

PROVIDENT FINANCIAL HOLDINGS INC  
Form 10-Q/A  
May 16, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended ..... September 30, 2007

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-28304

PROVIDENT FINANCIAL HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

33-0704889  
(I.R.S. Employer  
Identification No.)

3756 Central Avenue, Riverside, California 92506  
(Address of principal executive offices and zip code)

(951) 686-6060  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes . No X .

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of class:	As of November 5, 2007
Common stock, \$ 0.01 par value, per share	6,218,510 shares*

\* Includes 80,567 shares held by the Employee Stock Ownership Plan that have not been released, committed to be released, or allocated to participant accounts.

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### EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (“Form 10-Q/A”) to our Form 10-Q for the quarter ended September 30, 2007, initially filed with the Securities and Exchange Commission (“SEC”) on November 9, 2007 (“Original Form 10-Q”), is being filed to reflect the restatement of our Condensed Consolidated Statements of Financial Condition as of September 30, 2007 and June 30, 2007, the related Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Stockholders’ Equity and Condensed Consolidated Statements of Cash Flows for the quarters ended September 30, 2007 and 2006, and the notes related thereto. For a more detailed description of the restatement, see Note 1, “Restatement of Condensed Consolidated Financial Statements” to the accompanying condensed consolidated financial statements.

On April 22, 2008, the Corporation’s Audit Committee determined that the financial statements should be restated after concluding that an error occurred in the accounting for the Corporation sponsored Employee Stock Ownership Plan (“ESOP”). The error consisted of releasing fewer shares of common stock than required to be released commensurate with the repayment of the ESOP loan. The restated financial statements reflect the additional compensation expense required as a result of releasing more shares. For a description of the changes made in connection with the restatement (“Restatement”) see Note 1, “Restatement of Condensed Consolidated Financial Statements” to the accompanying unaudited interim condensed consolidated financial statements contained in this report.

This Form 10-Q/A only amends and restates Items 1, 2 and 4 of Part I in each case as a result of, and to reflect, the restatement of the Original Form 10-Q. In addition, pursuant to the rules of the SEC, Item 6 of Part II of the Original Form 10-Q has been amended to contain currently dated certifications from our Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. Except for the forgoing amended information, this Form 10-Q/A continues to speak as of the date of the Original Form 10-Q and we have not updated the disclosure contained herein to reflect events that have been or will be addressed in our quarterly reports on Form 10-Q for the quarters ended December 31, 2007 and March 31, 2008 and our current reports on Form 8-K filed subsequent to the Original Form 10-Q and any reports filed with the SEC subsequent to the date of this filing.

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PROVIDENT FINANCIAL HOLDINGS, INC.

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PROVIDENT FINANCIAL HOLDINGS, INC.  
Condensed Consolidated Statements of Financial Condition  
(Unaudited)  
Dollars in Thousands

		September 30, 2007 (As Restated – See Note 1)		June 30, 2007 (As Restated – See Note 1)
<b>Assets</b>				
Cash and due from banks	\$	9,947	\$	11,024
Federal funds sold		4,300		1,800
Cash and cash equivalents		14,247		12,824
Investment securities – held to maturity (fair value \$8,935 and \$18,837, respectively)		9,001		19,001
Investment securities – available for sale, at fair value		135,107		131,842
Loans held for investment, net of allowance for loan losses of \$15,599 and \$14,845, respectively		1,366,792		1,350,696
Loans held for sale, at lower of cost or market		4,042		1,337
Receivable from sale of loans		17,591		60,513
Accrued interest receivable		7,442		7,235
Real estate owned, net		5,567		3,804
Federal Home Loan Bank (“FHLB”) – San Francisco stock		30,754		43,832
Premises and equipment, net		6,969		7,123
Prepaid expenses and other assets		8,801		10,716
Total assets	\$	1,606,313	\$	1,648,923
<b>Liabilities and Stockholders’ Equity</b>				
<b>Liabilities:</b>				
Non interest-bearing deposits	\$	41,556	\$	45,112
Interest-bearing deposits		970,615		956,285
Total deposits		1,012,171		1,001,397
Borrowings		452,764		502,774
Accounts payable, accrued interest and other liabilities		15,406		15,955
Total liabilities		1,480,341		1,520,126
<b>Commitments and Contingencies</b>				
<b>Stockholders’ equity:</b>				
Preferred stock, \$.01 par value (2,000,000 shares authorized; none issued and outstanding)		-		-
Common stock, \$.01 par value (15,000,000 shares authorized; 12,435,865 and 12,428,365 shares issued, respectively; 6,232,803 and 6,376,945 shares outstanding, respectively)		124		124
Additional paid-in capital		73,627		72,935
Retained earnings		145,659		146,194

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Treasury stock at cost (6,203,062 and 6,051,420 shares, respectively)		(94,097)		(90,694)
Unearned stock compensation		(358)		(455)
Accumulated other comprehensive income, net of tax		1,017		693
Total stockholders' equity		125,972		128,797
Total liabilities and stockholders' equity	\$	1,606,313	\$	1,648,923

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENT FINANCIAL HOLDINGS, INC.  
Condensed Consolidated Statements of Operations  
(Unaudited)  
In Thousands, Except Per Share Information

	Quarters Ended September 30,	
	2007 (As Restated – See Note 1)	2006 (As Restated – See Note 1)
Interest income:		
Loans receivable, net	\$ 21,514	\$ 21,958
Investment securities	1,744	1,696
FHLB – San Francisco stock	469	514
Interest-earning deposits	9	19
Total interest income	23,736	24,187
Interest expense:		
Checking and money market deposits	425	353
Savings deposits	787	644
Time deposits	8,058	5,827
Borrowings	5,093	6,624
Total interest expense	14,363	13,448
Net interest income, before provision for loan losses	9,373	10,739
Provision for loan losses	1,519	637
Net interest income, after provision for loan losses	7,854	10,102
Non-interest income:		
Loan servicing and other fees	491	476
Gain on sale of loans, net	122	3,492
Deposit account fees	658	522
Gain on sale of real estate, net	61	2,313
Other	43	591
Total non-interest income	1,375	7,394
Non-interest expense:		
Salaries and employee benefits	5,124	5,648
Premises and occupancy	707	784
Equipment	400	393
Professional expenses	319	264
Sales and marketing expenses	173	261
Other	1,045	1,099
Total non-interest expense	7,768	8,449



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Income before income taxes	1,461	9,047
Provision for income taxes	849	4,021
Net income	\$ 612	\$ 5,026
Basic earnings per share	\$ 0.10	\$ 0.74
Diluted earnings per share	\$ 0.10	\$ 0.73
Cash dividends per share	\$ 0.18	\$ 0.15

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENT FINANCIAL HOLDINGS, INC.  
Condensed Consolidated Statements of Stockholders' Equity  
(As Restated – See Note 1)  
(Unaudited)  
Dollars in Thousands  
For the Quarters Ended September 30, 2007 and 2006.

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Unearned Stock Compensation	Accumulated Other Compre- hensive Income	Total	
	Shares	Amount	Capital	Earnings	Stock	Compensation	Income	Total
Balance at July 1, 2007, as previously reported	6,376,945	\$ 124	\$ 69,456	\$ 149,523	\$ (90,694)	\$ (175)	\$ 693	\$ 128,927
Adjustments to opening stockholders' equity	-	-	3,479	(3,329)	-	(280)	-	(130)
Balance at July 1, 2007, as restated	6,376,945	124	72,935	146,194	(90,694)	(455)	693	128,797
Comprehensive income:								
Net income (1)				612				612
Unrealized holding gain on securities available for sale, net of tax expense of \$235							324	324
Total comprehensive income (1)								936
Purchase of treasury stock (2)	(151,642)				(3,396)			(3,396)
Exercise of stock options	7,500	-	69					69
Amortization of restricted stock			68					68
Awards of restricted stock			(45)		45			-
Forfeiture of restricted stock			52		(52)			-
Stock options expense			140					140
Tax benefit from non-qualified equity compensation			6					6