



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

February 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Provident Savings Bank, FSB
Charter Number 706051

3756 Central Avenue
Riverside, CA 92517

Office of the Comptroller of the Currency

San Francisco Office
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

- **The lending test is rated:** Satisfactory
- **The community development test is rated:** Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on Provident Savings Bank's (Provident, or the bank) record of performance in meeting the credit needs of its assessment area (AA) during the evaluation period through its lending activities.
 - The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and business strategy.
 - A majority of the bank's loans are outside its AA.
 - The geographic distribution of loans reflects excellent distribution throughout the bank's AA.
 - Lending activities represent a reasonable distribution of loans to individuals of different income levels.
- The Community Development (CD) Test rating is based on the aggregate assessment of the bank's community development activities for loans, investments and donations, and services in the bank's AAs.
 - The bank's CD activities demonstrate an excellent level of responsiveness based on available opportunities in the AA during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is more than reasonable.

OCC examiners analyzed the bank's quarterly average LTD ratio for the nine quarters since the prior Community Reinvestment Act (CRA) examination through December 31, 2021. Provident's average LTD ratio for this period was 92.45 percent, with a high of 99.76 percent and a low of 87.86 percent. For purposes of comparison, we selected four banks that Provident considers direct competitors for loans and deposits in its AA. The combined average quarterly LTD ratio for these institutions over the same period was 73.65 percent. Their average quarterly LTD ratios ranged from a high of 80.55 percent to a low of 71.14 percent.

Lending in Assessment Area

A majority of the bank's loans are outside its AA.

The bank originated and purchased 29.2 percent of the number and 22.3 percent of the dollar volume of loans inside the bank's AA during the evaluation period and does not meet the standard for satisfactory performance. However, this is not unreasonable given the bank's business strategy. By mid-2019, the bank had fully implemented their exit from mortgage banking operations by closing all the loan production offices (LPOs), which greatly reduced the volume of single family residential (SFR) loan

originations. The bank's lending focus then shifted to multifamily residential loan originations throughout the counties in Southern California and in Northern California, facilitated by eight loan officers located in those areas. This skewed the inside/outside ratio. Management did not expand the AA just so the majority of the bank's lending is in the AA because the bank has no branches in those areas and CD activity would be minimal. Management also made the decision to originate SFR loans to be held in the bank's loan portfolio. Adjustable-rate mortgage (ARM) loans were also offered, but few were originated. In July 2020, management created a 30-year fixed rate SFR mortgage loan product only available in the bank's AA. These loans are originated by a loan officer located in the AA. In addition to home mortgages, the bank originated commercial and consumer loans in the AA which are not reflected in the table as they are not considered primary loan products.

This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending Test conclusions are based upon loans originated and purchased inside the bank's AA. This performance factor had a neutral impact on the overall assessment of the bank's geographic distribution of loans.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	197	28.8	488	71.2	685	73,099	19.7	298,504	80.3	371,603
2020	30	18.9	129	81.1	159	22,970	16.9	113,129	83.1	136,099
2021	117	34.8	219	65.2	336	78,264	28.7	194,516	71.3	272,780
Total	344	29.2	836	70.8	1,180	174,334	22.3	606,149	77.7	780,482

Source: Evaluation Period: 1/1/2019- 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0.

Description of Institution

Provident Savings Bank is a locally owned, full-service, federally chartered stock savings bank headquartered in Riverside, California. It was established in July 1956 as a Savings and Loan Association before converting to a Federal Savings Bank in June 1990. In May 2006, Provident established the Provident Savings Bank Charitable Foundation (Foundation). The Foundation was established to promote and provide charitable contributions to local community organizations in the bank's AA. The bank is a wholly owned subsidiary of Provident Financial Holdings, Inc. (PFH), a one-bank holding company. Provident has no affiliate relationships.

Provident has designated the Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area (MSA) (Riverside-San Bernardino AA) as its sole AA. The MSA consists of both Riverside and San Bernardino Counties, which is also known as the Inland Empire (IE). The bank operates 12 full-service branches in Riverside County and one branch in San Bernardino County. The Blythe and Moreno Valley branches are located in low-income census tracts (CTs) and the Downtown, Hemet, and Sun City branches are located in moderate-income CTs. The Canyon Crest, Home Office, La Sierra, and Redlands branches are located in middle-income CTs, while the Corona, Orangecrest, Rancho Mirage, and Temecula branches are located in upper-income CTs. No branches were opened or closed during the evaluation period.

The bank offers traditional banking products and services to consumers and small to mid-sized businesses. Deposit products include personal and business checking, savings accounts, certificates of deposit, and money market accounts. Loan products include SFR mortgages, multifamily, consumer, commercial and industrial, commercial real estate, and Small Business Administration (SBA) loans. Consumer and business credit cards are co-branded with Elan Financial Services.

All branches, except Redlands, offer night depository services and have either a walk-up or drive-up ATM, with the Blythe and Home Office branches having both. Provident is also part of the Allpoint ATM network which provides surcharge-free access to over 55 thousand ATMs worldwide. Only the Rancho Mirage and Sun City branches have drive-thru teller access. All branches are open for business Monday through Thursday from 9:00 a.m. to 5:00 p.m. and until 6:00 p.m. on Friday. Saturday hours are from 10:00 a.m. to 2:00 p.m. Due to its municipal location, the Downtown branch is closed on Saturday. Provident offers a variety of alternative banking services including direct deposit, bill payment, on-line banking, telephone banking, mobile banking, remote deposit capture, Zelle money transfer, Automated clearing house (ACH) services, merchant banking, and cash management services.

As of December 31, 2021, Provident reported total assets of \$1.2 billion with loans totaling \$858.2 million, or 72.6 percent of total assets. Total deposits were \$969.8 million, and common equity tier 1 capital totaled \$119.9 million. The following table provides a summary of the bank's loan portfolio by major product type.

Provident Savings Bank, FSB Loan Portfolio by Major Product Type as of December 31, 2021		
Loan Type	(\$000's)	% of Portfolio
Multifamily Residential RE	\$469,216	54.68
1-4 Family Residential RE	\$293,343	34.18
Commercial RE	\$91,542	10.67
Construction	\$3,631	0.42
Commercial & Industrial	\$367	0.04
Consumer	\$78	0.01
Total	\$858,177	100.0

There are no known legal, financial, or other factors that impede the bank's ability to help meet the credit needs of its AA. Provident received a "Satisfactory" rating under the intermediate small bank (ISB) CRA procedures at their January 13, 2020, CRA examination.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the CRA performance of Provident Savings Bank, using ISB CRA examination procedures. We performed a full-scope examination of the bank's sole assessment area. Refer to appendix A for detailed information.

Consistent with Provident's business strategy, the OCC reviewed the bank's primary product of mortgage loans, both SFR and multifamily. This evaluation also included an assessment of the bank's

CD lending, investments and donations, and services activities. The evaluation period for the lending test was January 1, 2019, through December 31, 2021, while the CD test was from January 1, 2020, through December 31, 2021.

With an evaluation period end date of December 31, 2021, bank qualifying activities performed in response to the significant impact the COVID-19 pandemic had on economies across the United States are addressed in this evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

Provident has only one AA. All weighting for the evaluation is placed on the Riverside-San Bernardino AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of California

CRA rating for the State of California: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The geographic distribution of loans reflects an excellent distribution throughout the bank's AA.
- Lending activities represent a reasonable distribution of loans to individuals of different income levels.
- Provident's aggregate level of responsiveness to CD needs is excellent.

Description of Institution's Operations in California

Riverside-San Bernardino Assessment Area

Provident Savings Bank, FSB designated the Riverside-San Bernardino-Ontario, CA MSA as its AA, which is comprised of Riverside and San Bernardino Counties. Based on the 2015 American Community Survey (ACS) data, the AA consisted of 822 CTs: 43 low-income; 246 moderate-income; 301 middle-income; and 226 upper-income. In addition, six CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

The bank's business strategy consists of providing community banking activities serving consumers and small to mid-sized businesses. Provident offers a full range of deposit and loan products and banking services. The bank operates 12 full-service branches in Riverside County and one full-service branch in San Bernardino County. In addition to the 15 ATMs located at the bank's branches, Provident has access to a network of 55 thousand ATMs worldwide through the Allpoint ATM network, at no charge to their customers.

Competition from other financial institutions is strong in the Riverside-San Bernardino AA. The FDIC Deposit Market Share report as of June 30, 2021, indicated the bank had deposits of \$948.2 million, ranking 12th, with 1.23 percent of the AA's deposits. A total of 41 financial institutions, with a combined 498 branches, competed for over \$76.9 billion of insured deposits in the AA. This includes three nationwide mega-banks with a combined 249 branches that account for 62.0 percent of total deposit market share, representing \$46.7 billion in deposits.

According to Moody's Analytics, the AA is expected to continue having strong employment and population growth in the coming years. The rapidly growing population is partially due to private industries continuing to add to payroll numbers, in addition to the shift from California's more costly coastal areas to interior locations that offer lower business and housing costs. The top industries in the AA include retail, health care, military, and education. Major employers include Stater Brother Markets, Arrowhead Regional Medical Center, U.S. Marine Corps Air Ground Combat Center, Fort Irwin, and Walmart Inc.

The COVID-19 impact on the AA resulted in a loss of more than 195,000 jobs, causing the unemployment rate to jump from 4.7 percent in January 2019 to 15.6 percent in May 2020, before returning to pre-pandemic levels in 2021. Business activity plummeted down 26.5 percent in the second quarter of 2020. According to the U.S. Bureau of Labor Statistics, as of December 2021, the AA had a civilian labor force of 2.16 million. Employment was approximately 2.05 million, for an unemployment rate of 5.1 percent. The unemployment rate was higher than the U.S. unemployment rate of 3.9 percent, but slightly lower than the state of California unemployment rate of 5.5 percent.

As a result of COVID-19 pandemic, the bank worked to aid customers experiencing financial hardships. During 2020 and 2021, the bank reimbursed \$93,300 and \$27,400 in fees, respectively, for customers who requested reimbursements due to financial hardships. Fees reimbursed included monthly account maintenance, ATM, early withdrawal penalties, non-sufficient funds (NSF), overdraft, and uncollected fees on closed account.

Provident also implemented a payment deferral program for commercial and mortgage borrowers impacted by the pandemic. Deferral plans for eight commercial real estate borrowers, totaling \$4.3 million, or 4.7 percent of outstanding balances were approved. The average deferral was 4 months, and all eight borrowers resumed full principal and interest (P&I) payments. In addition, payment deferral plans for 56 SFR borrowers, representing \$54.5 million, or 18.6 percent of outstanding balances were approved. The average deferral was 7 months, and all borrowers returned to full P&I payments. Assistance was also provided for personal protection equipment and workplace modifications. Management is proud that no branches were closed during the COVID-19 pandemic.

To assess community needs in the AA, we reviewed information from two recent community contact interviews and completed a telephone interview with a local community organization. The primary needs identified by all three contacts were access to affordable housing and financial education. Housing prices and interest rates are increasing at a much greater rate than wage growth in the area. These factors are leading to LMI households and individuals being priced out of the market. In addition, rental rates are increasing at a faster pace due to inflation, which is negatively impacting LMI household budgets.

Local community organizations are calling for more investment in down payment assistance programs, innovative ways to qualify borrowers for loans, and creating special credit programs to help LMI communities achieve homeownership. Some community groups see banks as not doing enough and feel that the banks are benefiting far more from the community than they are investing back into it. An additional need identified was providing financial education and assistance to LMI communities.

The information in the following table provides Riverside-San Bernardino AA demographic information for 2021.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Riverside-San Bernardino AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	822	5.2	29.9	36.6	27.5	0.7
Population by Geography	4,392,801	5.4	27.6	35.4	31.2	0.4
Housing Units by Geography	1,521,284	5.0	27.4	36.5	31.1	0.1
Owner-Occupied Units by Geography	819,653	2.6	21.0	37.2	39.1	0.1

Occupied Rental Units by Geography	493,904	9.1	37.8	33.8	19.2	0.0
Vacant Units by Geography	207,727	4.5	27.5	40.0	27.5	0.5
Businesses by Geography	323,761	4.2	24.8	34.5	36.4	0.1
Farms by Geography	6,567	3.7	24.1	37.6	34.4	0.1
Family Distribution by Income Level	979,189	23.0	16.8	18.9	41.3	0.0
Household Distribution by Income Level	1,313,557	24.6	15.9	17.4	42.2	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$61,507	Median Housing Value			\$246,946
			Median Gross Rent			\$1,192
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in California

The CRA evaluation determines the bank's record of meeting community credit needs. The OCC used a combination of bank and examiner generated loan and demographic reports to assess the bank's CRA performance. The evaluation period for the lending test is January 1, 2019, through December 31, 2021. The evaluation period for the CD test is January 1, 2020, through December 31, 2021.

In concluding on the bank's performance relative to the distribution of home mortgage loans to LMI geographies and families, we placed more weight on the bank's performance compared to the aggregate and less weight on performance compared to the demographics. This is due to the high cost of housing within the AA, which impacted the availability of affordable homes for LMI borrowers and reduced the opportunities for home purchase lending for all lenders during the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

The bank's performance under the Lending Test in California is rated Satisfactory.

Based on a full-scope review of the bank's sole AA, the Riverside-San Bernardino AA, the bank's lending performance in the state of California is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall, the bank's distribution of home mortgage loans to low- and moderate-income geographies in the Riverside-San Bernardino AA reflects excellent distribution.

The bank originated 3.5 percent of home mortgage loans in low-income CTs, which exceeded both the 2.6 percent of owner-occupied housing units demographic and 1.9 percent of aggregate lending, reflecting excellent distribution. In moderate-income CTs, the bank originated 16.9 percent of home mortgage loans, which is near to the 21.0 percent of owner-occupied housing units and just slightly below the 17.3 percent of aggregate lending. This represents excellent distribution.

Lending Gap Analysis

The OCC reviewed summary reports and maps and analyzed the bank's home mortgage lending activity over the evaluation period to identify any gaps in geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps in the bank's AAs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Provident's overall distribution of home mortgage loans to LMI borrowers in the Riverside-San Bernardino AA is reasonable.

The bank's primary lending product is Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) reportable loans for SFR and multifamily, both purchases and refinances. The bank is not required to report income information on multifamily housing loans for HMDA LAR data purposes. As a result, we are unable to determine if these loans were made to LMI borrowers. A total of 21.5 percent of home mortgage loans did not have income data available for review, which would represent the multifamily loans originated or purchased.

The distribution analysis of the remaining HMDA-reportable loans with income data showed that the bank originated or purchased 1.2 percent of loans to low-income borrowers. This is significantly lower than the 23 demographic percentage of families but near the aggregate lending percentage of 3.1, reflecting reasonable distribution. The bank's distribution of mortgage loans to moderate-income borrowers of 5.1 percent was significantly lower than the 16.8 demographic percentage of families, but lower than the 9.5 aggregate lending percentage, reflecting reasonable distribution.

The lower aggregate lending percentages reflect the challenging mortgage lending opportunities in the AA, particularly for low-income families. Assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$38,750 per year (or less than 50 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$180,460 mortgage with a payment of \$969 per month. A moderate-income borrower making \$62,000 per year (or less than 80 percent of the

2021 FFIEC adjusted median family income in the AA) could afford a \$288,737 mortgage with a payment of \$1,550 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,948 per month. The median listing price in the AA was \$397,750 in 2019 and rose to \$549,250 in 2021, reflecting a 38.1 percent increase according to Realtor.com data. This is significantly greater than the 2021 median housing value of \$246,946 for the AA.

Responses to Complaints

The bank did not receive any CRA related comments or complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of California is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments and donations, and services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

During the evaluation period, Provident's aggregate CD loans, investments, and donations inside the AA totaled over \$62.7 million. Most of the volume was attributed to originations of qualified CD multifamily mortgage loans and investments in minority-owned depository institutions (MDIs) and certified Community Development Financial Institutions (CDFIs). Donations were also made to CD qualified organizations. In addition, employees provided an aggregate 1,788 service hours to eight qualified organizations that focus on providing affordable housing, financial literacy, and education services, as well as promoting economic development, to LMI individuals and families in the AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Riverside-San Bernardino AA	31	40.0	19,637	32.5
Statewide/Regional Loans with Direct Benefit	49	60.0	40,766	67.5
Total	80	100	60,403	100

The level of CD loans represents an excellent responsiveness to identified needs within the AA. During the evaluation period, the bank made 31 qualified CD loans inside the AA totaling \$19.6 million. All but one of the qualified loans were for multifamily housing, which provided 239 units of affordable housing

to LMI individuals and families. These loans were responsive to the identified and significant need for affordable housing within the bank's AA. The other loan was made to a non-profit organization that assists LMI students and families.

With the bank's responsiveness to needs within the AA, we also considered statewide or regional activities that had a purpose, mandate, or function for community development. Provident made 49 qualified CD loans in an adjacent MSA that were all for multifamily housing, which provided a total of 341 units of affordable housing.

Number and Amount of Qualified Investments

Qualified Investments and Donations										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Riverside-San Bernardino AA	0	0	52	2,302	52	100	2,302	100	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Provident demonstrated excellent responsiveness to CD investment opportunities. During the evaluation period, the bank provided 52 qualified investments and donations totaling over \$2.3 million. The qualified investments included a total of \$2.2 million in deposits made in six different MDIs and CDFIs during the evaluation period. The bank's donations, facilitated by the Foundation, totaled \$79,900 to organizations that provide affordable housing to low-income families, support children in foster care, provide after school tutoring for LMI students, and offer financial assistance to low-income veterans.

In addition, Provident took advantage of a new Pandemic Relief program implemented by the Federal Home Loan Bank (FHLB) of San Francisco in 2020 to match contributions made by member banks to nonprofit organizations and small businesses that were impacted by the COVID-19 pandemic. During the evaluation period the bank made a total of 12 contributions to qualified organizations and businesses totaling \$22,400. The contributions were matched by the FHLB, resulting in the organizations and businesses affected by the pandemic receiving additional needed funds.

Extent to Which the Bank Provides Community Development Services

The bank's level of CD services reflects an excellent responsiveness to identified needs within the AA. Provident employees contributed 1,788 hours to eight qualified CD organizations during the evaluation period. Examples of CD services provided by bank staff include the following:

- An employee showed leadership using their technical and financial expertise by serving as a board member for an organization that buys, rehabilitates, and rents apartments to LMI individuals.
- An employee serves on the board providing their technical expertise to an organization that provides clothing, books, and aid to homeless and LMI students.

- An employee serves on the Finance Committee as a financial advisor for budgeting, operations, state and local grants, and banking services for a government organization that provides housing to LMI people in the AA.

In addition, during the evaluation period the national nonprofit organization Cities for Financial Empowerment (CFE) Fund's Bank On platform certified Provident's eVantage Account as a safe, affordable bank account. Bank On's goal is to provide the unbanked and underbanked access to safe and affordable transactional banking accounts offered by mainstream financial institutions. Accounts must meet the Bank On National Account Standards of being a checking account, including checkless, offer a debit card, require a minimum opening balance of \$25 or less, have a monthly maintenance fee of \$5 or less, and no overdraft or nonsufficient funds fees (e.g. via checkless checking). The accounts must include direct deposit, bill payment, online and mobile banking, free in-network ATMs, and free electronic monthly statements. As of the end of 2021, Provident had a total of 1,158 eVantage accounts with a combined balance of \$2.5 million.

Also, two or 15.4 percent of the bank's 13 branches are located in low-income CTs, while three or 23.1 percent of branches are located in moderate-income CTs. These percentages compare very favorably to the AA demographics, which note that low-income CTs represent 5.2 percent and moderate-income CTs represent 29.9 percent of total CTs in the AA. This increases the level of financial services that are available to LMI individuals in the AA.

Due to the economic distress caused by the COVID-19 pandemic, Provident's responsiveness plan included the following items to assist their customers: waiving or reimbursing fees including monthly account maintenance, ATM, early withdrawal penalties, non-sufficient funds (NSF), overdraft, and uncollected fees on closed account fees; implementing a payment deferral program for commercial and mortgage borrowers impacted by the pandemic; and providing personal protection equipment and workplace modifications. Management is proud that no branches were closed during the COVID-19 pandemic.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	1/1/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage loans Community development loans, qualified investments and donations, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
California		
Riverside-San Bernardino AA	Full-scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS		Provident Savings Bank	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Provident Savings Bank, FSB	Satisfactory	Outstanding	Satisfactory
State:			
California	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in this set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Riverside-San Bernardino AA	344	174,334	100.0	314,152	2.6	3.5	1.9	21.0	16.9	17.3	37.2	30.5	36.3	39.1	49.1	44.4	0.1	0.0	0.0	

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data; 2021 HMDA Aggregate Data; "--" data not available.
Due to rounding, totals may not equal 100.0.

PROVIDENT SAVINGS BANK F.S.B. (10000706051) excluded from Aggregate.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Riverside-San Bernardino AA	344	174,334	100.0	314,152	23.0	1.2	3.1	16.8	5.1	9.5	18.9	15.7	20.0	41.3	57.0	45.0	0.0	21.5	22.4	

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data; 2021 HMDA Aggregate Data; "--" data not available.
Due to rounding, totals may not equal 100.0.

PROVIDENT SAVINGS BANK F.S.B. (10000706051) excluded from Aggregate.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.