



**Provident Financial Holdings, Inc.**

**March 31, 2005**

[www.myprovident.com](http://www.myprovident.com)

# Safe-Harbor Statement

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This presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to, among others, expectations of the business environment in which the Company operates, projections of future performance, perceived opportunities in the market, potential future credit experience, and statements regarding the Company's mission and vision. These forward-looking statements are based upon current management expectations, and may, therefore, involve risks and uncertainties. The Company's actual results, performance, or achievements may differ materially from those suggested, expressed, or implied by forward-looking statements due to a wide range of factors including, but not limited to, the general business environment, interest rates, the California real estate market, competitive conditions between banks and non-bank financial services providers, regulatory changes, and other risks detailed in the Company's reports filed with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended June 30, 2004. Forward-looking statements are effective only as of the date that they are made and the Company assumes no obligation to update this information.

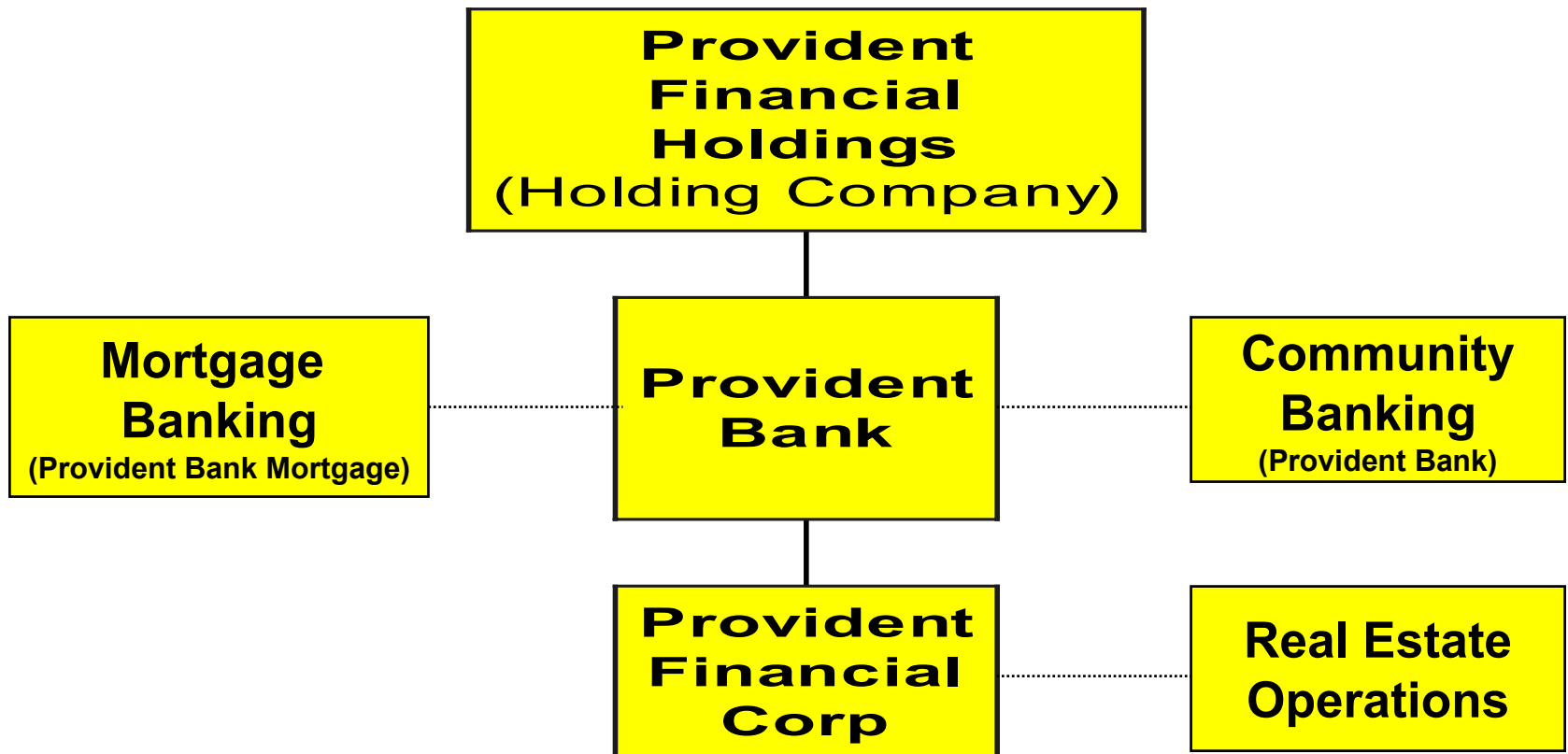
# Market Highlights

## **Provident Financial Holdings, Inc.**

Nasdaq NM:	PROV
Share price:	\$29.74
52-week range:	\$22.30 - \$30.96
Shares outstanding	6,993,590 shares
Market cap:	\$208.0 million
P/E (ttm):	11.66
EPS (ttm):	\$2.55
Annual div & yield:	\$0.56 (1.88%)
Div distribution date:	14-Mar-05
Div record date:	18-Feb-05

As of March 31, 2005.

# Organizational Chart



# PROV Overview

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## **Regional Banking Services Company Based in the Inland Empire Area of Southern California**

- Strong organic growth rate
- Expanding customer base and market
- Strong mortgage operations
- Outstanding asset quality
- Largest independent community bank headquartered in Riverside County, California

# PROV Overview

## Southern California



### Provident Bank

#### Full Service Offices:

- ★ Blythe
- ★ Canyon Crest, Riverside
- ★ Corona
- ★ Corporate Office, Riverside
- ★ Downtown, Riverside
- ★ Hemet
- ★ Moreno Valley
- ★ Orangecrest, Riverside
- ★ Rancho Mirage
- ★ Redlands
- ★ Sun City
- ★ Temecula

### Provident Bank Mortgage

#### Wholesale Office:

- ★ Rancho Cucamonga

#### Retail Offices:

- ★ Call Center, Riverside
- ★ City of Industry
- ★ Corona
- ★ Fullerton
- ★ Glendora
- ★ Huntington Beach
- ★ La Quinta
- ★ Rancho Mirage
- ★ Riverside
- ★ Torrance

## Attractive Inland Empire Market

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- “This fast population growth has continued since the 2000 Census, with Riverside ranking as the 3rd fastest growing county of the 3,100 counties in the nation and San Bernardino as the 6th fastest growing county.”  
*Source: Inland Empire 2004 Indicators Report.*
- “The Inland Empire is a leader in job creation for the Southern California region. It has added new jobs every year for the last twenty years. Even during the 1990s when Southern California lost over 500,000 jobs, the Inland Empire gained jobs. Since 1990, the Inland Empire easily outdistances its other peer counties in California, gaining over 372,000 jobs even as Los Angeles County lost 151,000 jobs.”  
*Source: Inland Empire 2004 Indicators Report.*
- “With housing affordability in Southern California’s higher income coastal counties down to 11% in San Diego, 13% in Orange and 17% in Los Angeles counties, buyers are migrating to the Inland Empire causing soaring demand for housing from entry level to high-end.”  
*Source: January 2005 Inland Empire Quarterly Economic Report.*

# Business Strategy

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## Holding Company

- Prudent share repurchase program
- Prudent cash dividend policy

## Provident Bank

- Asset growth - loans vs. investments
- Loan portfolio mix - “preferred loans” vs. single-family loans
- Deposit growth vs. wholesale funding

## Provident Bank Mortgage

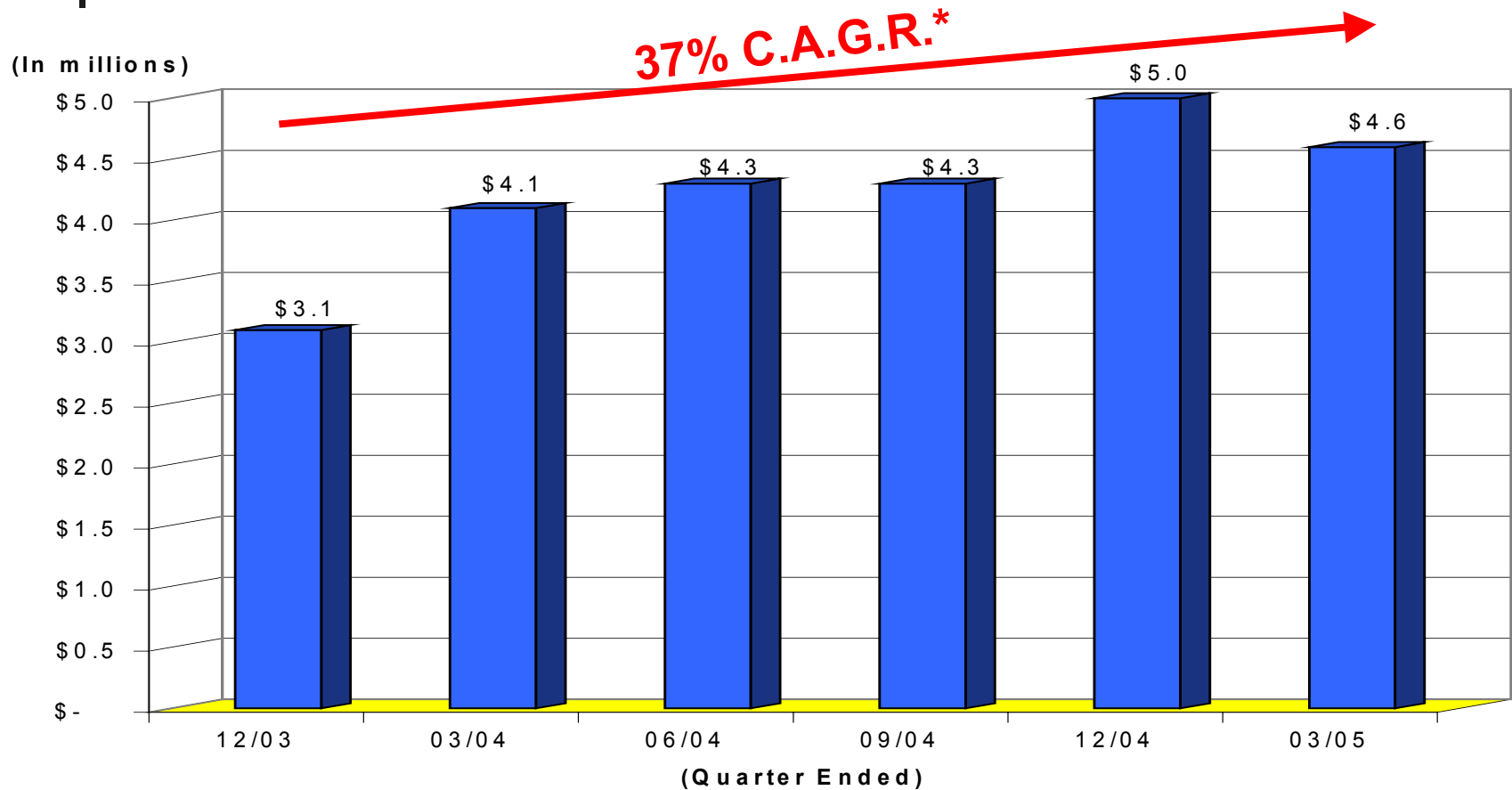
- Loan origination mix - purchase vs. refinance
- High margin products - e.g. seconds, alt-A fixed and alt-A adjustable loans vs. all other loans



# PROV Highlights

<b>Financial Position:</b>		<b>As of 03/31/2005</b>	<b>As of 12/31/2003</b>
Total assets .....		\$ 1.62 billion	\$ 1.30 billion
Loans held for investment .....		\$ 1.10 billion	\$ 870.1 million
Deposits .....		\$ 943.5 million	\$ 810.0 million
Equity .....		\$ 119.5 million	\$ 105.1 million
Tangible equity .....		\$ 119.4 million	\$ 105.0 million
<b>Financial Results:</b>		<b>Quarter Ended 03/31/2005</b>	<b>Quarter Ended 12/31/2003</b>
Net income .....		\$ 4.6 million	\$ 3.1 million
Return on average equity .....		15.48%	11.90%
Return on average assets .....		1.20%	0.99%
Net interest margin .....		2.98%	2.95%
Efficiency ratio .....		48.45%	55.92%
Total loan originations .....		\$ 510.9 million	\$ 384.2 million
Provident Bank .....		\$ 72.4 million	\$ 57.1 million
Provident Bank Mortgage ....		\$ 438.5 million	\$ 327.1 million

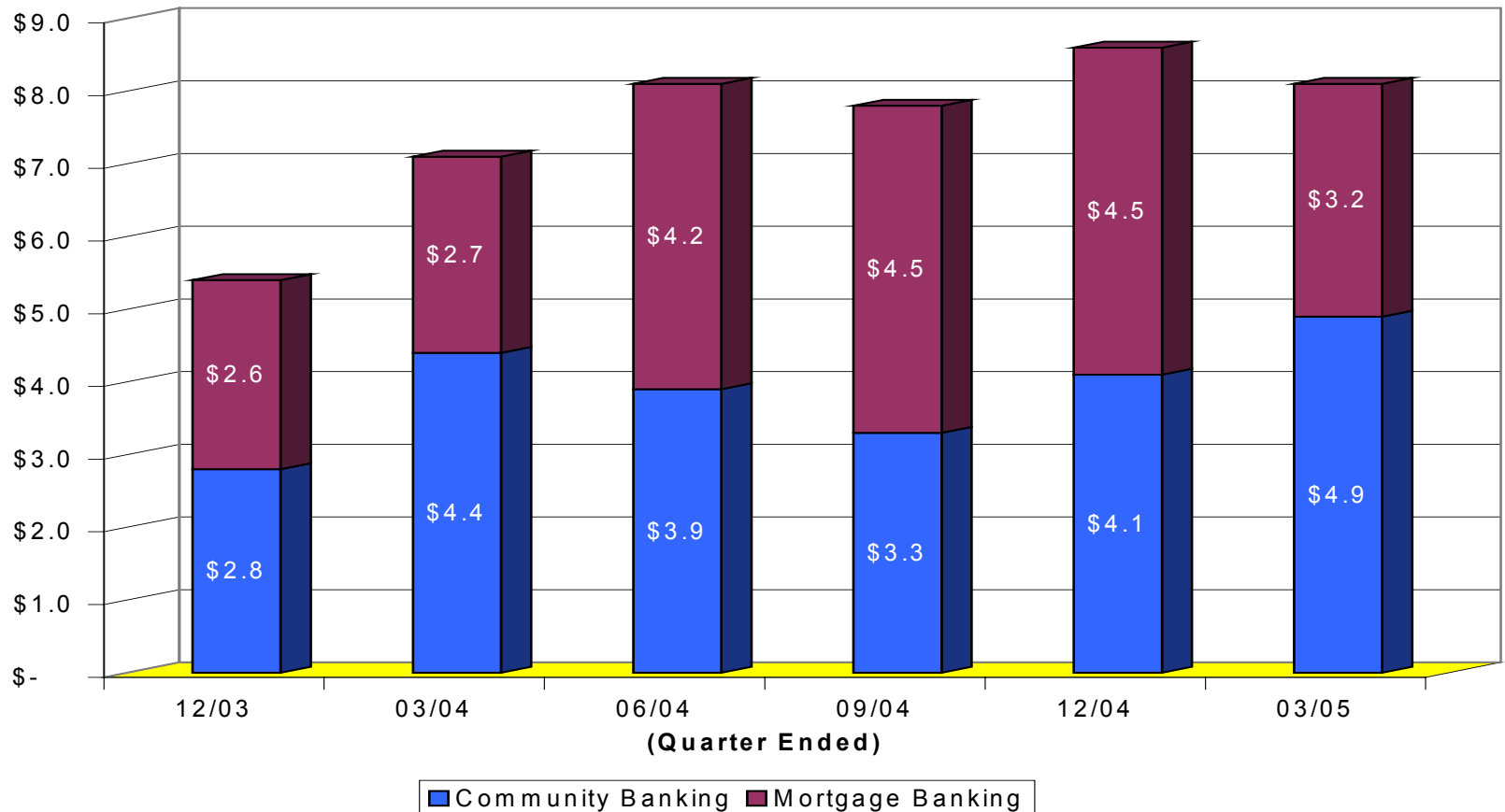
## Quarterly Net Income



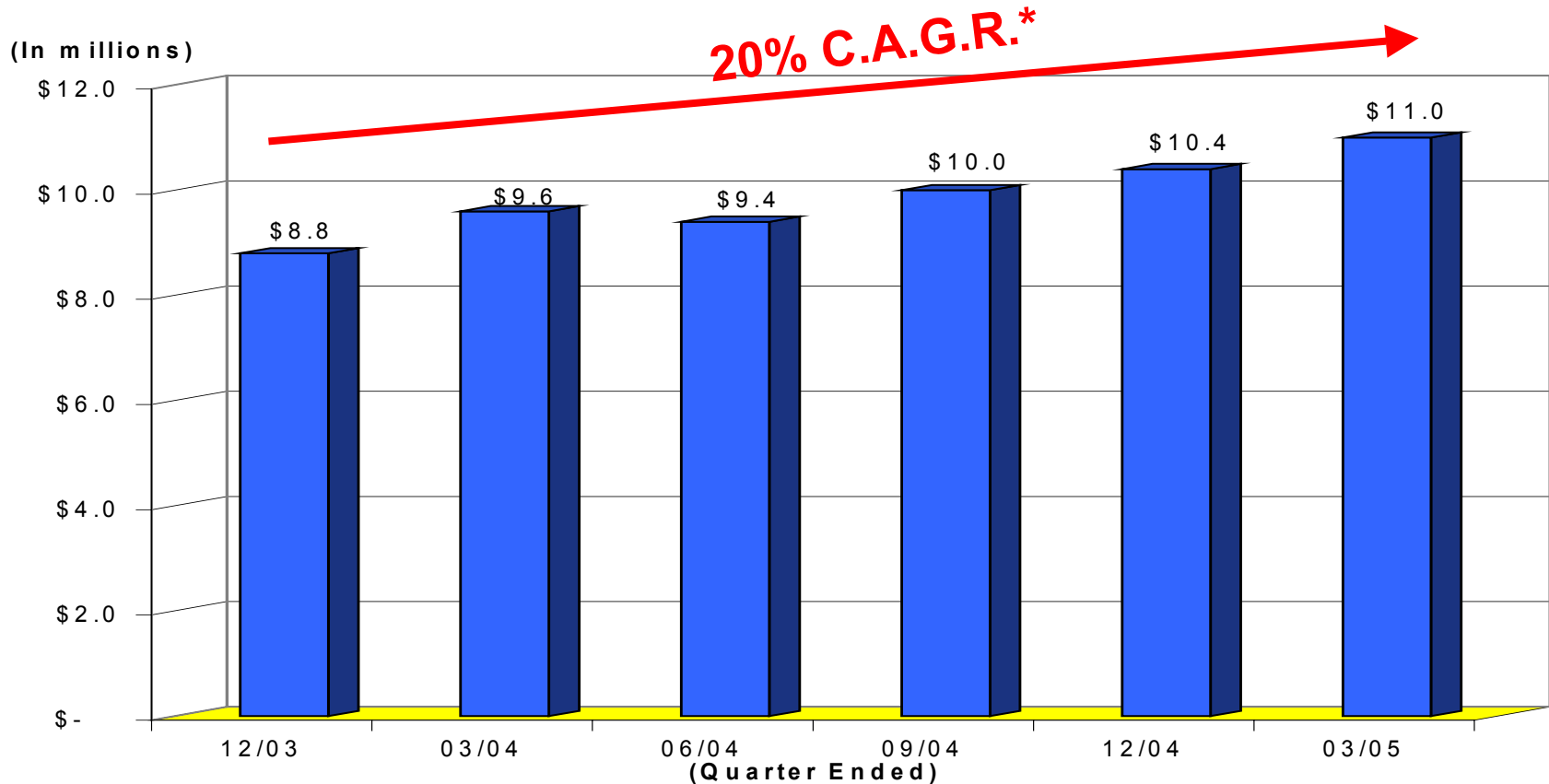
\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

## Pre-Tax Income - Operating Segments

(In millions)



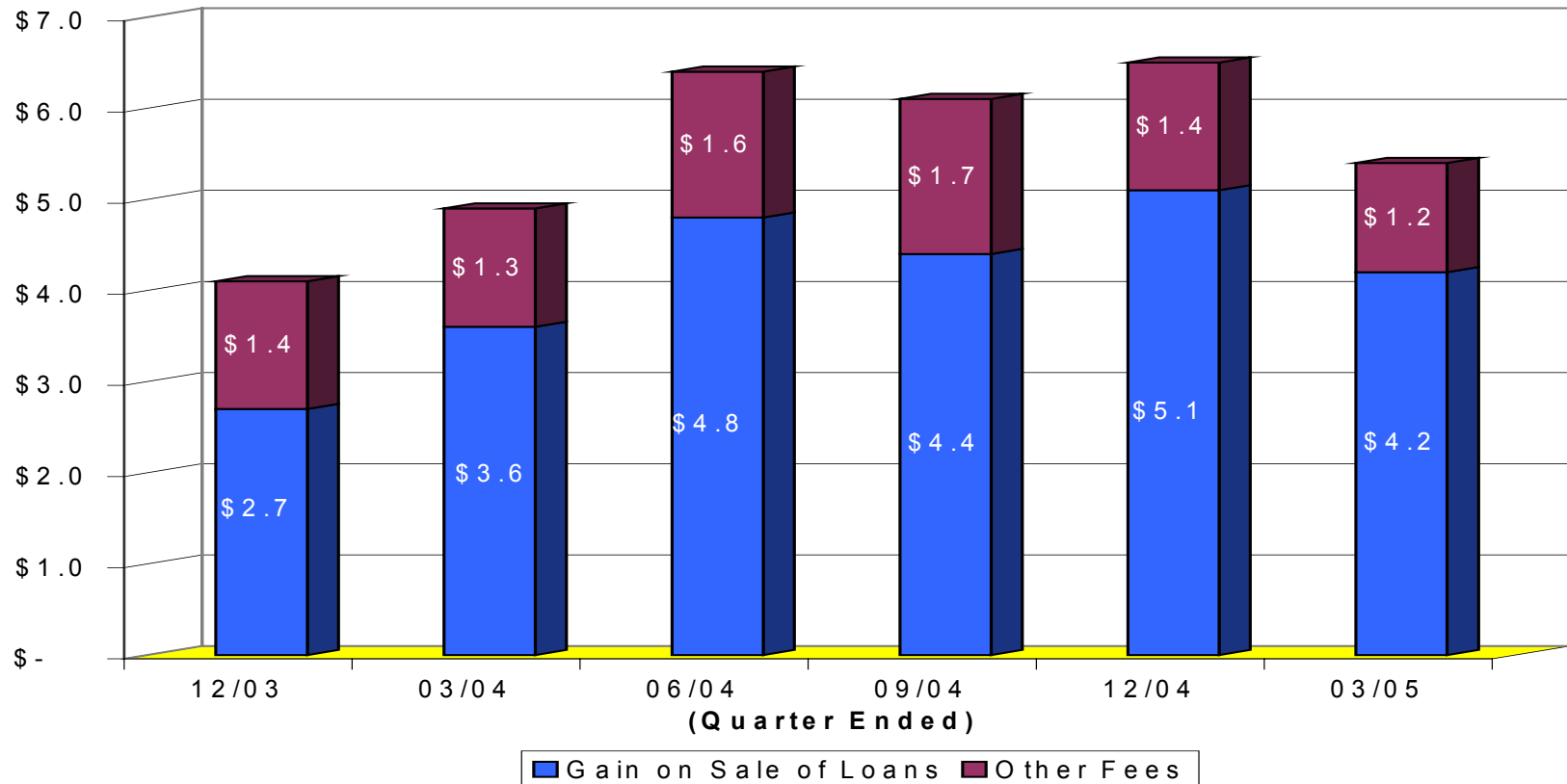
## Quarterly Net Interest Income



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

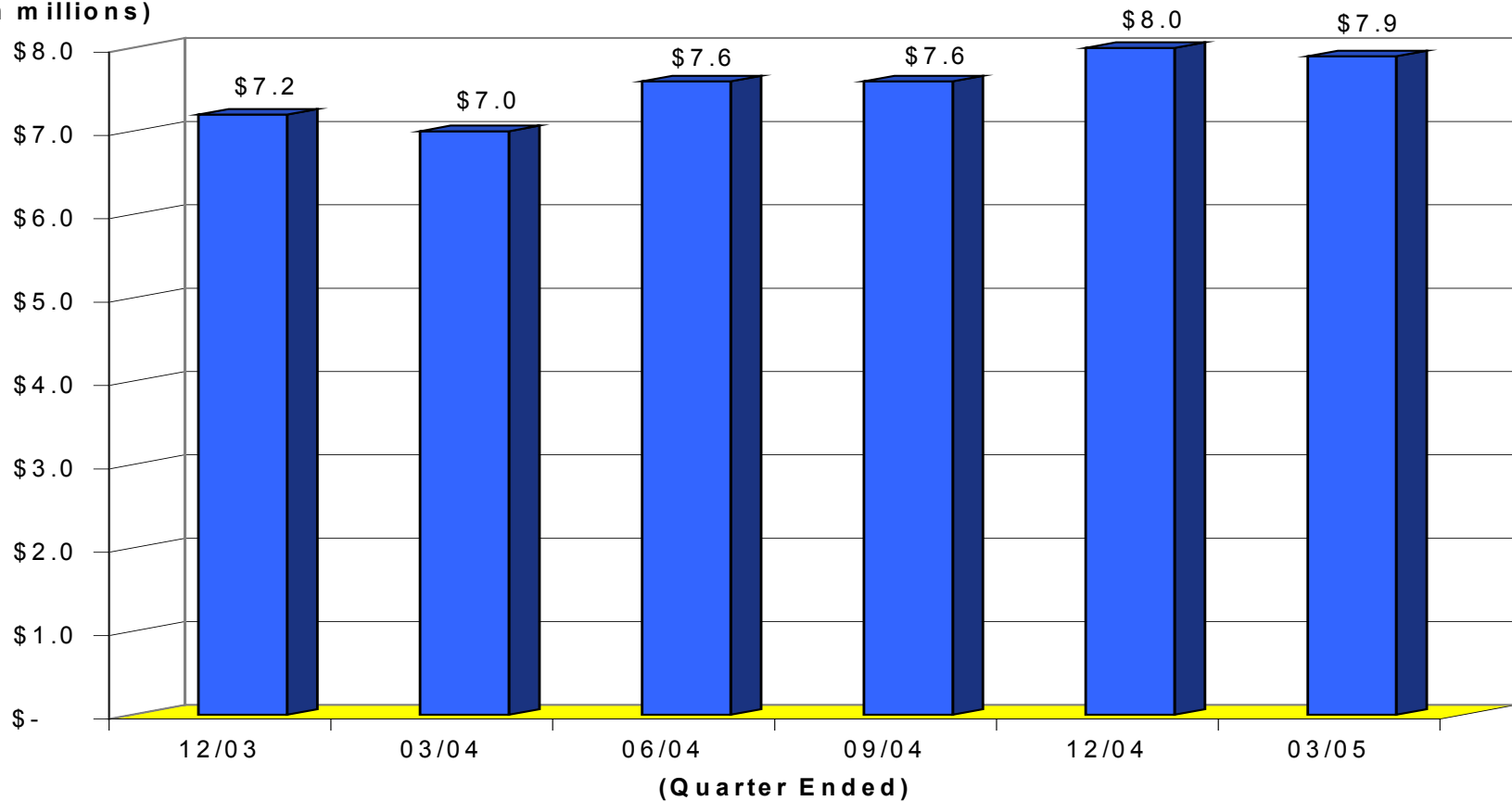
# Non-Interest Income

(In millions)

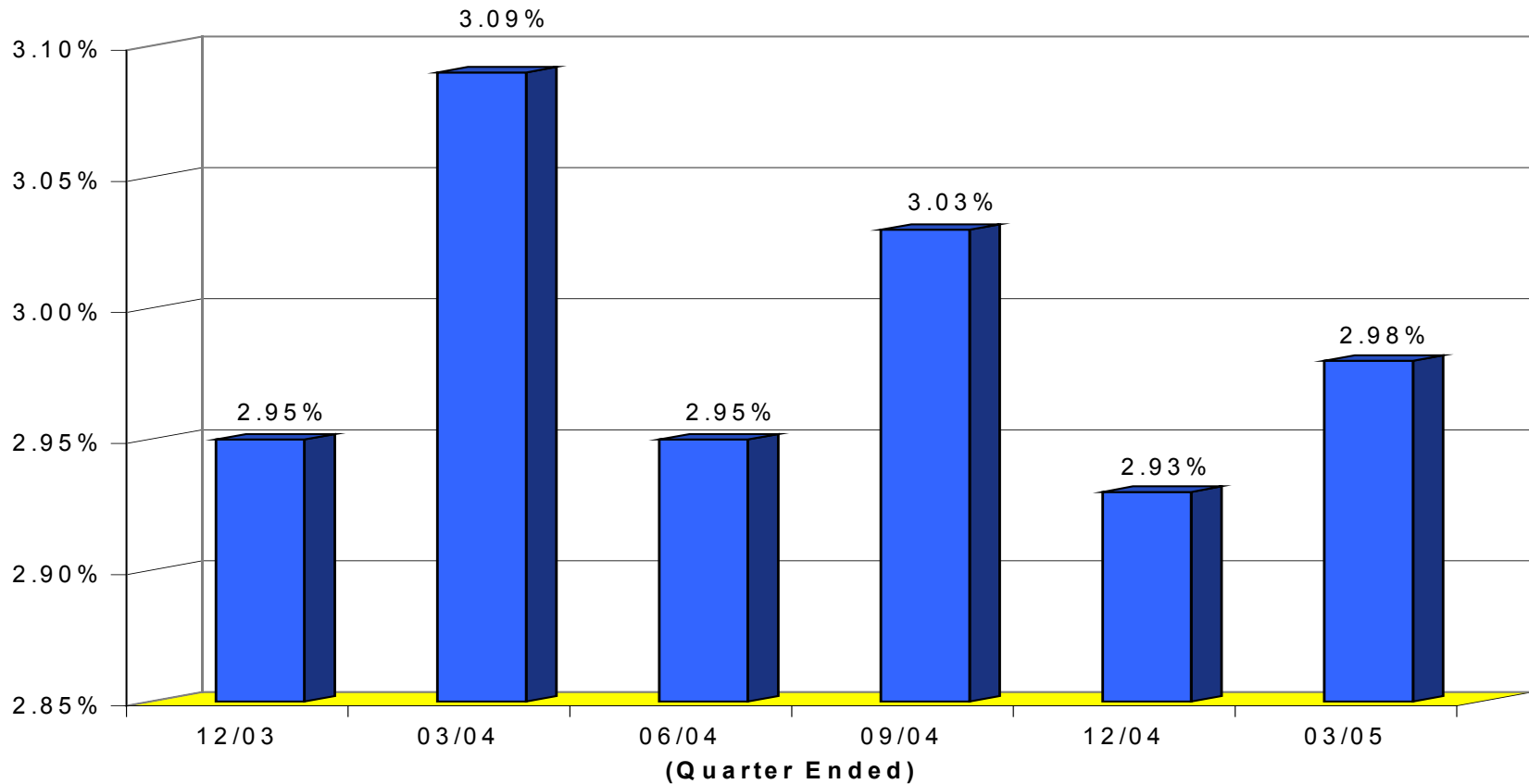


# Operating Expenses

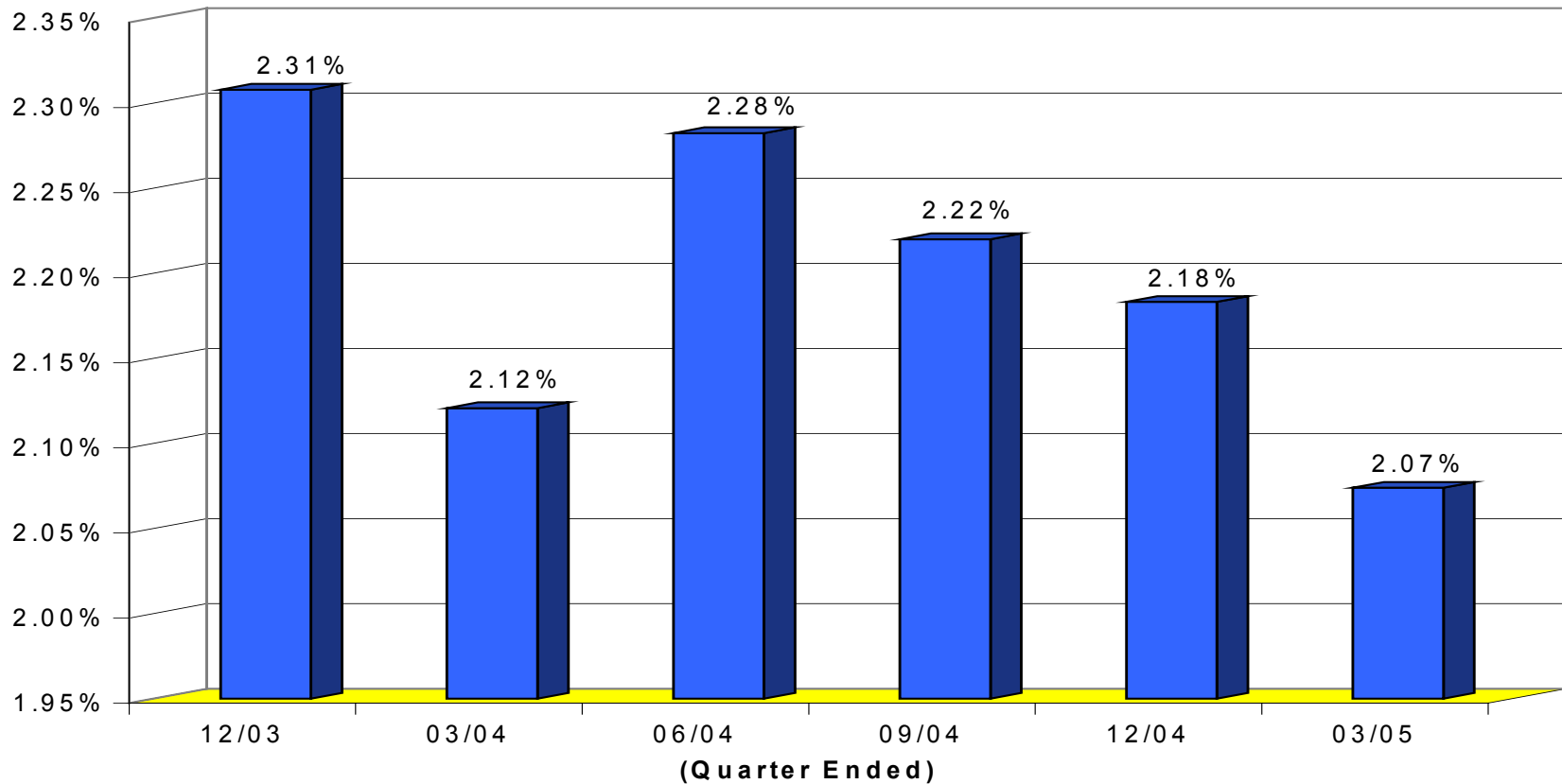
(In millions)



# Net Interest Margin

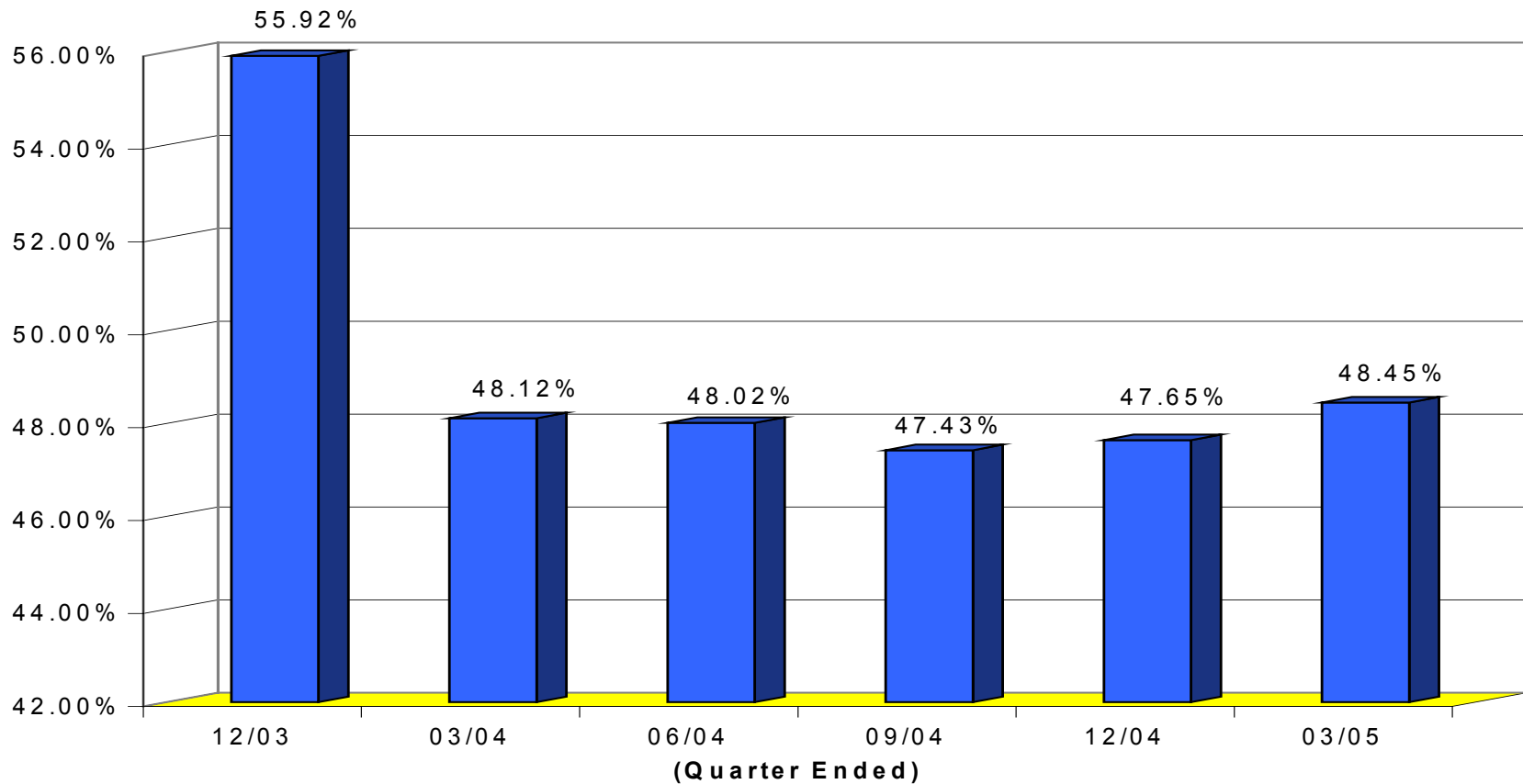


## G&A to Average Assets

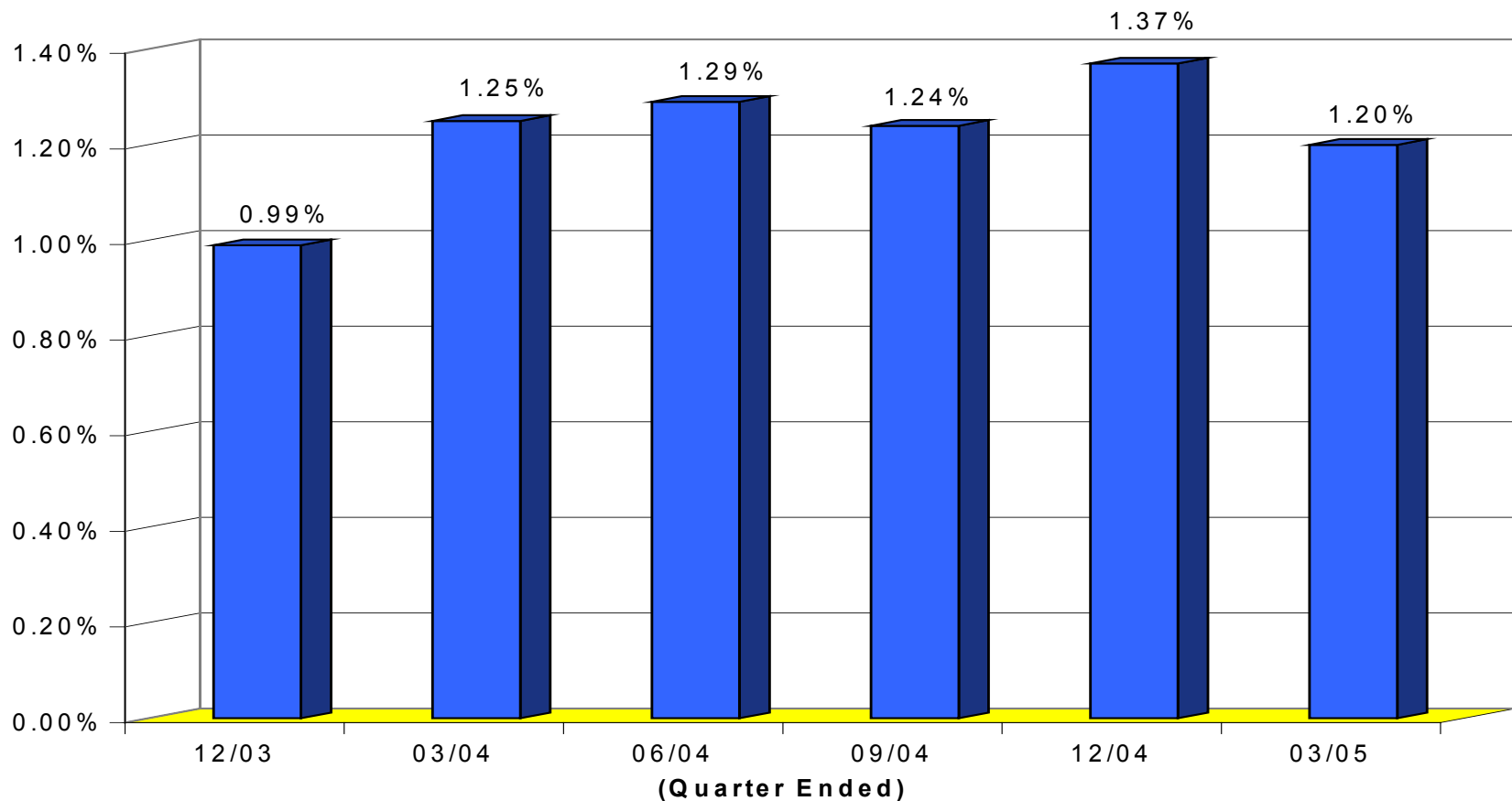




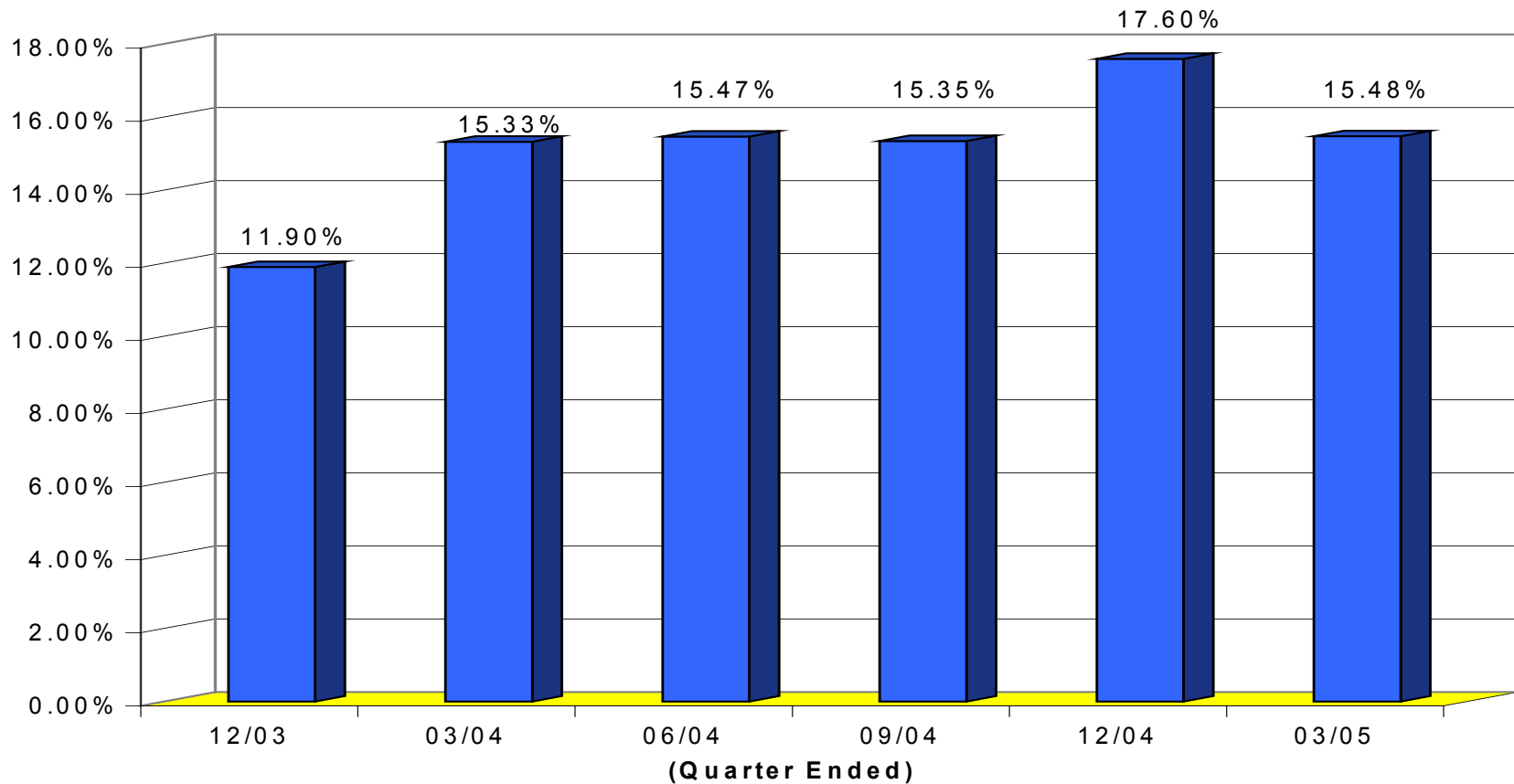
# Efficiency Ratio



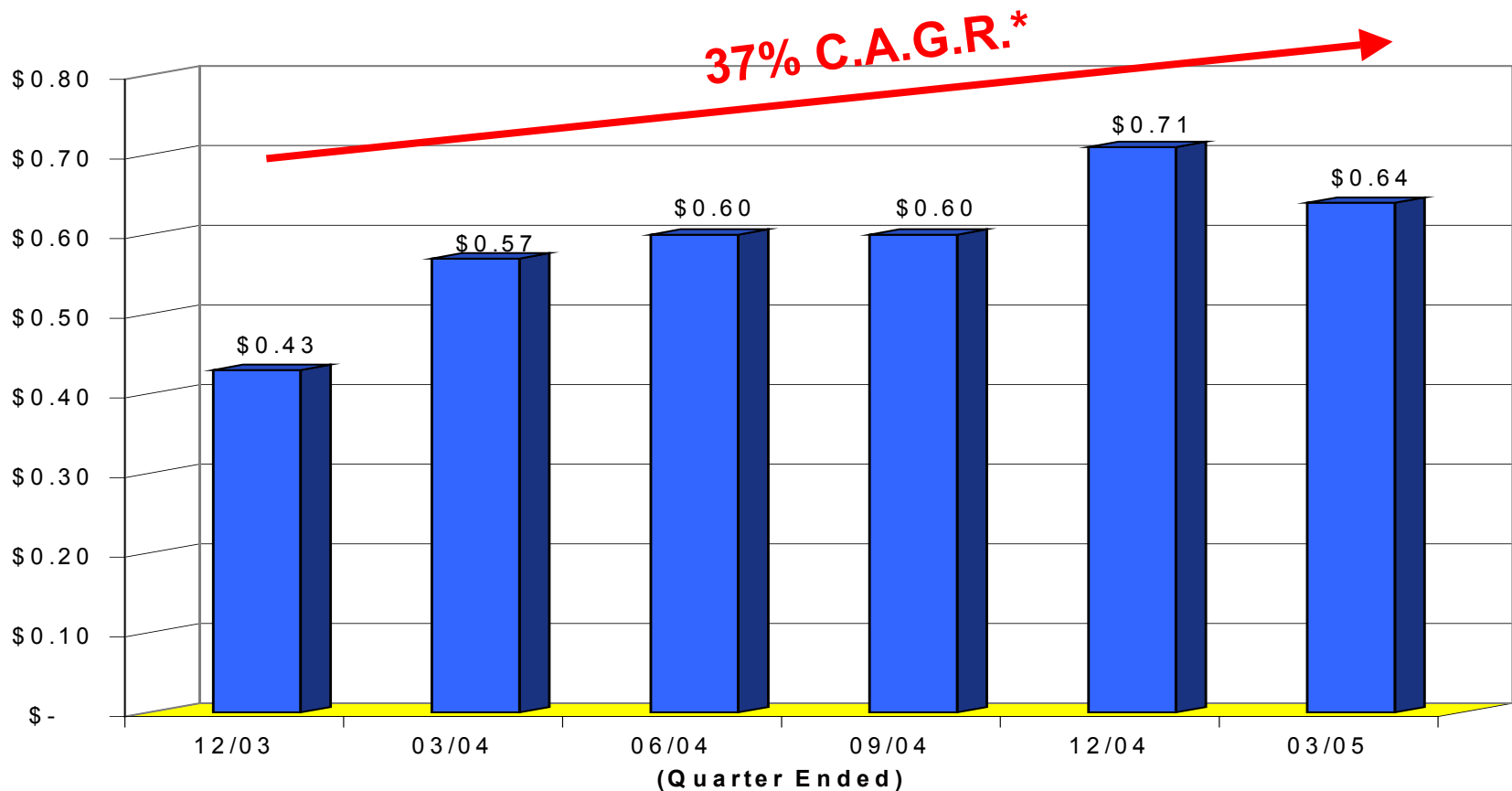
## Return on Average Assets



## Return on Average Equity

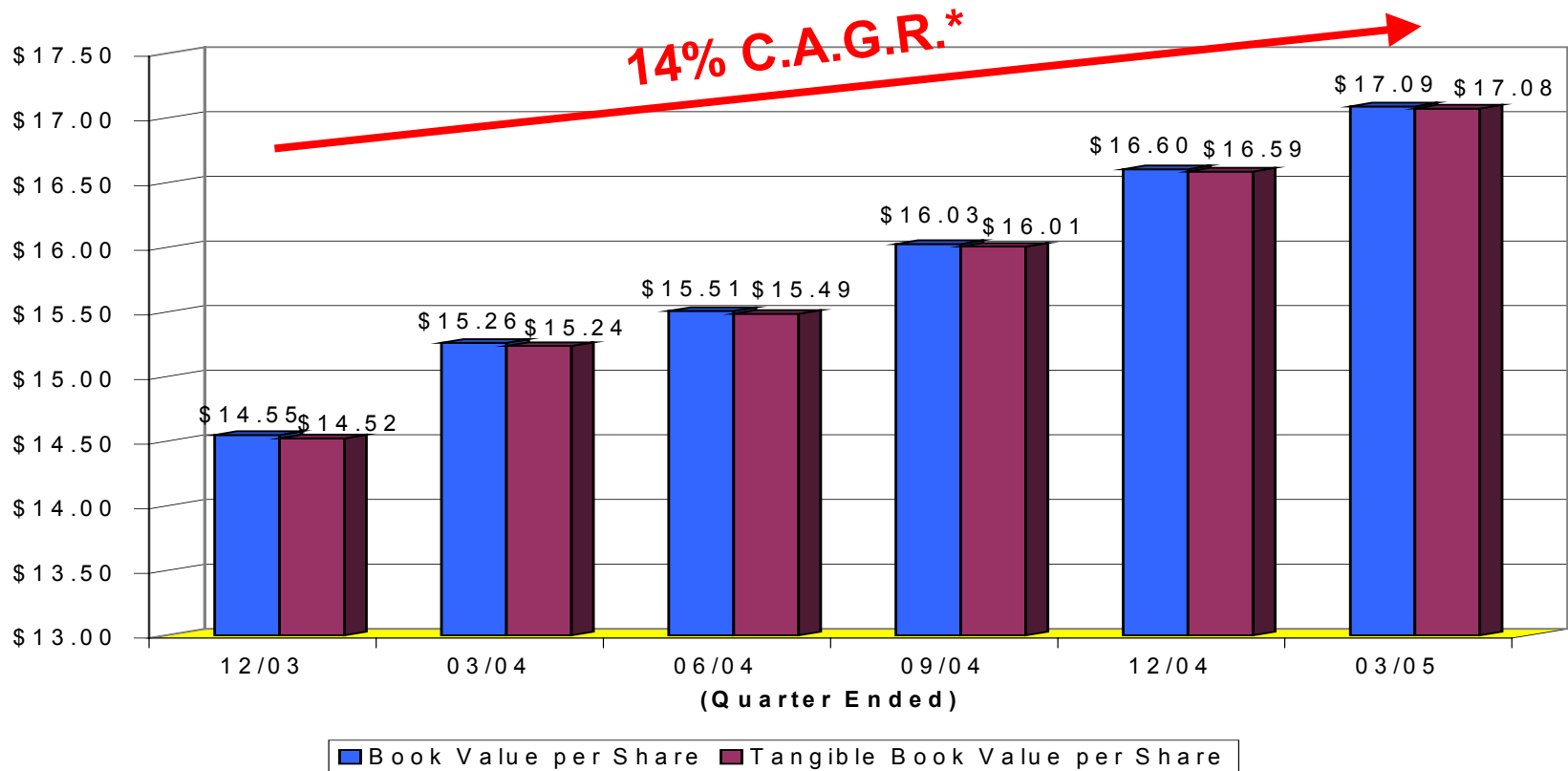


# Diluted Earnings per Share



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

# Book Value per Share



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.



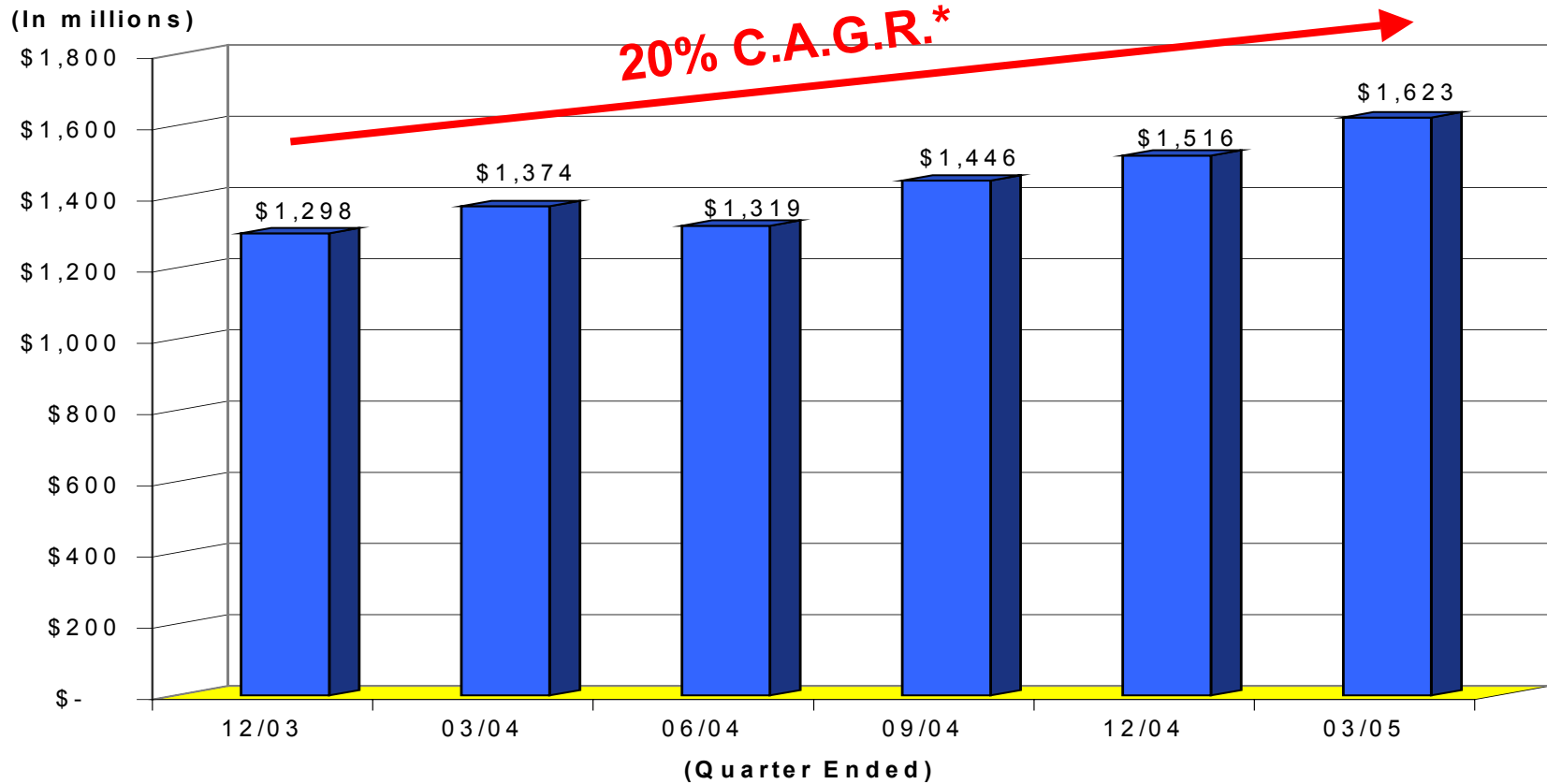
# Community Banking

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More for you everyday.

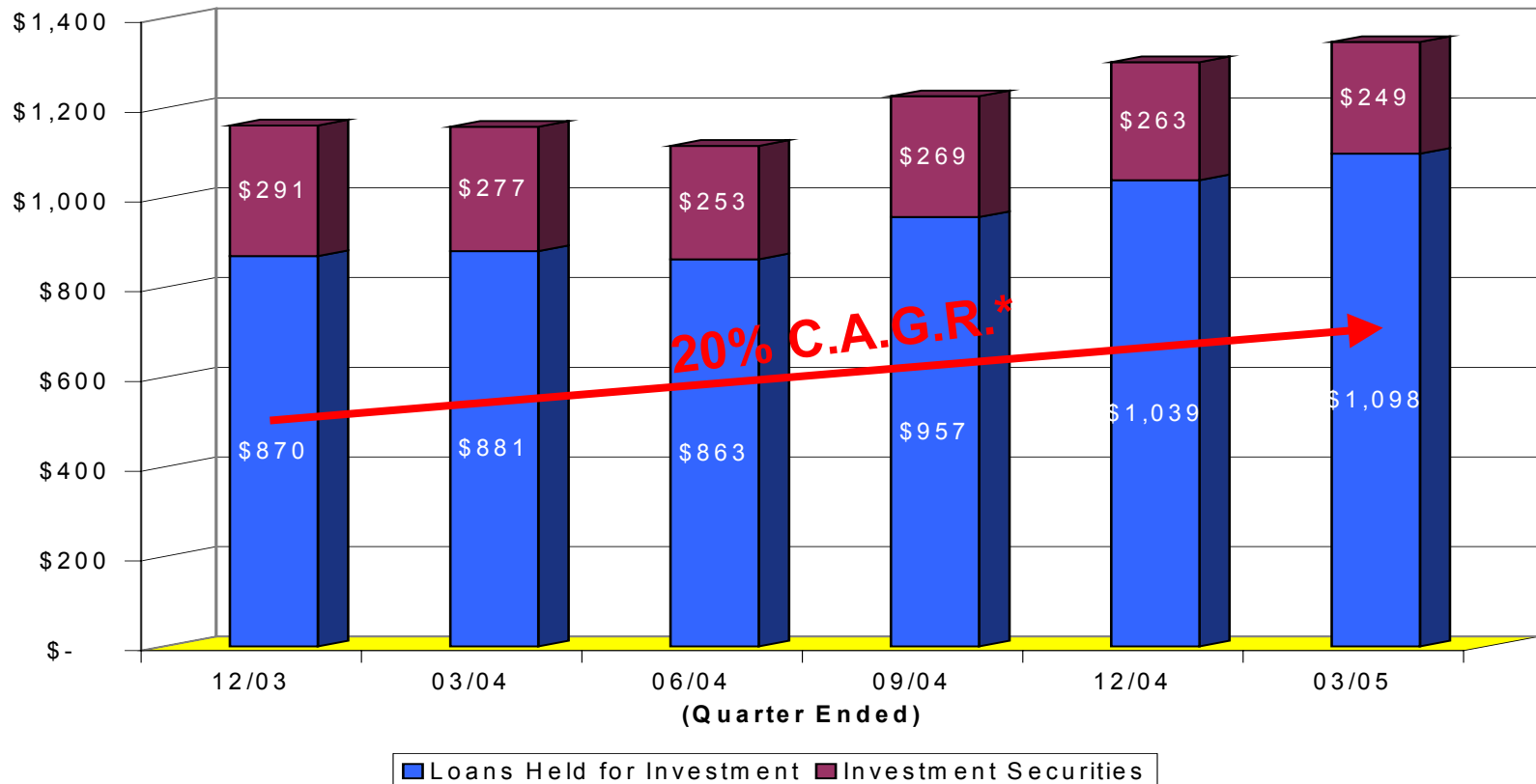
# Total Assets



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

# Loan to Investment Mix

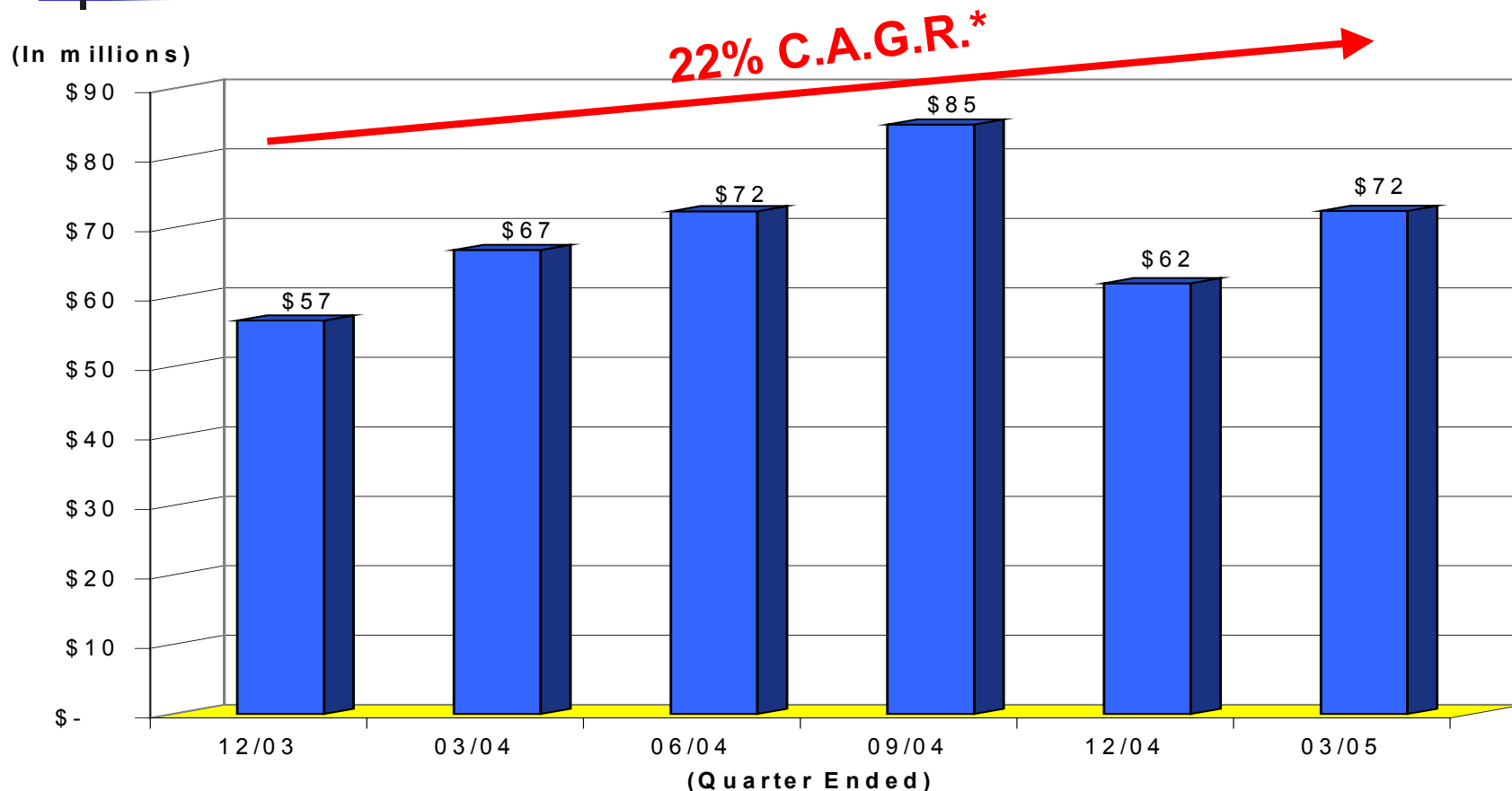
(In millions)



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

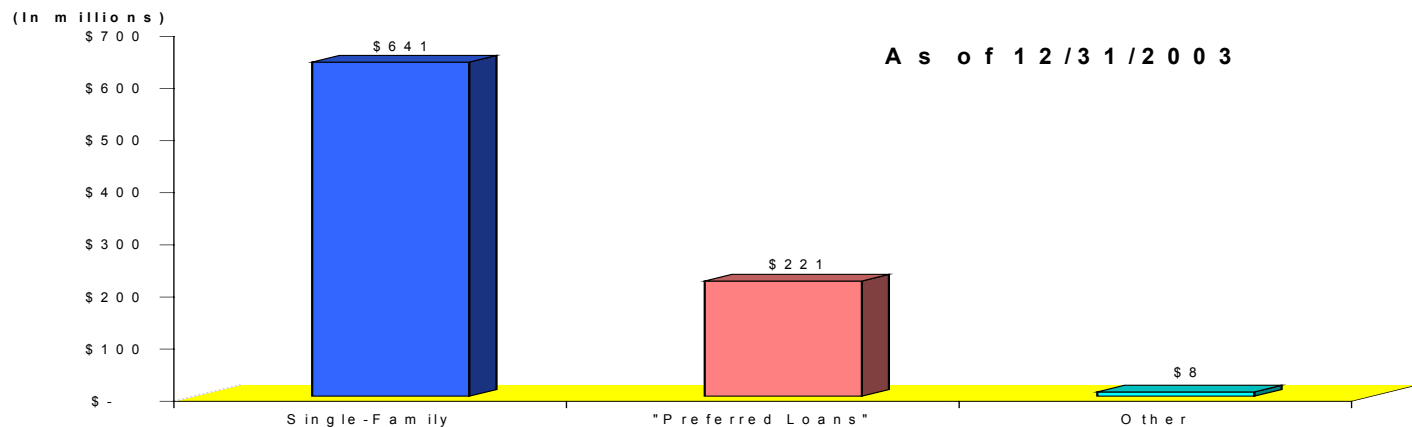
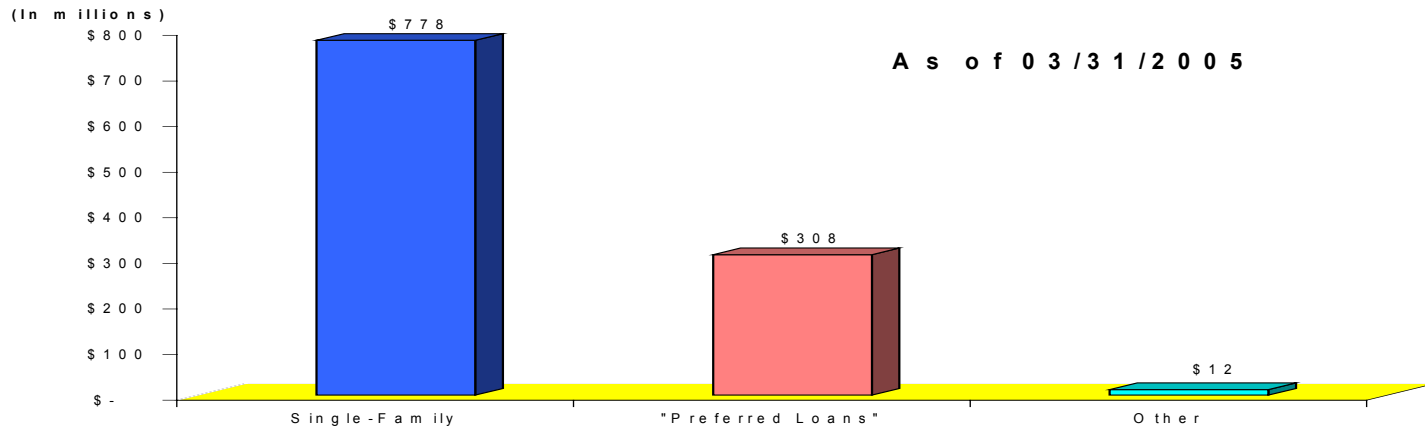


## Provident Bank Loan Originations ("Preferred Loans")



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

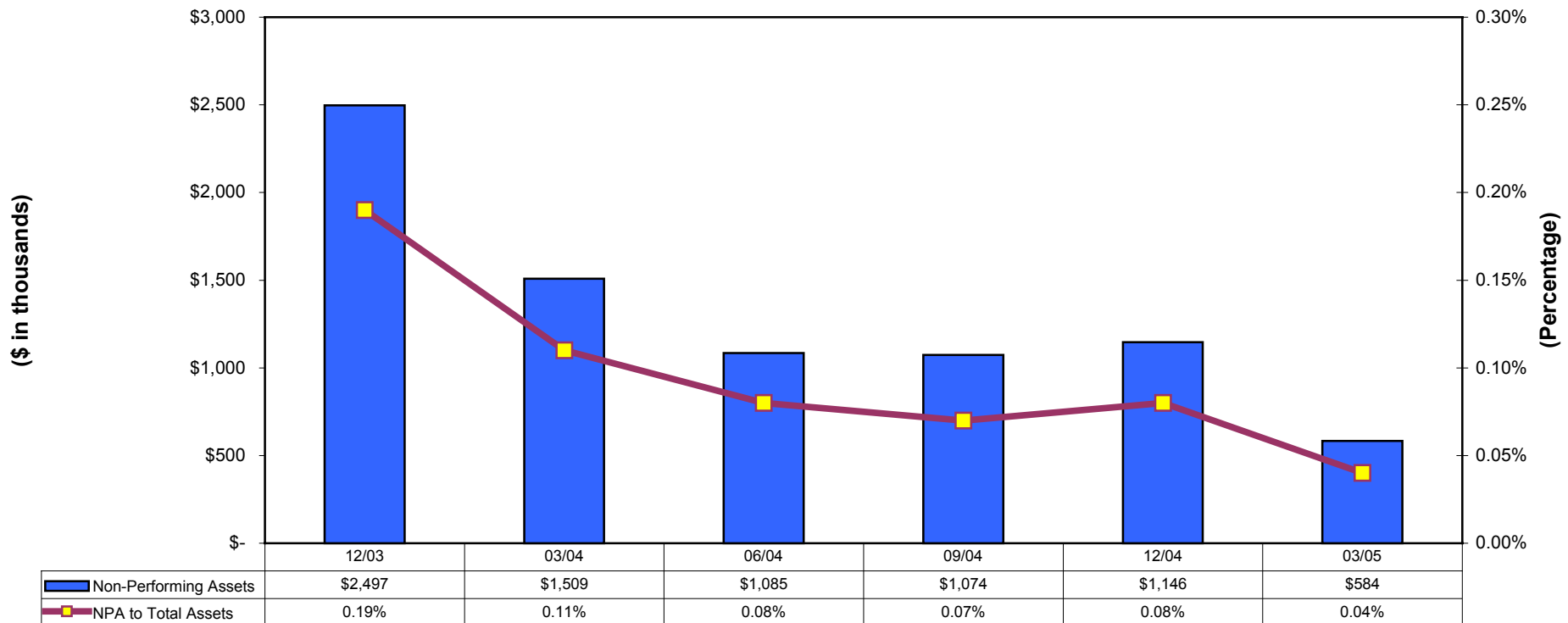
## Loan Portfolio Mix (Loans Held for Investment)



"Preferred Loans" - Multi-Family, Commercial RE, Construction and Commercial Business loans.

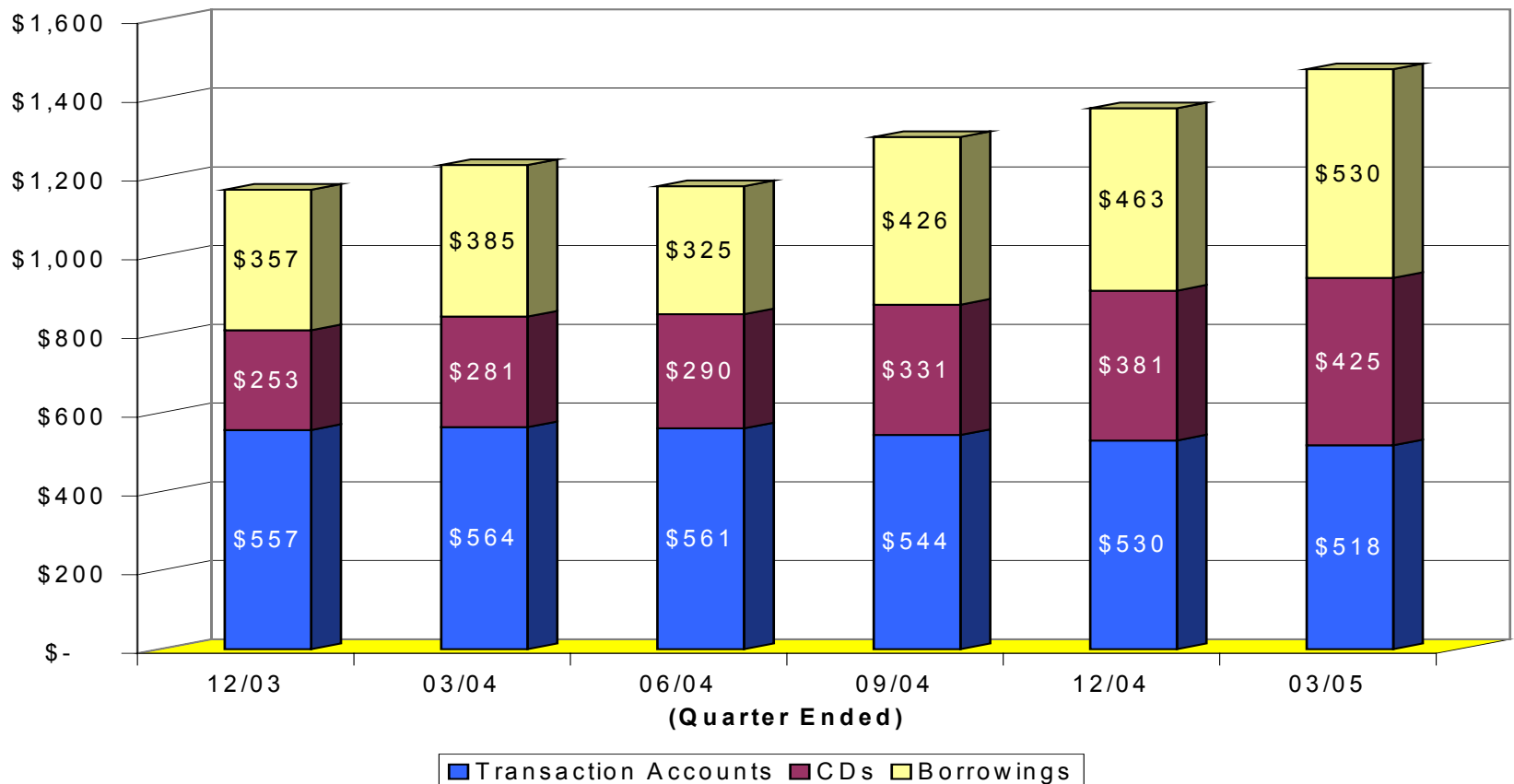
# Asset Quality

## Non-Performing Assets ("NPA") & NPA to Total Assets



## Transaction Accounts, CDs & Borrowings

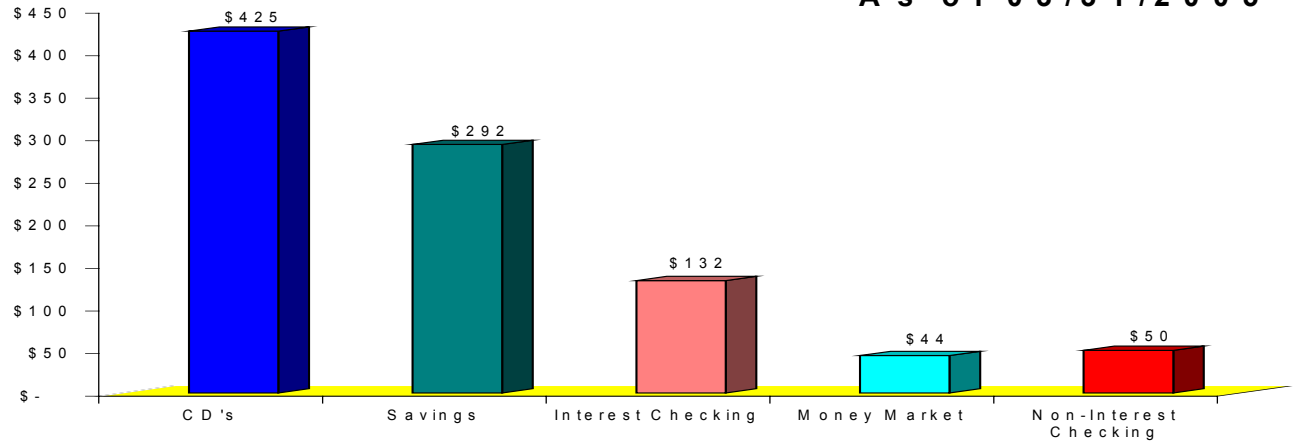
(In millions)



# Deposit Composition

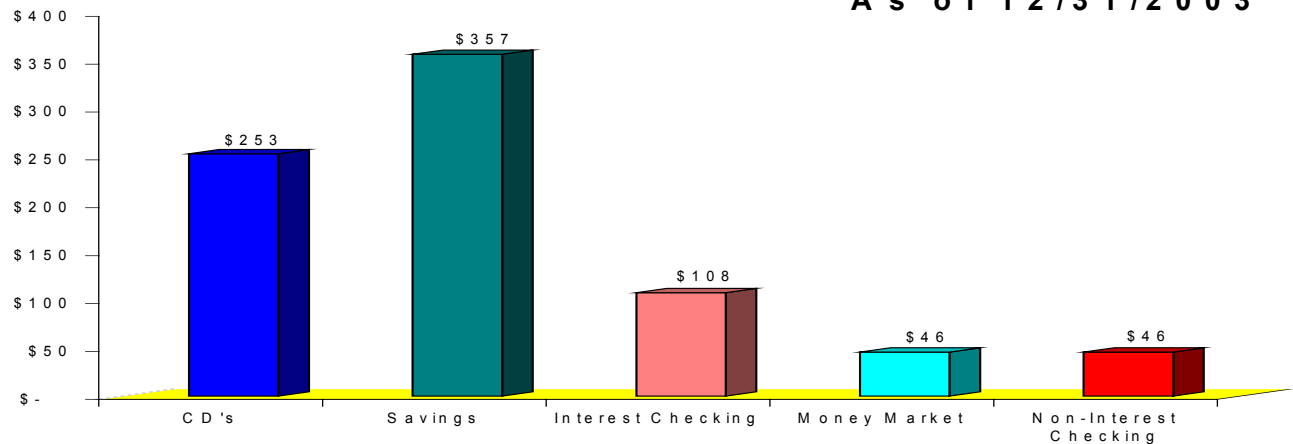
(In millions)

As of 03/31/2005



(In millions)

As of 12/31/2003





# Mortgage Banking

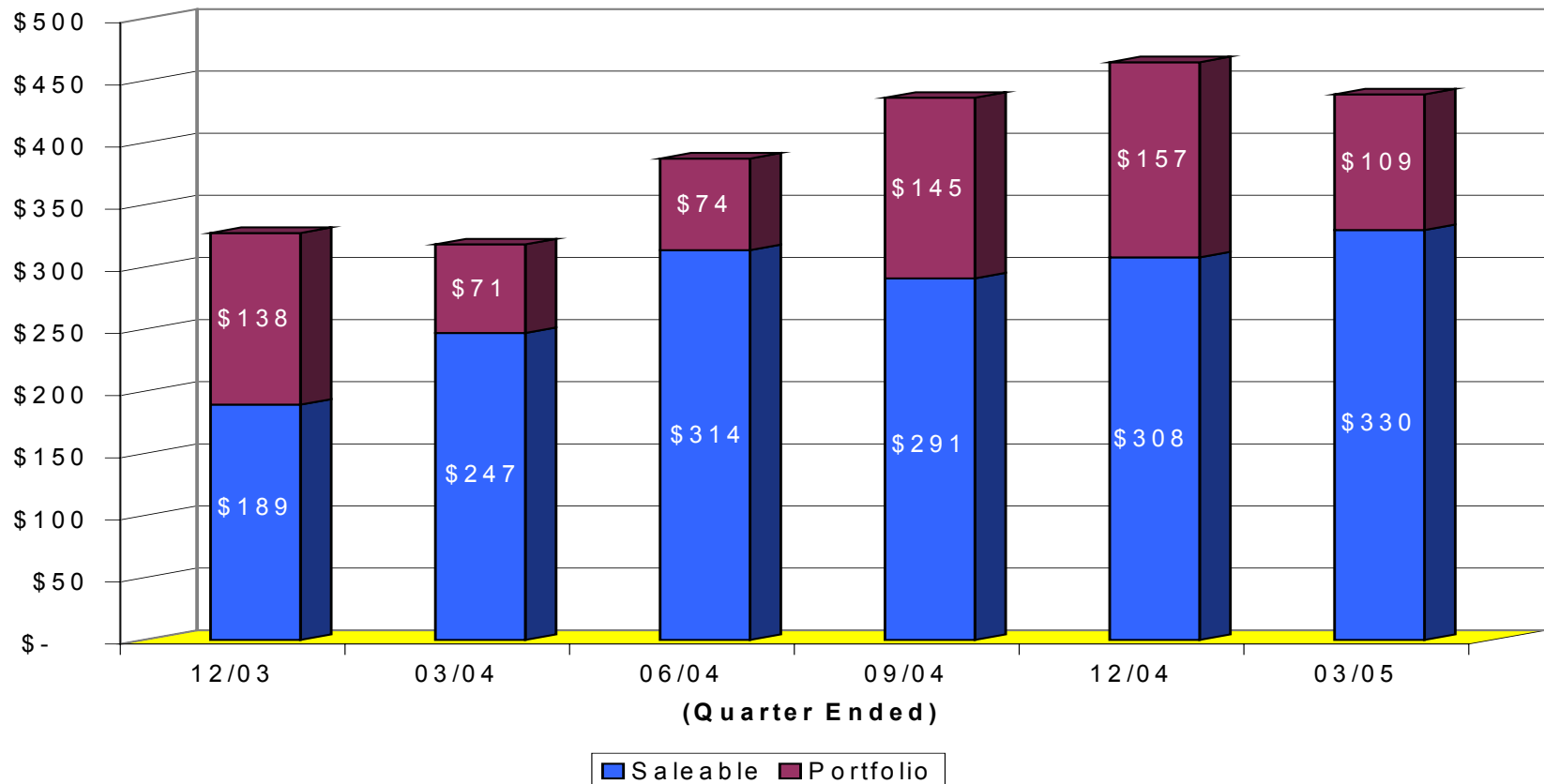
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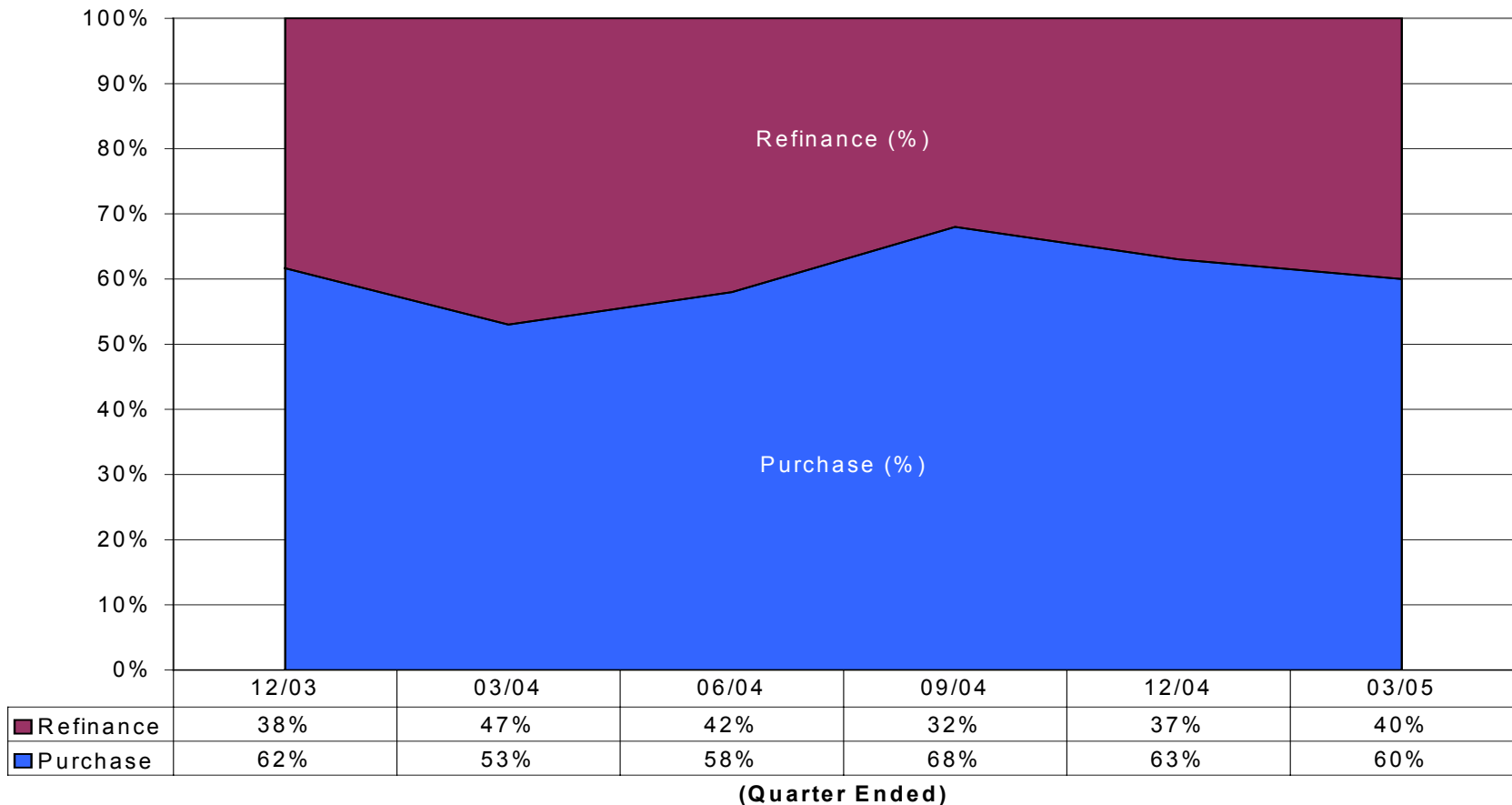
**Faster funded home loans.**

# Provident Bank Mortgage Loan Originations

(In millions)



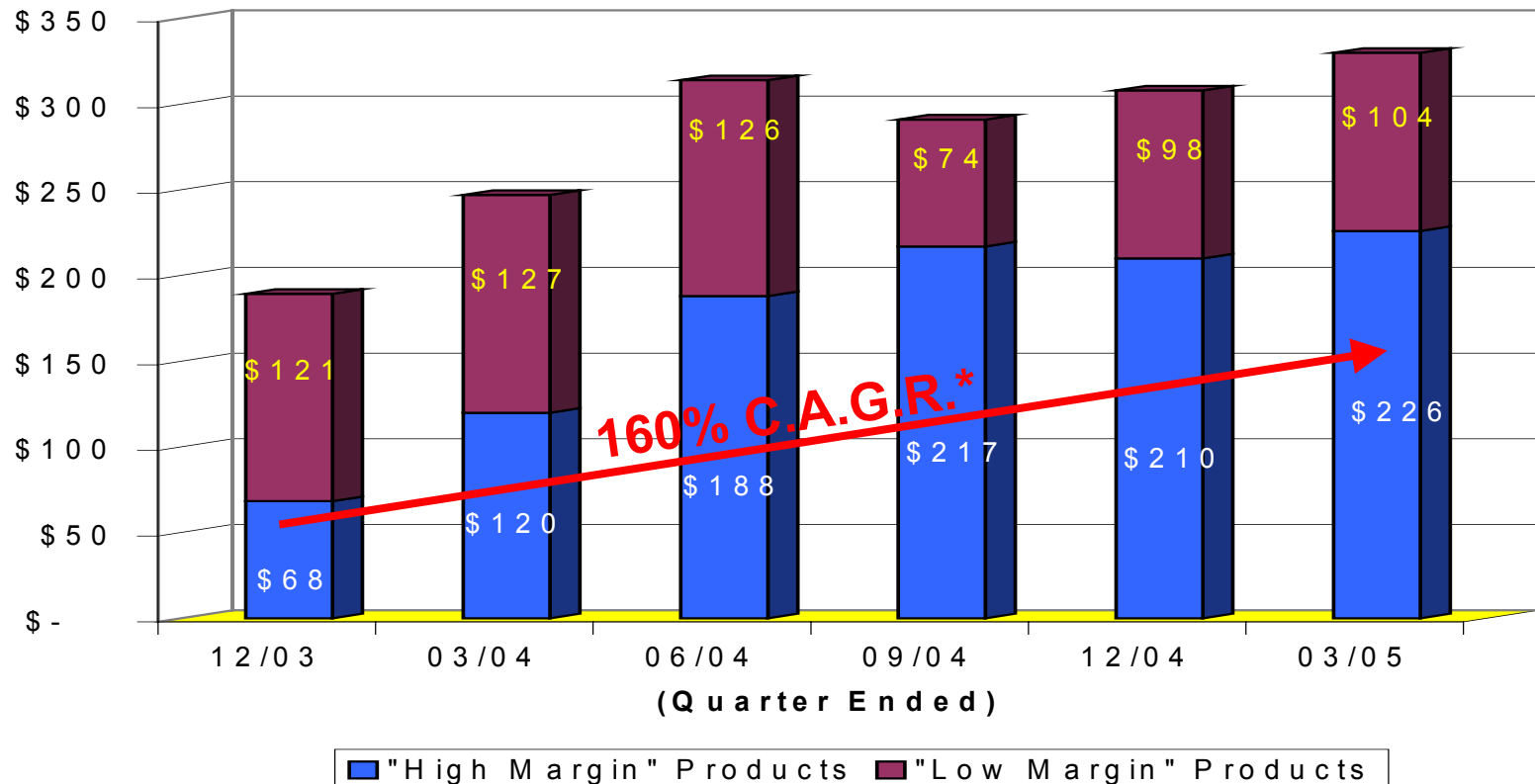
# PBM Purchase vs. Refinance





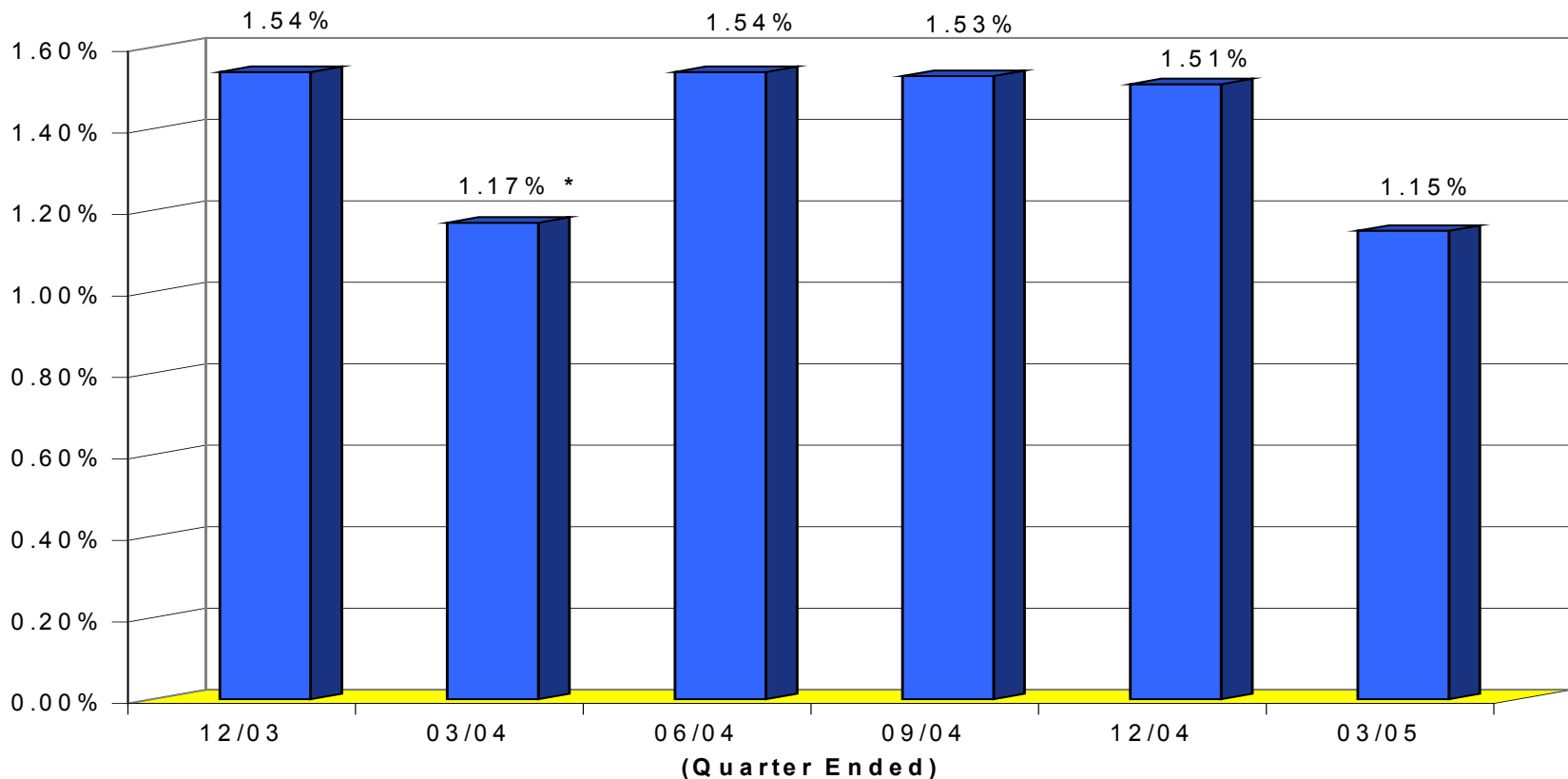
## “High Margin” vs. “Low Margin” Products

(In millions)



\* C.A.G.R. - Compound annual growth rate from the quarter ended 12/31/03 through 03/31/05.

## Gain on Sale Margin

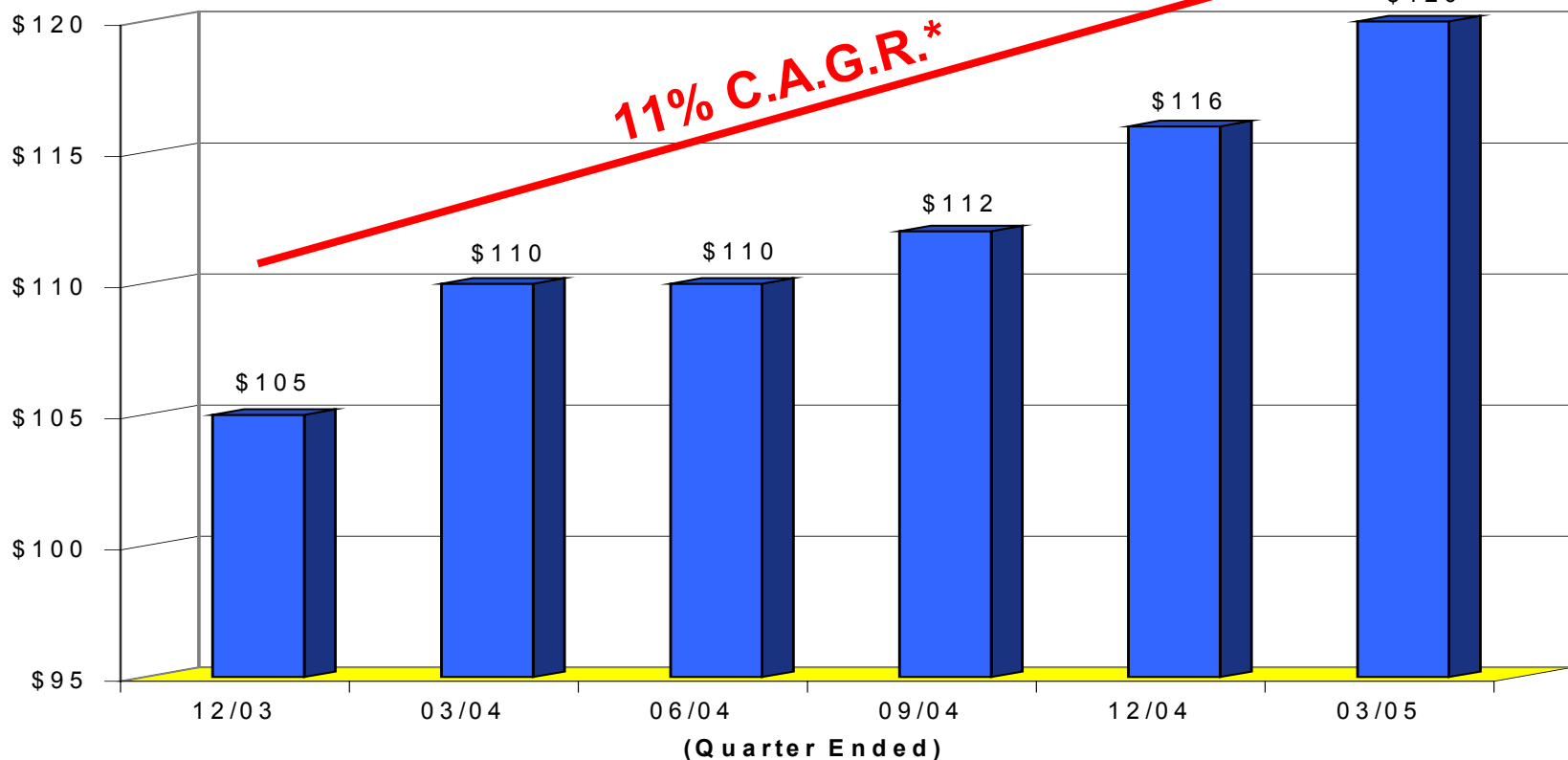


\* Implemented SEC Staff Accounting Bulletin No. 105, "Application of Accounting Principles to Loan Commitments."

# Capital Management

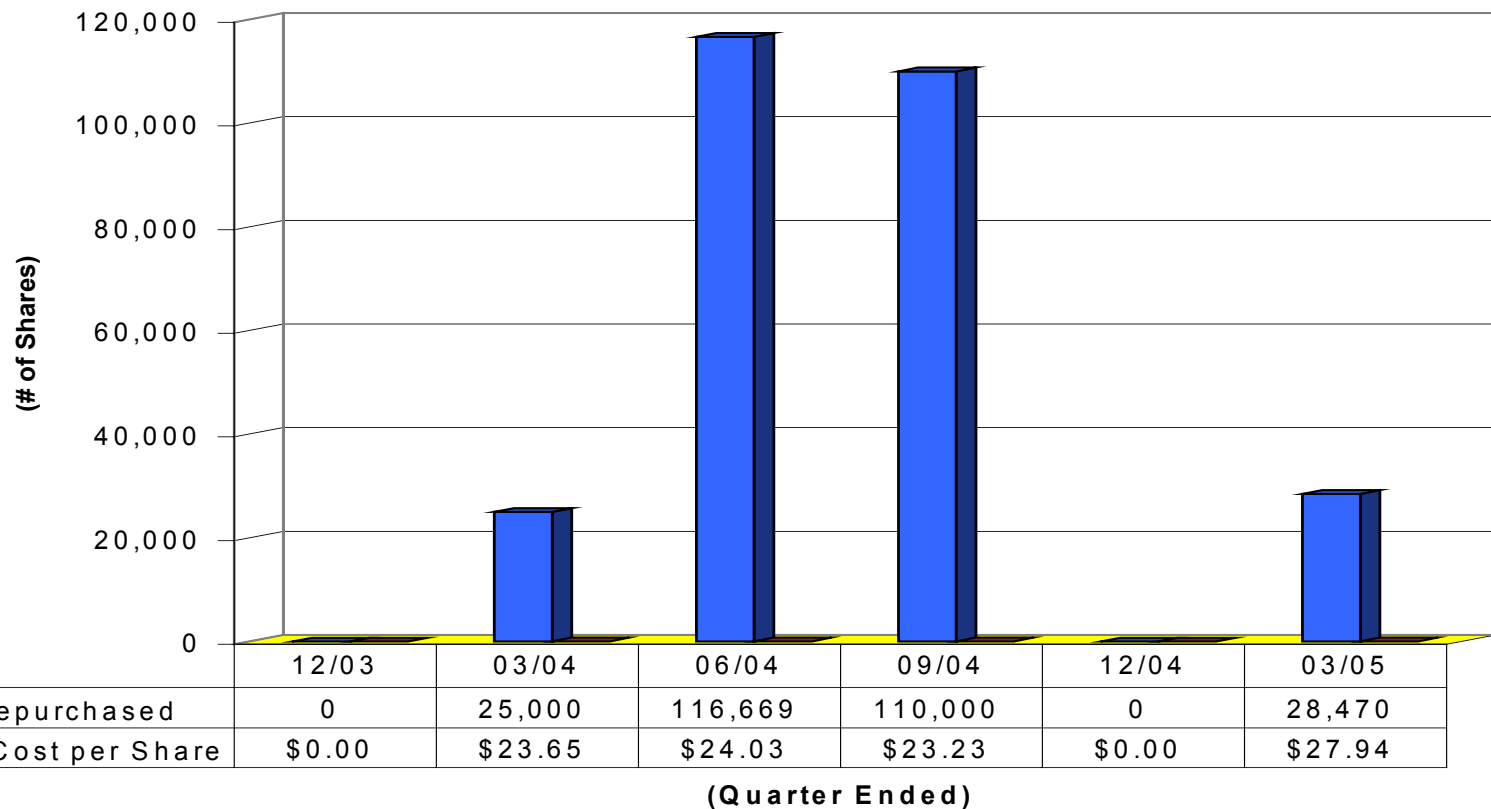
# Stockholders' Equity

(In millions)

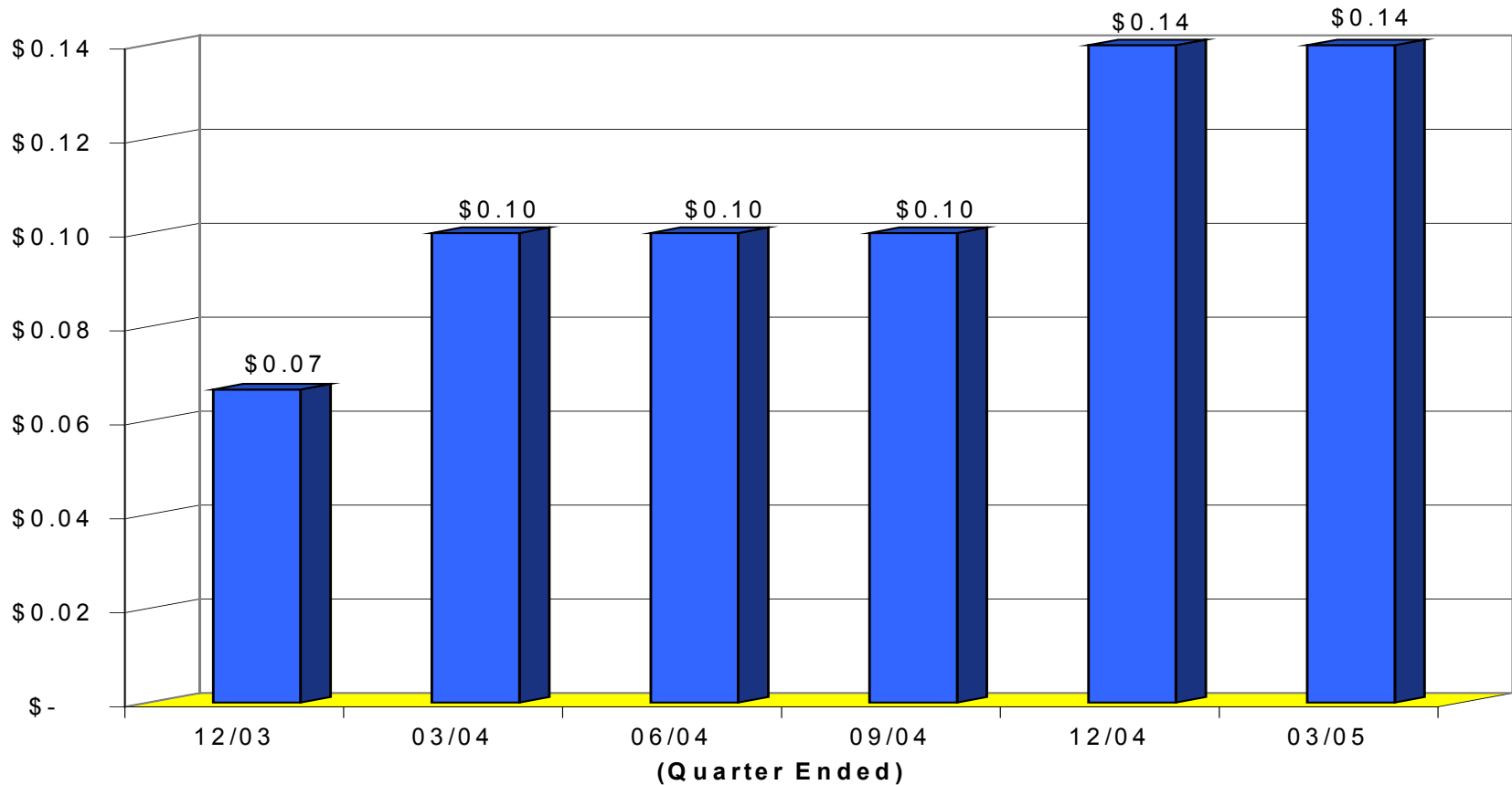


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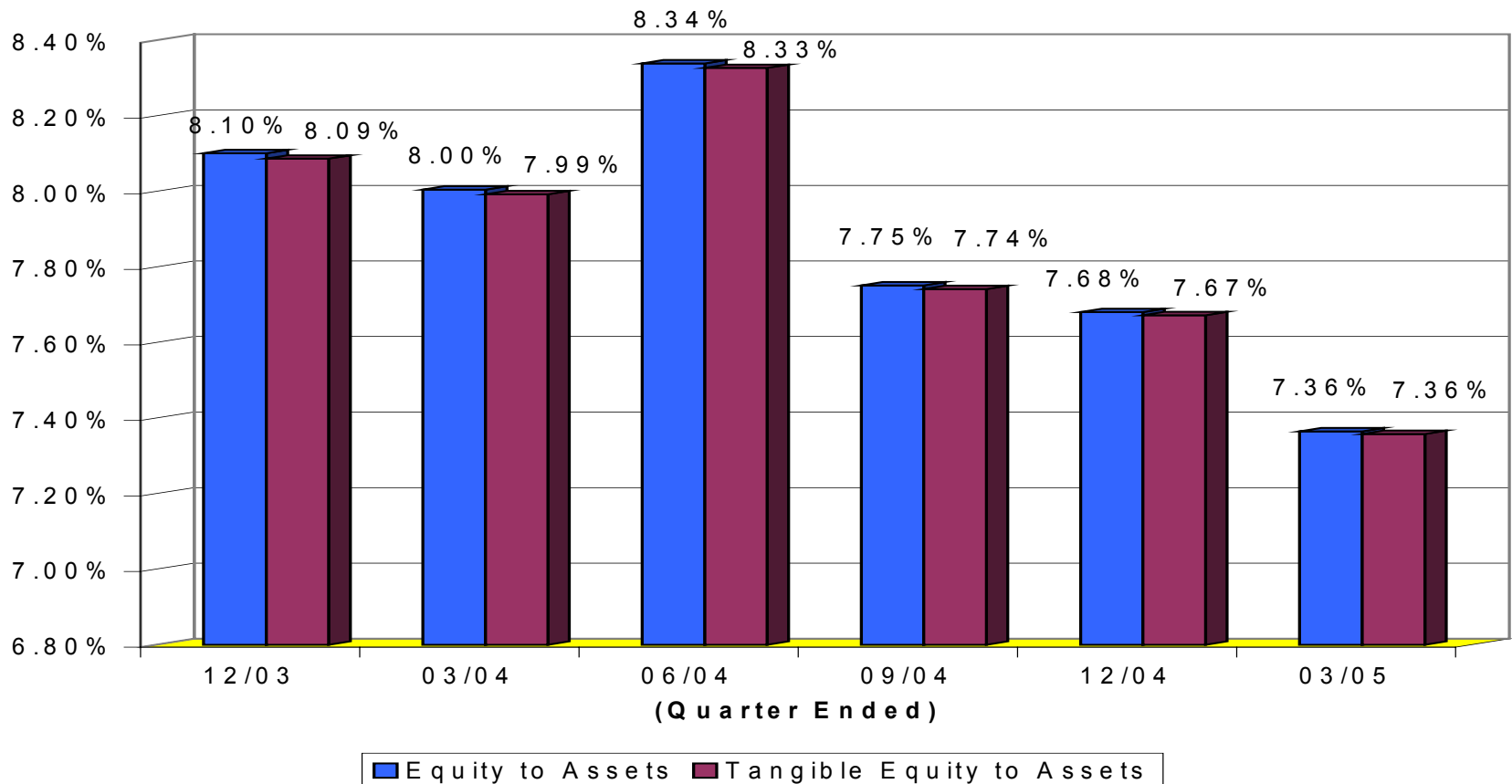
# Share Repurchase Program



# Cash Dividend per Share



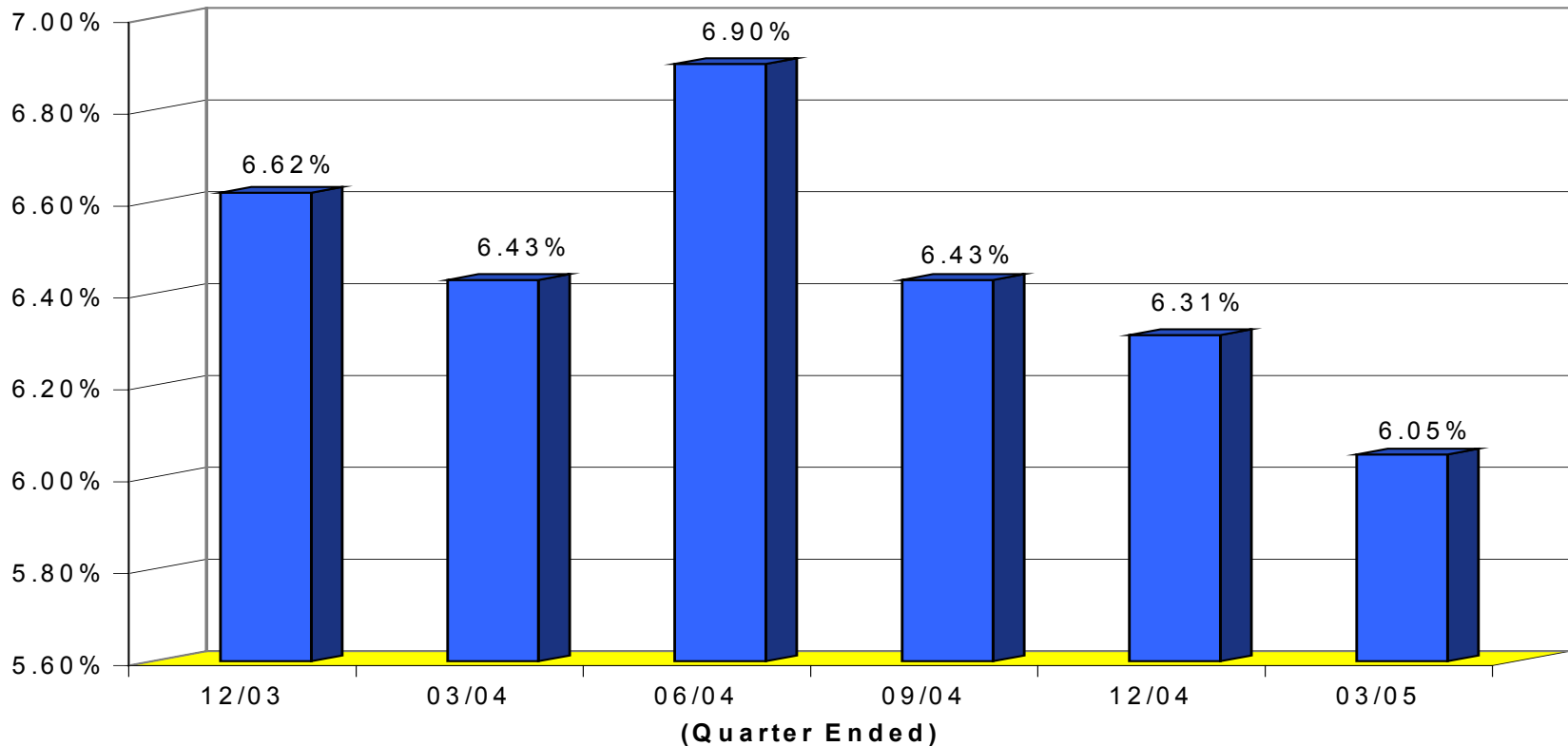
# Consolidated Capital Ratio





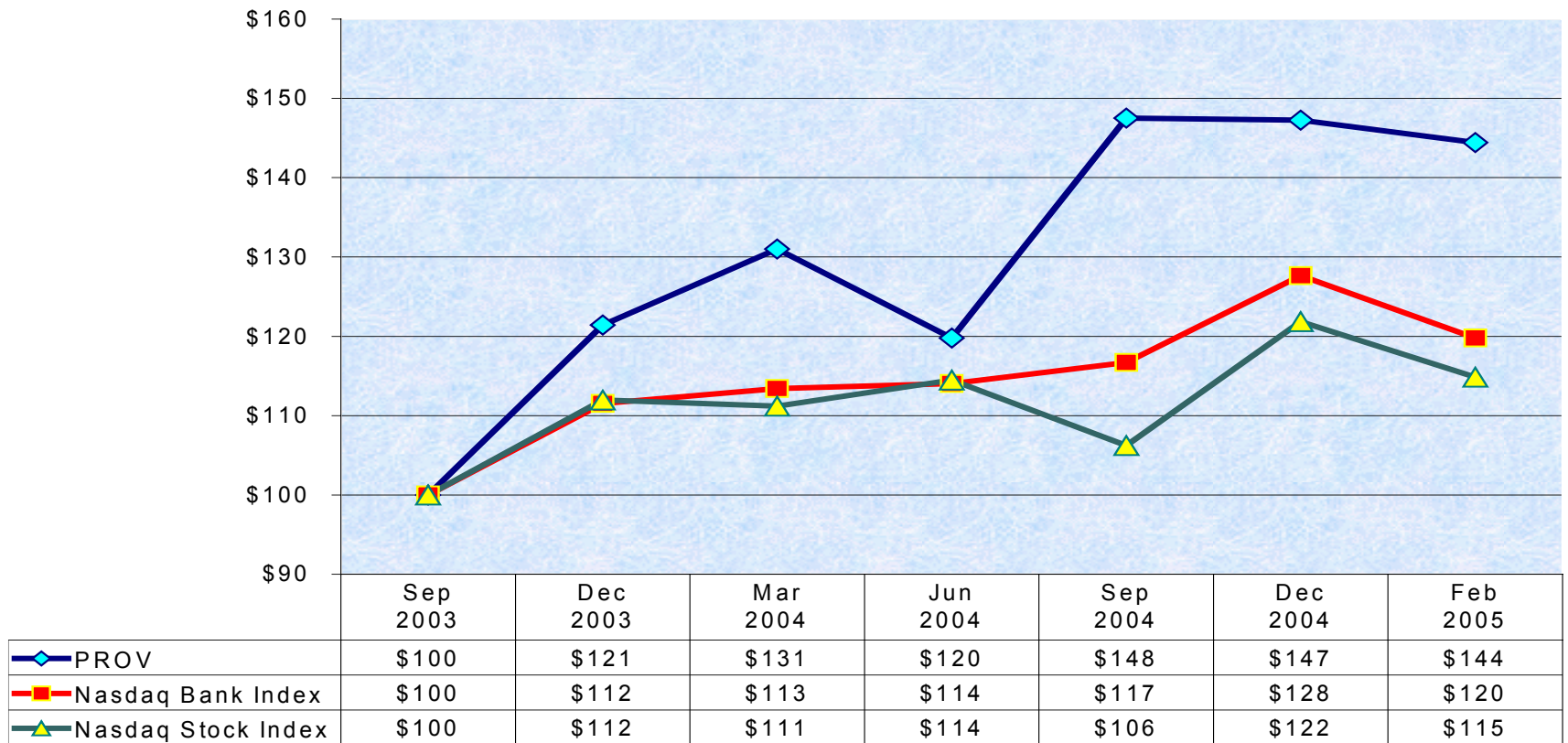
# Bank Capital Ratio

## Tier 1 Core Capital Ratio





# Stock Performance



**Assumes that the value of the investment in the Company's Common Stock and in each Index was \$100 on September 30, 2003 and that all dividends were reinvested.**



**PROV**<sup>TM</sup>  
**NASDAQ**  
L I S T E D

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