



Deposit Composition

Category (Dollars In Thousands)	At 06/30/2021	Rate	At 06/30/2020	Rate
Checking Accounts - Non Interest-Bearing	$ 123,179	- %	$ 118,771	- %
Checking Accounts - Interest-Bearing	327,388	0.04%	290,463	0.10%
Savings Accounts	307,299	0.05%	273,769	0.13%
Money Market Accounts	39,670	0.15%	39,989	0.22%
Time Deposits	140,437	0.71%	169,977	0.95%
Total Deposits	$ 937,973	0.15%	$ 892,969	0.26%
Brokered Deposits Included Above	$ -	- %	$ -	-%

Deposit Composition at 06/30/21



Borrowings Maturity Schedule

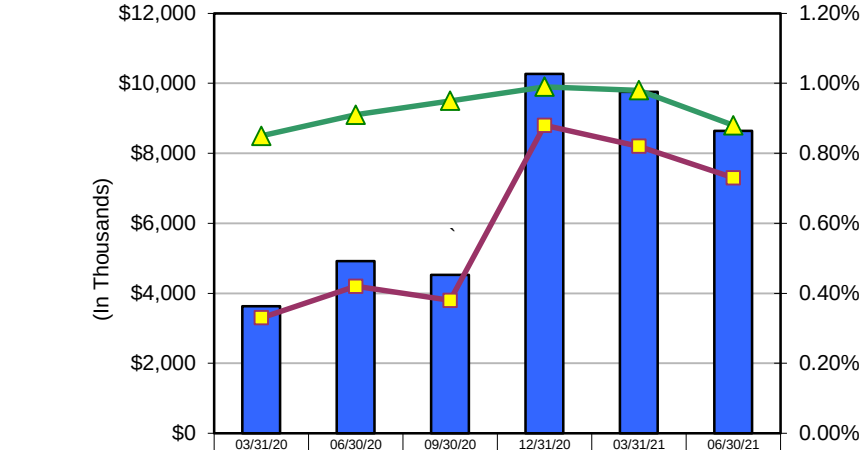
Category (Dollars In Thousands)	At 06/30/2021	Rate	At 06/30/2020	Rate
Overnight	$ -	-	$ -	-
Three Months or Less	10,983	1.88%	-	-
Over Three to Six Months	-	-	15,000	2.62%
Over Six to Twelve Months	10,000	2.20%	15,000	2.52%
Over One to Two Years	30,000	1.92%	31,047	1.90%
Over Two to Three Years	30,000	2.25%	30,000	1.92%
Over Three to Four Years	20,000	2.70%	30,000	2.25%
Over Four to Five Years	-	-	20,000	2.70%
Over Five Years	-	-	-	-
Total Borrowings	$ 100,983	2.19%	$ 141,047	2.23%

Asset Quality

Developments

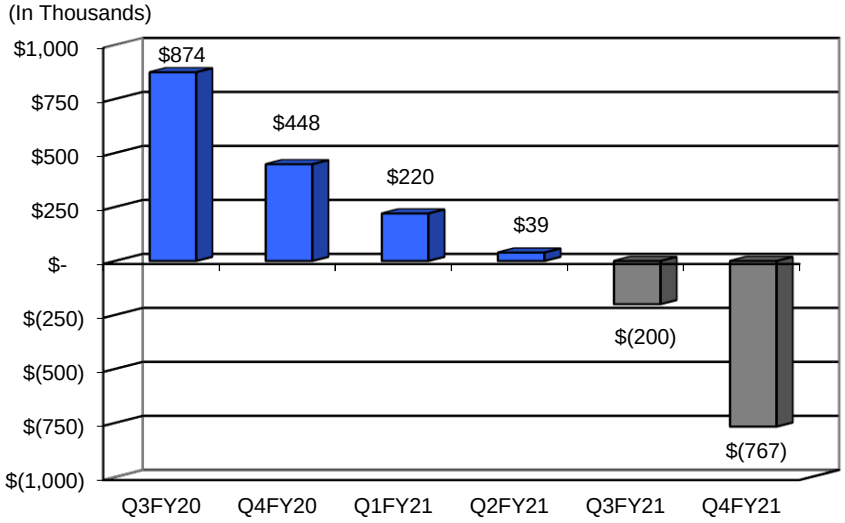
- Non-Performing Assets to Total Assets Ratio declines to 0.73% at June 30, 2021
- $767,000 Recovery from the Allowance for Loan Losses
- No REO
- Early-Stage Delinquencies remain at very low levels
- $1.8 million of Loans in Forbearance, approximately 0.22% of gross loans held for investment at June 30, 2021

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

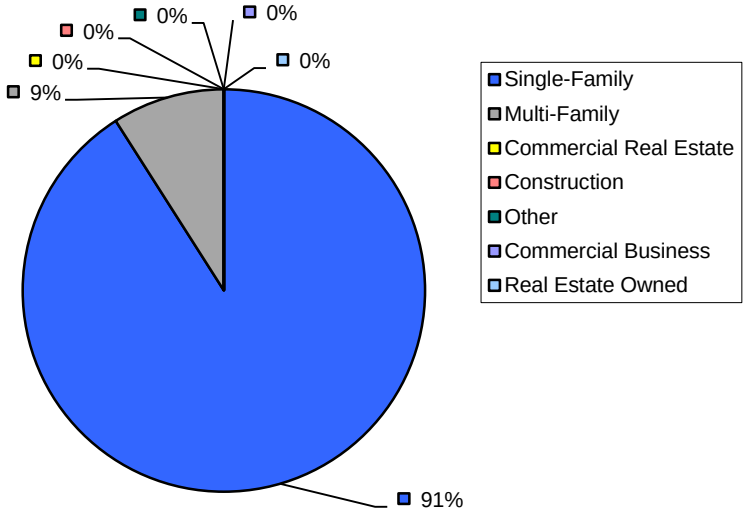


	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21	06/30/21
Non-Performing Assets	$3,635	$4,924	$4,532	$10,270	$9,759	$8,646
NPA to Total Assets	0.33%	0.42%	0.38%	0.88%	0.82%	0.73%
ALLL to LHI	0.85%	0.91%	0.95%	0.99%	0.98%	0.88%

(Recovery) Provision for Loan Losses

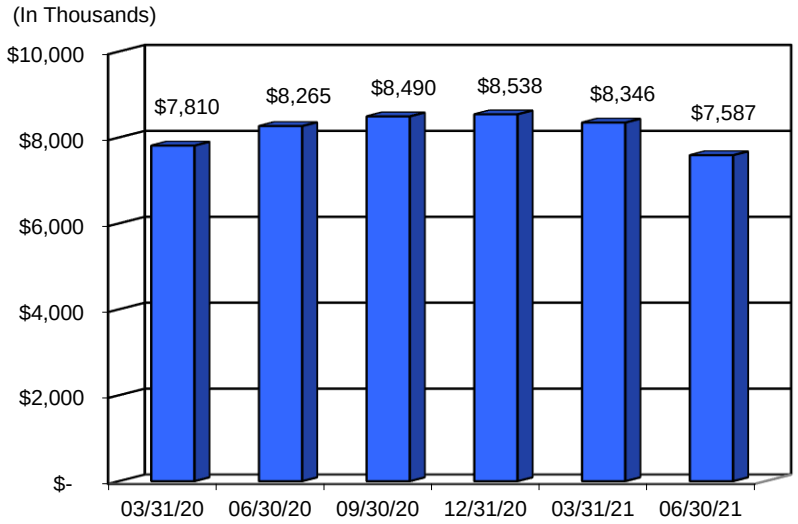


Non-Performing Asset Composition 06/30/21

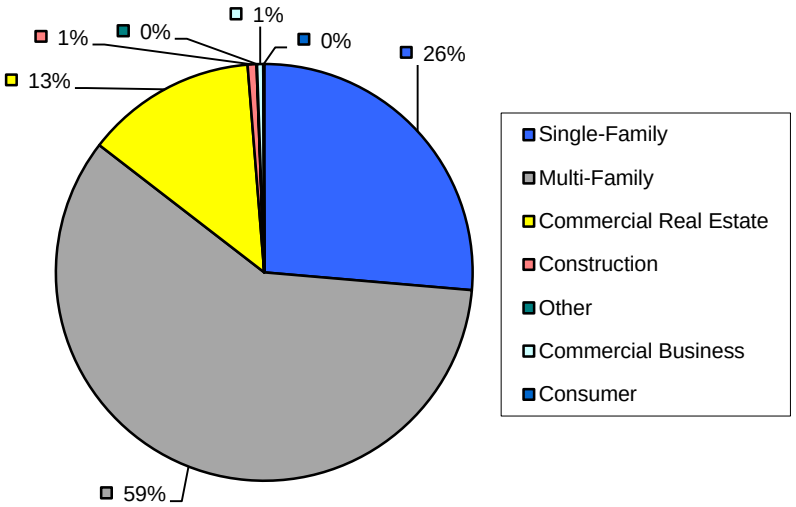


Asset Quality

Allowance for Loan Losses (ALLL)



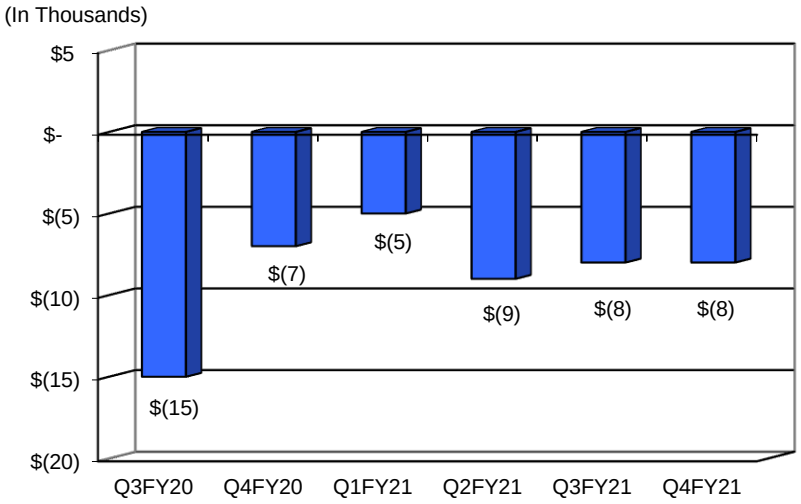
ALLL Allocation as of 06/30/21



Delinquent and Non-Performing Loans

	At Jun 30, 2021				At June 30, 2020			
	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	-	$ -	27	$ 7,865	1	$ 219	18	$ 4,893
Multi-Family	-	-	1	781	-	-	-	-
Commercial Real Estate	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Commercial Business Loans	-	-	-	-	-	-	1	31
Consumer Loans	-	-	-	-	-	-	-	-
Total	-	$ -	28	$ 8,646	1	$ 219	19	$ 4,924

Net Charge-Offs (Recoveries)



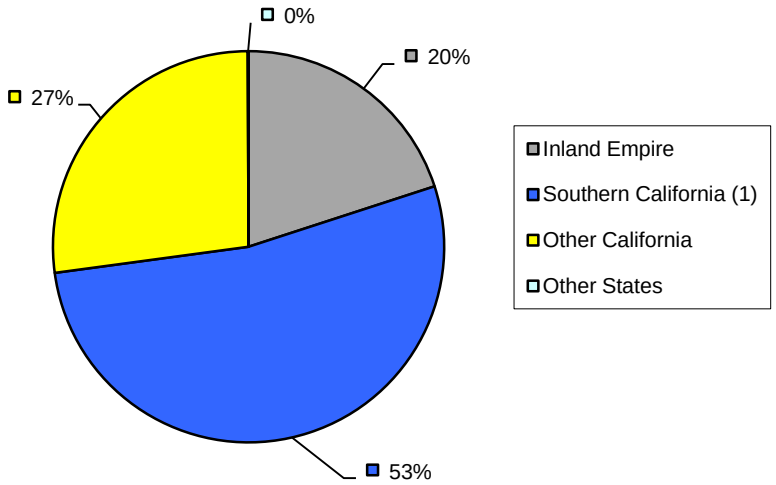
Asset Quality

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	$ 78,631	29%	$ 100,560	38%	$ 88,790	33%	$ 291	0%	$ 268,272	100%
Multi-Family	68,350	14%	304,534	63%	111,232	23%	292	0%	484,408	100%
Commercial Real Estate	22,989	24%	41,941	44%	30,350	32%	-	0%	95,280	100%
Construction	279	9%	2,761	91%	-	0%	-	0%	3,040	100%
Other	-	0%	139	100%	-	0%	-	0%	139	100%
Total	$ 170,249	20%	$ 449,935	53%	$ 230,372	27%	$ 583	0%	$ 851,139	100%

[1] Other than Inland Empire.

Geographic Location 06/30/21



[1] Other than Inland Empire.

Asset Quality

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

	Year of Origination									
	2013 & Prior	2014	2015	2016	2017	2018	2019	2020	YTD2021	TOTAL
Loan Balance (In Thousands)	$45,731	$639	$4,055	$9,595	$22,743	$26,280	$28,728	$38,682	$88,812	$265,265
Weighted Avg. LTV (1)	51%	34%	63%	55%	65%	64%	54%	64%	65%	61%
Weighted Avg. Age (In Years)	15.56	7.03	6.12	4.79	4.10	3.07	1.94	0.91	0.23	4.04
Weighted Avg. FICO (2)	729	738	748	751	731	738	760	752	769	751
Number of Loans	227	6	6	23	39	46	57	53	114	571
Geographic Breakdown (%)										
Inland Empire	37%	28%	16%	24%	37%	49%	12%	19%	29%	29%
Southern California (3)	51%	45%	68%	55%	52%	40%	62%	26%	20%	38%
Other California	11%	27%	16%	21%	11%	11%	26%	55%	51%	33%
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									
	2013 & Prior	2014	2015	2016	2017	2018	2019	2020	YTD2021	TOTAL
Loan Balance (In Thousands)	$25,420	$19,667	$34,304	$66,503	$51,556	$57,103	$89,744	$82,058	$58,053	$484,408
Weighted Avg. LTV (1)	40%	48%	45%	44%	46%	44%	48%	51%	51%	47%
W. Avg. Debt Coverage Ratio (2)	1.87x	1.75x	1.76x	1.69x	1.66x	1.54x	1.59x	1.58x	1.76x	1.66x
Weighted Avg. Age (In Years)	10.99	6.97	5.94	4.89	4.08	3.06	1.92	0.96	0.19	3.29
Weighted Avg. FICO (3)	744	774	752	763	752	754	764	761	765	760
Number of Loans	54	34	69	90	87	76	95	83	66	654
Geographic Breakdown (%)										
Inland Empire	32%	7%	17%	10%	16%	14%	10%	15%	16%	14%
Southern California (4)	53%	50%	57%	62%	68%	66%	68%	68%	53%	63%
Other California	14%	43%	26%	28%	16%	20%	22%	17%	31%	23%
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) At time of loan origination, borrowers and/or guarantors.

(4) Other than Inland Empire.

Commercial RE – Loans Held for Investment

	Year of Origination									
	2013 & Prior	2014	2015	2016	2017	2018	2019	2020	YTD2021	TOTAL (5)(6)
Loan Balance (In Thousands)	$10,568	$7,971	$10,824	$9,091	$15,377	$14,193	$18,040	$7,261	$1,954	$95,279
Weighted Avg. LTV (1)	40%	30%	38%	44%	42%	42%	43%	37%	51%	41%
W. Avg. Debt Coverage Ratio (2)	1.98x	2.39x	1.79x	1.58x	1.64x	1.65x	1.44x	1.99x	1.61x	1.74x
Weighted Avg. Age (In Years)	8.64	6.87	6.00	5.11	3.79	3.06	1.96	1.24	0.22	4.24
Weighted Avg. FICO (3)	760	752	740	775	778	755	757	731	730	758
Number of Loans	12	15	18	15	17	24	20	10	3	134
Geographic Breakdown (%)										
Inland Empire	73%	18%	34%	13%	25%	11%	11%	7%	58%	24%
Southern California (4)	27%	58%	37%	48%	45%	43%	52%	47%	20%	44%
Other California	0%	24%	29%	39%	30%	46%	37%	46%	22%	32%
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) At time of loan origination, borrowers and/or guarantors.
(4) Other than Inland Empire.
(5) Comprised of the following: $36.1 million in Office; $19.7 million in Retail; $18.1 million in Mixed Use ($7.6 million in Multi-Family/Retail, $4.3 million in Office/Retail, $2.6 million in Multi-Family/Office and $3.6 million in Other Mixed Use); $6.7 million in Warehouse; $6.1 million in Mobile Home Park; $5.9 million in Medical/Dental Office; $1.1 million in Restaurant/Fast Food; $746 thousand in Live/Work Unit; $524 thousand in Automotive – Non-Gasoline; and $292 thousand in Light Industrial/Manufacturing.
(6) Consisting of $89.2 million or 93.7% in investment properties and $6.1 million or 6.3% in owner occupied properties.

Loans in Forbearance (06/30/2021)

(Dollars In Thousands)	Number of Loans	Loan Balance	Weighted Avg. LTV(1)	Weighted Avg. FICO(2)	Weighetd Avg. Debt Coverage Ratio(3)	Weighted Avg. Forbearance Granted(4)
Single-Family Loans	3	$ 897	78 %	696	N/A	14.0
Commercial Real Estate Loans	1	945	48 %	704	1.71 x	4.0
Total Loans in Forbearance	4	$ 1,842	63 %	700	1.71 x	8.9

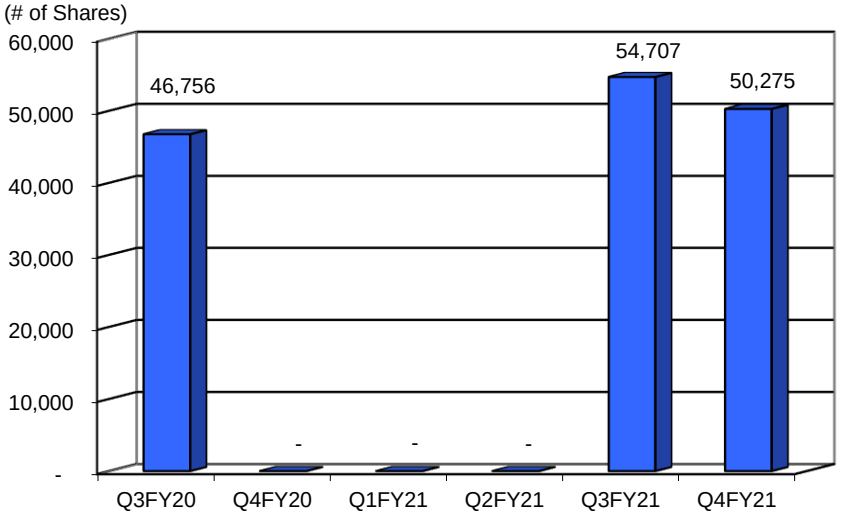
(1) Current loan balance in comparison to the original appraised value.
(2) At time of loan origination, borrowers and/or guarantors.
(3) At time of loan origination.
(4) In months.

Capital Management

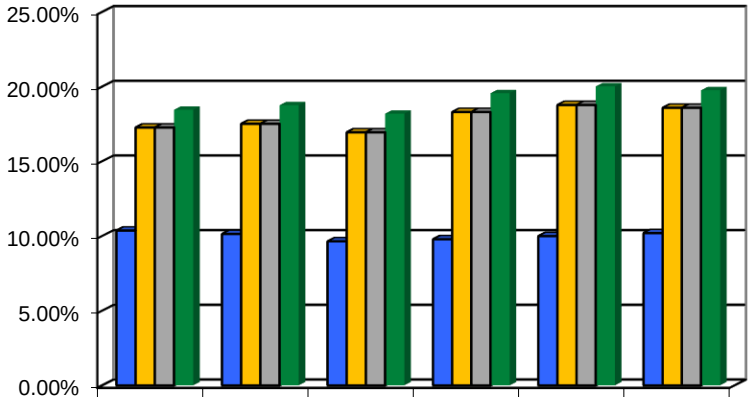
Developments

- Bank Capital Ratios remain strong
- 3.24% cash dividend yield (approximately)
- Purchased approximately 50,000 shares of common stock in the fourth quarter of fiscal 2021

Stock Repurchase Plan Activity

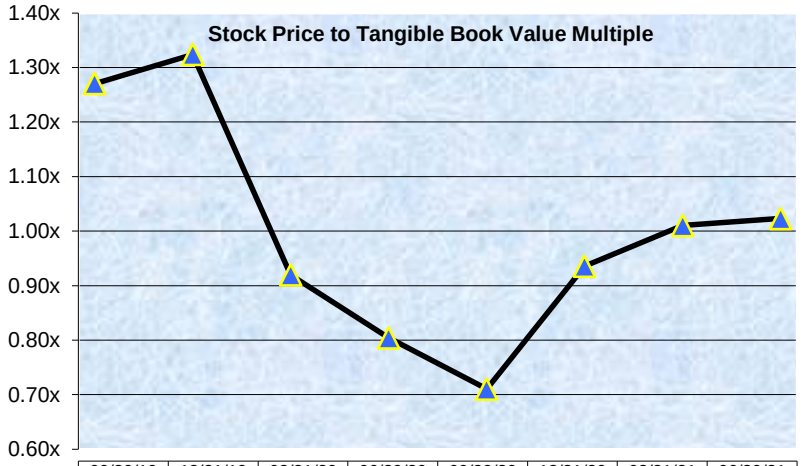


Bank Capital Ratios



	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21	06/30/21
Tier 1 Leverage Ratio	10.36%	10.13%	9.64%	9.78%	9.99%	10.19%
CET1 Ratio	17.26%	17.51%	16.94%	18.30%	18.77%	18.58%
Tier 1 Risk-Based Capital Ratio	17.26%	17.51%	16.94%	18.30%	18.77%	18.58%
Total Risk-Based Capital Ratio	18.45%	18.76%	18.19%	19.56%	20.02%	19.76%

Value Proposition



	09/30/19	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21	06/30/21
Price/TBV	1.27x	1.32x	0.92x	0.80x	0.71x	0.94x	1.01x	1.02x