

Our Provident

An Innovative
Commercial Bank
that finds Solutions
for Our Business
and Private Clients.



*Chuck Withee, President and Chief Lending Officer
Anne Lapointe, EVP, Chief Administrative Officer
Dave Mansfield, CEO
Carol Houle, EVP, CFO*

Welcome

The Provident is an innovative commercial bank that finds solutions for our business and private clients. We are committed to strengthening the economic development of the regions we serve, by working closely with our clients and delivering superior products and high-touch services to meet their banking needs.

While we are proud of our rich history, The Provident is the tenth oldest chartered bank in the country, it is our belief that the future belongs to those who evolve and innovate. We are committed to finding creative, unconventional solutions that deliver successful outcomes for our clients. With a distinctive approach to banking, The Provident simplifies complex transactions and aims to deliver the best banking experience possible.

- All deposits are insured IN FULL through a combination of insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the Depositors Insurance Fund (DIF)
- #1 Small Business Administration (SBA) Lender in NH – THREE YEARS RUNNING
- Export/International Finance - Delegated authority with the Export/Import Bank of the United States (EXIM) and the United States Small Business Administration (SBA), Swift Code
- EXIM Community Lender of the Year for 2017
- Merger & Acquisition (M&A) and Employee Stock Ownership Plan (ESOP) Expertise
- Leadership Giving Initiatives with Economic Development Partnerships

The Provident is truly your financial partner.

OurProvident

Letter from the CEO

I am pleased to report that 2016 was an outstanding year for The Provident. We reported significant growth in earnings, loans, and deposits. We grew our markets and added new products and services to differentiate us from our competitors and establish ourselves as THE Commercial Bank. We celebrated a successful first full year of trading on the Nasdaq and were awarded some prestigious banking awards. Our competitive advantage with our Depositors Insurance Fund (DIF) continued to serve us well, and with increased awareness within our markets, DIF helped The Provident launch new services and products for our valuable business and private clients.

OUR GOALS

Our goal in 2016 was to sharpen our focus and increase awareness of The Provident as “THE” Commercial Bank in the regions we serve. To accomplish this, we needed to make changes to our existing business model, which included eliminating some consumer products and reducing our retail/consumer bank operations. By doing so, it allowed us to firmly plant that stake in the ground to assert “WE ARE THE COMMERCIAL BANK.” As our commercial bank status solidified, Private Banking emerged as our next opportunity. Utilizing our strength of high-touch, responsive, personalized customer service, along with our DIF, the addition of Private Banking to our product offerings was a natural evolution. Over the past year, we have experienced a steady increase in the demand for Private Banking Services from clients with a deposit balance over \$250,000.

This year American Banker affirmed The Provident’s status as “THE” Commercial Bank in its region. We were ranked #30 in Commercial and Industrial loan portfolios of independent banks with less than one billion in assets. Most notably, out of the top 200 banks that were ranked, The Provident had the 9th highest growth rate — with no other New England Bank ranking in the top twenty.

OUR AWARDS

The Provident was awarded — for the third consecutive year — the 7(A) Leading Lender in total dollars in New Hampshire by the U.S. Small Business Administration. The New Hampshire Small Business Administration awarded our President and Chief Lending Officer, Chuck Withee the Financial Services Champion of the Year, and one of our lenders was named the 504 #1 Banker of the Year. We received another 5-Star Rating from Bauer Financial, marking over 22 consecutive quarters with that distinction. Additionally, we were added to the Small-Cap Russell 2000® Index and were chosen as the 2016 Export-Import Bank of the U.S. (EXIM) Community Lender of the Year.

OUR LEADERSHIP GIVING

The Provident Bank has a rich and long-standing tradition of giving back to its local regions. All charitable giving decisions are made at the local level because we believe having a strong and meaningful connection to our regions is critical to our success.

We increased our charitable giving in 2016 and directed our Leadership Giving Campaign toward “economic development.” A majority of our footprint is now in high-growth areas where we contribute to and benefit from economic development. The Provident is taking a leadership role in partnerships that are addressing workforce development and education programs focusing on exporting and will continue this focus through 2017. We’ve developed some unique public-private partnerships, including those with the New England Export Expansion Fund, New Hampshire’s Department of Resources and Economic Development, Massachusetts Export Council, and Manchester Community College.

We believe that if we can help strengthen opportunities for businesses, the economy as a whole benefits.

OUR DIRECTORS

The Provident is fortunate to have dedicated and committed Directors, who do an outstanding job of representing the shareholders by providing strategic policy leadership and management oversight. You should be proud of them — I am.

OUR TEAM

As we continue to grow, The Provident remains true to who we are and how we achieve our success. At our core, we are an innovative bank — focused on providing the best possible service for our commercial and private clients and the regions we serve. We have an experienced and committed team of employees here at The Provident. Our 2016 results are a testimony to the dedication and hard work of Our Team. They are truly our foundation, our spirit and the reason for our success. Service isn’t just what they do; it is who they are. They believe in their purpose to serve others, and I am honored to be a leader of The Provident Team. Our investments in people, products, markets and infrastructure have built strong momentum on a solid foundation. We are excited about the opportunities ahead. Most importantly, we are grateful for your support and are dedicated to increasing the value of your investment in The Provident Bank.

OurProvident



Dave Mansfield, CEO
The Provident Bank



Commercial Banking

"I was looking for a partner, not just a bank. Working with The Provident through a complicated M&A transaction and funding for working capital, gave me the opportunity to work with a bank that took the necessary time to understand my business and my company growth needs. The Provident truly cares and sees my success as their success. That's what makes a great partnership."

Nick Soggu, CEO,
SilverTech

The Provident provides comprehensive solutions, global capabilities, and industry expertise to help your organization realize its goals. Because a one-size-fits-all approach isn't an option in today's complex environment, we offer strategic, industry-specific financial solutions tailored to your needs.

Our financial experts leverage their in-depth knowledge of current trends, challenges and opportunities in your industry to provide customized financial solutions to meet your business goals.

Business climates are unique. Risks change, regulations vary, and cultures differ. But with local knowledge and a global perspective, we make it our business to know what's happening, and what's possible anywhere you identify opportunity. We can help turn foreign markets into familiar territory or provide the due diligence to make an informed decision about an acquisition.

With our full suite of services, including asset-based lending, traditional secured loans, and specialty market services, we can offer access to working capital to help you maintain your day-to-day operations and provide the funding you need to pursue your plans for growth.

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1-877-487-2977

Export Financing

There's a world of opportunity out there. You've got the right products, and the demand is virtually unlimited. But the financial obstacles standing in the way of effectively capitalizing on the potential are daunting. For many U.S. exporters or those only thinking about exporting, a lack of access to financing can stand in the way of global growth.

The Provident has the expertise, capacity and established partnerships to provide loans to businesses exporting to foreign markets. With a multidisciplinary team of experts in international trade finance, we have the necessary tools to complete your deal quickly and efficiently. If you need working capital to deliver your promise, insurance against non-payment by foreign buyers, "how to" exporting knowledge or perhaps your customers need financing with better terms than they can get locally, our team will develop a solution for you to act quickly on opportunities and become more successful.

And while The Provident's financing typically protects exporters from many risks, there are gaps — and that's where the Export-Import Bank of the United States (EXIM) and the United States Small Business Administration (SBA) comes in. Both EXIM and SBA provide an array of financing options tailored to the needs of the exporter and provides coverage in more than 185 countries. The Provident Bank is the only locally headquartered bank to be a delegated authority with EXIM. We also have our own SWIFT code for processing foreign transactions. That's why so many exporters turn to The Provident to meet their international banking needs.

The Provident provides innovative solutions tailored to your exporting needs.

Our Provident

"The Provident Bank has been instrumental in helping our company finance complex transactions with overseas partners. Over 90% of our revenue comes from doing business in the international arena. Without The Provident's innovation, dedication and expertise, we would not have enjoyed the same success over these past few years. We consider The Provident to be a true financial partner and not just a bank."

Mike Boyle, CEO
Boyle Energy Services & Technology

*Michael Boyle, CEO,
Boyle Energy Services
& Technology*

*Chuck Withee, President
and Chief Lending Officer*

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Solar Financing

The Provident has been a partner to solar developers for more than seven years. We specialize in providing commercial financing on solar projects whether they involve construction or permanent loans where the energy is used by the borrower or distributed to various users through net metering agreements.

Our expertise and experience includes tax equity deals, project acquisition, debt financing, and SREC markets.

We consider ourselves a strategic partner to our developer clients, and actively seek to help you grow. Maintaining a close relationship allows us to provide informed guidance on how deals can become economically viable and give assistance and expertise in navigating specific state markets. Our ultimate goal is to monetize the total value of energy, grants and rebates, and close your projects in an efficient and timely manner.

The Provident engages a dedicated and experienced team focused on financing solar systems. Using a highly process-oriented approach, we bring exceptional value in time and cost savings along with a unique ability to simplify complex agreements. We understand the market's risk sensitivities and barriers to financing, and we know how to move a deal along successfully.

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"Valuable business partnerships are based on relationships you can trust. I know that with Steve Scott and The Provident team, we have a partner that understands our business and the solar industry, and works hard to respond to the particularities of our needs with a "can do" attitude versus many banks who operate the "no desk". In addition, The Provident works fast to meet our schedules while providing terms that are very competitive. They definitely help move our business forward."

Ken Rubin,
Managing Partner,
Golden Goose Capital

Ken Rubin,
Managing Partner,
Golden Goose Capital

Steve Scott,
Senior Vice President,
Commercial Lending

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Mergers and Acquisitions

Mergers and Acquisitions (M&A) can be fraught with complications, especially in an increasingly complex business and regulatory environment. At The Provident, we understand that a successful M&A outcome requires a delicate balance among the legal, business, and operational interests of a company.

The Provident provides a team approach to your merger or acquisition with practiced and practical expertise throughout every step of the transaction — from the initial structuring and negotiation, to implementation and post-closing follow through. We implement a proprietary process with a step-by-step breakdown of a very complex transaction, allowing a decision to be reached in a significantly compressed period of time — in most cases, half the time. Our first step allows us to gain early agreement on quality of earnings and consensus on business valuation. Then our experts work closely with you to structure the intricate details of your transaction.

The Provident simplifies a complex transaction world and brings M&A leverage financing to small-and-medium sized businesses that may not otherwise have the opportunity to participate in such a deal. We call upon the diverse backgrounds of our Senior Leadership and Partners to help you complete a successful transaction in a reduced period of time.

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"We needed to close a Merger & Acquisition (M&A) opportunity and time was of the essence. The Provident was able to step-up and quickly build consensus between LEGACY Global Sports and the seller on valuation. Then their team worked diligently to structure a favorable deal and turn around results within the compressed timeframe, making our transaction a success. Complex M&A deals like ours require an experienced team and a validated process to get the deal done — that's exactly what The Provident delivered!"

John St. Pierre,
CEO/President

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The Provident in the News



The Provident Addressing New Hampshire's Workforce Shortage

NHBR

The Provident Bank Launches Major Economic initiatives in NH

NHBR, WMUR, Newburyport News

The Provident Partners with DRED to Underwrites Export Education

Union Leader, WMUR, Portsmouth Herald



The Provident Partners with UNH on EXIM Seminar

NHBR

The Provident Partners with Harvard Business School's Entrepreneurship through Acquisition Class

Boston.com

The Provident Announces Partnership with Governments

Global Trade Magazine

NH Export Program expands beyond New Hampshire with Support from The Provident

Union Leader, NHBR



Provident Bancorp Rings NASDAQ closing bell

Portsmouth Herald

Provident Bank Celebrates a year on the Nasdaq

NHBR

Provident Bancorp, Inc. added to membership of U.S. small-cap Russell 2000 Index

American Banker

New Hampshire SBA Recognizes The Provident Bank as Leading Local Lender in Total Dollars: for 2016

NHBR, Union Leader, Business NH

Board of Directors

John Bosen, Chairman
Attorney
Bosen & Associates, PLLC

Dave Mansfield
Chief Executive Officer
The Provident Bank

Frank Cousins
Retired
Former Sheriff, Essex County, MA

James DeLeo
Partner
Gray, Gray & Gray CPA

Charlie Cullen
Retired
Former CEO of The Provident
Bank

Lisa DeStefano
Architect
DeStefano Architects

Jay Gould
Owner
Flatbread Company

Laurie Knapp
CPA
Laurie H. Knapp, CPA, PC

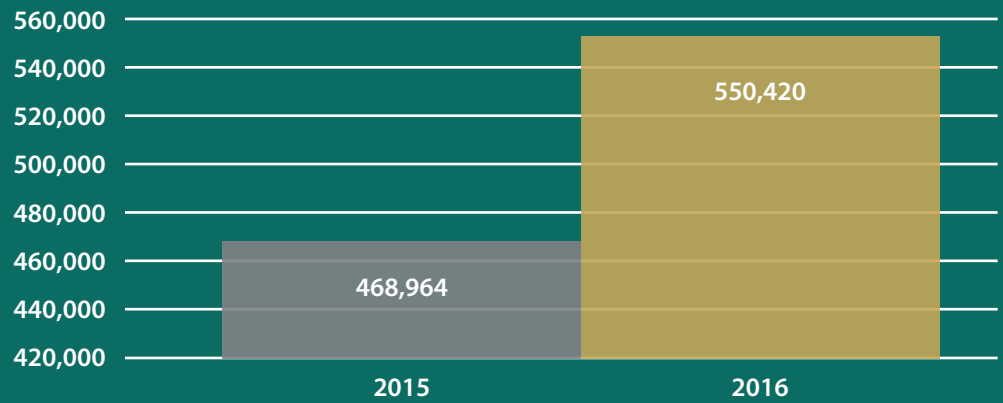
Dick Peeke
Retired
Insurance Executive

Arthur Sullivan
Owner
Brady-Sullivan Enterprises

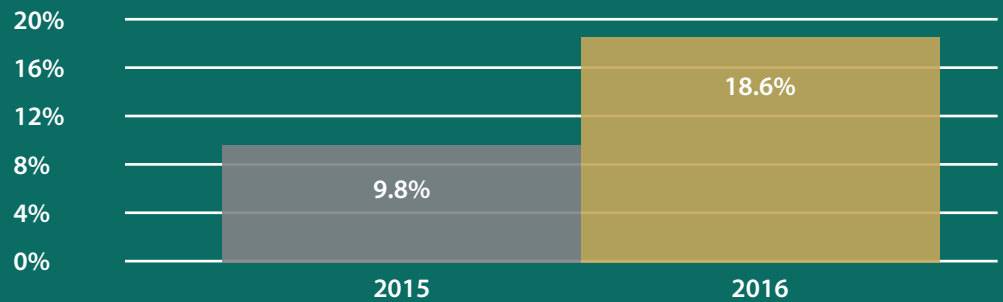
Wayne Tatro
Retired
Former Owner, LeBaron Bonney
Company

Chuck Withee
President & Chief Lending Officer
The Provident Bank

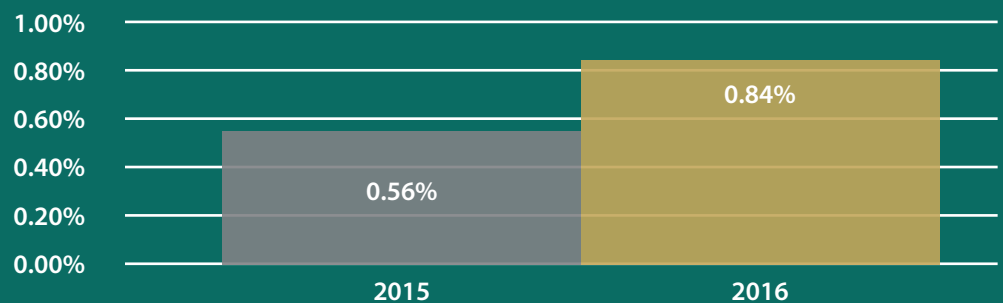
Total Commercial Loans



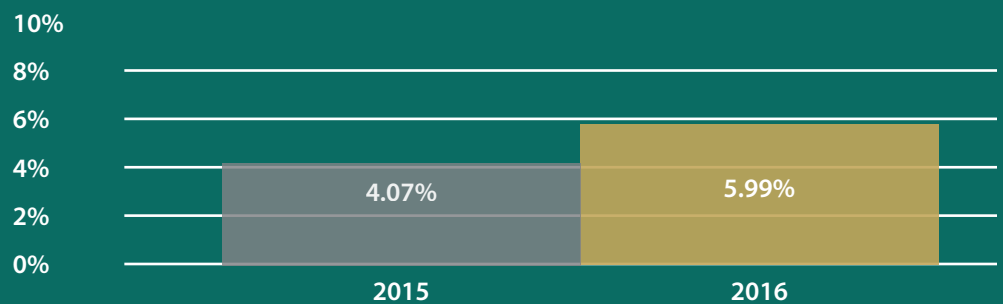
Core Deposit Growth



Return on Assets



Return on Equity





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Your Deposits Are Insured In Full
Member FDIC / Member DIF

