

OFFICE OF THRIFT SUPERVISION

Approval of Operating Subsidiary Application and Mutual Holding Company Activity

Order No.: 2002-06
Date: February 20, 2002
Docket Nos.: 5190, H3302 & H3303

Provident Bank, Montebello, New York (the Savings Bank), has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, requesting approval for a newly created, wholly owned operating subsidiary, Provident Municipal Bank, Montebello, New York (the Operating Subsidiary), to engage in the activities of collecting deposits of public moneys from municipalities and local government entities, and holding assets consisting of federal funds, federal agency securities, and mortgage-backed securities. In addition, Provident Bancorp MHC and Provident Bancorp, Inc. request approval under 12 C.F.R. § 575.11(e) for the Operating Subsidiary to engage in the proposed activities.

OTS has considered the application under the standards set forth in 12 C.F.R. Part 559 and Part 575. In addition, OTS has considered a digest by the Northeast Regional Office (the Regional Office), an analysis by Examination Policy, and a legal opinion issued by the Business Transactions Division (collectively, the Staff Memoranda).

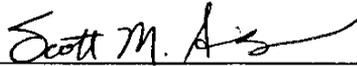
For the reasons set forth in the Staff Memoranda, OTS has determined that the application satisfies all applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals supplied to the Regional Office;
2. The Operating Subsidiary must not materially deviate from any of the activities, facts or representations described in the application, except with the prior written non-objection of the Regional Director;
3. The Operating Subsidiary must commence the operations proposed in the application within one year of the date of this approval order;
4. The Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed

transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Application, and this Order;

Any time period set forth herein may be extended for up to 120 calendar days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or his designee, effective February 20, 2002.



Scott M. Albinson
Managing Director
Office of Supervision