



## 2008 Southern California Bus Trip

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**February 20, 2008**



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A decorative graphic consisting of overlapping yellow, red, and blue squares with a black crosshair.

# Safe-Harbor Statement

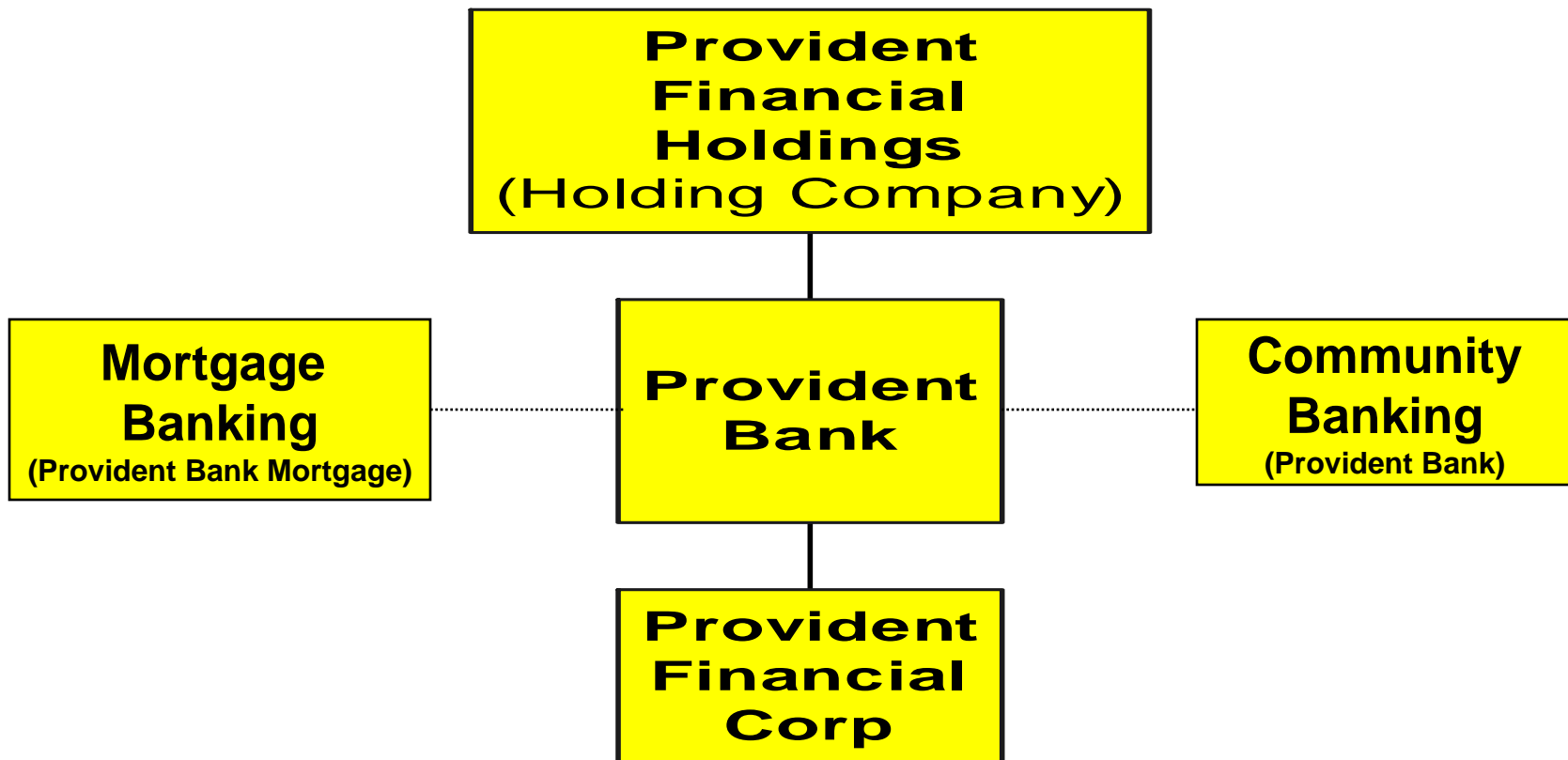
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This presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to, among others, expectations of the business environment in which the 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, 2007. Forward-looking statements are effective only as of the date that they are made and the Company assumes no obligation to update this information.



# Organizational Chart

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## **PROV Overview**

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

- Expanding Customer Base and Market
- Strong Mortgage Operations
- Largest Independent Community Bank Headquartered in Riverside County, California
- Fifth Largest Deposit Market Share in the Riverside-San Bernardino RMA

# Provident Locations

★ Pleasanton, Northern California



## Provident Bank

### Full Service Offices:

- ★ Blythe
- ★ Beaumont (Winter 2009)
- ★ Canyon Crest, Riverside
- ★ Corona
- ★ Corporate Office, Riverside
- ★ Downtown, Riverside
- ★ Hemet
- ★ La Sierra, Riverside
- ★ Moreno Valley - Heacock St.
- ★ Moreno Valley - Iris Ave. (Fall 2008)
- ★ Orangecrest, Riverside
- ★ Rancho Mirage
- ★ Redlands
- ★ Sun City
- ★ Temecula

## Provident Bank Mortgage

### Wholesale Offices:

- ★ Pleasanton
- ★ Rancho Cucamonga

### Retail Offices:

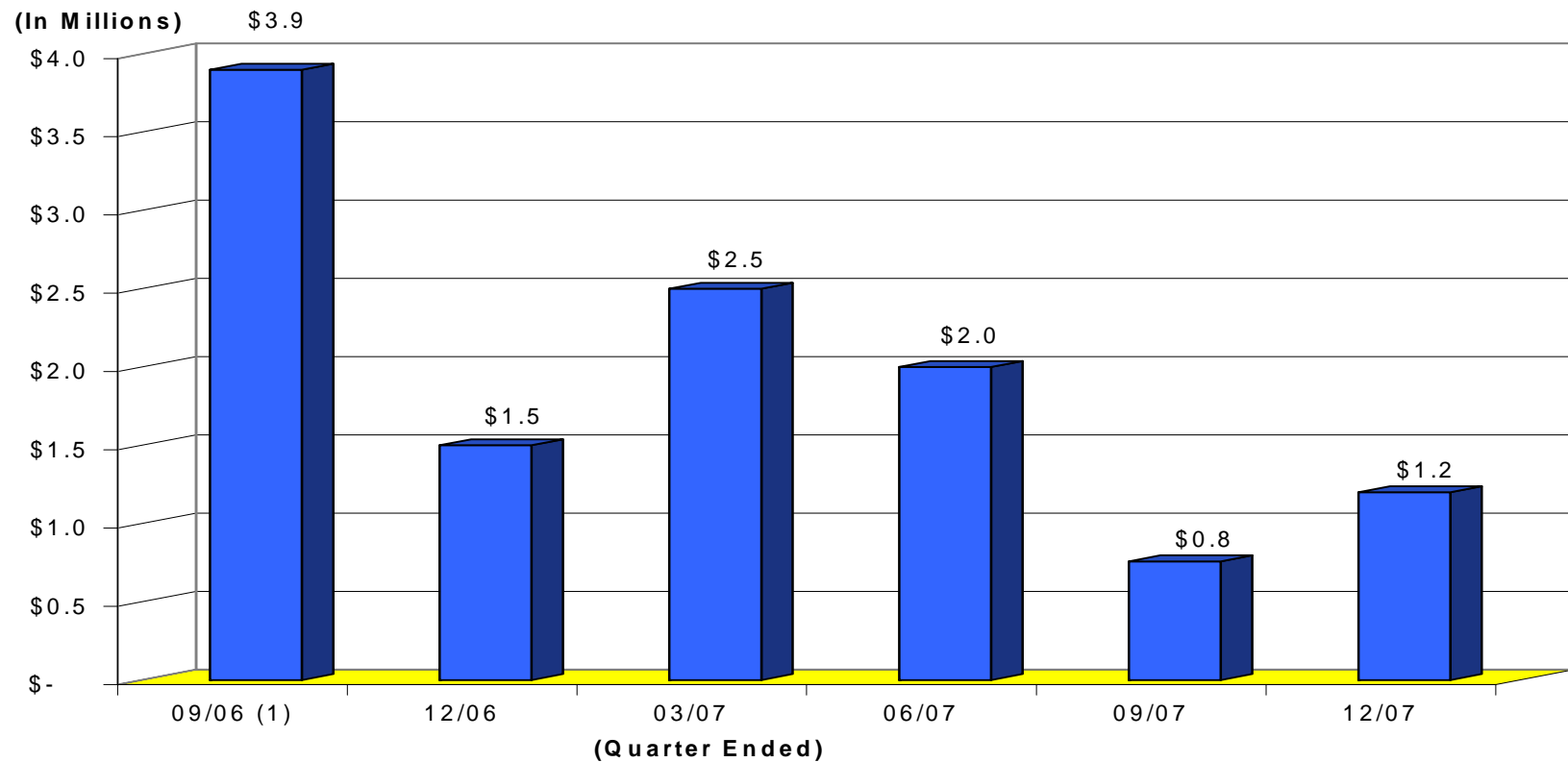
- ★ Glendora
- ★ Riverside

# PROV Highlights

<b>Financial Position:</b>	<b>As of 12/31/2007</b>	<b>As of 09/30/2006</b>
Total Assets .....	\$ 1.64 Billion	\$ 1.70 Billion
Loans Held for Investment .....	\$ 1.40 Billion	\$ 1.31 Billion
Deposits .....	\$ 1.01 Billion	\$ 915.0 Million
Equity .....	\$ 126.3 Million	\$ 138.4 Million
Tangible Equity .....	\$ 126.3 Million	\$ 138.4 Million

<b>Financial Results:</b>	<b>Quarter Ended 12/31/2007</b>	<b>Quarter Ended 09/30/2006</b>
Net Income .....	\$ 1.2 Million	\$ 5.3 Million
Return on Average Equity .....	3.72%	15.25%
Return on Average Assets .....	0.29%	1.28%
Net Interest Margin .....	2.42%	2.68%
Efficiency Ratio .....	62.45%	45.37%
Total Loan Originations .....	\$ 192.7 Million	\$ 429.7 Million
Provident Bank .....	\$ 61.6 Million	\$ 70.2 Million
Provident Bank Mortgage ....	\$ 131.1 Million	\$ 359.5 Million

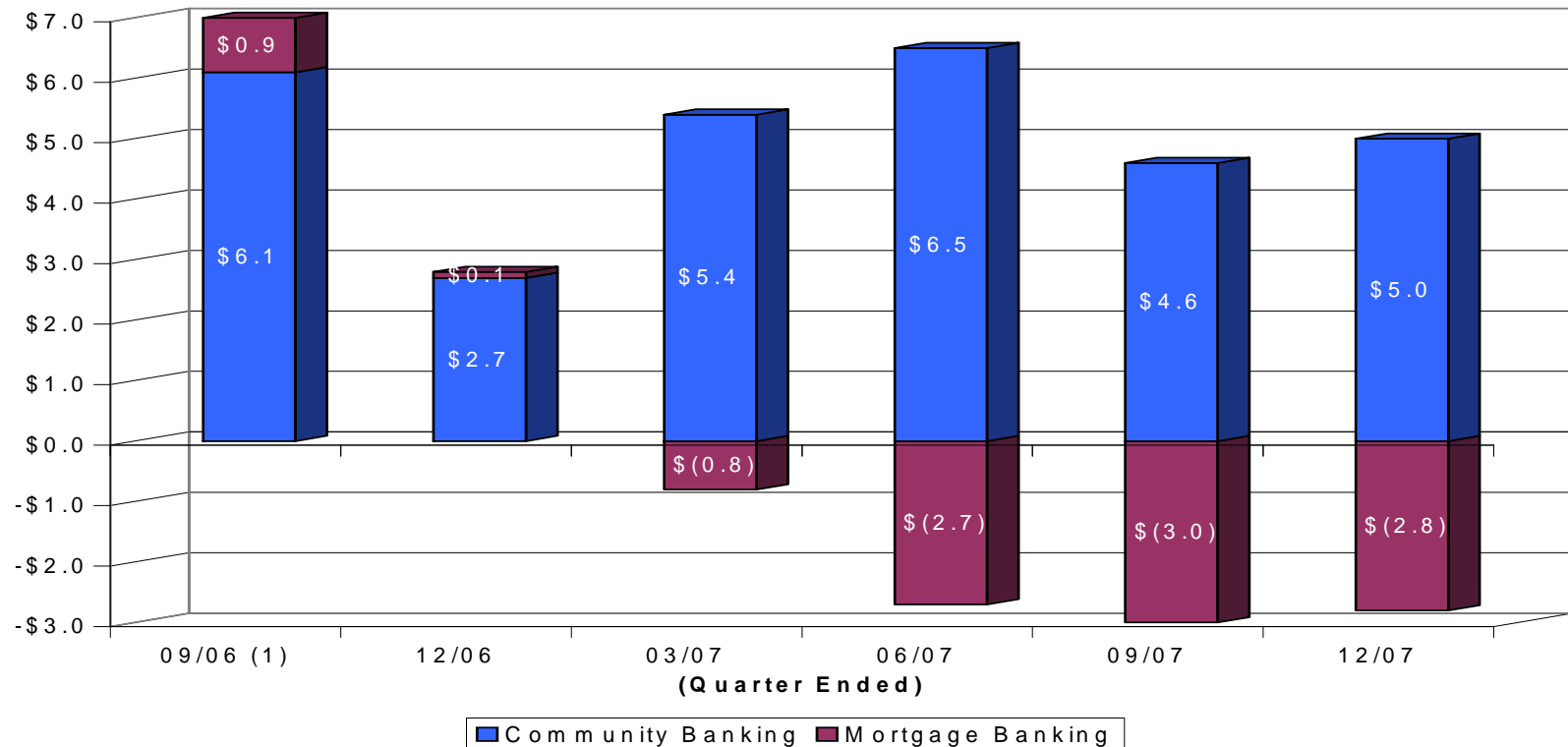
## Quarterly Net Income



(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Net Income was \$5.3 million as described in the Form 10-Q for the quarter ended September 30, 2006.

## Pre-Tax Income - Operating Segments

(In Millions)

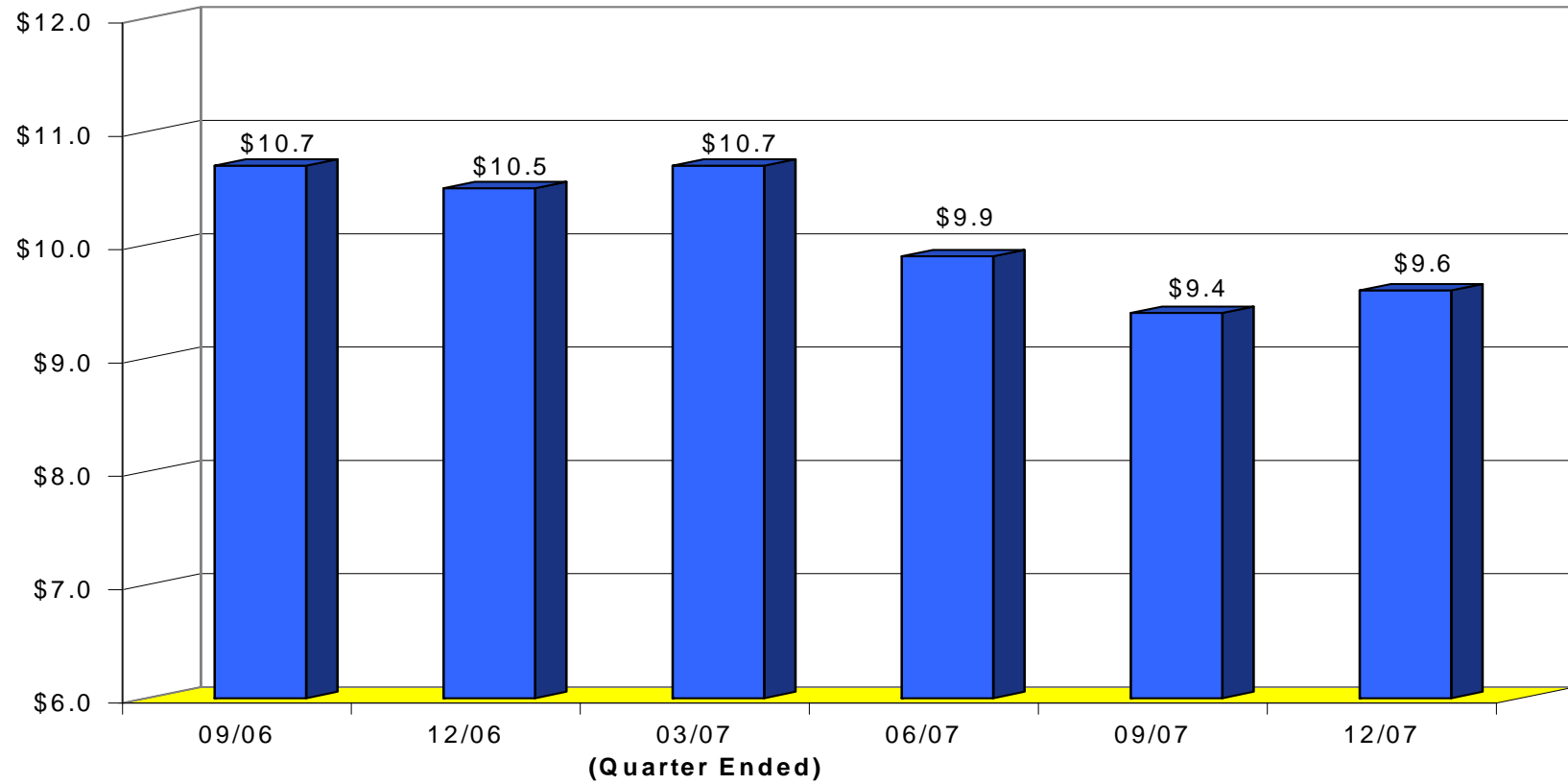


(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Pre-Tax Income for Community Banking was \$8.4 million as described in the Form 10-Q for the quarter ended September 30, 2006.



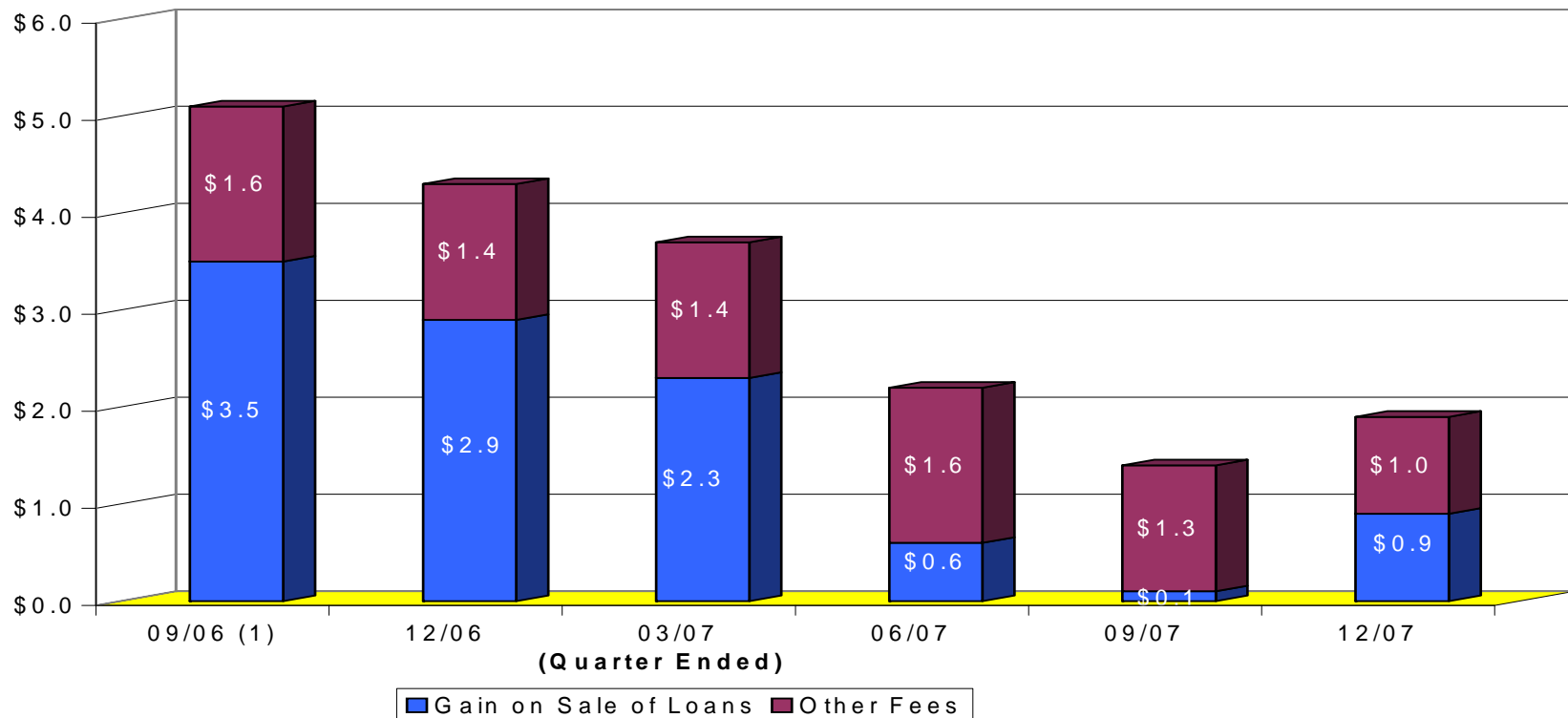
## Quarterly Net Interest Income

(In Millions)



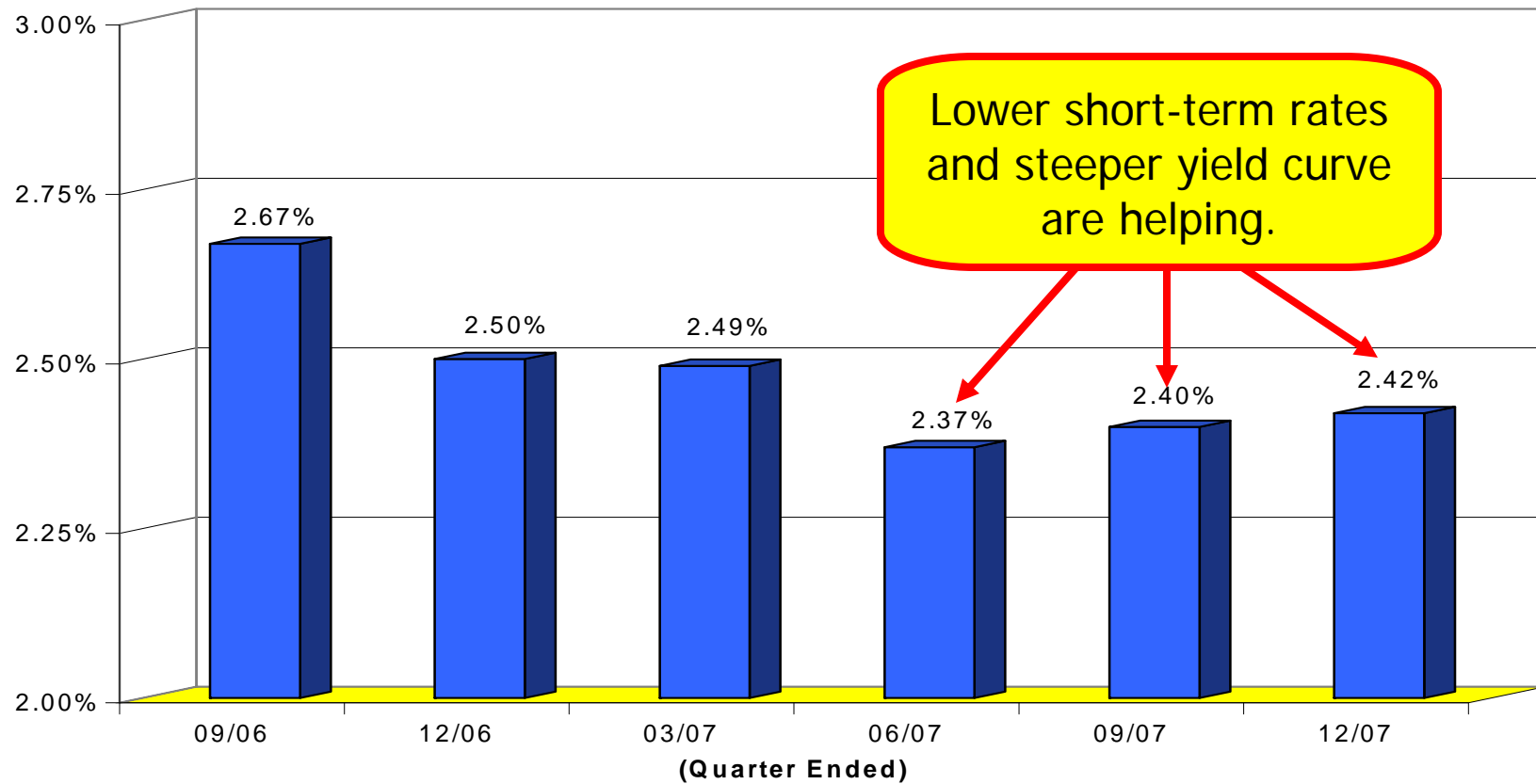
# Non-Interest Income

(In Millions)

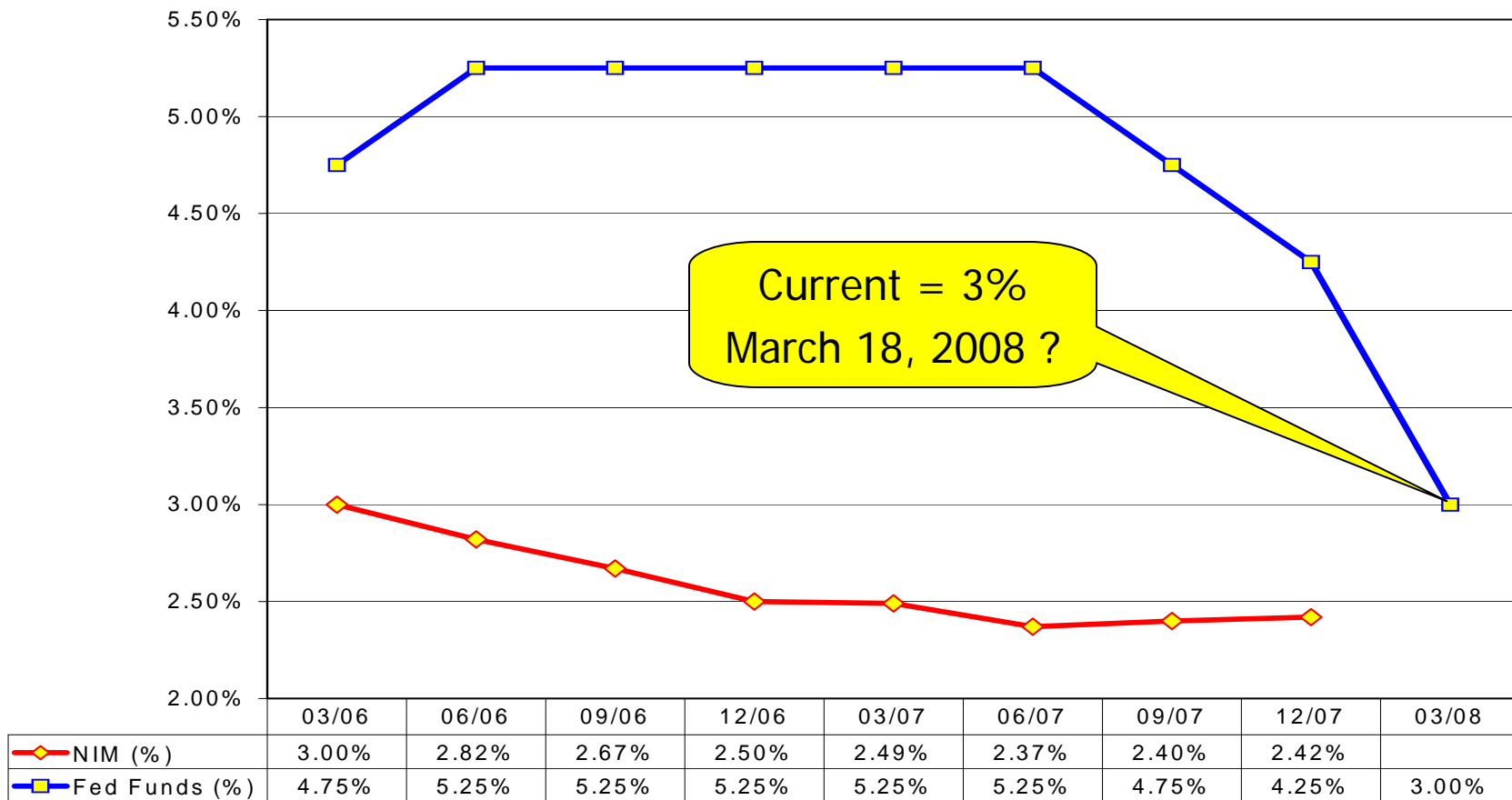


(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Other Fees were \$3.9 million as described in the Form 10-Q for the quarter ended September 30, 2006.

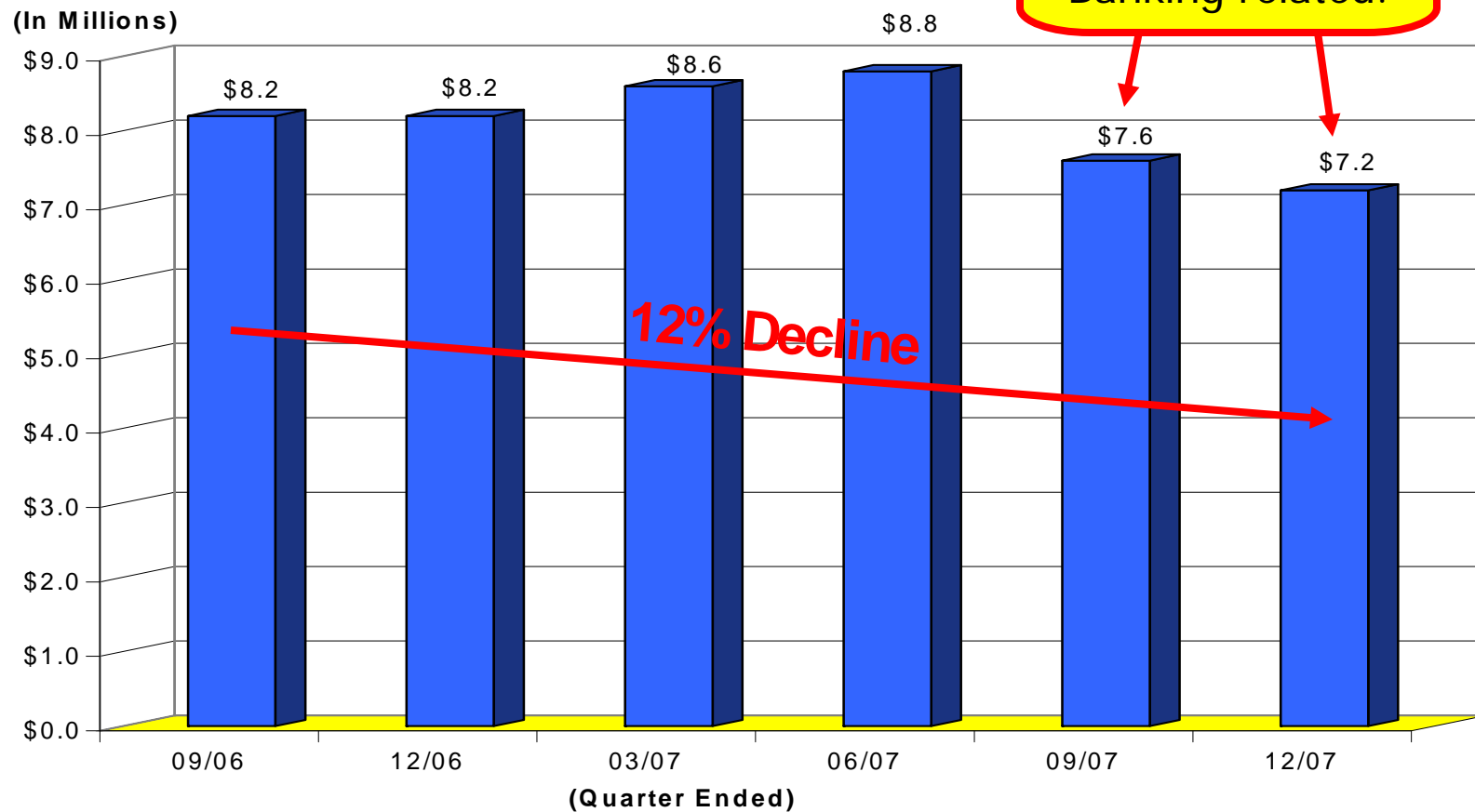
## Net Interest Margin



## Net Interest Margin vs. Fed Funds

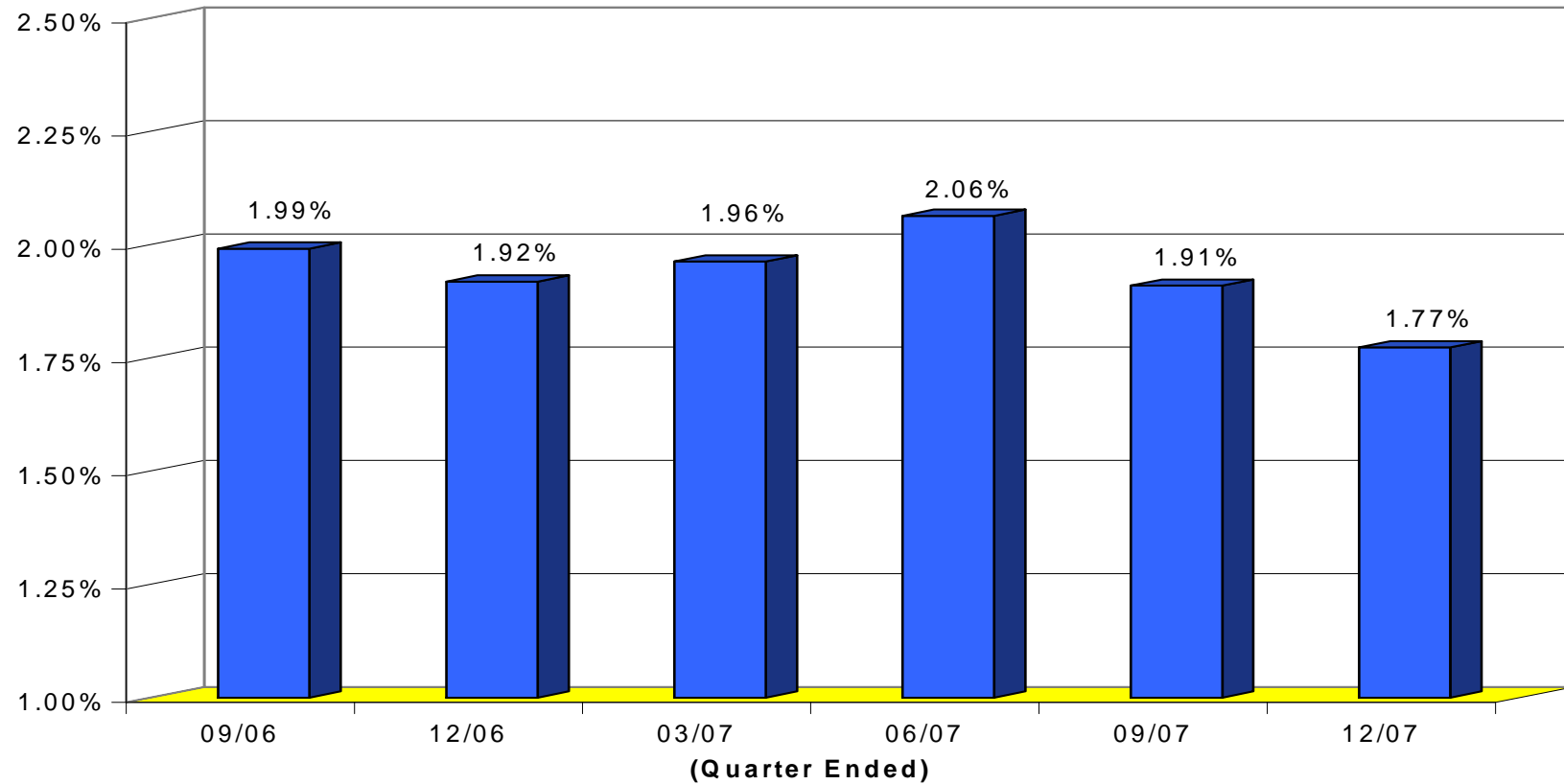


# Operating Expenses

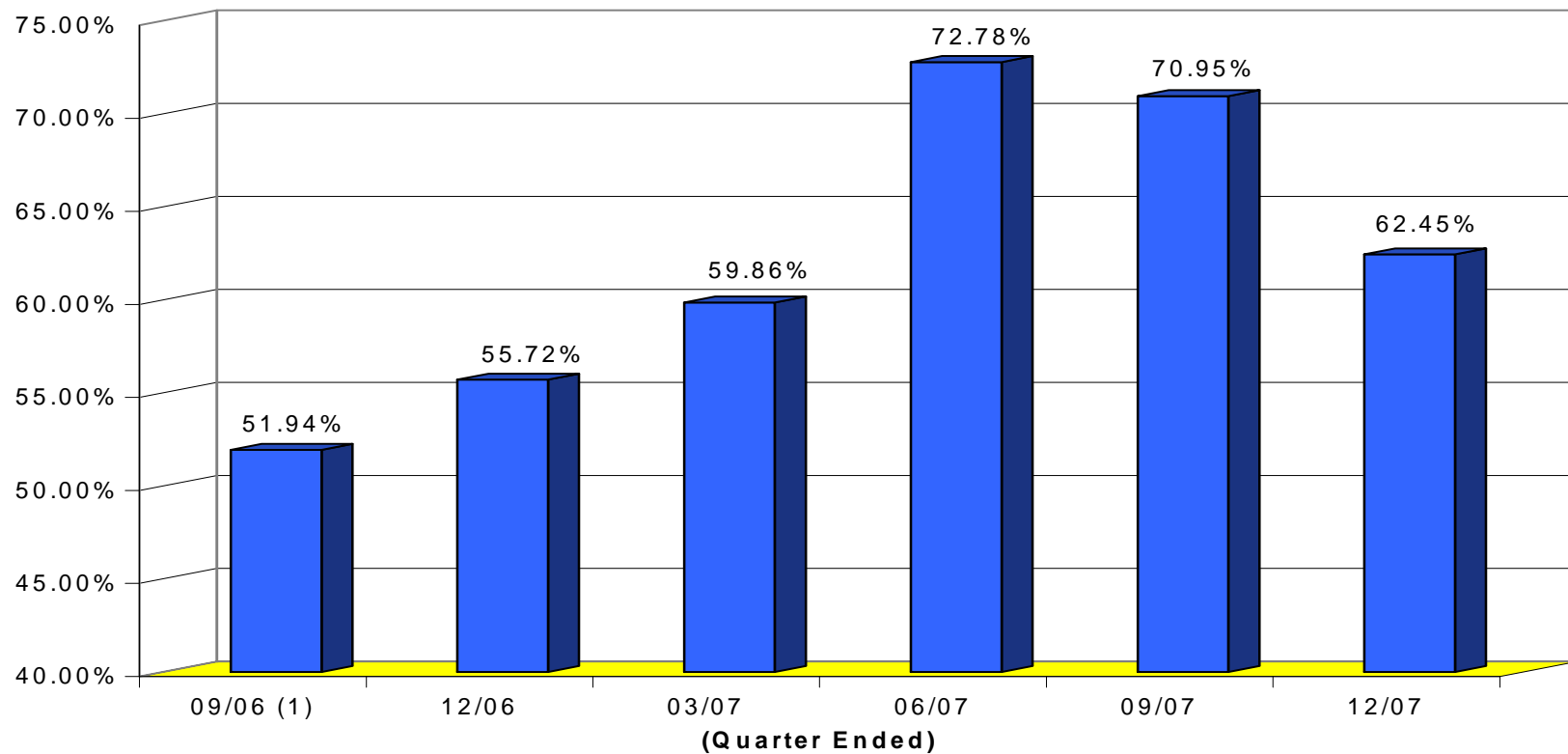




## G&A to Average Assets

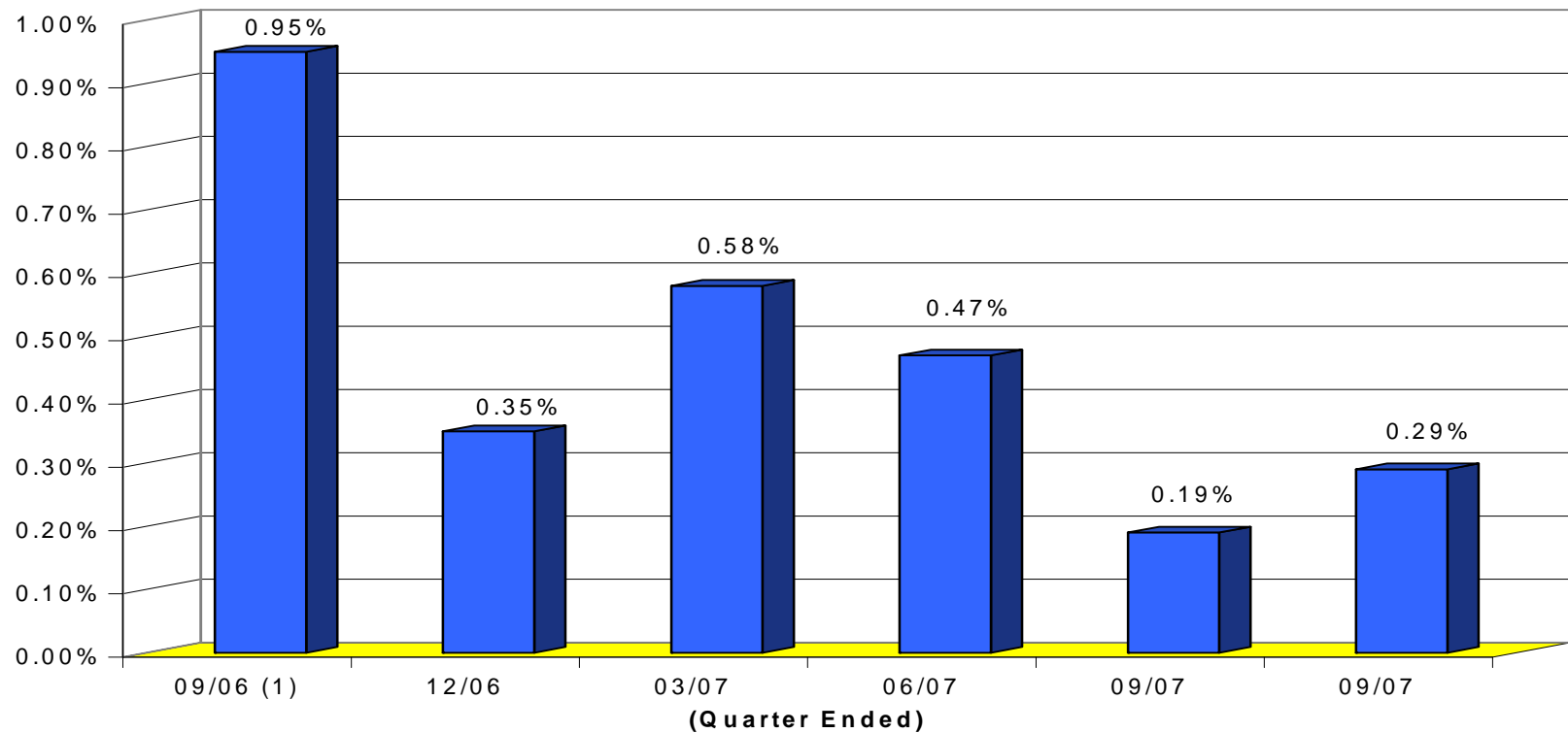


## Efficiency Ratio



(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, the Efficiency Ratio was 45.37% as described in the Form 10-Q for the quarter ended September 30, 2006.

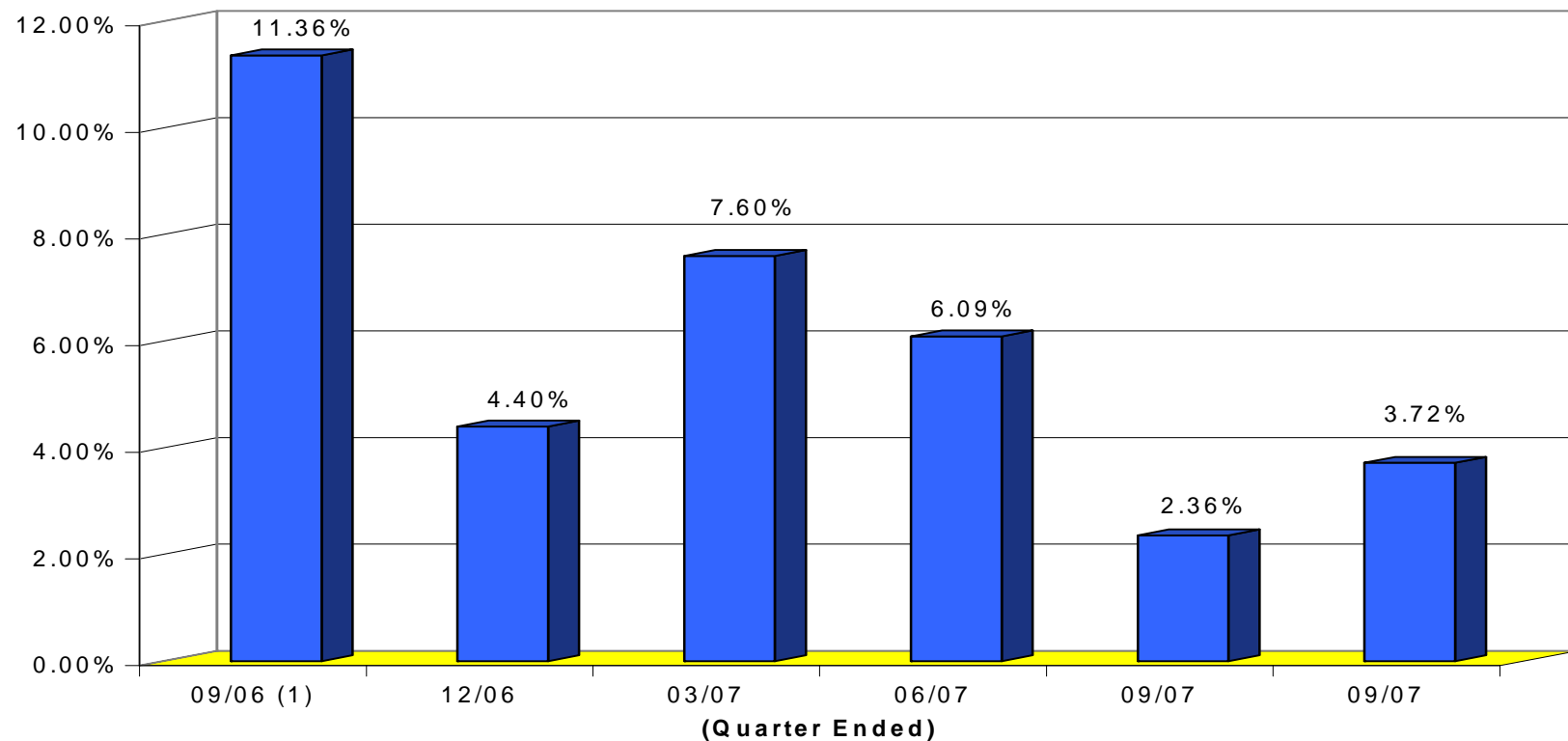
## Return on Average Assets



(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Return on Average Assets was 1.28% as described in the Form 10-Q for the quarter ended September 30, 2006.

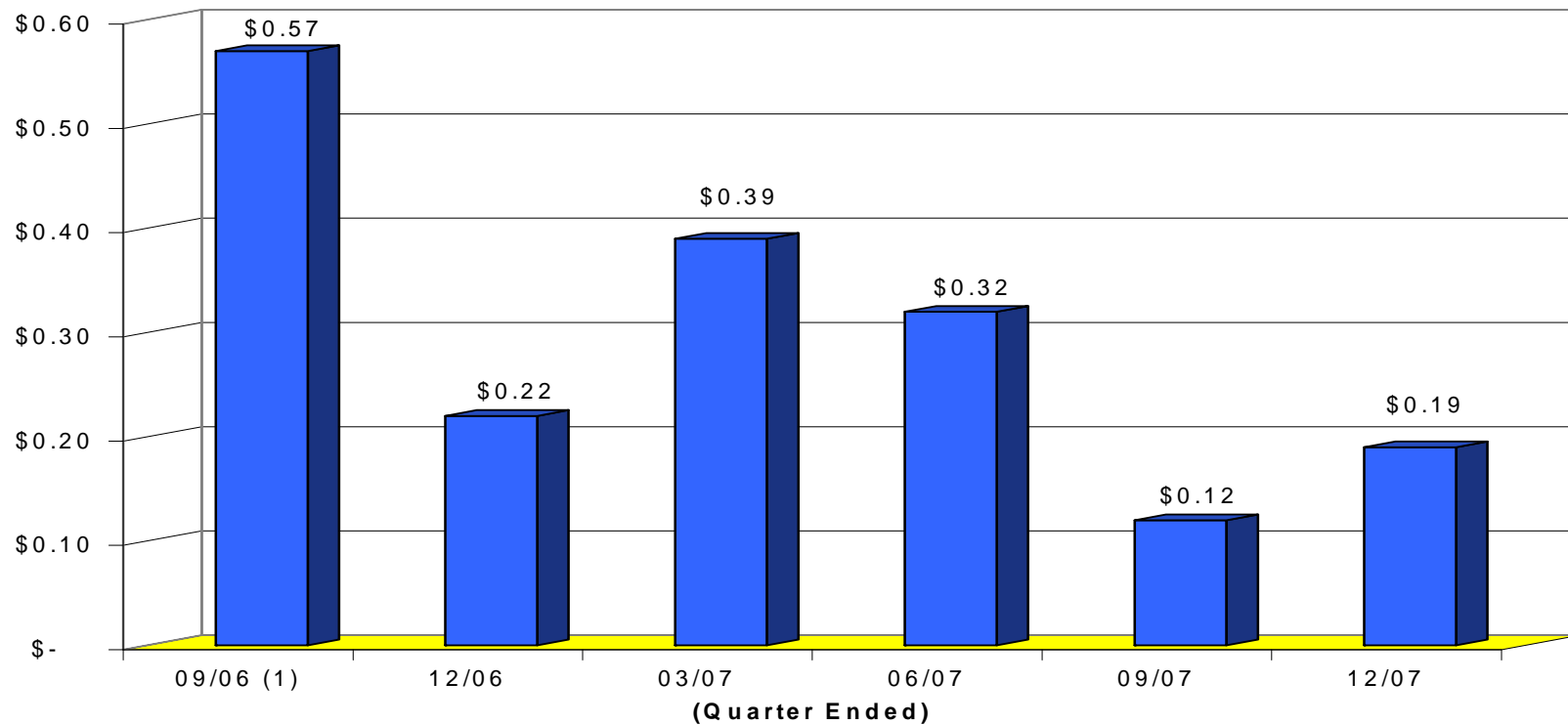


## Return on Average Equity



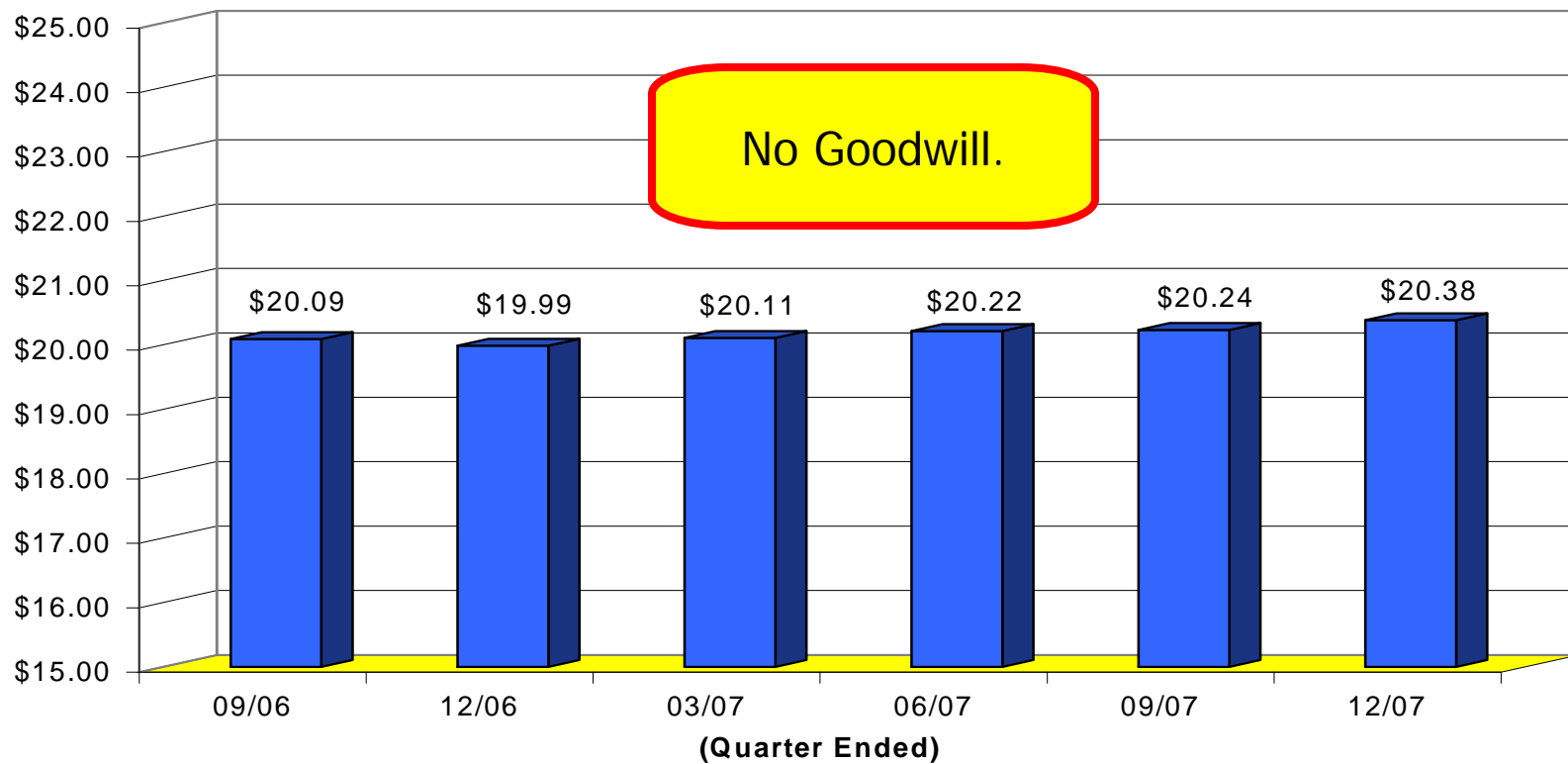
(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Return on Average Equity was 15.25% as described in the Form 10-Q for the quarter ended September 30, 2006.

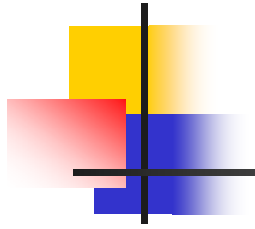
## Diluted Earnings per Share



(1) Excluding the gain on sale of real estate of \$2.3 million. On a GAAP basis, Diluted Earnings per Share was \$0.77 as described in the Form 10-Q for the quarter ended September 30, 2006.

## Book Value and Tangible Book Value per Share



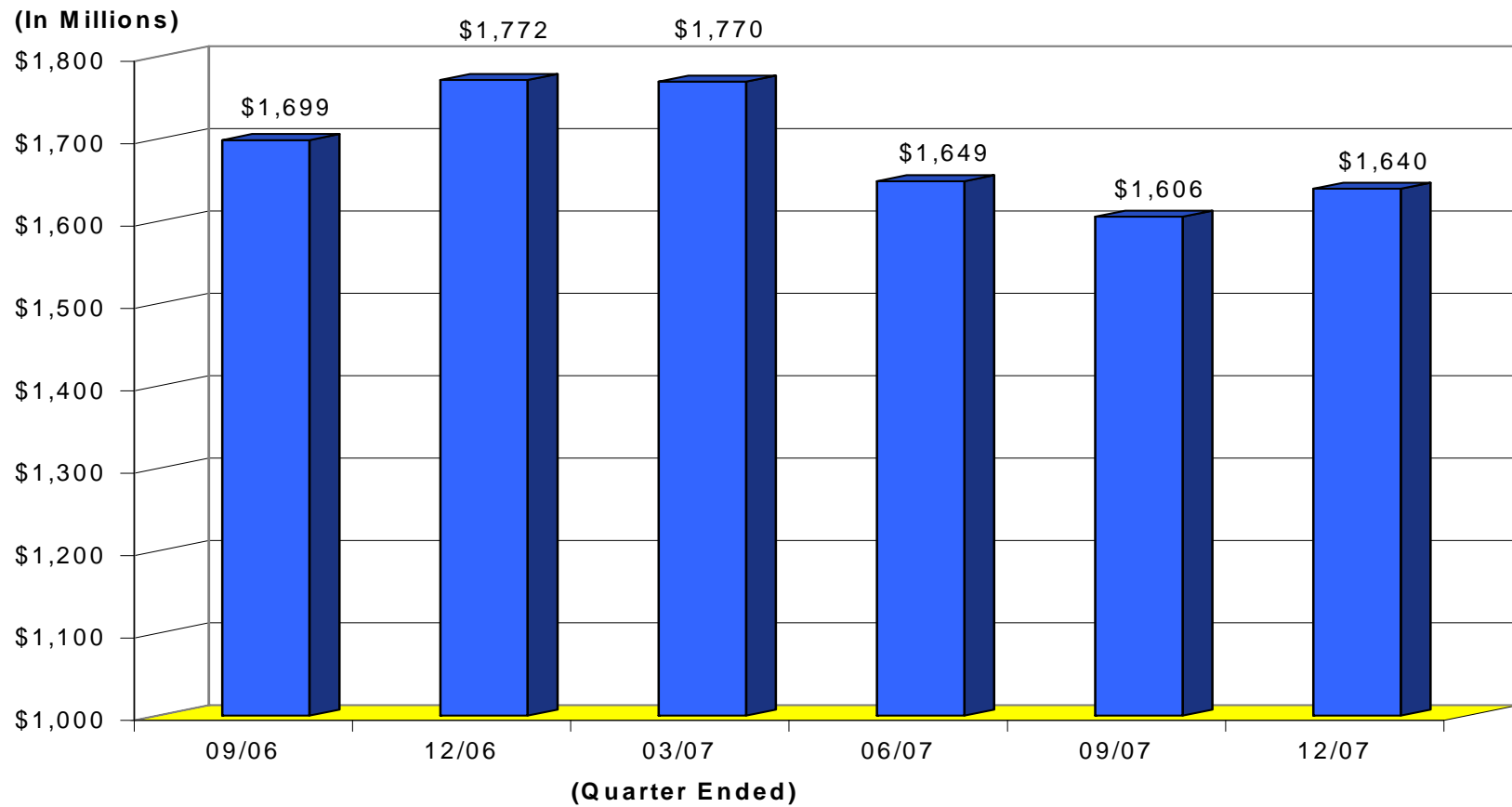


## Community Banking



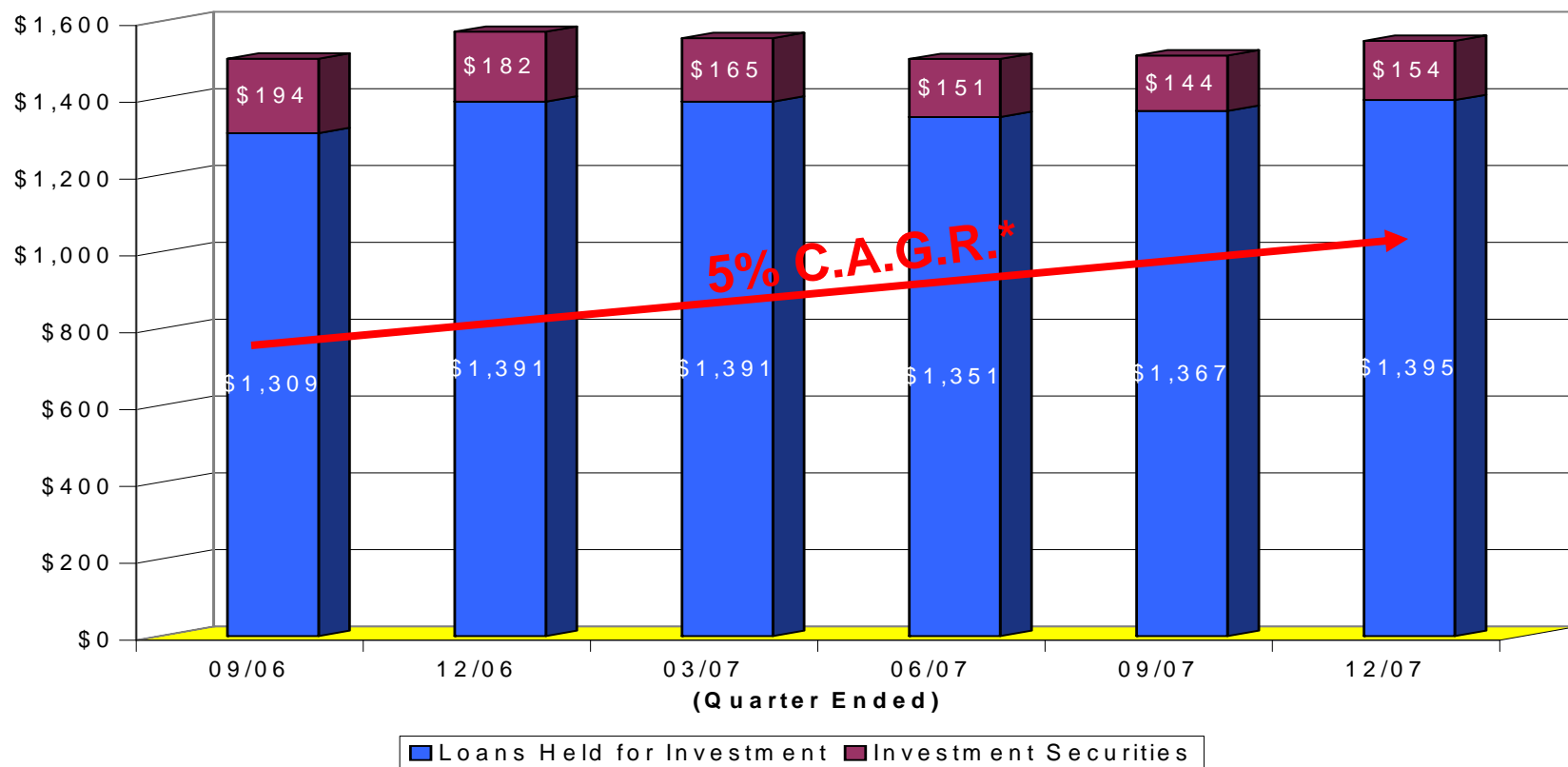
More for you everyday.

# Total Assets



## Loan to Investment Mix

(In Millions)

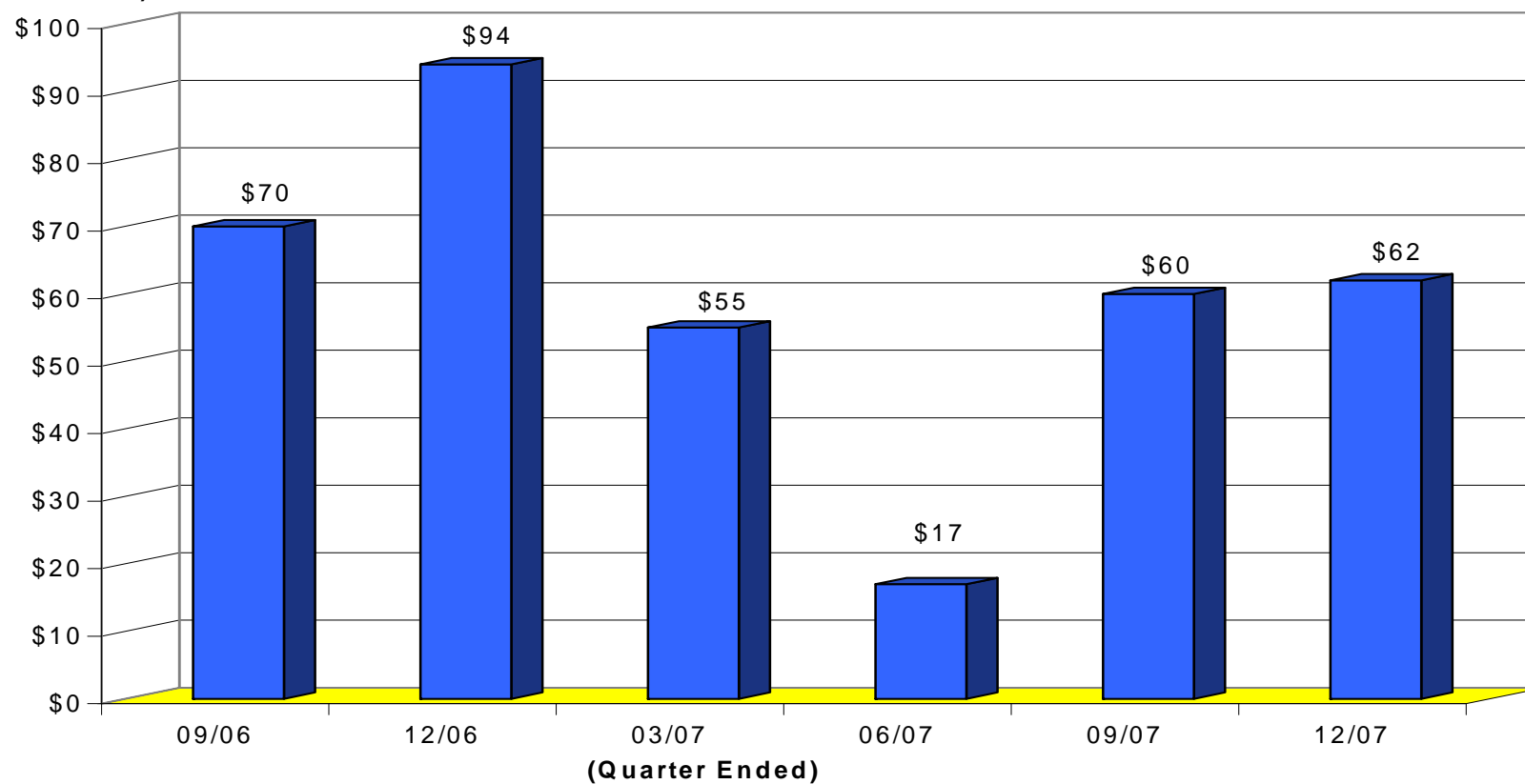


\* C.A.G.R. - Compound annual growth rate from the quarter ended 09/30/06 through 12/31/07.

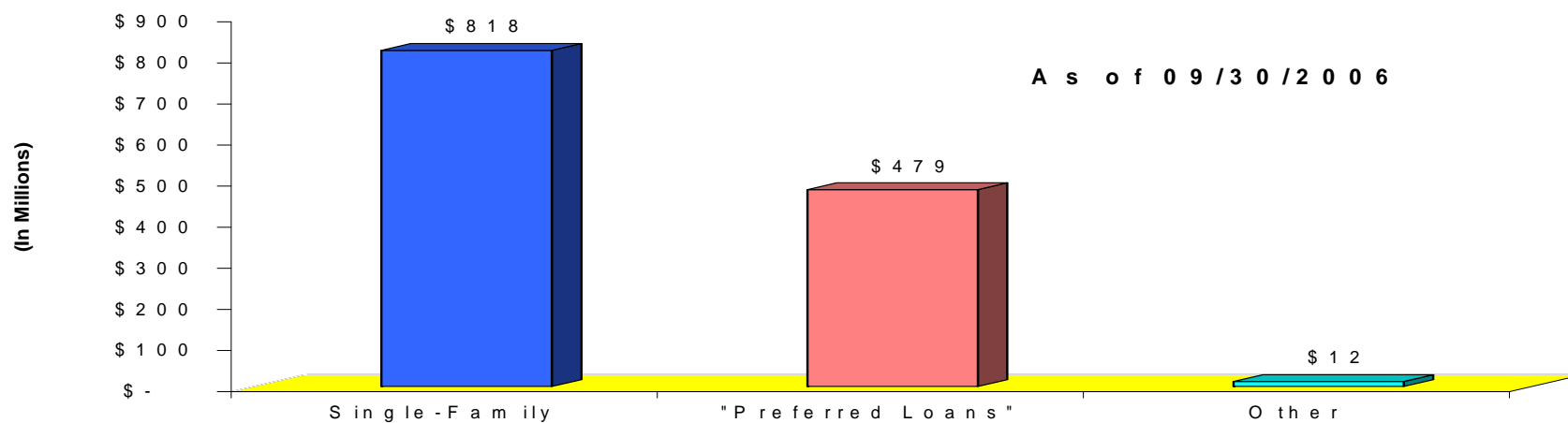
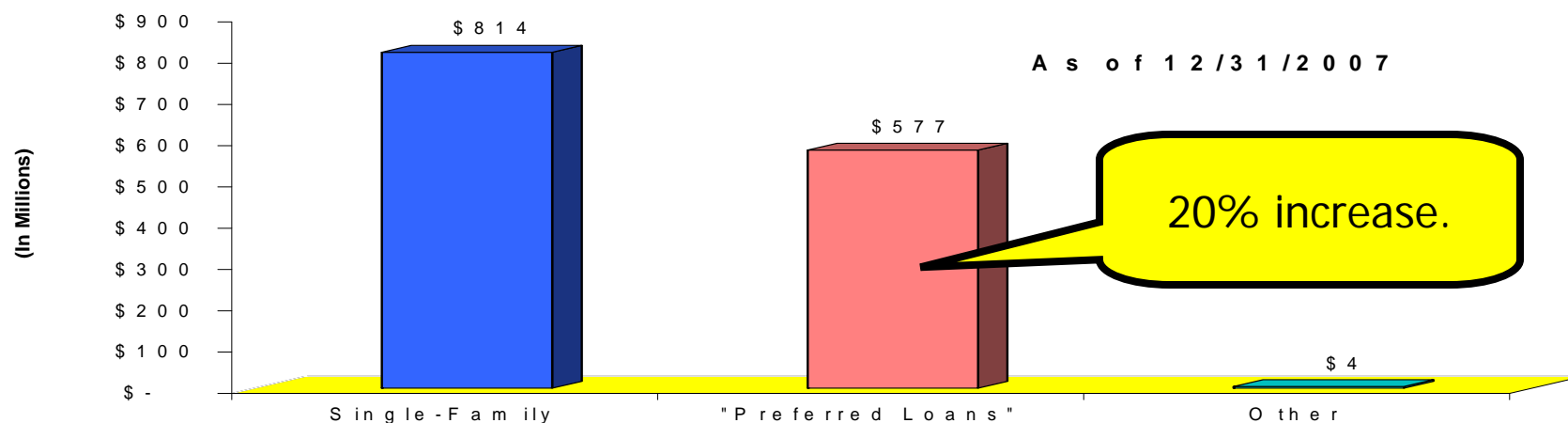
## Provident Bank Loan Originations (Primarily “Preferred Loans”)



(In Millions)



# Loan Portfolio Mix (Loans Held for Investment)



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



# Asset Quality

## Non-Traditional Loans Held for Investment Single-Family First Trust Deeds (Unaudited) As of December 31, 2007

(Dollars in Thousands)	Outstanding Balance (1)	Weighted Average FICO (2)	Weighted Average LTV (3)	Weighted Average Seasoning (4)
Interest Only	\$ 608,890	734	74%	2.06 Years
Stated Income (5)	\$ 442,197	731	73%	2.16 Years
FICO <= 660	\$ 25,234	641	72%	2.76 Years
> 30 Year Amortization	\$ 28,938	740	68%	2.38 Years

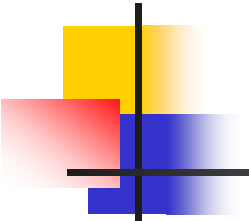
(1) The outstanding balance presented on this table may overlap more than one category.

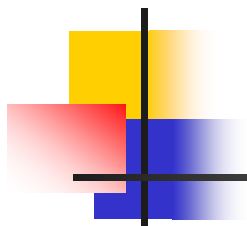
(2) The FICO score represents the credit worthiness, as reported by an independent third party, of a borrower based on the borrower's credit history. A higher FICO score indicates a greater degree of creditworthiness.

(3) LTV (loan-to-value) is the ratio calculated by dividing the original loan balance by the original appraised value of the real estate collateral.

(4) Seasoning describes the number of years since the funding date of the loan.

(5) Stated income is defined as a borrower provided level of income which is not subject to verification during the loan origination process.





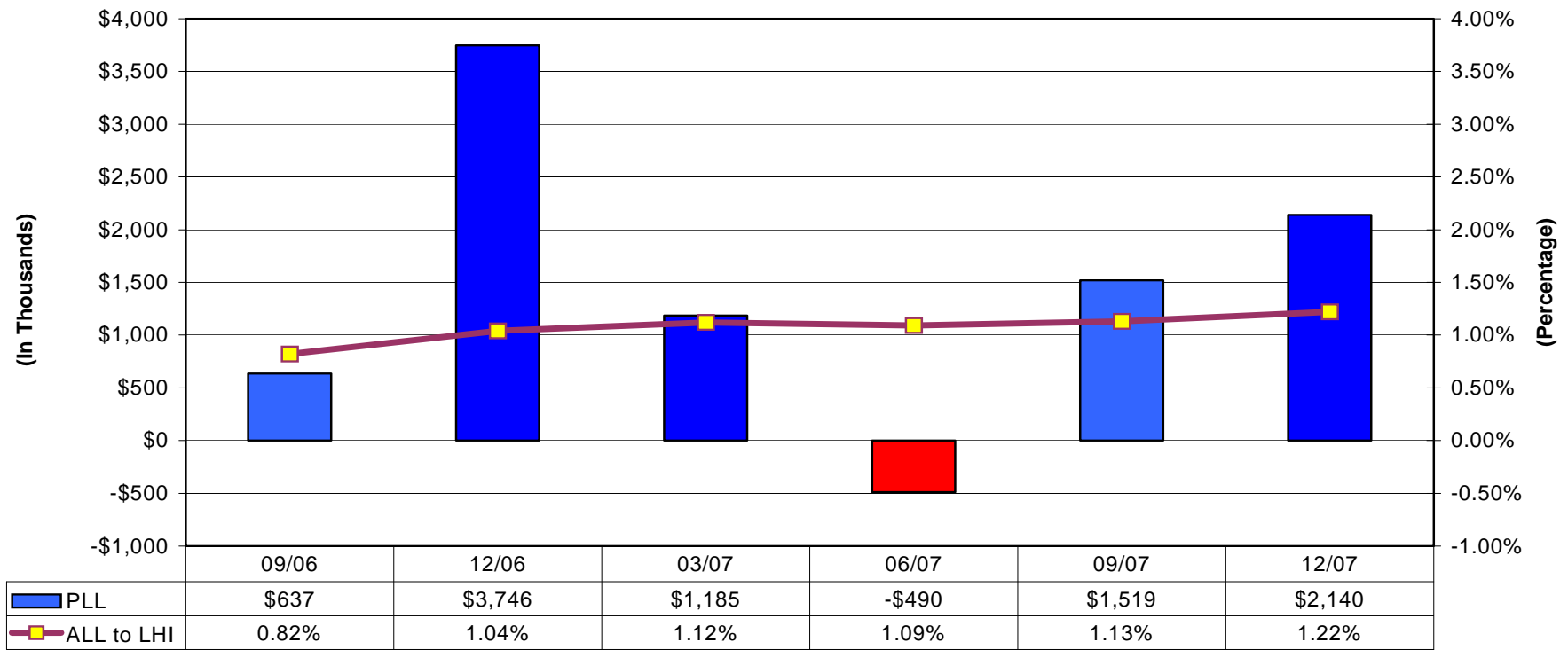
# Asset Quality

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



# Asset Quality

## Provision for Loan Losses (PLL) & Allowance for Loan Losses to Loans Held for Investment (ALL to LHI)

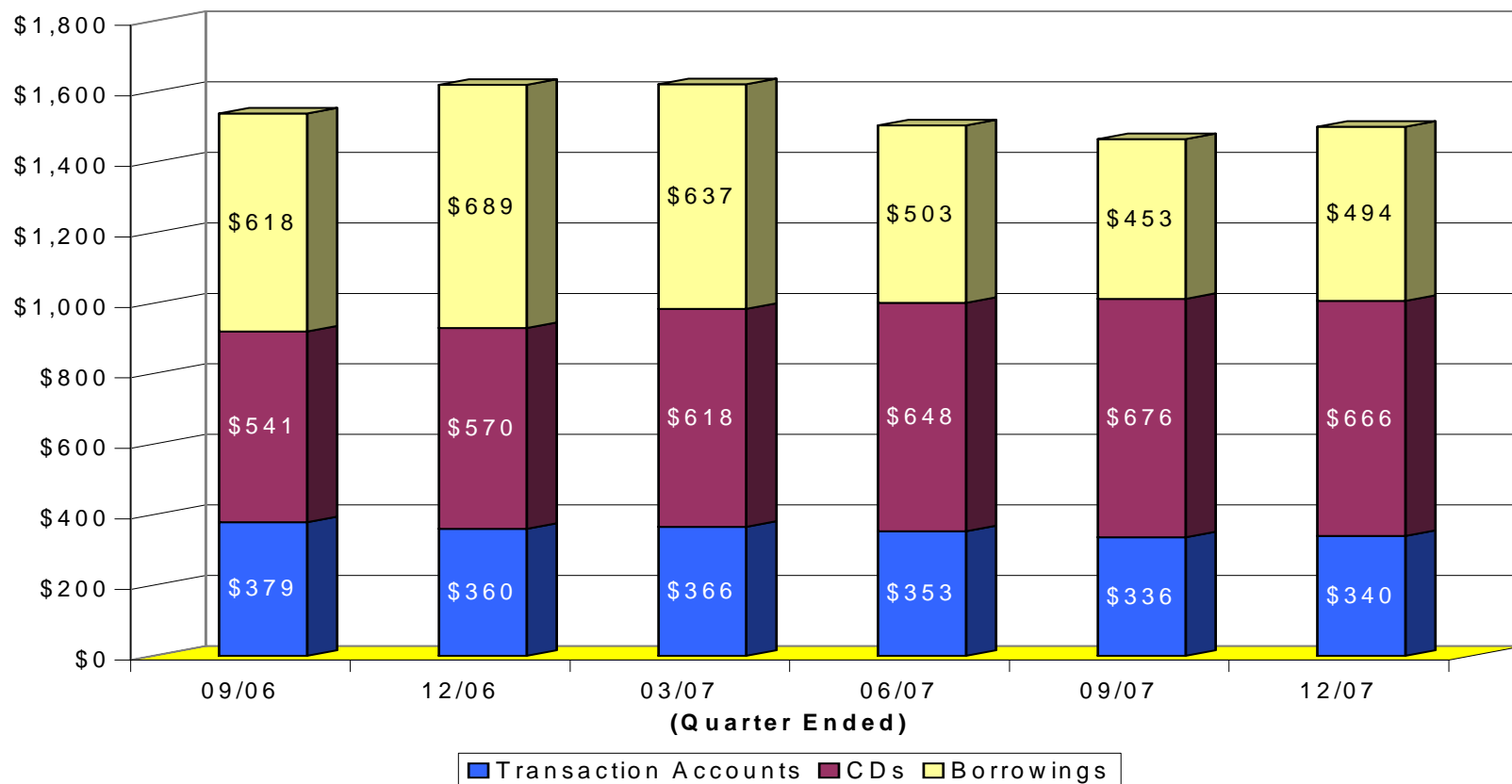


## Deposit Market Share

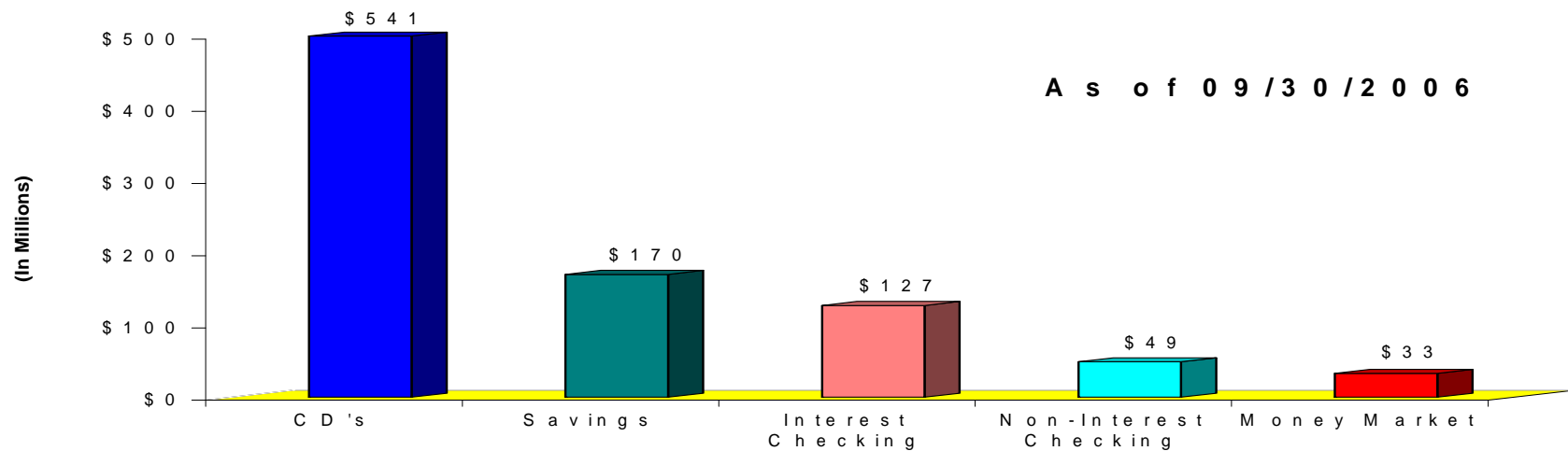
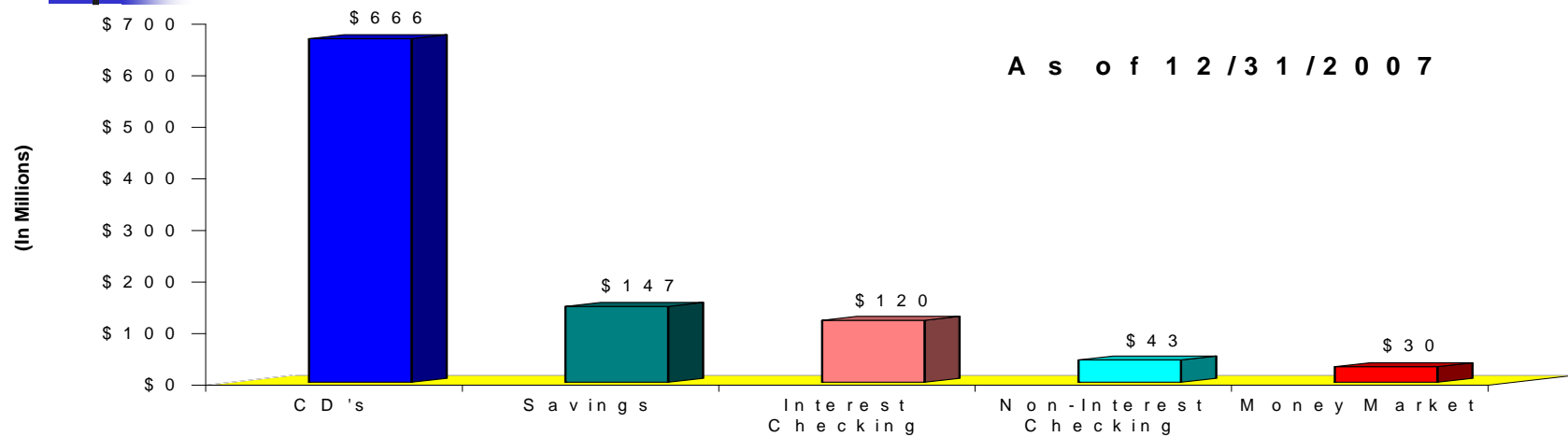
RMA: Riverside-San Bernardino, CA								
As of June 30, 2007 (Dollars in Thousands)								
Source: FDIC								
2007 Rank	2006 Rank	Institution (ST)	Type	2007 of Branches	2007 Deposits in Market	2007 Mkt. Share %	2006 Deposits in Market	2006 Mkt. Share %
1	1	Bank of America Corp. (NC)	Bank	40	\$3,993,808	29.01	\$4,082,720	29.52
2	2	Washington Mutual Inc. (WA)	Thrift	18	\$1,686,015	12.25	\$1,728,040	12.49
3	3	Wells Fargo & Co. (CA)	Bank	28	\$1,547,847	11.24	\$1,519,886	10.99
4	4	Citigroup Inc. (NY)	Bank	14	\$913,847	6.64	\$927,302	6.70
<b>5</b>	<b>7</b>	<b>Provident Financial Holdings</b>	<b>Thrift</b>	<b>8</b>	<b>\$631,990</b>	<b>4.59</b>	<b>\$583,494</b>	<b>4.22</b>
6	5	UnionBanCal Corp. (CA)	Bank	15	\$604,596	4.39	\$642,531	4.65
7	6	CVB Financial Corp. (CA)	Bank	6	\$570,597	4.14	\$635,349	4.59
8	9	Fremont General Corp. (CA)	Bank	1	\$483,375	3.51	\$435,957	3.15
9	8	Community Bank (CA)	Bank	4	\$443,148	3.22	\$488,547	3.53
10	10	Wachovia Corp. (NC)	Bank	2	\$375,029	2.72	\$306,423	2.22
<b>Total For Institutions In Market</b>				<b>201</b>	<b>\$13,766,113</b>		<b>\$13,832,355</b>	

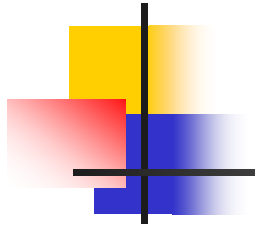
## Transaction Accounts, CDs & Borrowings

(In Millions)



# Deposit Composition





## Mortgage Banking

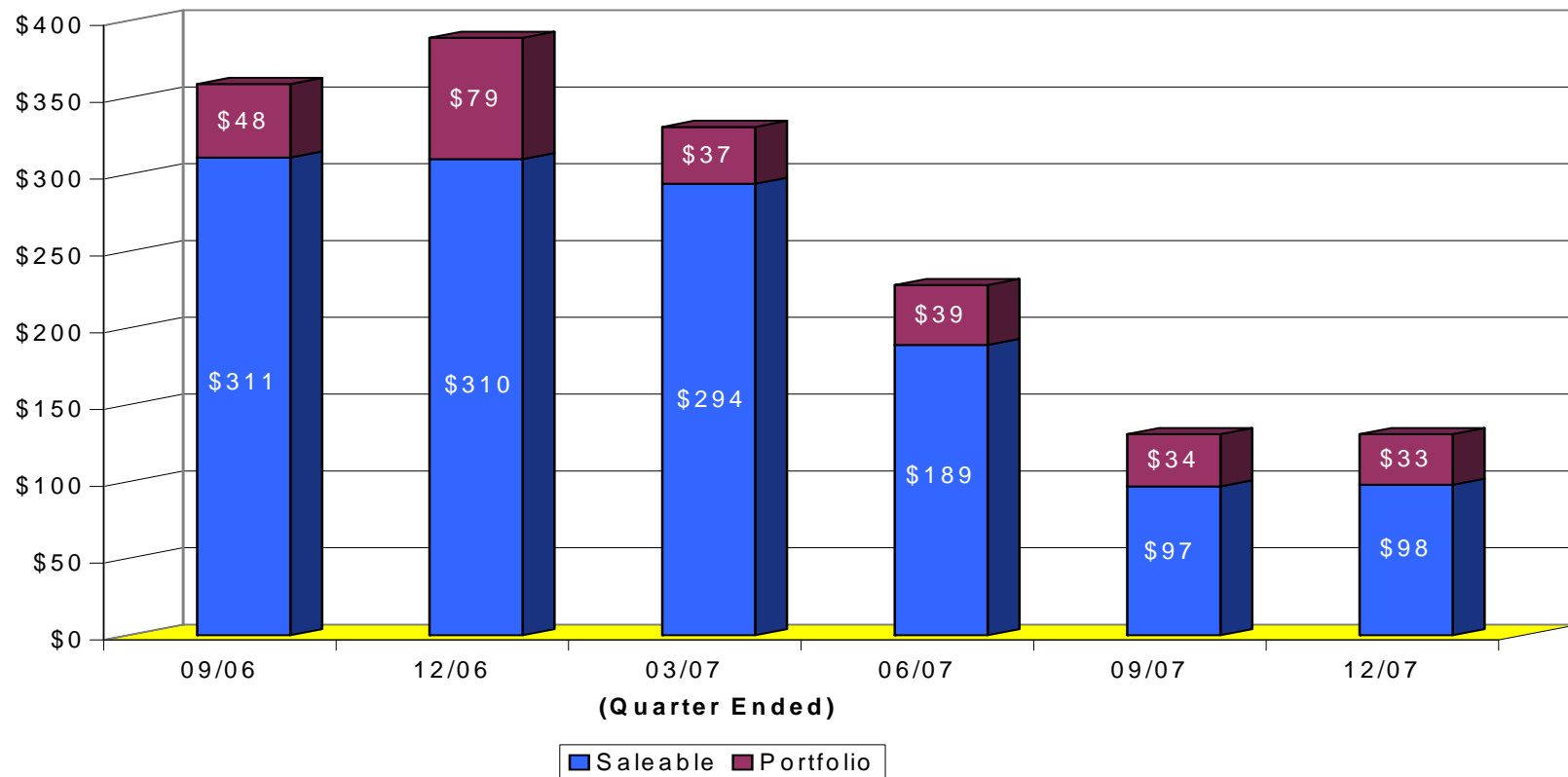


**Faster funded home loans.**

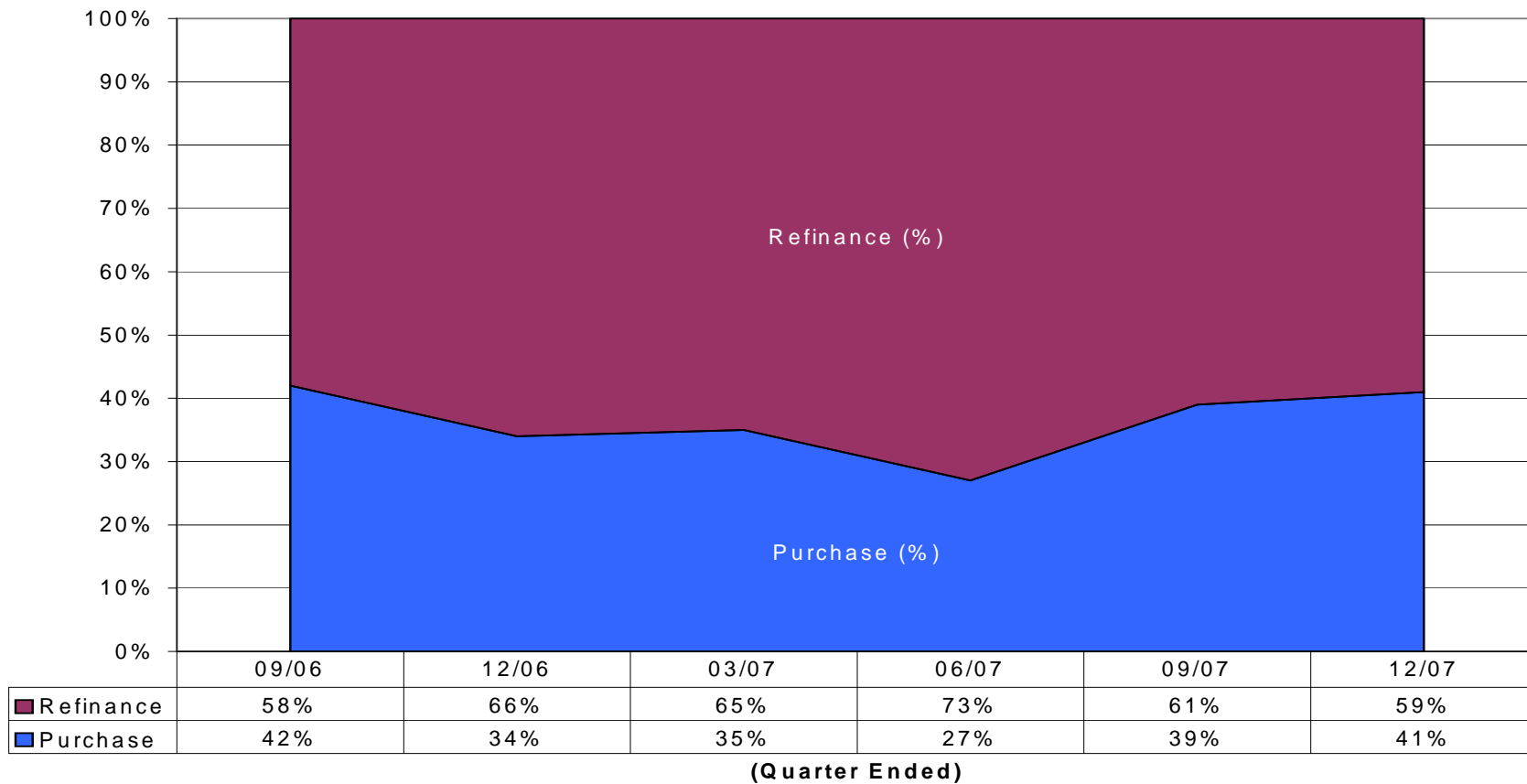


## Provident Bank Mortgage Loan Originations

(In Millions)

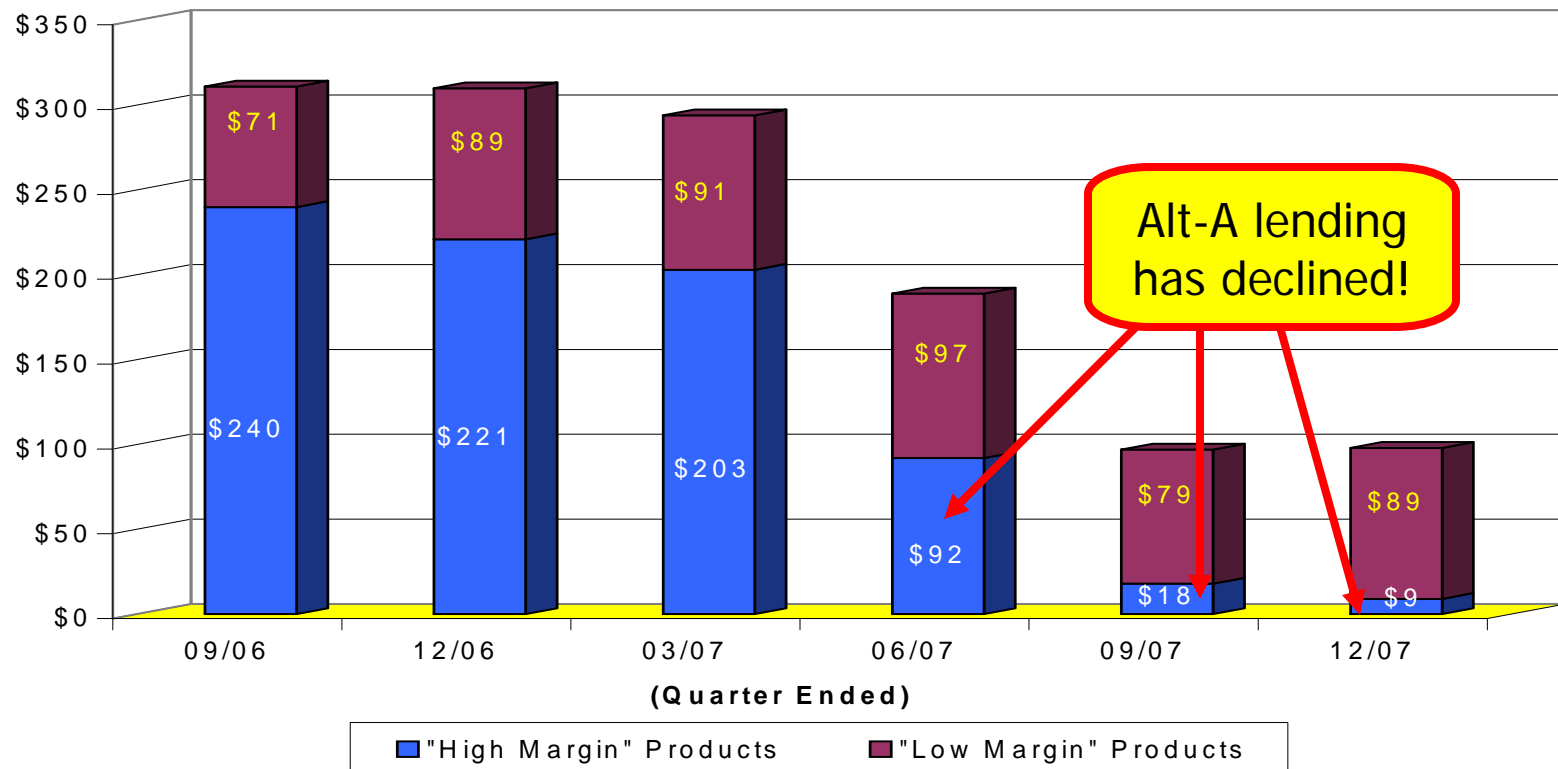


## PBM Purchase vs. Refinance

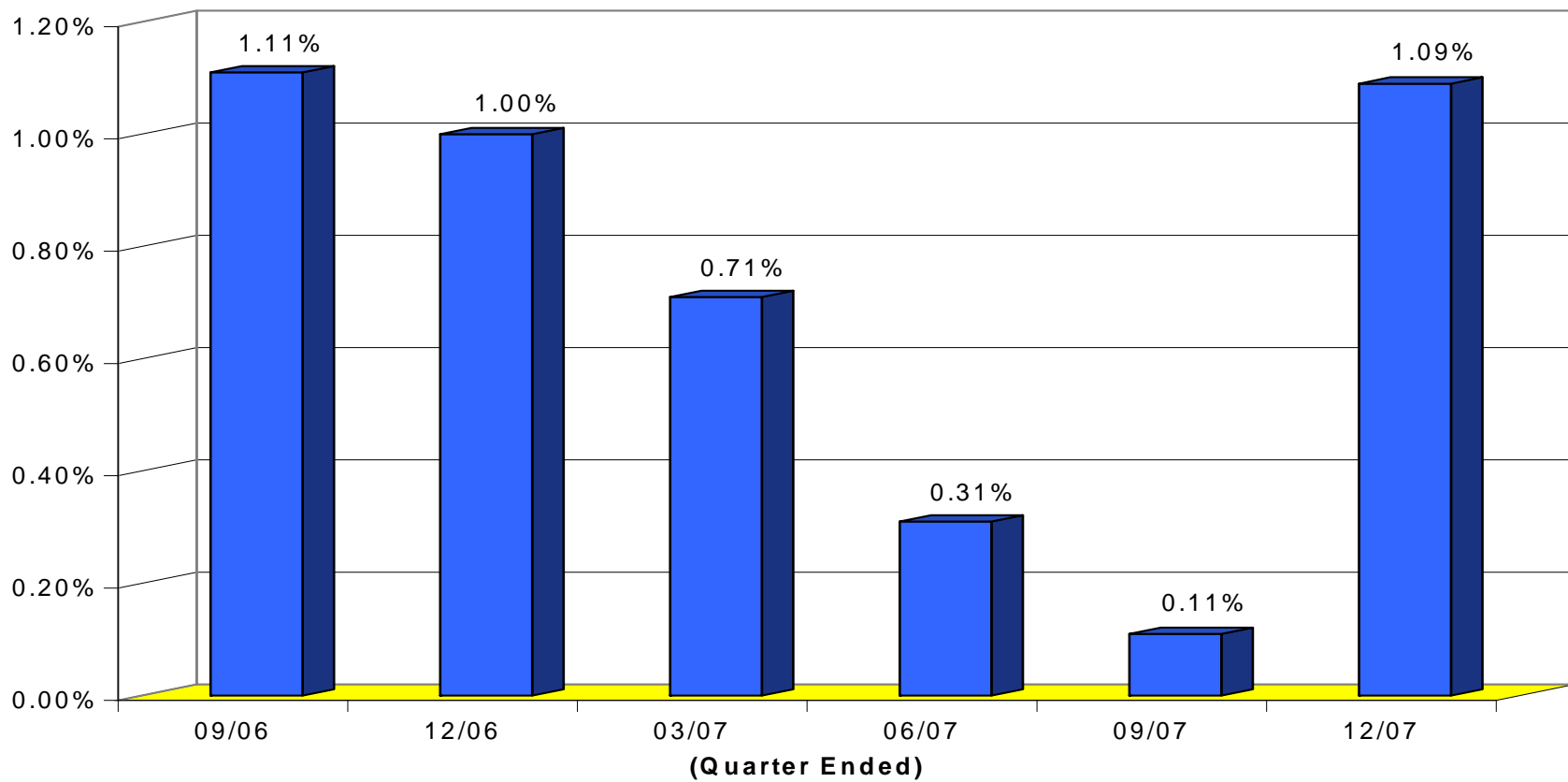


## “High Margin” vs. “Low Margin” Products

(In Millions)



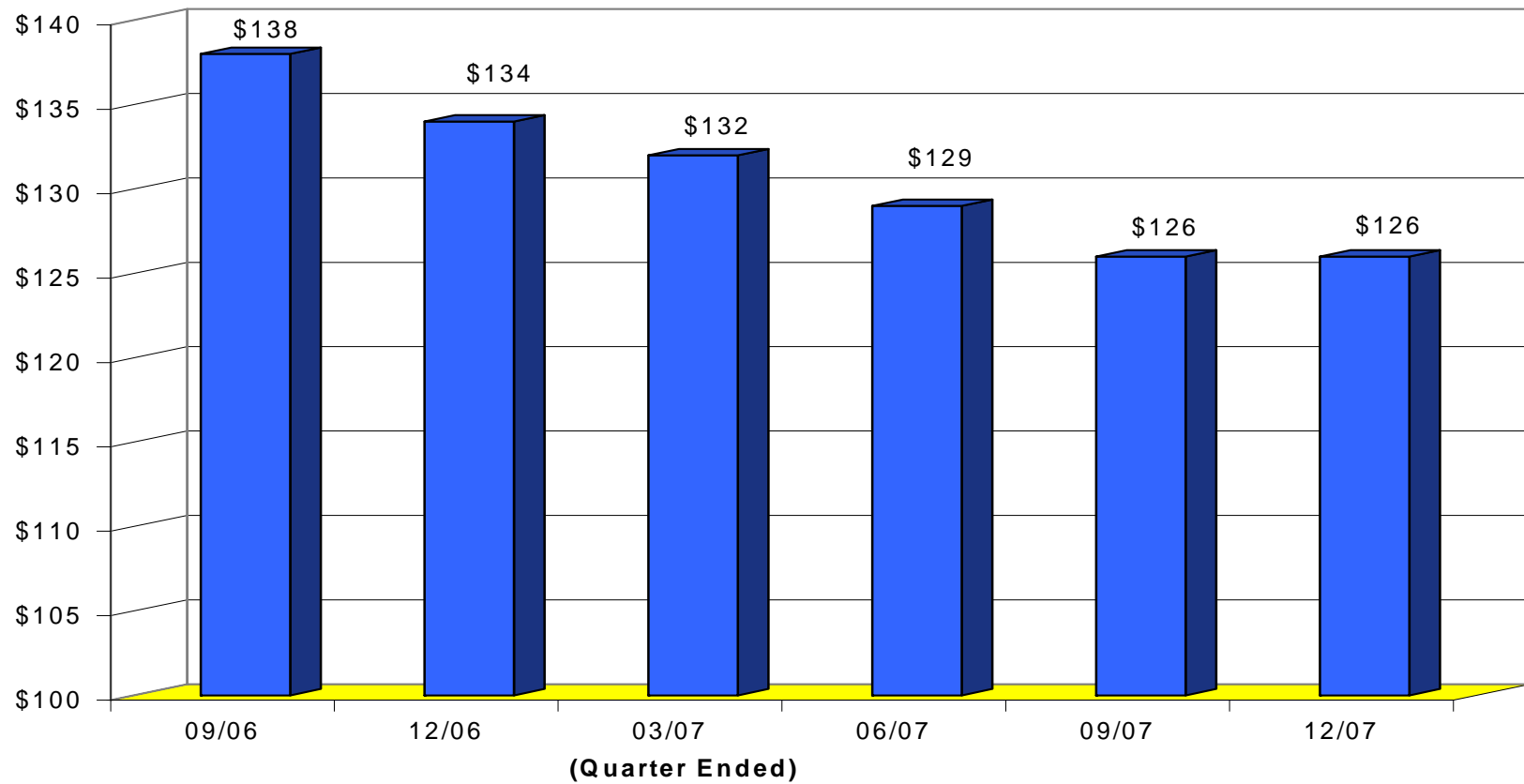
## Loan Sale Margin



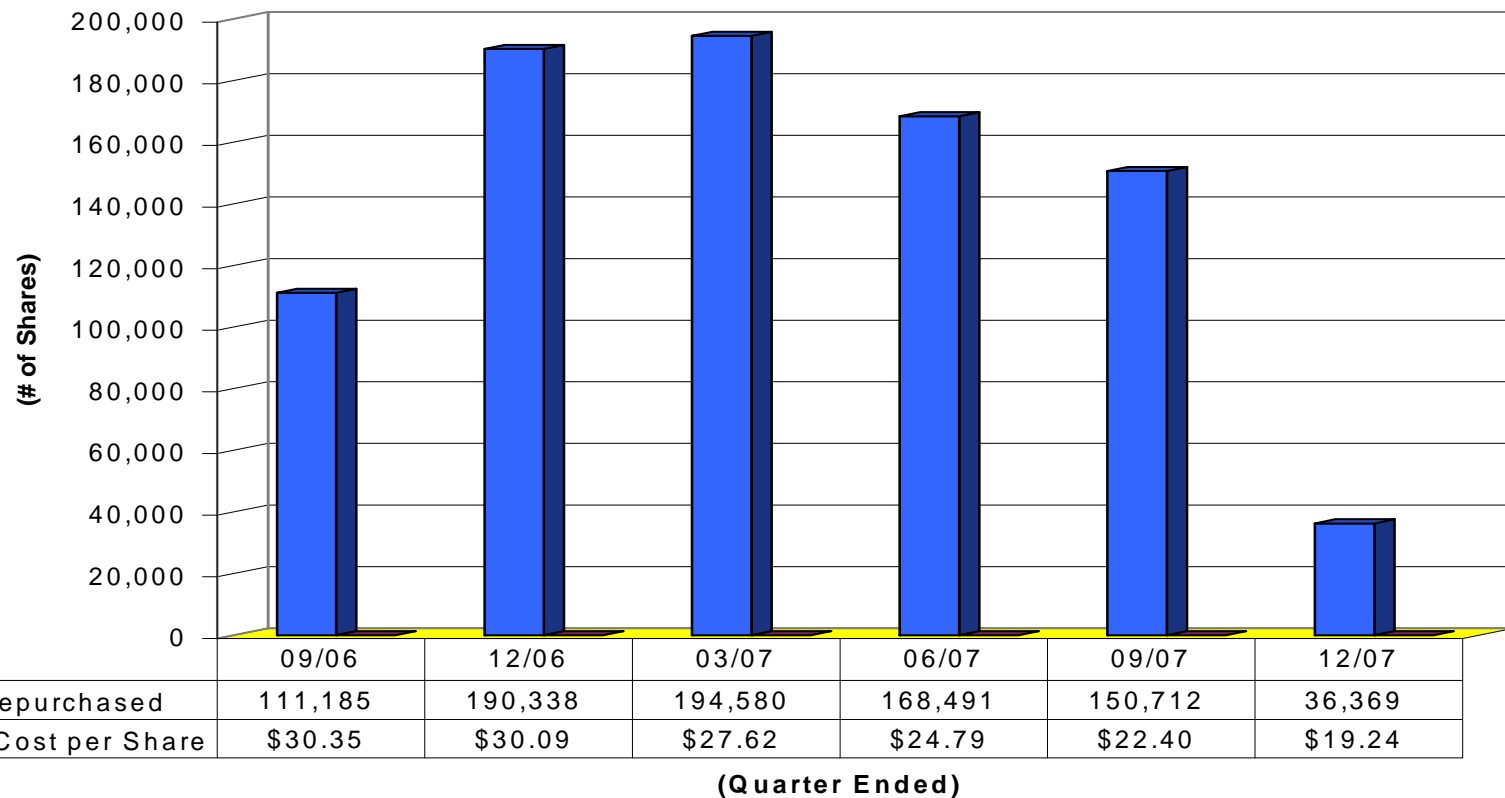
# Capital Management

# Stockholders' Equity

(In Millions)

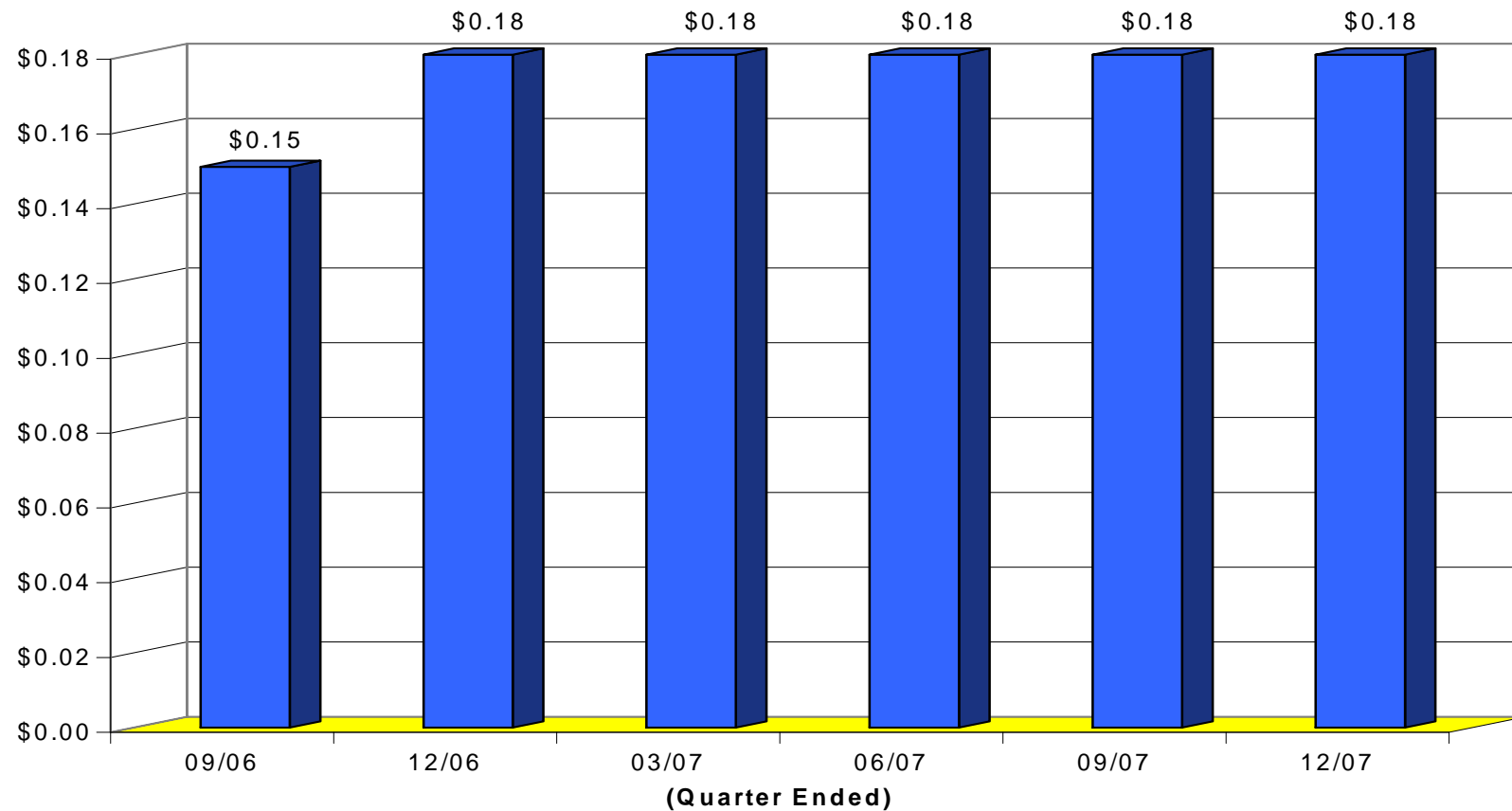


# Share Repurchase Program





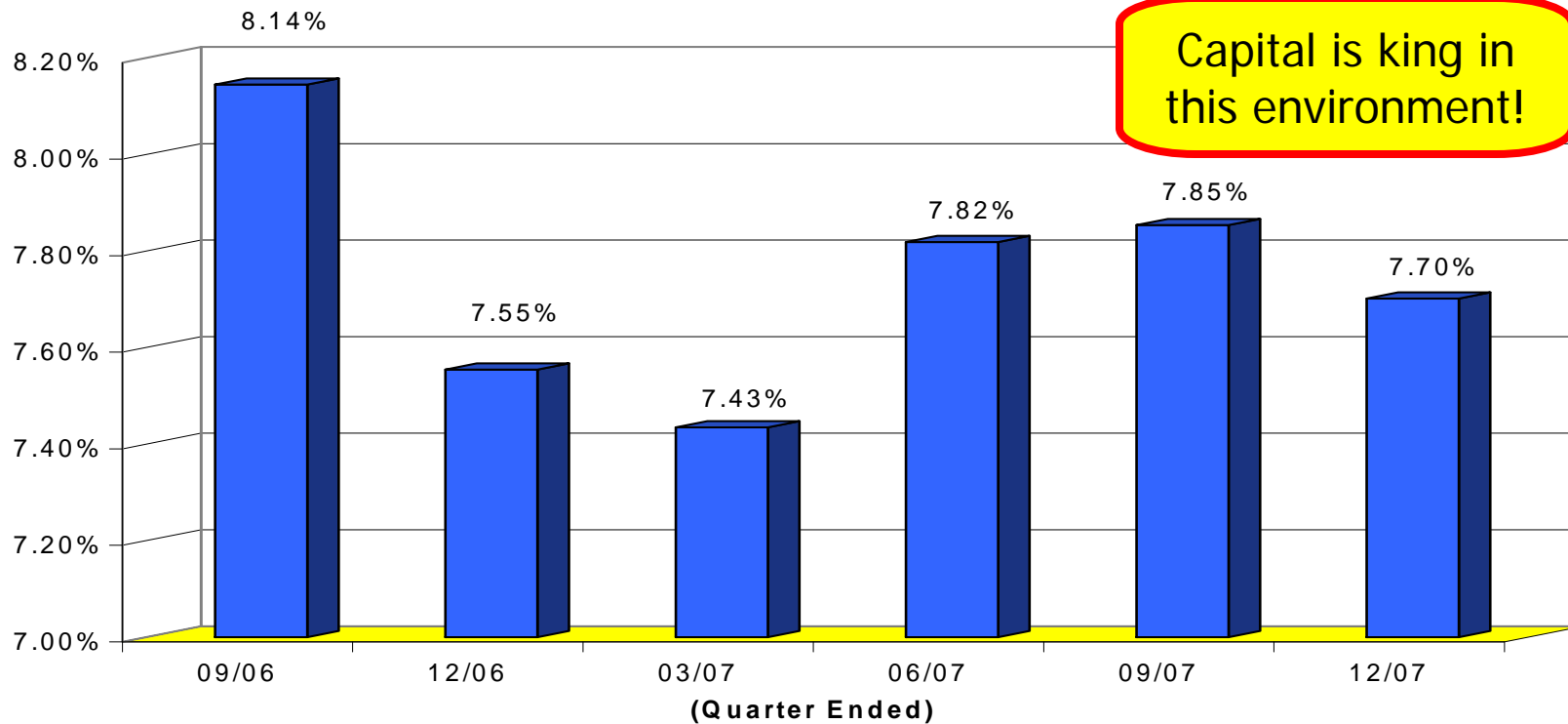
## Cash Dividend per Share





## Consolidated Capital Ratio

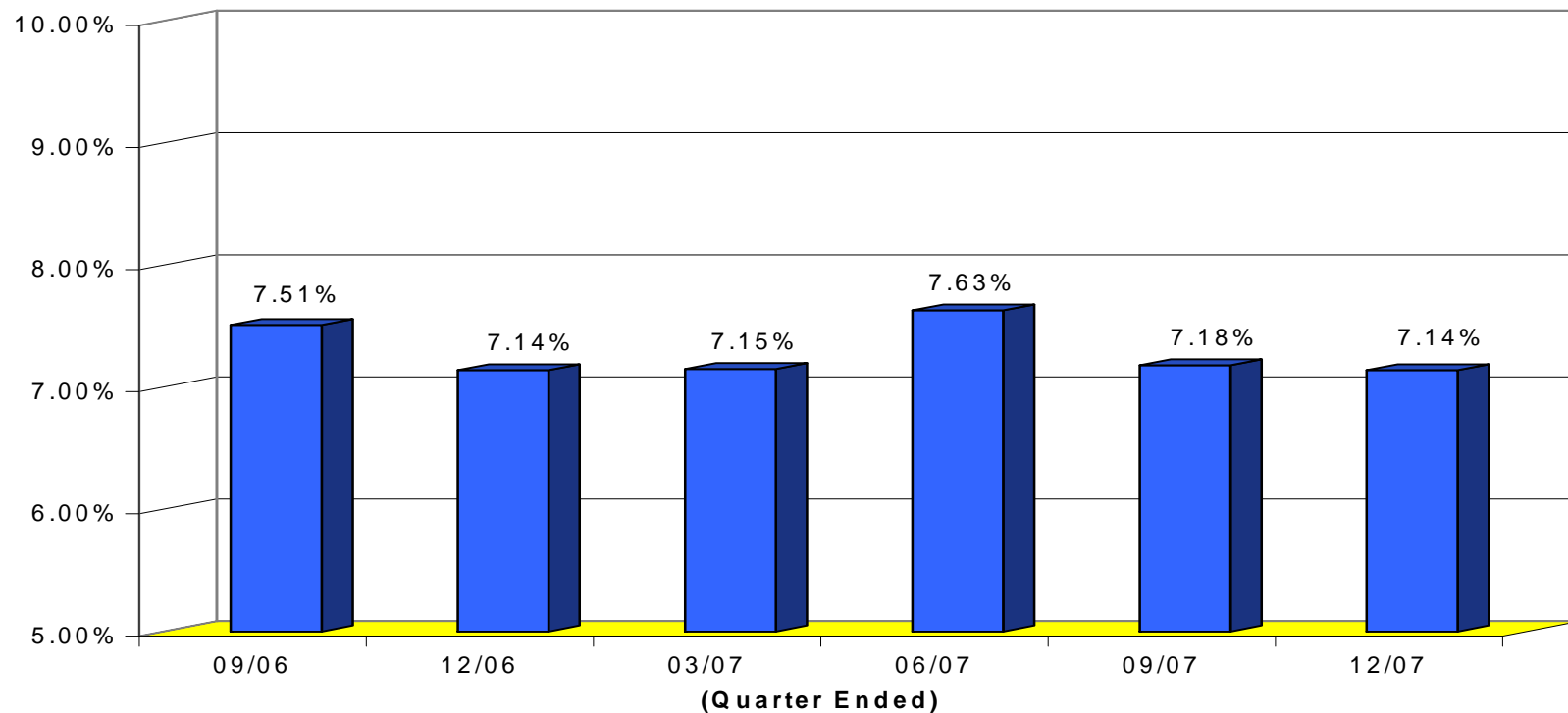
### Equity to Assets





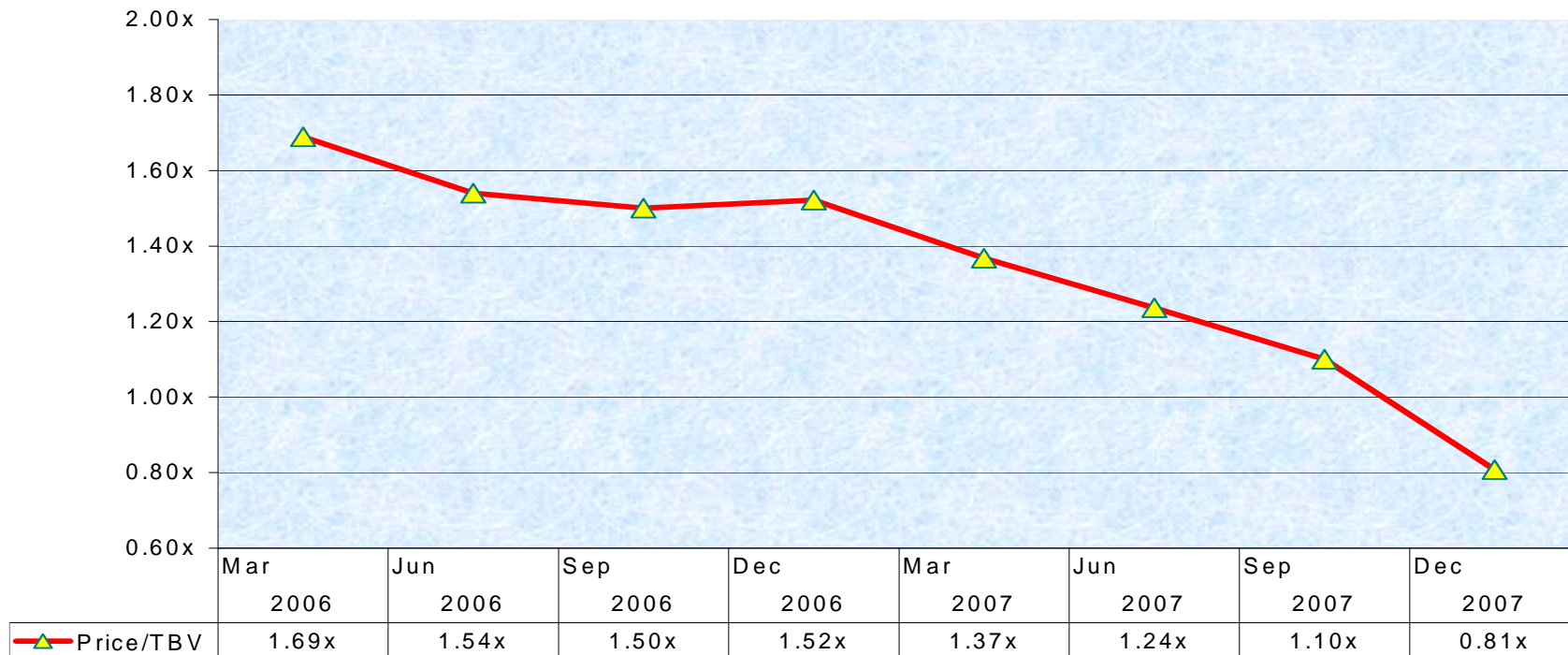
# Bank Capital Ratio

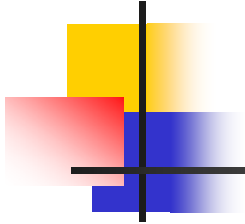
## Tier 1 Core Capital Ratio



# Value Proposition

**Stock Price to Tangible Book Value Multiple**





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