PROVIDENT FINANCIAL HOLDINGS INC
Form FWP
November 30, 2009
Filed Pursuant to Rule 433

Registration No. 333-162415

Issuer Free Writing Prospectus dated November 30, 2009

Relating to Preliminary Prospectus dated November 27, 2009

November 2009
Follow
On Stock Offering
Craig
G.
Blunden

Chairman,
President
and
Chief
Executive
Officer
Donavon
P.
Ternes

Chief
Operating
Officer
and
Chief
Financial
Officer
NASDAQ: PROV

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Safe Harbor Statement
The Corporation has filed a registration statement (including a prospectus) with the SEC for the offering to which this commun
you should read the prospectus and other documents the issuer has filed with the SEC for more complete information about the
get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, the underwrite
offering will arrange to send you the prospectus if you request it by calling toll free 1-866-805-4128. The documents can also
at www.sandleroneill.com/prospectus/prov-prospectus.pdf.
The Private Securities Litigation Report Act of 1995 provides a "safe harbor" for certain forward-looking statements. This pre
statements with respect to the Corporation s financial condition, results of operations, plans, objectives, future performance or
statements are subject to certain risks and uncertainties, including those identified below, which could cause future results to di

or those anticipated. The words "believe," "expect," "anticipate," "intend," "estimate," "goals," "would," "could," "should" and
future events and trends identify forward-looking statements. We caution readers not to place undue reliance on these forward
only on information known to the Corporation, speak only as of their dates, and if no date is provided, then such statements sp
number of important factors that could cause future results to differ materially from historical results or those anticipated, inclu
risks of lending activities, including changes in the level and trend of loan delinquencies and write-offs and changes in our allo
for loan losses that may be impacted by deterioration in the housing and commercial real estate markets; changes in general ec
nationally or in our market areas; changes in the levels of general interest rates, and the relative differences between short and
interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes, l
fluctuations in real estate values in our market areas; secondary market conditions for loans and our ability to sell loans in the s
the results of our stress test; results of examinations of us by the Office of Thrift Supervision or other regulatory authorities, in
regulatory authority may, among other things, require us to increase our reserve for loan losses, write-down assets, change our
our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings; legislativ
affect our business including changes in regulatory policies and principles, or the interpretation of regulatory capital or other r
deposits; further increases in premiums for deposit insurance; our ability to control operating costs and expenses; the use of est
certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; difficulties in re
on our balance sheet; staffing fluctuations in response to product demand or the implementation of corporate strategies that aff
associated charges; computer systems on which we depend could fail or experience a security breach; our ability to retain key
management team; costs and effects of litigation, including settlements and judgments; our ability to implement our branch ex
successfully integrate any assets, liabilities, customers, systems, and management personnel we have acquired or may in the fu
and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges rel
pressures among financial services companies; changes in consumer spending, borrowing and savings habits; the availability o
laws, rules, or regulations or to respond to regulatory actions; our ability to pay dividends on our common stock; adverse chan
inability of key third-party providers to perform their obligations to us; changes in accounting policies and practices, as may be
regulatory agencies or the Financial Accounting Standards Board, including additional guidance and interpretation on accounti
implementation of new accounting methods; and other economic, competitive, governmental, regulatory, and technological fa
pricing, products and services and the other risks described in the Corporation s reports filed with the Securities and Exchang
Report on Form 10-K for the fiscal year ended June 30, 2009 and its quarterly report on Form 10-Q ended September 30, 2009
The Corporation does not undertake any obligation to update any forward-looking statement to reflect circumstances or events
the forward-looking statement is made.

2
Transaction Overview
Issuer:
Provident Financial Holdings, Inc.
Ticker / Exchange:
PROV / NASDAQ (GSM)
Type of Security:
Common Stock
Transaction Size:
$40.0 million

Over-Allotment Option:
15%
Use of Proceeds:
Support capital needs of the Bank and its mortgage banking operation, opportunistic growth and general corporate purposes
Book-Running Manager:
Sandler O'Neill + Partners, L.P.
Co-Managers:
FBR Capital Markets & Co.
FIG Partners, LLC

3
Offering Objectives and Business Strategy
Strengthen
current
capital
position
in
this
challenging
economic

environment
Enhance capital base to capture growth opportunities
Capture business opportunities stemming from competitor and market dislocations
Expand mortgage banking origination capacity and market share
Diversify loan portfolio to include a higher percentage of multi-family loans
Support opportunity to grow core deposits and fund loan growth internally
Bolster the ability to continue to aggressively resolve problem credits and REO
Increase
ability
to
recruit
and
retain
key
business
producers
in
our
local
markets and attract an expanded customer base

4

Capital Position & Composition

[1]

Assumes gross proceeds of $40.0 million with underwriters' discount of 5.75% (at 6% for $37.5 million to public investors and
insiders and ESOP) and expenses of $302,000

[2]

Assumes proceeds risk-weighted at 20%

As of September 30, 2009

Stand-Alone

Pro Forma[1]

Tangible Common Equity / Tangible Assets
7.36%
9.64%
Tangible Equity / Tangible Assets
7.36%
9.64%
Well-
Capitalized
Core Capital Ratio
5.00%
7.03%
9.32%
Tier 1 Risk-Based Ratio²
6.00%
11.89%
16.15%
Total Risk-Based Ratio²
10.00%
13.16%
17.41%

5
Management Team
Named executive officer and director ownership as a group is 15.4%
Years
Fin. Services
Past
Name
Position
Age
Experience

Experience
Craig G. Blunden
Chairman, President and
Chief Executive Officer
61
37
Donavon P. Ternes
Executive Vice President,
COO, CFO and Corporate
Secretary
49
27
Richard L. Gale
President -
Provident
Bank Mortgage
58
32
Kathryn R. Gonzales
Senior Vice President -
Retail Banking
51
29
Lilian
Salter
Senior Vice President -
Chief Information Officer
54
33
Joined the Bank in 1993 as general auditor and promoted to CIO in 1997. Previously, Ms. Salter was with Home Federal Bank, San Diego, California for 17 years and held various positions in information systems, auditing and accounting.
David S. Weiant
Senior Vice President -
Chief Lending Officer
50
27
Joined the Bank as SVP and CFO on November 1, 2000 and appointed Secretary of the Corporation and the Bank in April 2003. Effective January 1, 2008, Mr. Ternes was appointed EVP and COO, while continuing to serve as the CFO and Corporate Secretary of the Bank and the Corporation. Prior to joining the Bank, Mr. Ternes was the President, CEO, CFO and Director of Mission Savings and Loan Association, Riverside, California holding those positions for over 11 years.
Joined the Bank as SVP of Retail Banking on August 7, 2006. Previously, Ms. Gonzales was with Bank of America, responsible for working with under-performing branches and re-energizing their business development capabilities. Prior to that she was with Arrowhead Central Credit Union, responsible for 25 retail branches and oversaw their

significant deposit growth.

Has been with the Bank since 1974 and has held his current positions at the Bank since 1991 and as President and Chief Executive Officer of the Corporation since its formation in 1996.

Joined the Bank in 1988 and has served as President of the Provident Bank Mortgage division since 1989. Mr. Gale has also served as a director of the California Mortgage Bankers Association since 2002.

Joined the Bank as SVP and CLO on June 29, 2007. Prior to joining the Bank, Mr. Weiant was a SVP of Professional Business Bank (June 2006 to June 2007) responsible for commercial lending in the Los Angeles and Inland Empire regions of Southern California. Prior to that, Mr. Weiant was EVP and Regional Manager of Southwest Community Bank (April 2005 to June 2006), SVP and Regional Manager of Vineyard Bank (2004

2005) and EVP and Branch Administrator of Business Bank of California (2000 2004). Mr. Weiant has more than 25 years of experience with financial institutions including the last 11 years in senior management.

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$1.5 billion in assets, as of 09/30/09
$932 million in deposits, as of 09/30/09
14 full-service branches
53 years serving the community
Provident Bank
Full Service Offices:
Blythe
Canyon Crest, Riverside
Corona

Corporate Office, Riverside
Downtown, Riverside
Hemet
La Sierra, Riverside
Moreno
Valley
-
Heacock
St.
Moreno
Valley
-
Iris
Plaza
Orangecrest, Riverside
Rancho Mirage
Redlands
Sun City
Temecula
Provident Bank Mortgage
Wholesale Offices:
Pleasanton
Rancho Cucamonga
Retail Offices:
Glendora
Indiana Ave., Riverside
Riverside Ave., Riverside
Pleasanton, Northern California
Franchise Overview

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Franchise Overview

Largest independent community bank headquartered in Riverside County, California

$1.5 billion in assets, as of 09/30/09

$932 million in deposits, as of 09/30/09

14 full-service branches

Sixth largest deposit market share in the Riverside-San Bernardino RMA and second among community banks

Strong mortgage banking operations

2009 fiscal year originations of $1.3 billion
Q1-2010 fiscal year originations of $492 million
Gross locked pipeline of approximately $200 million as of 09/30/09
Actively addressing and managing credit issues
Expanding customer base and markets within the Inland Empire Region of Southern California

8
History of Strong Financial Performance
Pre-Tax, Pre-Provision Earnings ($mm)
Net Interest Margin
Mortgage Banking Originations ($mm)
Loan Sale Margin
$4,137
$6,405
$5,326
$9,110

$13,156
$8,561
$0
$2,000
$4,000
$6,000
$8,000
$10,000
$12,000
$14,000
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
$492
$617
$366
$169
$166
$114
$0
$1
$1
$0
$8
$21
$0
$100
$200
$300
$400
$500
$600
$700
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
Saleable
Portfolio
2.93%
2.89%
2.70%
2.87%
2.99%
2.69%

2.50%
2.55%
2.60%
2.65%
2.70%
2.75%
2.80%
2.85%
2.90%
2.95%
3.00%
3.05%
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
0.59%
1.33%
1.33%
0.80%
0.72%
(0.32%)
0.82%
1.45%
1.42%
1.68%
1.18%
0.92%
(0.50%)
0.00%
0.50%
1.00%
1.50%
2.00%
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
Loan Sale Margin
Loan Sale Margin, excl. Recourse Provision

9
Mortgage Banking Overview
We
have
enjoyed
growing
demand
for
our
mortgage

banking
products
over
the
last several quarters
The
refinance
market
has
augmented
our
business
opportunities
in
the
current
rate environment
Locked Pipeline -
AFS ($mm)
PBM Purchase vs. Refinance
1
Net of management s estimate of commitments to extend credit which may not fund
$206
$160
$338
$77
$55
$45
$131
$105
$207
$46
$32
$23
$0
$50
$100
$150
$200
$250
$300
$350
$400
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
Gross Locked Pipeline

Net Locked Pipeline (1)
39%
60%
56%
17%
17%
34%
61%
40%
44%
83%
83%
66%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10
Refinance
Purchase

10
Attractive Market Demographics
The Riverside and San Bernardino county markets offer appealing growth and income demographics
Five-Year

County	Branches	Market Rank	Deposits in Market ($000)	Market Share (%)	Percent of Franchise (%)	Proj. Pop. Change (%)	Proj. HHI Change (%)
Riverside	13	6	902,867	4.42	88.2	16.1	7.0
San Bernardino	1	18	120,509	0.71	11.8	7.3	6.4
Provident Weighted Average						15.1	6.9
Aggregate: California						5.1	4.0
Aggregate: National						4.6	4.1

Source: SNL Financial

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Deposit Composition

[1] Certain interest-bearing checking, savings, money market and time deposits require a minimum balance to earn interest

[2] Includes a single depositor with balances of $0 and $100.3 million at September 30, 2009 and 2008, respectively; and includes $19.6 million and $0 at September 30, 2009 and 2008, respectively

LTM Weighted-Average
Interest Rate: 2.22%

MRQ Weighted-Average
Interest Rate: 1.93%
Stable deposit base with reduced reliance on CD funding
Declining cost of deposits
Average cost of deposits for the quarter ended Sept. 30, 2009 was 1.93%, down from 2.85% for the quarter ended Sept. 30, 2008
Time >$100
28.6%
Non Int.-
Bearing
Checking
4.7%
Int.-Bearing
Checking
14.3%
Savings
18.5%
Money
Market
2.9%
Time <$100
31.0%
(Dollars in Thousands)
As of the Period Ended,
Category
9/30/09
9/30/08
Change
Checking deposits non interest-bearing
$43,476
$43,209
$267
Checking deposits interest-bearing[1]
133,677
119,118
14,559
Savings deposits[1]
172,566
138,827
33,739
Money market deposits[1]
26,697
27,300
(603)
Time deposits:[1]
Under $100
288,782
289,445
(663)

$100 and over[2]
266,723
337,898
(71,175)
Total deposits
$931,921
$955,797

12
Credit Management Strategy
We have worked to recognize the credit challenges presented by our markets and are actively working to improve our asset quality
As
of
September
30,
2009,
our

loan
loss
reserve
/
loans
held
for
investment
stood
at
4.97%
Actions
Results
All Multi-Family and Commercial Business loans have an annual internal asset review regimen completed. CRE loans $750,000 and larger have an annual internal asset review regimen completed.
Diligently complete reviews of Multi-Family, CRE and Commercial Business loans.
Net loss on sale and operations of REO acquired in the settlement of loans was $1.6 million in LTM.
Establish appropriate specific valuation allowances.
As of September 30, 2009, REO balance was $12.7 million, never becoming higher than
$16.4
million
in
LTM.
Also,
145
REOs
were
disposed
of
while
161
REOs
were
obtained
in
LTM.
Quickly dispose of REO.
As of September 30, 2009, Restructured Loans were $52.0 million and 81% reflect a current payment status.
Complete loan modifications on a case-by-case basis.

$60.1 million loan loss provision in LTM while net charge-offs have been $24.7 million in the same period.
Aggressively build the loan loss reserve.

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Loan Portfolio Composition
Consumer
0.1%
Commercial
business
0.7%
Single-family
mortgage
57.5%

Multi-family
mortgage
30.9%
Commercial
real estate
10.3%
Construction
0.4%
Other real
estate
0.1%
Loan Composition[1]
[1]
Gross loans held for investment, excludes $130.1 million of loans held for sale
[2]
Southern California, other than the Inland Empire
3
Other California, excluding Southern California and the Inland Empire
Inland Empire
26.4%
Southern CA
58.9%
Other CA
13.5%
Other States
1.2%
Loan
Composition
by
Geography
1
2
3

14
SCAP Analysis
The SCAP test estimates below are based on two-year cumulative loss assumptions established by indicative loss rates published by the Board of Governors of the Federal Reserve System
1
Loss severity rates based on the mid-points of the ranges established by the Supervisory Capital Assessment Program
(Dollars in Thousands)
Loss Severity[1]
Total Loss

Balance as of 9/30/09
More
More
Loan Type
($)
(%)
Baseline
Adverse
Baseline
Adverse
First Lien Mortgages:
Prime
$225,075
17.4%
2.0%
3.5%
$4,501
$7,878
Alt-A
552,092
42.6%
8.5%
11.3%
46,928
62,110
Subprime
18,776
1.5%
17.5%
24.5%
3,286
4,600
Closed-End Junior Lien Mortgages
2,480
0.2%
19.0%
23.5%
471
583
HELOCs
1,602
0.1%
7.0%
9.5%
112
152
CRE:
Multi-Family
360,880
27.8%

5.0%
10.5%
18,044
37,892
Nonfarm, Non-Residential
119,639
9.2%
4.5%
8.0%
5,384
9,571
C&D
5,805
0.5%
10.0%
16.5%
581
958
C&I
8,362
0.6%
3.5%
6.5%
293
544
Credit Cards
0
0.0%
14.5%
19.0%
0
0
Other Consumer
1,329
0.1%
5.0%
10.0%
66
133
Other Loans
596
0.0%
3.0%
7.0%
18
42
Portfolio Totals
$1,296,636
100.0%
6.1%

9.6%
$79,684
$124,463

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Strong Pro Forma Capital Position

[1] Based on fiscal year 2009 pre-tax, pre-provision net income

[2] Assumes gross proceeds of $40.0 million with underwriters' discount of 5.75% (at 6% for $37.5 million to public investors and insiders and ESOP) and expenses of $302,000

(Dollars in Thousands)

Capital Position Impact

Baseline

More Adverse
Current Tangible Equity
$108,903
$108,903
67,994
67,994
+ Excess Reserve (1.25% Threshold)
41,805
41,805
-
SCAP Indicated Potential Cumulative Losses
79,684
124,463
Pro Forma Tangible Equity
$139,018
$94,239
+ Non Common Equity Tier 1 Capital Elements
(7,903)
(7,903)
Total Tier 1 Capital
$131,115
$86,336
Total Risk-Based Capital
$141,965
$97,186
As of September 30, 2009
Pro Forma[2]
Pro Forma[2]
w/ Baseline
w/ More Adverse
Stand-Alone
Pro Forma[2]
Loss Scenario
Loss Scenario
Tangible Common Equity / Tangible Assets
7.36%
9.64%
11.68%
8.99%
Tangible Equity / Tangible Assets
7.36%
9.64%
11.68%
8.99%
Core Capital Ratio
7.03%
9.32%
11.31%
8.36%
Tier 1 Risk-Based Ratio

11.89%
16.15%
18.99%
14.69%
Total Risk-Based Ratio
13.16%
17.41%
20.21%
15.97%
+
Pre-Tax
Pre-Provision
Net
Income
for
Two
Years
1

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Credit Quality Overview
(Dollars in Thousands)
For the Quarter Ended,
9/30/09
6/30/09
3/31/09
12/31/08
9/30/08
Net charge-offs

$4,638
$9,596
$6,316
$4,102
$3,111
% of average loans (annualized)
1.44%
2.81%
1.94%
1.24%
0.90%
Allowance for loan losses
$58,013
$45,445
$42,178
$34,953
$22,519
% of gross portfolio loans
4.97%
3.75%
3.36%
2.69%
1.67%
% of non-performing loans
67.8%
63.3%
62.8%
76.2%
63.0%
Total non-performing loans
$85,529
$71,818
$67,137
$45,848
$35,749
Real estate owned, net
12,693
16,439
13,861
11,115
8,927
Total non-performing assets
$98,222
$88,257
$80,998
$56,963
$44,676
Restructured loans
1
$51,979

$40,871
$28,233
$19,598
$15,524
Non-performing loans / portfolio loans, net
7.72%
6.16%
5.53%
3.62%
2.70%
Non-performing loans / total assets
5.78%
4.55%
4.30%
2.96%
2.24%
Non-performing assets / total assets
6.64%
5.59%
5.18%
3.67%
2.80%
Restructured
loans
in
non-performing
loans
1
$36,281
$29,751
$20,927
$11,762
$7,144
Restructured loans ending up in pass category and
no longer disclosed as TDR
$4,511
$0
$0
$0
$0
Restructured loans ending up in REO
$173
$911
$817
$676
$0
1
Net of specific loan loss allowance.
1

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Asset Quality
Non-Performing and Restructured Loans[1]
Non-Performing Assets ($mm)
Consumer
0.0%
Commercial
business
1.3%
Single-family

mortgage
85.5%
Multi-family
mortgage
5.6%
Commercial
real estate
3.6%
Construction
2.5%
Other real
estate
1.4%
1

Net of specific loan loss allowance
$32,548
$44,676
$56,963
$80,998
$88,257
$98,222
$0
$20,000
$40,000
$60,000
$80,000
$100,000
$120,000
Q4 '08
Q1 '09
Q2 '09
Q3 '09
Q4 '09
Q1 '10

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Migration Analysis
Note: Represents delinquencies in the Bank s loans held for investment as of the dates indicated, gross of specific loan loss al
(Dollars in Thousands)
As of the Period Ended:
September 30, 2009
June 30, 2009
March 31, 2009
December 31, 2008
September 30, 2008

30-89 Days
Non-Performing
30-89 Days
Non-Performing
30-89 Days
Non-Performing
30-89 Days
Non-Performing
30-89 Days
Non-Performing
Single-family mortgage
$12,170
$98,390
$9,192
$81,016
$10,237
$78,744
$9,019
$55,663
$5,225
$36,351
Multi-family
0
5,676
0
5,643
423
4,794
0
1,236
0
4,783
Commercial real estate
0
3,859
0
3,368
0
2,275
0
1,520
950
571
Construction
0
3,658
400
3,816
0
3,816

0
3,816
0
4,105
Other real estate
0
1,292
0
1,623
0
1,000
0
1,047
0
92
Commercial
0
1,807
0
1,809
149
619
0
587
0
59
Consumer
116
0
14
0
14
0
2
0
7
0
Total
$12,286
$114,682
$9,606
$97,275
$10,823
$91,248
$9,021
$63,869
$6,182
$45,961

19
Historical Credit Loss and Allowance Allocation
Consumer
0.0%
Commercial
business
1.5%
Single-family
mortgage
85.8%

Multi-family
mortgage
6.3%
Commercial
real estate
3.6%
Construction
2.7%
Other real
estate
0.1%
Allowance By Loan Category
Management believes that the allowance can be allocated by category only on
an approximate basis. The allocation of the allowance is based upon an asset
classification matrix
(Dollars in Thousands)
For the Quarter Ended,
For the Fiscal Year Ended,
9/30/09
6/30/09
3/31/09
6/30/09
6/30/08
6/30/07
Allowance at beginning of period
$45,445
$42,178
$34,953
$19,898
$14,845
$10,307
Provision for loan losses
17,206
12,863
13,541
48,672
13,108
5,078
Recoveries:
Mortgage loans:
Single-family
28
5
44
160
188
0
Construction
35
44

21
115
32
0
Consumer loans
0
0
0
1
3
1
Total
63
49
65
276
223
1
Charge-offs:
Mortgage loans:
Single-family
(4,567)
(9,389)
(6,350)
(22,999)
(6,028)
(535)
Multi-family
(132)
0
0
0
(335)
0
Commercial real estate
0
(104)
0
(104)
0
0
Construction
0
0
0
(73)
(1,911)
0
Other
0

(149)
(29)
(216)
0
0
Consumer loans
(2)
(3)
(2)
(9)
(4)
(6)
Total
(4,701)
(9,645)
(6,381)
(23,401)
(8,278)
(541)
Net charge-offs
(4,638)
(9,596)
(6,316)
(23,125)
(8,055)
(540)
Allowance at end of period
$58,013
$45,445
$42,178
$45,445
$19,898
$14,845

20
Loan Portfolio
Single-Family Mortgage
1
Current loan balance in comparison to the original appraised value.
2
At time of loan origination.
3
Other than the Inland Empire.
4

Other than the Inland Empire and Southern California.
As of 09/30/2009
2001 & Prior
2002
2003
2004
2005
2006
2007
2008
YTD 2009
TOTAL
Loan Balance (In Thousands)
$11,416
$3,036
$24,799
$92,642
$211,138
$165,996
$106,142
$47,786
$1,473
$664,428
Weighted Avg. LTV (1)
50%
65%
71%
76%
72%
70%
73%
75%
64%
72%
Weighted Avg. Age
(In Years)
15.26
7.11
6.08
5.05
4.20
3.21
2.23
1.49
0.42
3.83
Weighted Avg. FICO (2)
695
697
723

721
731
742
733
743
756
733
Number of Loans
143
11
94
275
542
369
202
87
5
1,728
Geographic Breakdown (%)
Inland Empire
36%
34%
39%
31%
32%
29%
29%
25%
96%
30%
Southern California (3)
53%
66%
58%
63%
60%
53%
42%
48%
1%
55%
Other California (4)
7%
0%
3%
5%
7%
16%
28%
27%

3%
14%
Other States
4%
0%
0%
1%
1%
2%
1%
0%
0%
1%
100%
100%
100%
100%
100%
100%
100%
100%
100%
100%
Year of Origination

21
Loan Portfolio
Multi-Family
1
Current loan balance in comparison to the original appraised value.
2
At time of loan origination.
3
Other than the Inland Empire.
4

Other than the Inland Empire and Southern California.
As of 09/30/2009
2001 & Prior
2002
2003
2004
2005
2006
2007
2008
YTD 2009
TOTAL
Loan Balance (In Thousands)
Weighted Avg. LTV (1)
Weighted Avg. Debt Coverage Ratio (2)
Weighted Avg. Age
(In Years)
Weighted Avg. FICO (2)
Number of Loans
Geographic Breakdown (%)
Inland Empire
Southern California (3)
Other California (4)
Other States
100%
100%
100%
100%
100%
100%
100%
100%
100%
100%
Year of Origination
%
x
%
%
%
%
$1,975
29
2.58
14.65
720
7
78
22
0

0
%
x
%
%
%
%
$4,247
45
1.56
6.95
744
8
16
84
0
0
%
x
%
%
%
%
$18,401
57
1.43
6.11
732
31
5
87
8
0
%
x
%
%
%
%
$42,268
52
1.46
5.26
710
57
21
75
3
1
%

x
%
%
%
%
$58,933
54
1.29
4.24
711
94
8
64
27
1
%
x
%
%
%
%
$107,900
57
1.27
3.27
714
119
11
59
27
3
%
x
%
%
%
%
$103,333
57
1.25
2.23
701
123
3
83
14
0
%
x
%

%
%
%
$1,741
53
1.21
0.62
735
1
0
100
0
0
%
x
%
%
%
%
$20,081
56
1.28
1.32
763
23
8
91
1
0
%
x
%
%
%
%
$358,879
55
1.31
3.50
719
463
9
72
18
1

22
Loan Portfolio
Commercial Real Estate
1
Current loan balance in comparison to the original appraised value.
2
At time of loan origination.
3
Other than the Inland Empire.
4

Other than the Inland Empire and Southern California.
5
Comprised
of
the
following:
$29.1
million
in
Retail;
$26.9
million
in
Office;
$15.1
million
in
Light
Industrial/Manufacturing;
$12.1
million
in
Mixed
Use;
$10.7
million
in
Medical/Dental
Office;
$6.4
million
in
Warehouse;
$4.1
million
in
Restaurant/Fast
Food;
$3.7
million
in
Mini-
Storage;
$3.1
million
in
Research
and
Development;
$2.7

million
in
Mobile
Home
Parks;
$1.9
million
in
Hotel
and
Motel;
$1.8
million
in
Automotive

Non
Gasoline;
$1.3
million in Schools; and $819,000 in Other.
6
Consisting of $76.1 million or 63.6% in investment properties and $43.6 million or 36.4% in owner occupied properties.
As of 09/30/2009
2001 & Prior
2002
2003
2004
2005
2006
2007
2008
YTD 2009
TOTAL (5) (6)
Loan Balance (In Thousands)
$3,268
$6,858
$13,424
$13,220
$20,727
$25,211
$22,659
$6,329
$8,023
$119,719
Weighted Avg. LTV (1)
38%
52%
47%
52%
50%

55%
56%
38%
67%
52%
Weighted Avg. Debt Coverage Ratio (2)
1.42x
1.45x
1.63x
2.23x
2.01x
2.45x
2.34x
1.74x
1.19x
2.03x
Weighted Avg. Age
(In Years)
14.68
7.21
6.27
5.20
4.20
3.18
2.25
1.43
0.40
4.02
Weighted Avg. FICO (2)
750
735
730
713
710
724
717
756
722
722
Number of Loans
11
5
22
22
25
30
26
12
2
155

Geographic Breakdown (%)
Inland Empire
78%
96%
51%
49%
72%
26%
45%
7%
80%
51%
Southern California (3)
19%
4%
49%
51%
28%
73%
47%
93%
0%
46%
Other California (4)
3%
0%
0%
0%
0%
1%
8%
0%
0%
2%
Other States
0%
0%
0%
0%
0%
0%
0%
0%
20%
1%
100%
100%
100%
100%
100%

100%
100%
100%
100%
100%
Year of Origination

23
Investment Portfolio
U.S.
government
sponsored
enterprise
debt securities
9.9%
U.S.
government

agency MBS
60.5%
U.S.
government
sponsored
enterprise
MBS
26.8%
Private issue
CMO
2.8%
Recent activity: Sold $55 million of MBS for a gain of $1.9 million in the quarter ended September 30, 2009
Weighted average coupon yield: 4.06% as of 09/30/09
Ratings: AAA

24
Investment Highlights
Severe
dislocation
in
existing
market
areas
provides
opportunity

to
capture
greater market share and opportunistically expand our business
Largest independent community bank headquartered in Riverside county with a
significant and growing market share
Scalable
mortgage
banking
platform
supplements
profitability
and
diversifies
income stream
Substantial ownership by management and board
Appealing long-term market demographics despite current conditions
Attractive valuation