
Provident
New York Bancorp
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Earnings Conference Call

January 24, 2012

NYSE: PBNY

www.providentbanking.com



Forward-Looking Statements and Associated Risk Factors

We make statements in this presentation, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting us that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe”, “expect”, “anticipate”, “intend”, “outlook”, “estimate”, “forecast”, “project” and other similar words and expressions.

These statements are based on the current beliefs and expectations of management. Since these statements reflect the views of management concerning future events, these statements involve risks, uncertainties, and assumptions. These risks and uncertainties include among others: changes in market interest rates and general and regional economic conditions; changes in government regulations; changes in the value of goodwill and intangible assets; changes in the quality or composition of the loan and investment portfolios; potential breaches of information security, competition from banks and non-banking companies; and other factors discussed in the documents filed by us with the Securities and Exchange Commission from time to time. These factors should be considered in evaluating the forward-looking statements and undue reliance should not be placed on such statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Financial statement information contained in this release should be considered to be an estimate pending the filing with the Securities and Exchange Commission of the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2011. While the Company is not aware of any need to revise the results disclosed in this presentation, accounting literature may require adverse information received by management between the date of this release and the filing of the 10-Q to be reflected in the results of the fiscal period, even though the new information was received by management subsequent to the date of this presentation.

Agenda

- First Quarter Results
- Strategic Initiative Action Plans
- Financial Review
- Summary

First Quarter Summary

- Quarterly income of \$5.7 MM vs. earnings of \$6.7 MM last year and a net loss of \$493,000 last quarter
- Diluted EPS of \$0.15 per share vs. EPS of \$0.18 per share last year and (\$0.01) per share last quarter. Core diluted EPS of \$0.13 per share vs. (\$0.01) for the linked quarter and \$0.11 for same quarter last year
- Net Interest Margin of 3.54% vs. 3.58% for the linked quarter
- Enhanced Commercial Loan Production
 - \$186.7 MM in originations
 - Commercial approved pipeline up 40% over same quarter last year
- Credit metrics
 - Net Charge Offs are down to 0.37% vs. 0.45% last year
 - NPL increased by \$5.3MM from the linked quarter
 - Criticized and Classified loans are flat compared to last quarter

Strategic Initiative Actions

- Restructured organization around markets and attracted high performing leadership in the roles of CFO, Market Presidents and Chief Operating Officer to complement existing organizational talent
- As a result of our previously announced cost reduction initiative, improved efficiency ratio from 70.24% to 67.8% on a linked quarter basis
- Announced the acquisition of Gotham Bank of New York, a one branch business bank in NYC with \$169MM in loans and \$335MM of deposits (as of 9/30/11)
 - Cash transaction of approximately \$40.5MM
 - 125% of adjusted tangible net worth at closing resulting in an estimated 3.3% core deposit premium
- Announced the hiring of 4 Commercial Banking Teams in the NYC market

Margin Components - Last Five Quarters

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11
Earning Asset Yield	4.54%	4.51%	4.50%	4.33%	4.26%
Loan Yields	5.47%	5.40%	5.41%	5.22%	5.13%
Investment Yield and Other Earning Assets	2.82%	2.91%	2.87%	2.81%	2.96%
Cost of Funds	0.93%	0.86%	0.83%	0.79%	0.75%
Deposit Cost	0.32%	0.31%	0.29%	0.26%	0.23%
Borrowings	3.49%	3.58%	3.67%	3.69%	3.65%
NIM	3.66%	3.68%	3.70%	3.58%	3.54%

Core Deposits

	1Q11	2Q11	3Q11	4Q11	1Q12	QTR % Growth	YOY % Growth
Retail Trans	318,514	327,674	329,793	358,936	345,198	-3.83%	8.38%
Comm Trans	322,952	308,746	309,550	333,597	340,848	2.17%	5.54%
Muni Trans (1)	123,097	137,794	129,435	111,195	113,717	2.27%	-7.62%
Total Trans	764,563	774,214	768,778	803,728	799,763	-0.49%	4.60%
Savings	399,472	420,775	428,120	429,825	444,803	3.48%	11.35%
MMDA (2)	135,274	139,097	136,328	138,600	145,322	4.85%	7.43%
Total	1,299,309	1,334,086	1,333,226	1,372,153	1,389,888	1.29%	6.97%
% Core Deposits	65.6%	64.0%	63.6%	67.0%	65.0%		

(1) Excludes municipal tax deposits

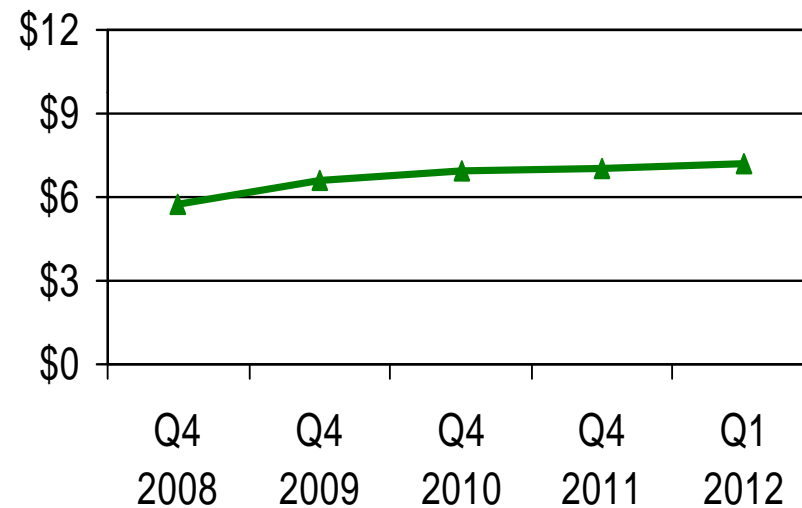
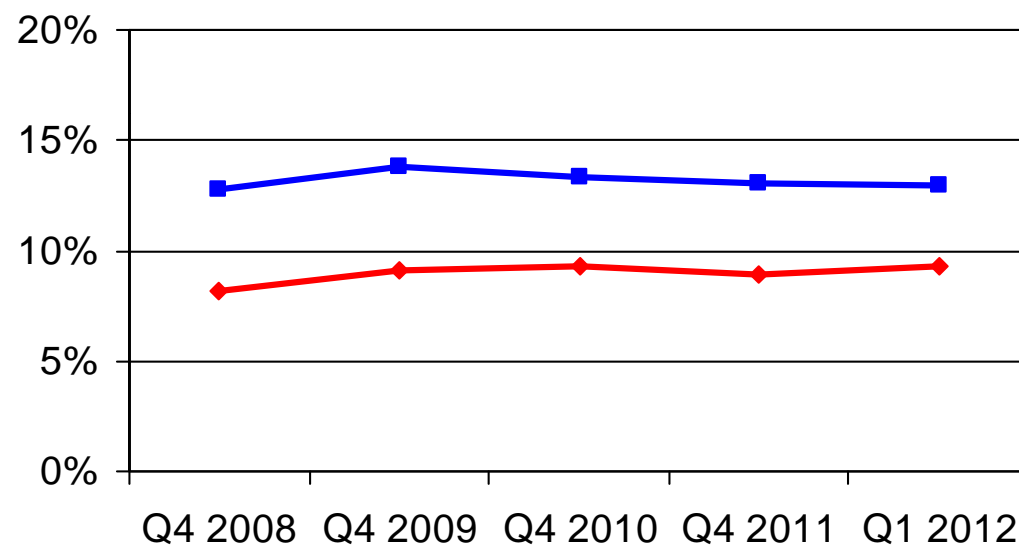
(2) Excluding Power and Premium MMDA and wholesale deposits, municipal

Loan Balance Sheet and Originations

<u>BALANCES (\$000)</u>					
	1Q11	4Q11	1Q12	% LINKED	YOY
C&I	122,379	134,400	126,356	-6%	3%
CRE	512,203	610,379	716,147	17%	40%
ADC	226,554	175,931	161,990	-8%	-28%
CBL	192,351	175,794	173,189	-1%	-10%
Total					
Commercial	1,053,487	1,096,504	1,177,682	7%	12%
Total					
Commercial					
Excluding					
ADC	826,933	920,573	1,015,692	10%	23%
Consumer	232,619	224,824	219,911	-2%	-5%
Residential	413,396	382,471	378,301	-1%	-8%
Total	1,699,502	1,703,799	1,775,894	4%	4.5%

<u>ORIGINATIONS</u>					
	1Q11	4Q11	1Q12	% LINKED	YOY
Total					
Commercial	127,696	147,294	186,651	27%	46%
Total					
Consumer	54,321	33,343	44,975	35%	-17%
Total Bank	182,017	180,637	231,626	28%	27%

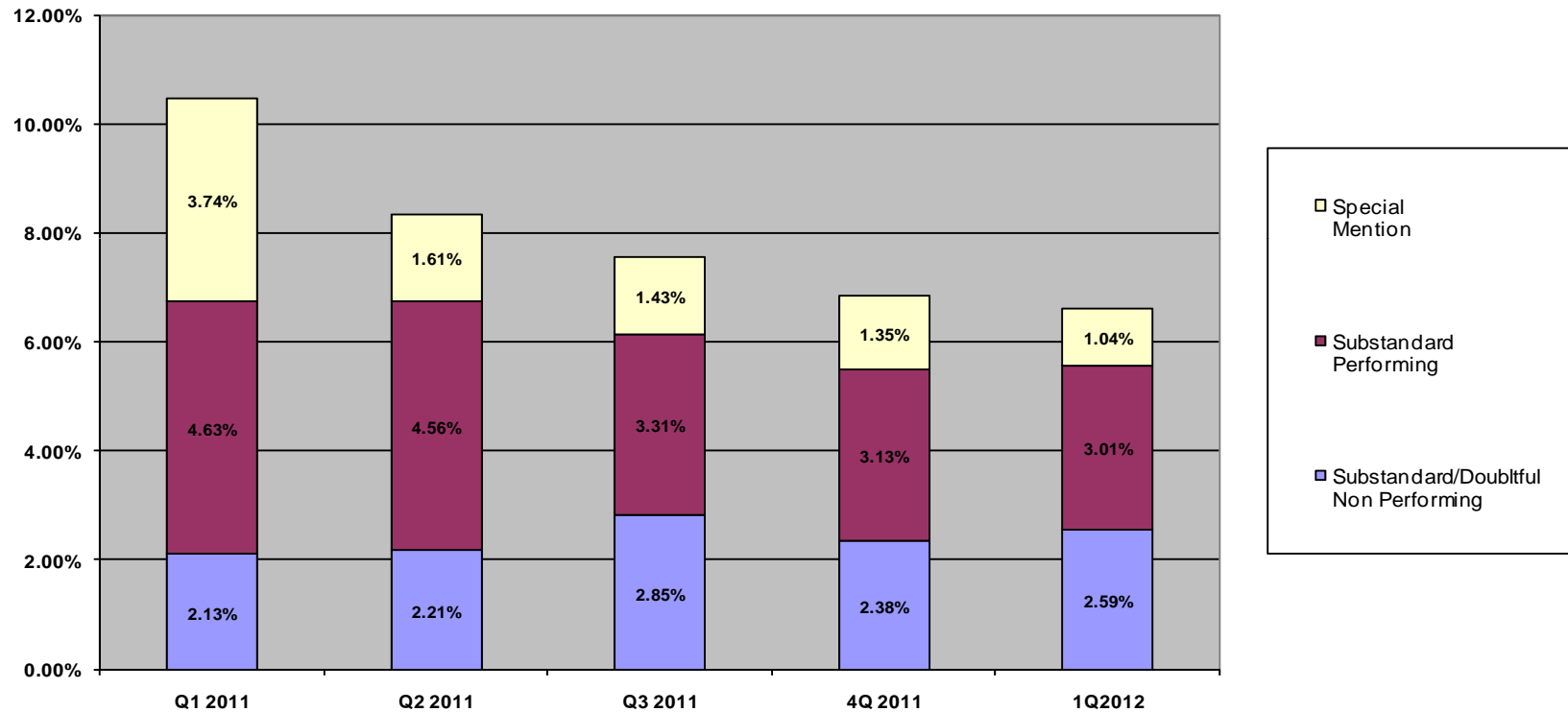
Strong Capital Position



■ Total RBC Ratio ◆ Tangible Capital/Tangible Assets

▲ Tangible Book Value/Share

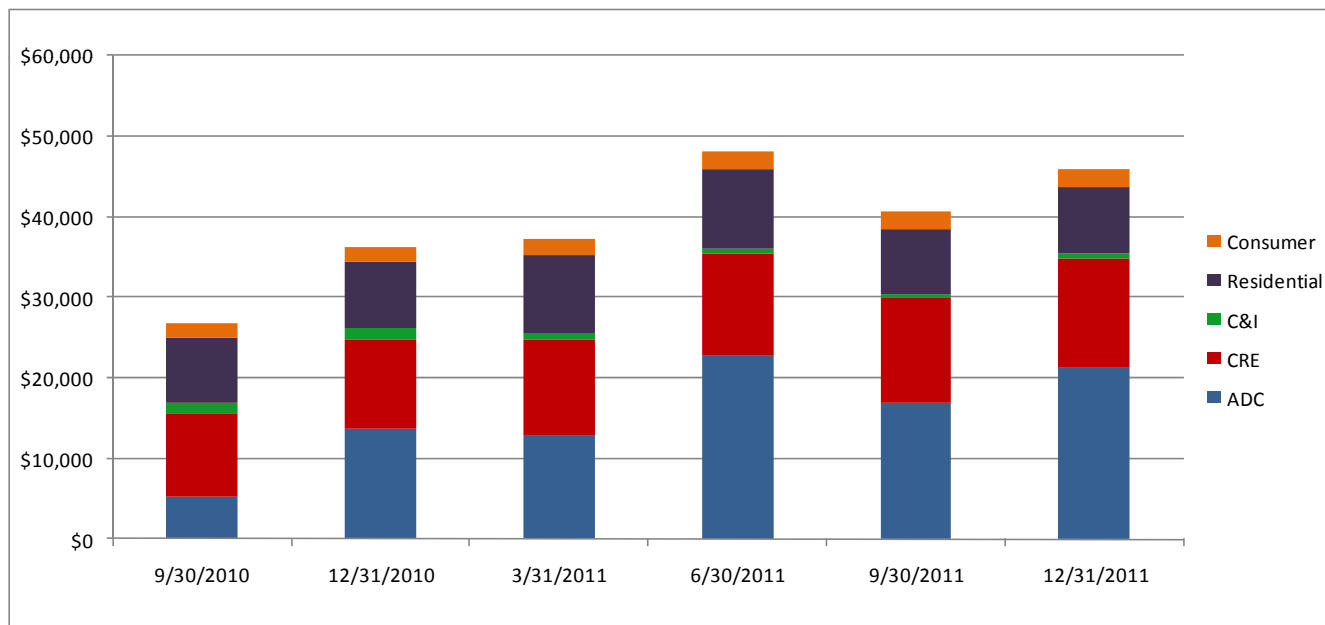
Criticized/Classified Loans (% of Total Loan Portfolio)



Portfolio Avg RR	5.711	5.637	5.589	5.507	5.458
Total of RR 1-5B	66.88%	68.47%	71.34%	74.36%	78.59%

Non-Performing Loan Trend by Category

Non-Accrual and Past Due 90 Days



Credit Quality

	Year Ended 9/30/09	Year Ended 9/30/10	1Q11	4Q11	1Q12	Peer As Of 9/30/11 1-5B MidAtlantic*
Non-performing loans to total loans	1.55%	1.58%	2.13%	2.38%	2.59%	2.83%
Net charge-offs to average loans (1)	0.62%	0.57%	0.45%	2.41%	0.37%	0.46%
Loan loss reserve to total loans	1.76%	1.81%	1.83%	1.64%	1.59%	1.42%
Loan loss reserve to non-performing loans	114%	115%	86%	69%	62%	56%
Non-performing assets to total assets	0.93%	1.02%	1.35%	1.46%	1.67%	1.74%
Special Mention (MM)	\$36.9	\$37.9	\$63.6	\$23.0	\$18.4	
Substandard/Doubtful (MM)	\$89.9	\$132.1	\$114.9	\$94.0	\$99.3	

* Source: SNL
(1) Annualized

First Quarter Summary

- First quarter results were solid and driven by strong commercial loan growth, improved credit metrics, and controlled expenses
- Strong levels of capital and risk oversight along with focused execution of initiatives will ultimately drive top tier performance.
- The strategic actions in the quarter position the Company to improve performance in the future.

