



# Bofi Holding, Inc.

## Investor Presentation

Greg Garrabrants  
President and Chief Executive Officer

**RAYMOND JAMES**

**34<sup>th</sup> Annual Institutional Investors Conference**

**March 3-6, 2013**

NASDAQ: BOFI

## Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). The words "believe," "expect," "anticipate," "estimate," "project," or the negation thereof or similar expressions constitute forward-looking statements within the meaning of the Reform Act. These statements may include, but are not limited to, projections of revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services, and financing needs or plans, as well as assumptions relating to these matters. Such



statements involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of these factors, we refer you to the Company's reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended June 30, 2012. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or by any other person or entity that the objectives and plans of the Company will be achieved. For all forward-looking statements, the Company claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act

## Q2 Fiscal 2013 Financial Highlights

<b>Q2 2013 vs. Q2 2012</b>	<b>Amount (\$M or %)</b>	<b>Increase (%)</b>
Asset growth	\$650.5	29.3%
Deposit growth	\$415.0	26.7%
Loan portfolio growth	\$628.8	41.2%
Loan portfolio origination growth	\$200.0	151.2%
Non-performing assets to total assets	78 bps	14 bps
Q2 Net Income	\$9.8	46.7%

**Return on  
Equity: 17.3%**

**Return on  
Assets: 1.45%**



# Bofi is Consistently Ranked among the Best of the Biggest Thrifts by SNL Financial ...

## 2011 The Best of the Biggest Thrifts

**The best of the biggest (part 1)**  
The 100 largest public thrifts by asset size, ranked by financial performance for calendar year 2011 (1-25)

2011 Rank	2010 rank <sup>1</sup>	Company (ticker)	City, state	Score <sup>2</sup>	Total assets (\$M)	ROAA (%)	ROATCE (%)	TBV/share 3-year growth (%)	Efficiency ratio (%)	NPLs/loans (%)	NCOs/avg. loans (%)
1	1	Malaga Financial Corp. (MLGF)	Palos Verdes Estates, CA	144.60	827.2	1.36	14.55	13.20	34.82	0.22	0.00
2	2	Bofi Holding Inc. (BOFI)	San Diego, CA	134.61	2,223.8	1.24	16.09	14.33	42.04	1.20	0.39
3	4	Hingham Institution for Savings (HIFS)	Hingham, MA	132.66	1,127.3	1.14	15.32	11.22	40.11	0.81	0.06
4	5	Dime Community	Brooklyn, NY	126.12	8,021.2	1.16	16.26	10.18	41.64	2.02	0.17
5	3	Bofi Holding Inc. (BOFI)	San Diego, CA	134.61	2,223.8	1.24	16.09	14.33	42.04	1.20	0.39
6	7	Investors Bancorp Inc. (MHC) (ISBC)	Short Hills, NJ	87.06	10,701.6	0.78	8.81	7.32	43.21	1.71	0.57
7	22	Investors Bancorp Inc. (MHC) (ISBC)	Short Hills, NJ	87.06	10,701.6	0.78	8.81	7.32	43.21	1.71	0.57
8	10	ESB Financial Corp. (ESBF)	Ellwood City, PA	86.74	1,964.8	0.81	11.26	8.90	53.64	2.04	0.18

#2

## 2010 The Best of the Biggest Thrifts

**The best of the biggest (part 1)**  
The 100 largest public thrifts by asset size, ranked by financial performance for 12 months ended March 31, 2011 (1-25)

2010 Rank <sup>1</sup>	Company (ticker)	State	Score	Total assets (\$M)	ROAA (%)	ROATCE (%)	TBV/share 3-yr CAGR (%)	Efficiency ratio (%)	NPLs/loans (%)	NCOs/avg. loans (%)
1	Malaga Financial Corp. (MLGF)	CA	134.22	817	1.32	15.57	13.27	35.86	0.23	0.00
2	Bofi Holding Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
3	New York Community Bancorp Inc. (NYB)	NY	126.45	41,047	1.32	19.31	11.74	36.43	3.04	0.36
4	Bofi Holding Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
5	Bofi Holding Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
6	Bofi Holding Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
7	Bofi Holding Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
8	Kaiser Federal Financial Group Inc. (KFFG) <sup>2</sup>	CA	83.95	902	0.95	7.39	20.85	53.74	4.06	0.40
9	Northwest Bancshares Inc. (NWB) <sup>3</sup>	PA	81.68	8,122	0.76	5.60	36.85	57.01	3.25	0.67

#2

## 2009 The Best of the Biggest Thrifts

**The best of the biggest (part 1)**  
The 100 largest public thrifts by asset size, ranked by financial performance for the 12 months ended March 31, 2010 (1-25)

2009 rank <sup>1</sup>	2008 rank <sup>2</sup>	Company (ticker)	State	Score	Total assets (\$M)	Core ROAA (%)	Core ROAE (%)	TBV / share 3-yr CAGR (%)	Efficiency ratio (%)	NPA's +90 / assets (%)	NCOs / avg. loans (%)
1	NR	Malaga Financial Corp. (MLGF)	CA	95.80	829.0	1.22	14.87	7.61	37.95	0.21	-0.01
2	2	Hingham Institution for Savings (HIFS)	MA	90.70	966.4	1.00	14.06	8.37	44.13	1.34	0.08
3	5	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
4	42	New York Community Bancorp Inc. (NYB)	NY	88.50	42,430.7	1.22	9.56	9.97	35.40	2.40	0.14
5	3	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
6	1	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
7	1	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
8	1	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
9	1	Bofi Holding Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
10	6	Harleysville Savings Financial Corp. (HARL)	PA	79.10	843.1	0.58	9.60	3.54	61.88	0.08	0.07

#3

## ... and is also a Top Performer among the Broader Universe of All Public Banks and Thrifts

2012 rank	2011 rank		Total assets (\$000)	2011 ROAE (%)	2011 ROAA (%)	Non-interest income/total revenue (%)	Capital ratio (%)	Efficiency ratio (%)	Non-performing loans/total loans (%)
1	1	Bank of the Ozarks, Little Rock, AR	3,839,987	26.80	2.70	17.65	18.93	55.91	0.50
2	125	Southern BancShares, Mt Olive, NC	2,068,677	24.57	2.27	60.67	21.30	42.21	10.98
3	7	Republic Bancorp, Louisville, KY	3,419,991	21.42	2.76	40.34	24.74	43.42	3.67
4	6	Southside Bancshares, Tyler, TX	3,308,400	16.84	1.29	28.24	22.36	54.41	1.14
5	236	Pacific Mercantile Bancorp, Costa Mesa, CA	1,024,552	16.51	1.15	19.30	13.40	89.97	2.14
6	221	CoBiz Financial, Denver, CO	2,423,504	16.23	1.39	27.06	16.30	75.78	2.93
7	5	WestAmerica Bancorp., San Rafael, CA	5,042,161	16.14	1.78	23.14	15.83	49.16	2.19
8	4	BofI Holding, San Diego	2,223,797	16.00	1.33	14.72	13.77	42.03	1.28
9	16	Hingham Institution for Savings, Hingham, MA	1,127,276	15.52	1.13	4.53	13.55	42.88	0.85
10	26	Citizens & Northern Corp., Wellsboro, PA	1,323,735	15.30	1.78	23.31	21.17	51.22	1.35

Source: ABA Banking Journal, May 2012

Note: Public banks and thrifts with total assets of \$1-10 billion dollars

## Bofl is a Top Quartile Performer Versus Bank Peer Group

The 94% on ROE means that the Bank outperformed 94% of all Banks. The 16% G&A ranking means that only 16% of Banks spend less on G&A than BoFl. Peer group includes savings banks greater than \$1 billion dollars.

	<b>Bofl Federal Bank</b>	<b>Peer Group</b>	<b>Percentile</b>
ROAA	1.54%	0.80%	88%
Return on equity	17.97%	6.57%	94%
G&A	1.56%	2.72%	16%
Efficiency ratio	33.47%	66.34%	4%

Note: Peer group is all savings banks with assets greater than \$1 billion for quarter ended September 30, 2012  
Source: Uniform Bank Performance Report (UBPR) as of September 30, 2012

## Our Business Model is More Profitable Because Our Costs are Lower...

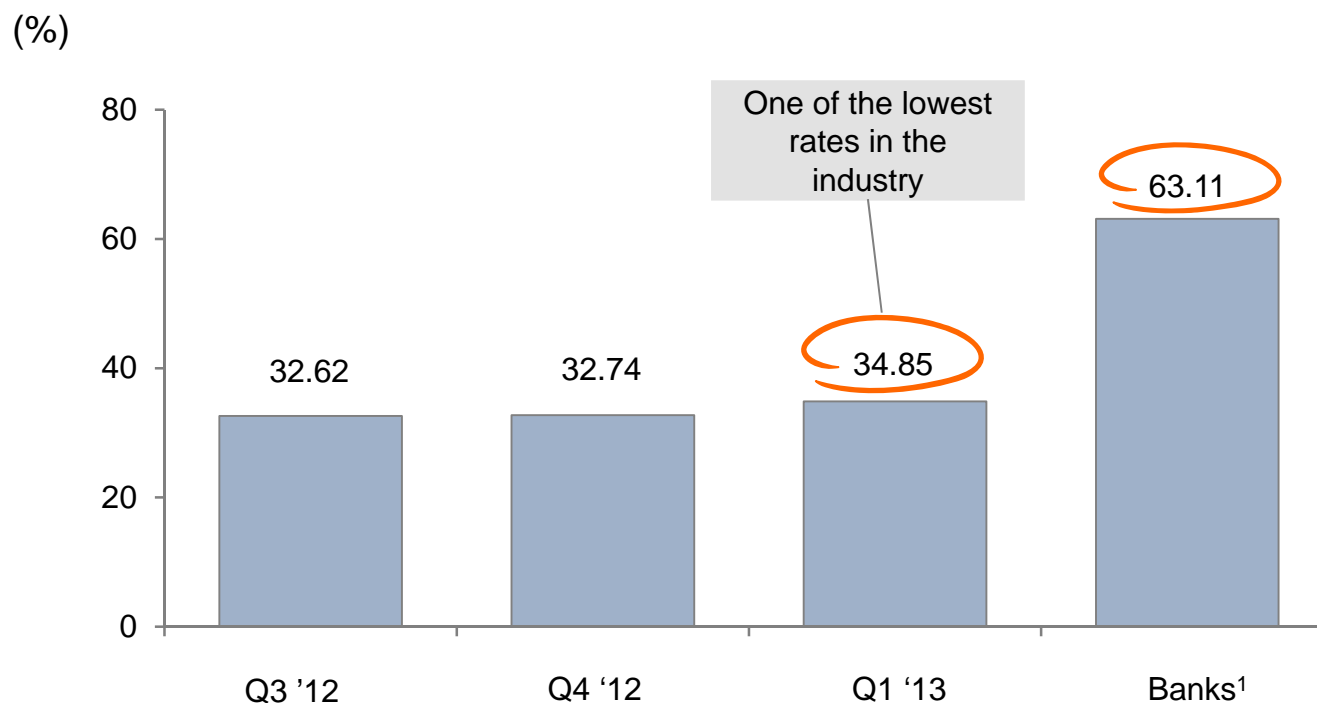
<i>As % of average assets</i>	<b>Bofl<sup>1</sup> (%)</b>	<b>Banks \$1-\$10bn<sup>2</sup> (%)</b>
Net interest income	3.69	3.60
Salaries and benefits	0.87	1.53
Premises and equipment	0.14	0.37
Other non-interest expense	0.66	1.27
<b>Total non-interest expense</b>	<b>1.67</b>	<b>3.17</b>
<b>Core business margin</b>	<b>2.02</b>	<b>0.43</b>

1. Bofl Federal Bank only for the three months ended 9/30/12 - the most recent data on FDIC website "Statistics on Depository Institutions Report." Excludes Bofl Holding Inc. to compare to FDIC data
2. Commercial banks by asset size. FDIC reported for three months ended 9/30/12. Total of 437 institutions \$1-\$10 billion

## ... Resulting in an Efficiency Ratio That is Consistently One of the Industry's Lowest

### Efficiency Ratio

(BoFI Federal Bank, for the fiscal quarter ended)



1. Reported by FDIC – 437 commercial banks with \$1-\$10 billion in assets for the quarter ended 9/30/12  
Source: FDIC Statistics on Depository Institutions (SDI) at 9/30/12. All data excludes bank holding companies



# Corporate Profile and Vision

## Vision

**We aspire to be the most innovative branchless bank in the United States providing products and services superior to our branch based competitors**

## Key Facts

- \$2.9 billion asset savings and loan holding company<sup>1</sup>
- 12-year operating history, publicly traded on NASDAQ (BOFI) since 2005
- Headquartered in single branch location in San Diego, CA
- 40,000 deposit and loan customers<sup>1</sup>
- 280 employees (\$10 million in assets per employee)<sup>1</sup>
- Market Capitalization of \$423 million<sup>2</sup>

1. As of 12/31/12

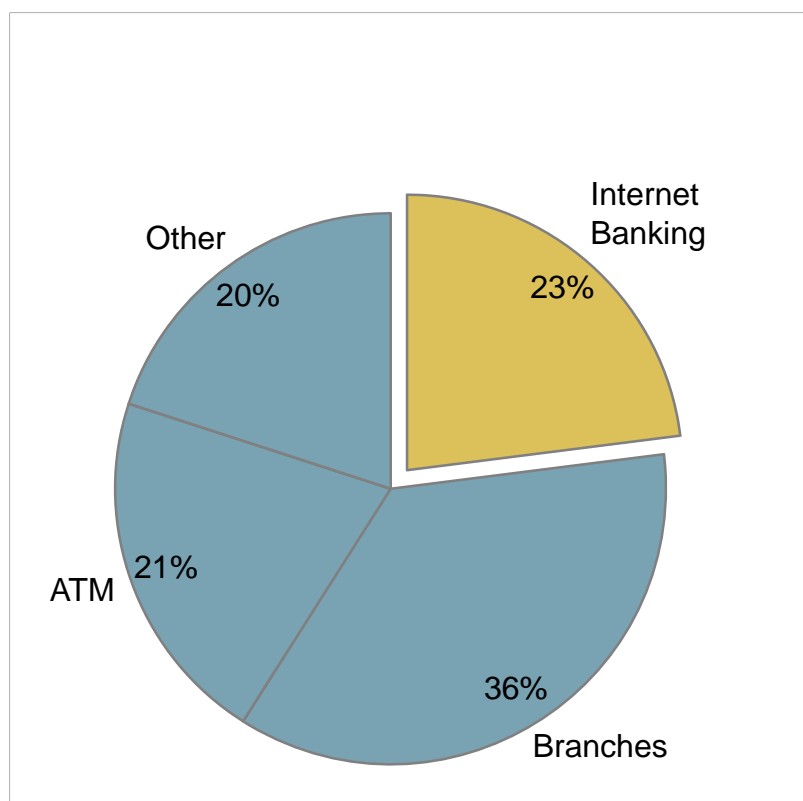
2. As of 02/04/13 closing price of \$32.99 per share

# Diversified Branchless Customer Acquisition Channels

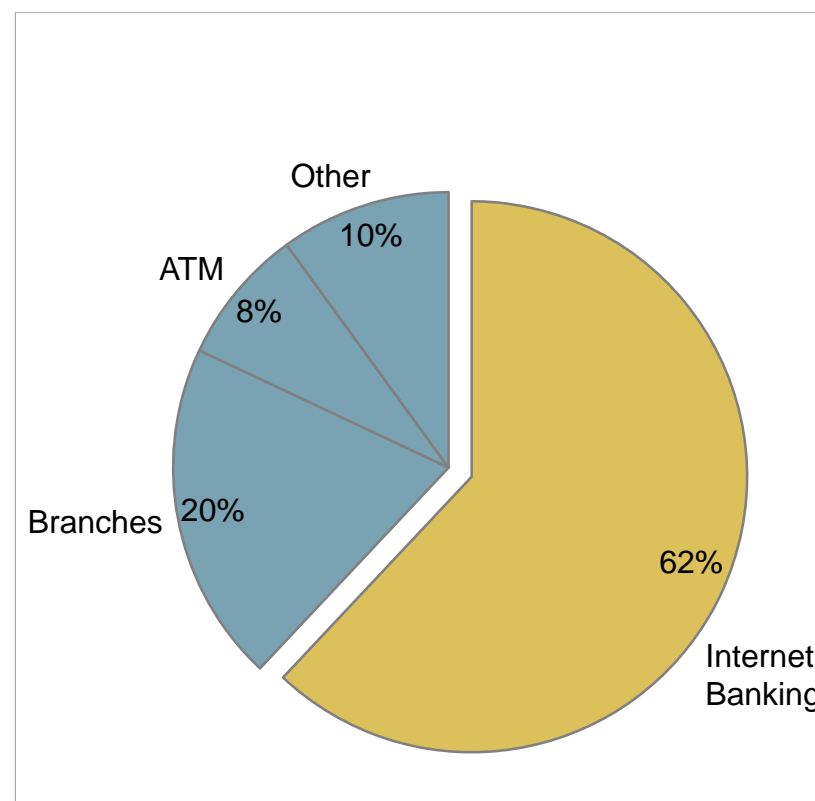
		Bank brands	Description	Affinity Partners	Description
Consumer online brands			<ul style="list-style-type: none"> <li>Value-oriented consumer</li> <li>High-end/older demographic</li> </ul>		<ul style="list-style-type: none"> <li>65 million members</li> </ul>
			<ul style="list-style-type: none"> <li>Airline rewards oriented</li> <li>Wider demographic</li> </ul>	 	<ul style="list-style-type: none"> <li>12 million members</li> </ul>
			<ul style="list-style-type: none"> <li>Second chance checking</li> <li>Turn-down product</li> </ul>		<ul style="list-style-type: none"> <li>2 million members</li> </ul>
			<ul style="list-style-type: none"> <li>Business checking</li> </ul>		<ul style="list-style-type: none"> <li>15 million hunters</li> </ul>
			<ul style="list-style-type: none"> <li>Products tailored to financial planning advisors and customers</li> </ul>		<ul style="list-style-type: none"> <li>500k+ current employees</li> <li>Significant additional retirees</li> </ul>

## Preference Toward Delivery has Shifted Rapidly Toward the Internet Over the Last Four Years

**Preferred Banking Method  
(2007)**

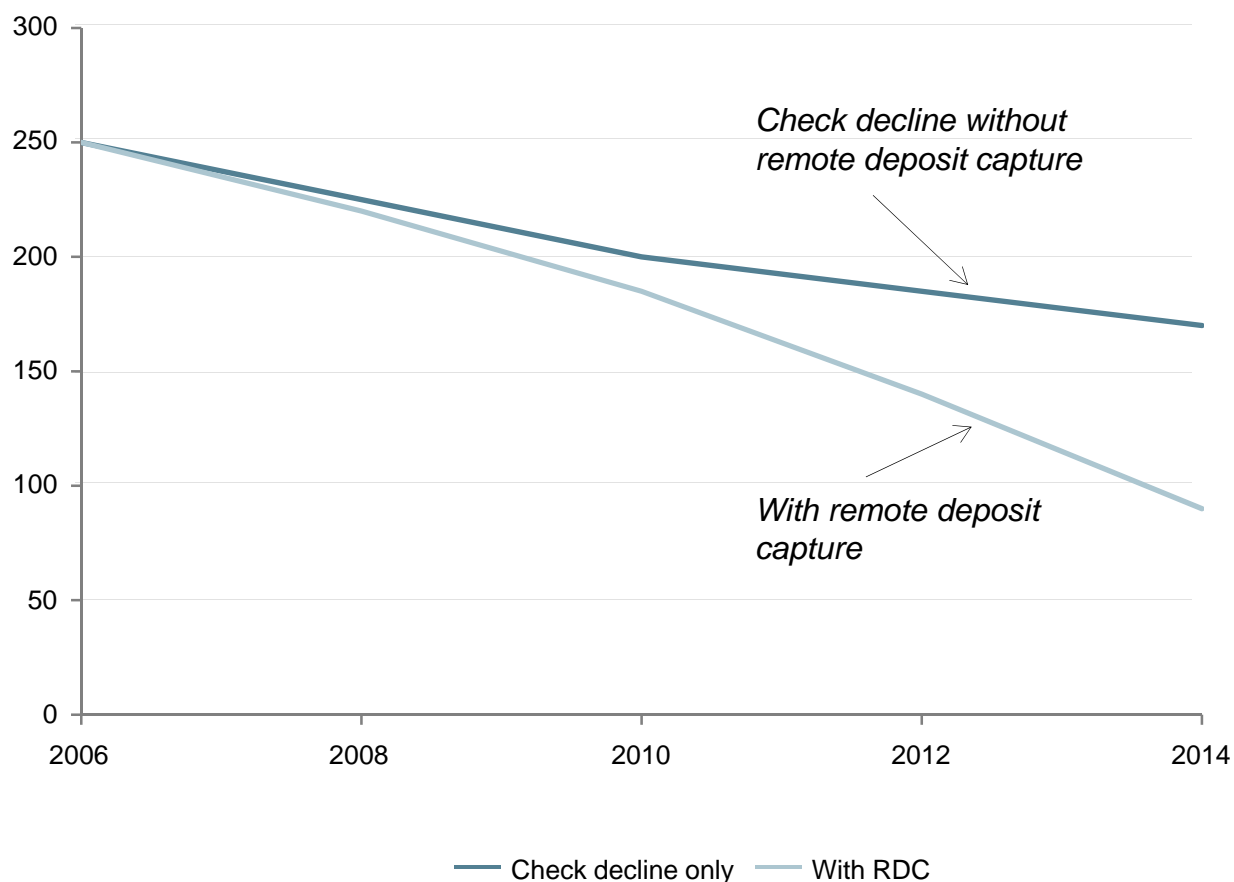


**Preferred Banking Method  
(2011)**



# With the Need For Branches to Deposit Checks Dropping Quickly

Avg. deposits per day per branch

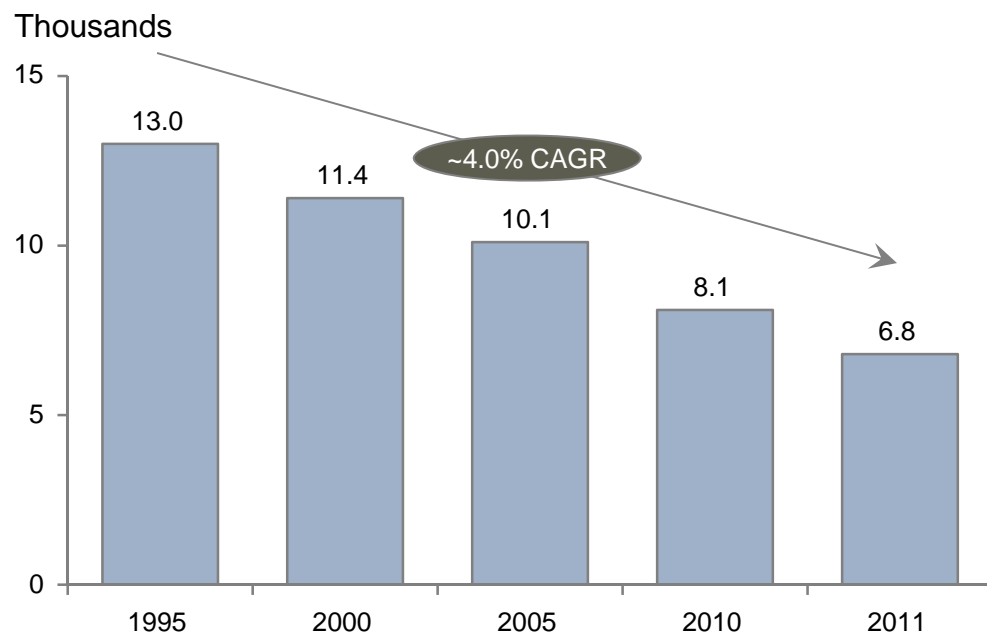


- 45% decline from 2006 to 2011
- Additional decline by 2014 of 90% with Remote Deposit Capture Implementation



## Branch Traffic has Declined Approximately 4.0% per Year for an Aggregated Decline of 90% Over the Last 16 Years

**Average Branch Monthly Volume –  
Teller Transactions**



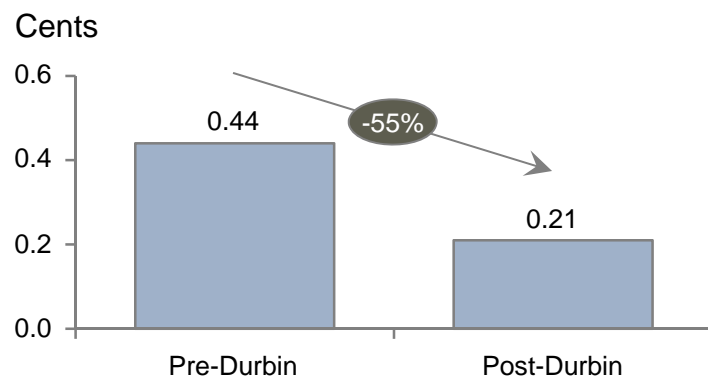
*"Branch foot-traffic is plummeting and branches are largely idle, except for the activities of the employees"*

*"Check writing declines 6-10% per year"*

– Bob Meara, Analyst, Celent

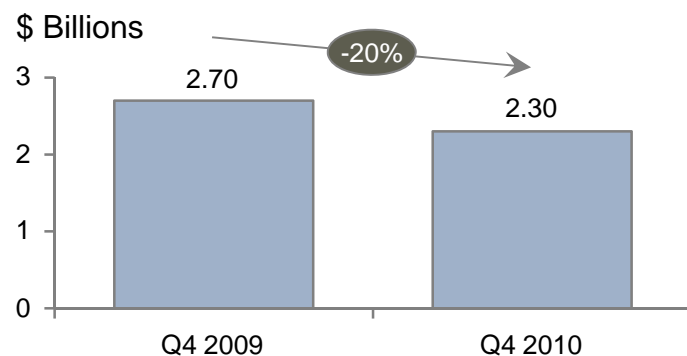
# Branch Banks are Losing Sources of Revenue that Supported "Free" Checking

**Interchange Income**  
Average Transaction Fee



- Interchange is roughly 20% on non-interest income
- \$27.5 billion per year of lost interchange income
- Under \$10 billion asset size banks unaffected

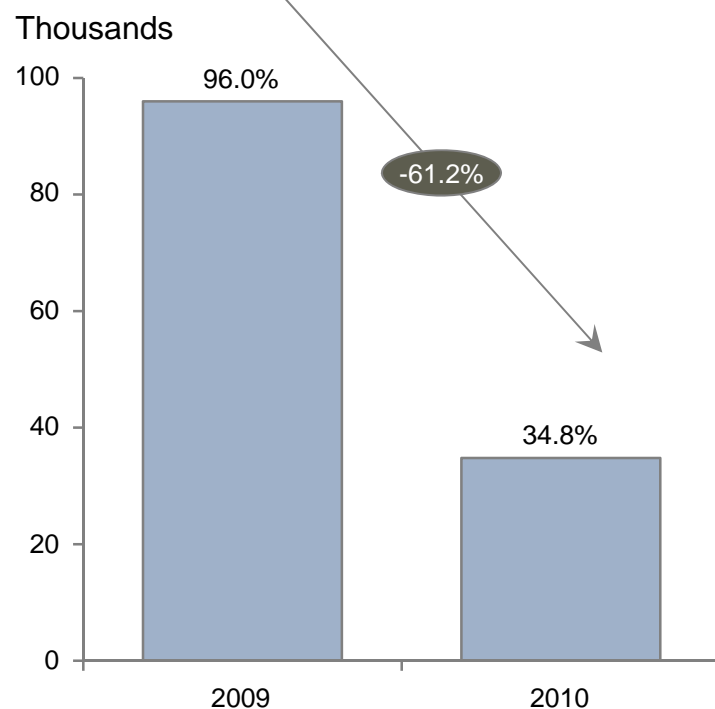
**Bank Service Charges**



- Non-sufficient funds fees significantly reduced from new regulation

## Banks over \$50 Billion Dollars in Assets Offering Free Checking Dropped to Less than 35% from 96% in One Year

**Banks greater than \$50 billion in assets that offer free checking**



Represents a secular trend toward less competitive products at banks with branch-based cost structures

# Enhanced Value Proposition for Deposit Customers

## Product

- Free checking with unlimited ATM reimbursement
- Rate rewards features
- Merchant/purchase rewards

## Customer Service

- Enhanced call center representatives training
- Call center representative extended hours
- Outbound calling for setup and welcome

## Platform Features

- Remote check deposit capture
- Personal financial management/account aggregation
- POP money (money transfer to mobile phones to emails)
- Enhanced mobile banking platform
- Mobile remote deposit capture (March)
- New iPhone and Android application



# CNN Money Recently Highlighted the Bank's Checking Account in its Article Describing the Bank as "One of 7 Banks That Is Still Awesome"

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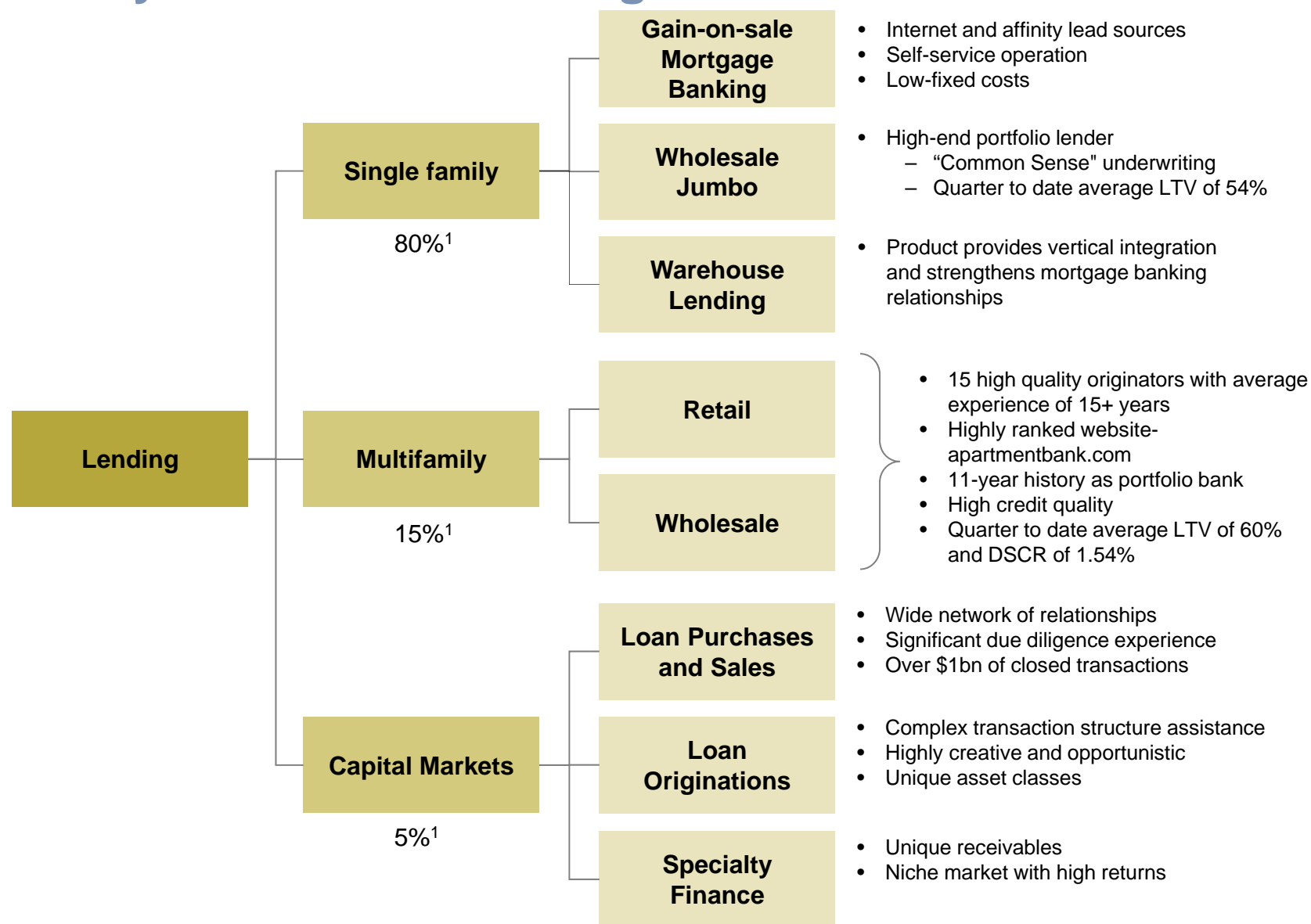
Note: Information as of October 2011

# Key Growth

Key Areas of Growth	Growth: 12/11-12/12
Checking balance	132.97%
MMS balance	105.27%
Savings balance	-13.53%
CD balance	-27.31%
Transaction account balance	113.83%
Gen Y (1978-1994) <sup>1</sup>	34.4% of accounts, 34.3% of account bal
Gen X (1965-1977) <sup>1</sup>	15.6% of accounts, 9.7% of account bal

<sup>1</sup> These changes are based on the period February 2012 compared to December 2012.

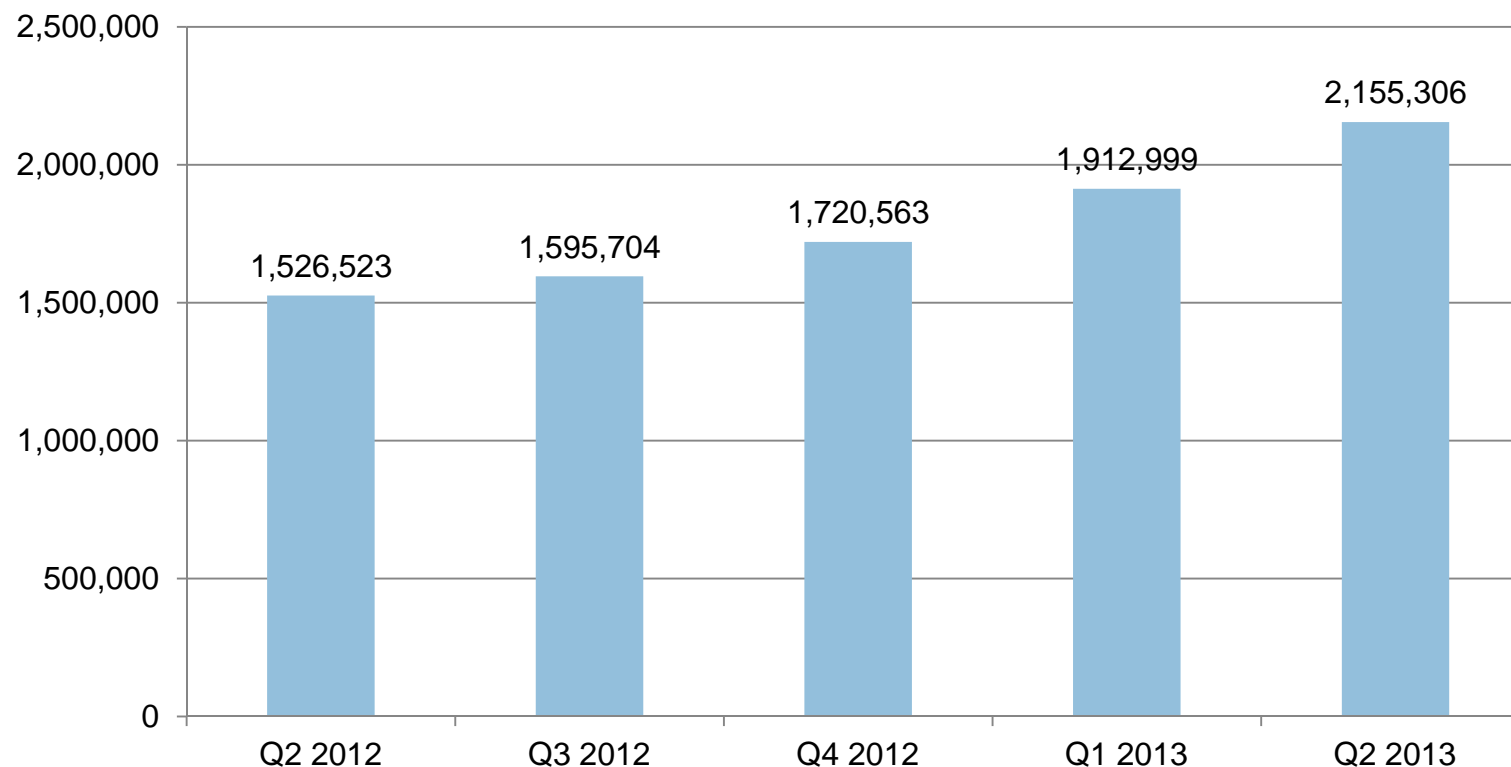
# Primary Business – Lending



1. Percent of total originations and purchases for quarter ended December 31, 2012

# Our Rapid Asset Growth has been Driven by Strong and Profitable Organic Loan Production

Loan Portfolio – End of Last Five Quarters



Average  
Loan to  
Value

Multifamily	52%	54%	54%	55%	55%
Single family	52%	54%	54%	54%	54%



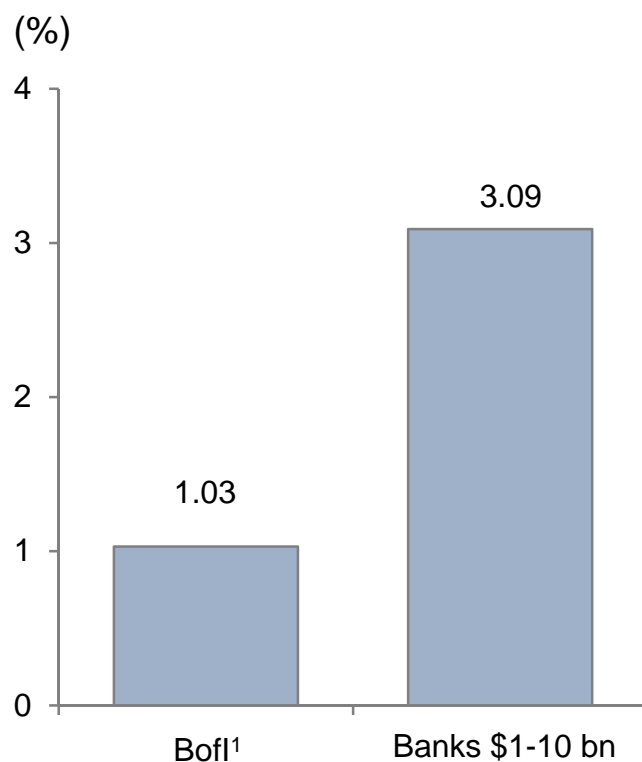
## Loan Origination Group Production Year over Year

<i>(\$ Millions)</i>	<u>Q2-2013 Production</u>	<u>Q2-2012 Production</u>	<u>Pipeline<sup>1</sup></u>
Single Family – Gain on Sale	\$232.3	\$132.8	\$93.3
Single Family – Jumbo Portfolio	174.9	121.5	216.6
Single Family – Warehouse	80.4	0.0	121.4
Multifamily – Portfolio	92.7	78.4	56.9
<b>Total</b>	<b>\$580.3</b>	<b>\$332.7</b>	<b>\$488.2</b>

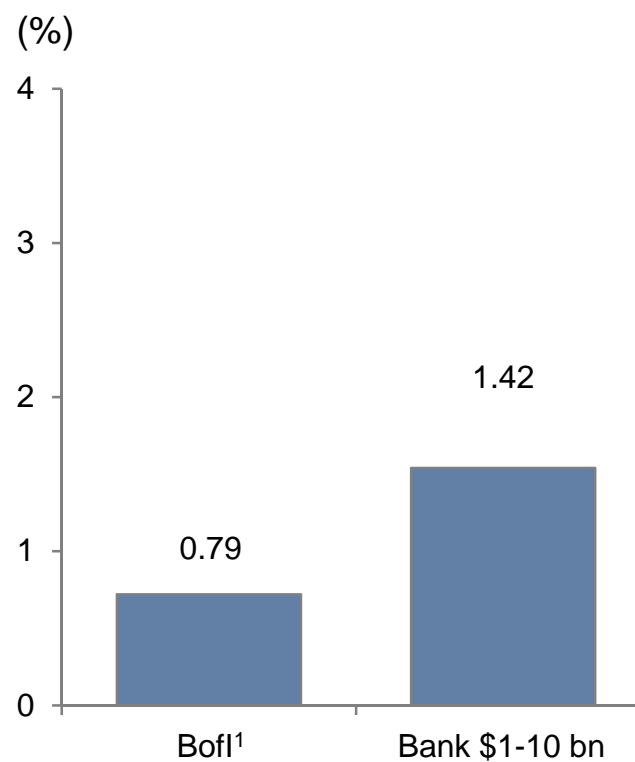
1. Applications in as of 02/01/13

## Best in Class Asset Quality

**Non-current (30 days+) loans to total loans<sup>1</sup>**



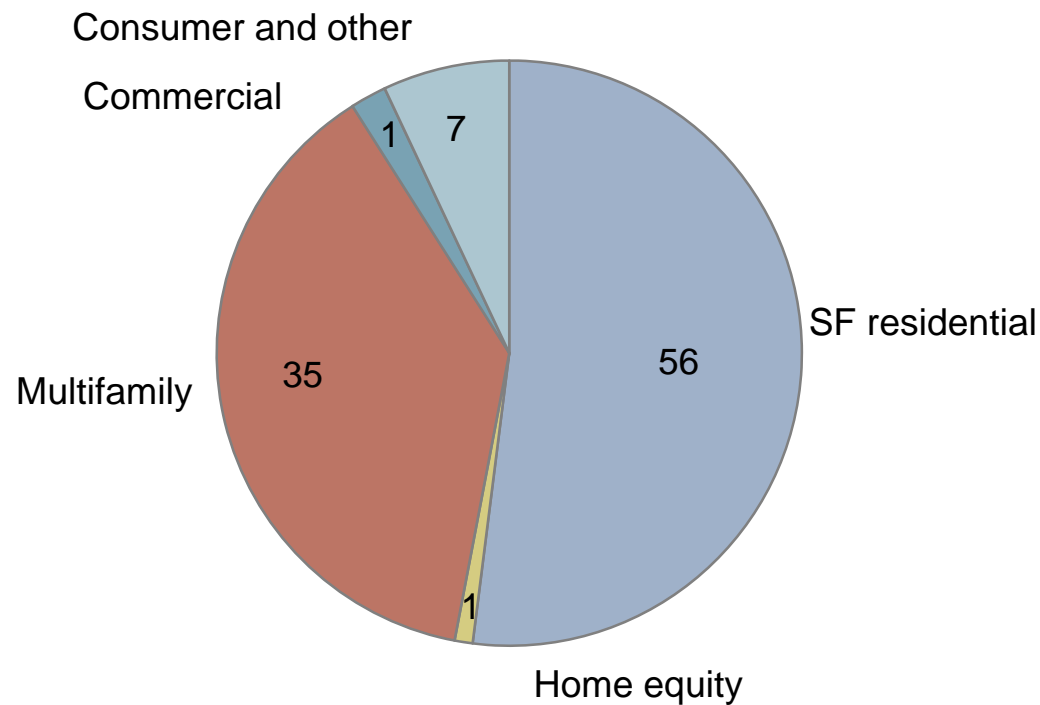
**Assets in non-accrual to total assets<sup>1</sup>**



1. As reported in FDIC SDI report at 9/30/12. Total of 437 institutions included in the \$1-\$10 billion group.

## Loan Diversity – December 31, 2012

### Loan Portfolio<sup>1</sup> 100% = \$2,186 Million



1. Gross loans before premiums, discounts and allowances

## Investment Summary



Full service branchless banking platform with structural cost advantages vs. traditional banks



Superior growth and ROE relative to large and small competitors



Solid track record of allocating capital to businesses with best risk-adjusted returns



New business initiatives will generate incremental growth in customers, loans and profits



Robust risk management systems and culture has resulted in lower credit, counterparty and regulatory risks

## Contact Information

### **COMPANY**

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