



Bofi Holding, Inc.

Investor Presentation

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Executive Vice President and Chief Financial Officer

February 2014

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, 2013. 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 2014 Financial Highlights

Q2 2014 vs. Q2 2013	Amount (\$MM or %)	Increase (%)
Asset growth	\$694.0	24.1%
Deposit growth	\$434.8	22.1%
Loan portfolio growth	\$622.0	28.9%
Loan portfolio origination growth	\$265.1	79.8%
Non-performing assets to total assets	49 bps	-30 bps
Q4 Net Income	\$13.2	34.7%
Diluted EPS	\$0.91	30.0%

**Return on
Equity: 17.7%**

**Return on
Assets: 1.58%**

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

2012 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 2012 (1-25)

2012 Rank	2011 Rank	Company (ticker)	City, state	Score ¹	Total assets (\$M)	ROAA (%)	ROATCE (%)	TBV/share median 3-year growth (%)	Efficiency ratio (%)	NPLs/loans (%)	NCOs/avg. loans (%)
1	2	Bofi Holding Inc. (BOFI)	San Diego, CA	154.986	2,874.3	1.44	17.72	14.33	38.05	1.11	0.29
2	1	Malaga Financial Corp. (MLGF)	Palos Verdes Estates, CA	142.029	823.1	1.93	15.04	11.60	34.99	0.22	-0.01
3	3	Hingham Institution for Savings (HIFS)	Hingham, MA	135.676	1,205.9	1.15	15.05	12.80	40.62	0.63	0.03
4	4	Bofi Holding Inc. (BOFI)	CA	154.986	2,874.3	1.44	17.72	14.33	38.05	1.11	0.29
5	5	Bofi Holding Inc. (BOFI)	CA	154.986	2,874.3	1.44	17.72	14.33	38.05	1.11	0.29
6	34	Meta Financial Group Inc. (CASH)	Sioux Falls, SD	82.364	1,763.3	1.14	16.03	17.83	82.27	2.54	0.29
7	6	Oritani Financial Corp. (ORIT)	Township of Washington, NJ	81.633	2,809.7	1.29	6.73	0.10	37.04	1.56	0.15

#1

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	Company (ticker)	City, state	Score ¹	Total assets (\$M)	ROAA (%)	ROATCE (%)	TBV/share median 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	11.42	40.11	0.81	0.06
4	5	Dime Community	Brooklyn, NY	126.12	4,021.2	1.16	16.26	10.18	41.68	2.02	0.17
5	5	Bofi Holding Inc. (BOFI)	CA	134.61	2,224	1.24	16.09	14.33	42.04	1.20	0.39
6	6	Bofi Holding Inc. (BOFI)	CA	134.61	2,224	1.24	16.09	14.33	42.04	1.20	0.39
7	22	Investors Bancorp Inc. (MHC) (ISBC)	Washington, 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	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	Hingham Institution for Savings (HIFS)	MA	117.18	1,033	1.09	15.06	10.19	41.86	0.80	0.02
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	Wabash Federal Financial Group Inc. (WFFG)	CA	85.95	902	0.95	7.39	20.05	35.74	4.00	0.40
9	Northwest Bancshares Inc. (NWBI)	PA	81.68	8,122	0.76	5.60	36.85	57.01	3.25	0.67

#2

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

2013 rank	2012 rank		Total assets (\$000)	2012 ROAE (%)	2013 ROAA (%)	Non-interest income/total revenue (%)	Capital ratio (%)	Efficiency ratio (%)	Non-performing loans/total loans (%)
1	N/A	HomeStreet, Seattle, WA	\$2,631,230	39.18	3.43	79.45	19.31	61.50	12.80
2	239	Independent Bank Corp., Ionia, MI	\$2,023,876	22.85	1.12	40.68	14.71	77.59	2.24
3	3	Republic Bancorp, Louisville, KY	\$3,394,399	22.51	3.35	33.64	25.28	46.90	3.78
4	8	BofI Holding, San Diego, CA	\$2,874,322	17.30	1.49	22.30	14.60	38.15	1.16
5	87	Meta Financial Group, Sioux Falls, SD	\$1,763,270	17.21	1.21	53.12	22.23	84.41	2.54
6	1	Bank of the Ozarks, Little Rock, AR	\$4,040,207	16.68	2.04	25.29	19.36	48.59	0.34
7	N/A	Pacific Premier Bancorp, Irvine, CA	\$1,173,792	16.34	1.52	9.32	14.43	61.20	0.22
8	38	Cardinal Financial Corp., McLean, VA	\$3,039,187	16.02	1.70	41.06	13.04	51.37	0.42
9	N/A	Monarch Financial Holdings, Chesapeake, VA	\$1,215,446	15.81	1.25	68.78	12.05	79.93	0.33
10	132	Provident Financial Holdings, Riverside, CA	\$1,248,330	15.28	1.74	65.79	20.05	61.24	4.00

Source: ABA Banking Journal, May 2013

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

Bofl is a Top Quartile Performer Versus Bank Peer Group

The 96% on ROE means that the Bank outperformed 96% of all Banks. The 20% G&A ranking means that only 20% of Banks spend less on G&A than Bofl. Peer group includes savings banks greater than \$1 billion dollars.

	Bofl Federal Bank	Peer Group	Percentile
ROAA	1.73%	0.71%	92%
Return on equity	18.85%	7.13%	96%
G&A	1.80%	2.87%	20%
Efficiency ratio	37.66%	68.48%	6%

Source: Uniform Bank Performance Report (UBPR) as of 9/30/13

Note: Peer group is all savings banks with assets greater than \$1 billion for quarter ended 9/30/13

Our Business Model is More Profitable Because Our Costs are Lower

<i>As % of average assets</i>	Bofl¹ (%)	Banks \$1-\$10bn² (%)
Net interest income	3.66	3.63
Salaries and benefits	0.83	1.53
Premises and equipment	0.16	0.37
Other non-interest expense	0.67	1.19
Total non-interest expense	1.66	3.09
Core business margin	2.00	0.54

1. Bofl Federal Bank only for the three months ended 9/30/13 - 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 9/30/13. Total of 450 institutions \$1-\$10 billion

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

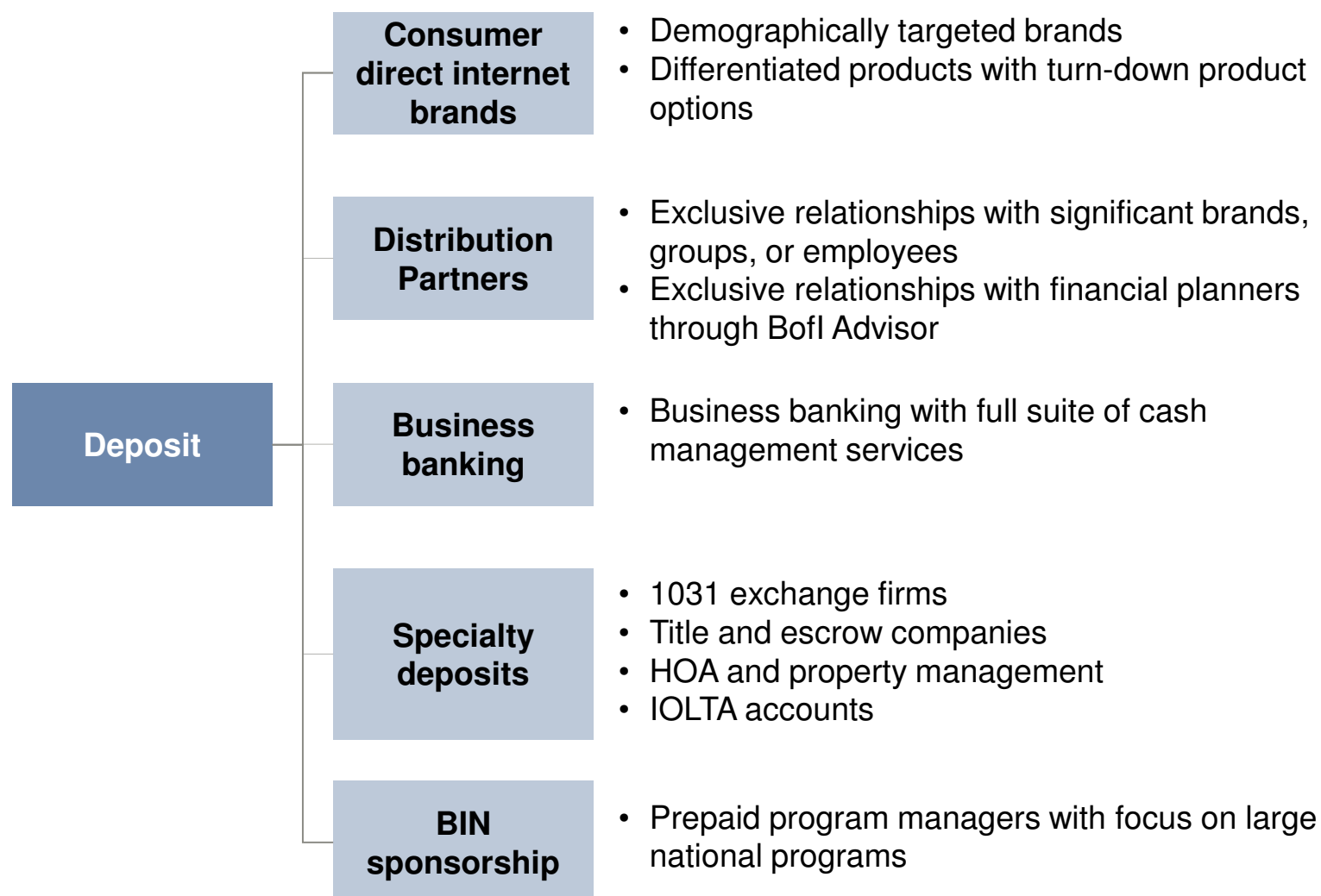
- \$3.6 billion asset savings and loan holding company¹
- 13-year operating history, publicly traded on NASDAQ (BOFI) since 2005
- Headquartered in single branch location in San Diego, CA
- 323 employees (\$11.0 million in assets per employee)¹
- Market Capitalization of \$1.16 billion²

1. As of 12/31/13

2. As of 1/31/14 closing price of \$82.75 per share

Diversified Branchless Deposit Businesses

Key Elements



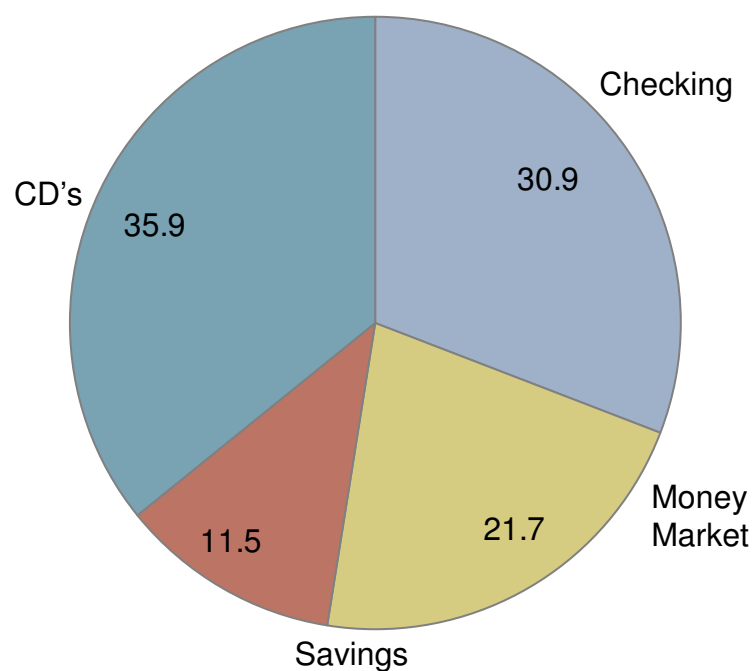
Distribution Partners

Focus	Current Partner			
Direct Marketing	  		 	 
Retail				
Event-Based Issuance		 Westlake Financial Services®		

Diversified and Improving Deposit Mix Including Rapidly Increasing Business Banking Deposits

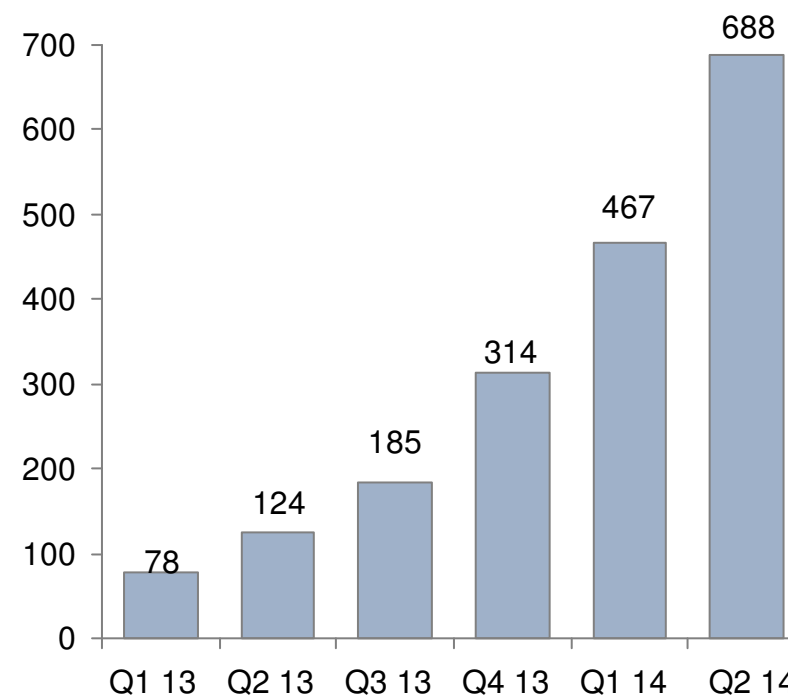
Diversified Deposit Base

Percent



Rapid Business Banking Deposit Growth

(\$MM)



of accounts

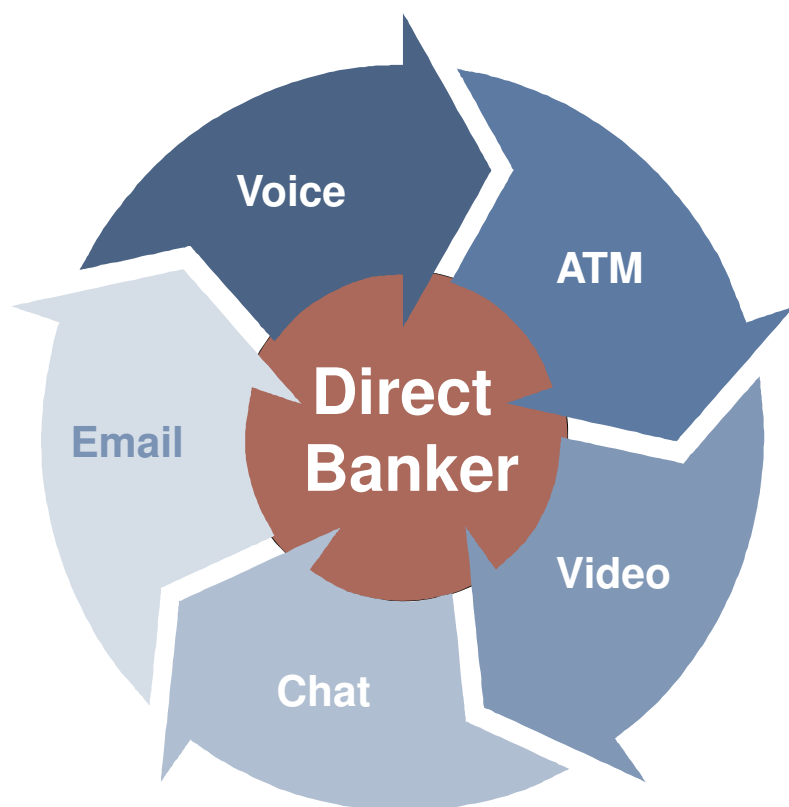
351 620 921 1,481 1,979 2,087

Note: 100% of deposits equals \$2,403 MM

Key Areas of Growth

Key Growth Areas	Growth: 12/2012 - 12/2013
Checking balance	281%
MMS balance	34%
Savings balance	- 9%
CD balance	- 41%
Transaction account balance	117%

Bofi's Vision for Multi-Channel Customer Service and Transactions

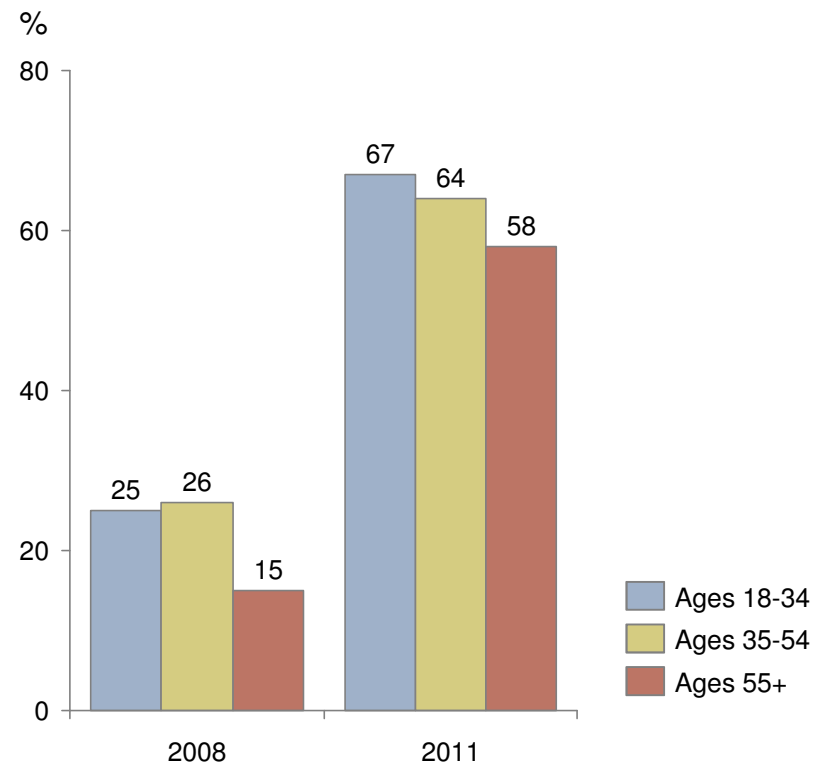


- Aggressive outbound
 - segmented call lists based upon behavioral segmentation (e.g., usage)
- Utilization of third party and internal data
- Coordinated multi-channel marketing
- Utilize third party infrastructure (e.g., ATMs to deposit cash and reload networks)
- Incorporate personalized elements (video, chat) into direct banker interactions
- Mobile and Remote RDC through iPhone and Android applications

The Tipping Point for Consumer and Business Banking Customers

- Consumers are disenchanted with traditional banks
- Cost structure of business and consumer accounts are significant concerns
- Technology has removed final barriers to branchless banking (remote deposit capture, reload networks, enhanced ATMs for depositing of cash)
- Ubiquity of mobile and smartphones
- Consumers can feel connection and relationship via electronic media (phone, video, chat, social)

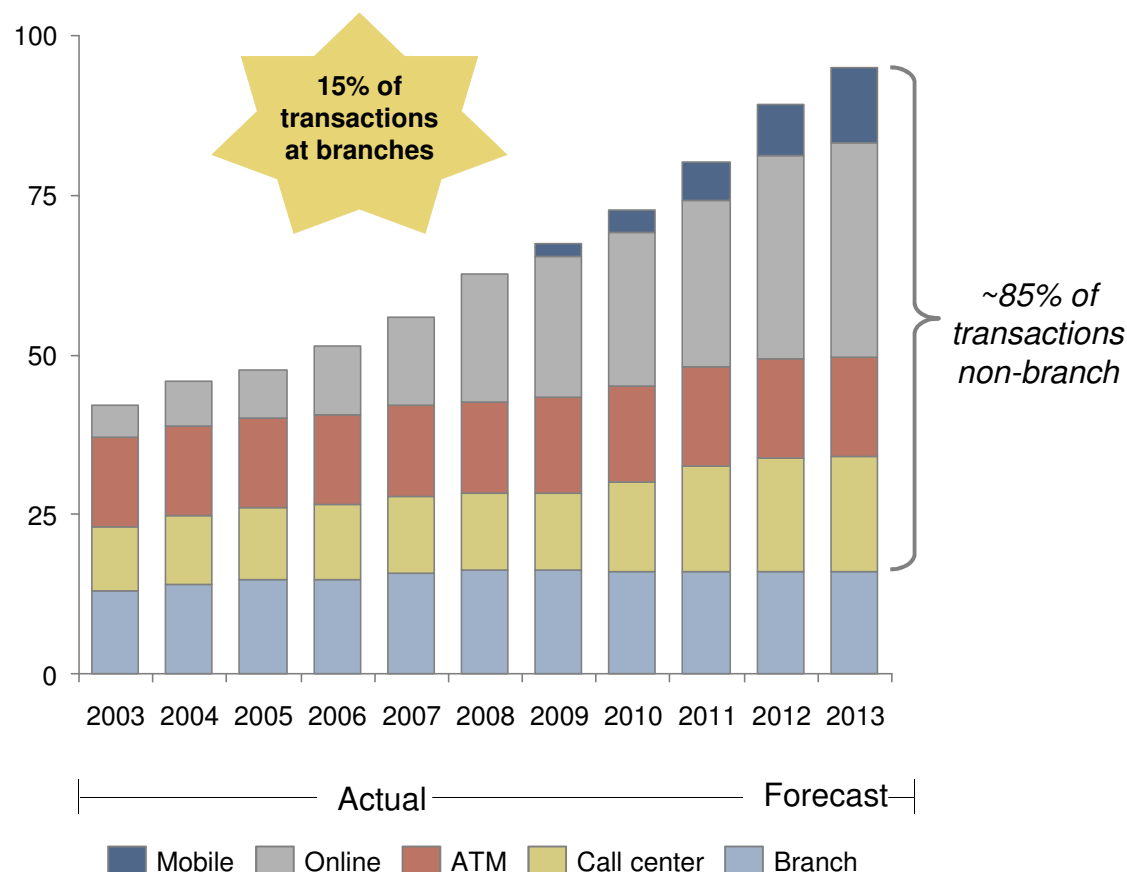
Internet Banking/ New Preferred Method



Source: AlixPartners study, Nicklaus internal reports, SNL Financial, American Bankers Association and Wall Street Research – February 2013

Branch Transaction Activity Migrating to Mobile/Online Channels

U.S. Banking Transactions by Channel (Billions)¹



U.S. Branch Transaction Activity² (average annual change – 2008-11)

Deposit



-7% to -9%

Withdrawal



-3% to -6%

Check cashing



-17% to -19%

Total



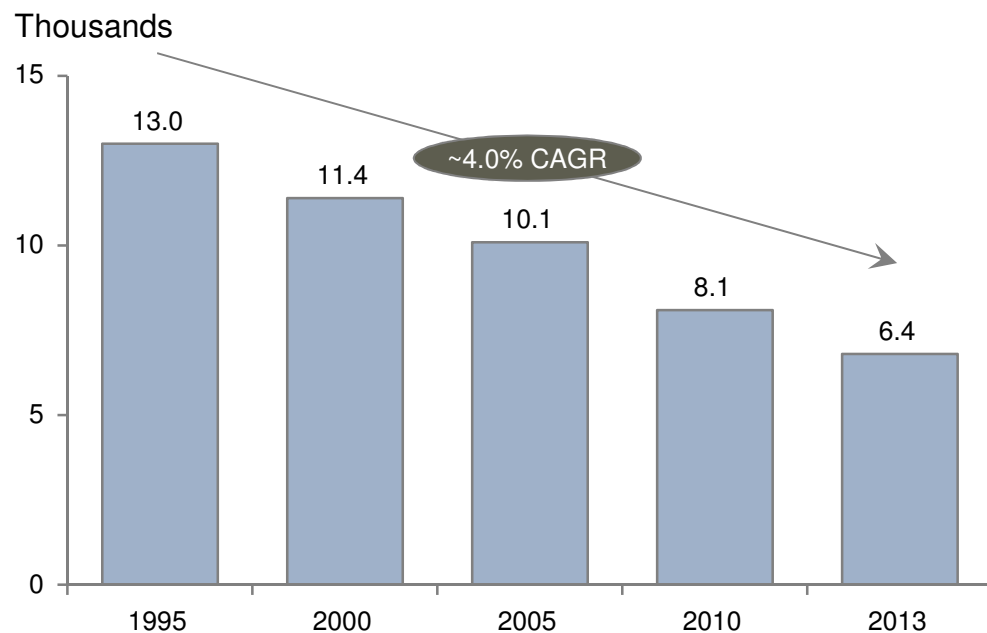
-4% to -5%

1. Source: Tower Group; McKinsey & Co., Novantas.

2. Represents the average annual change measured in 2008-2011

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**



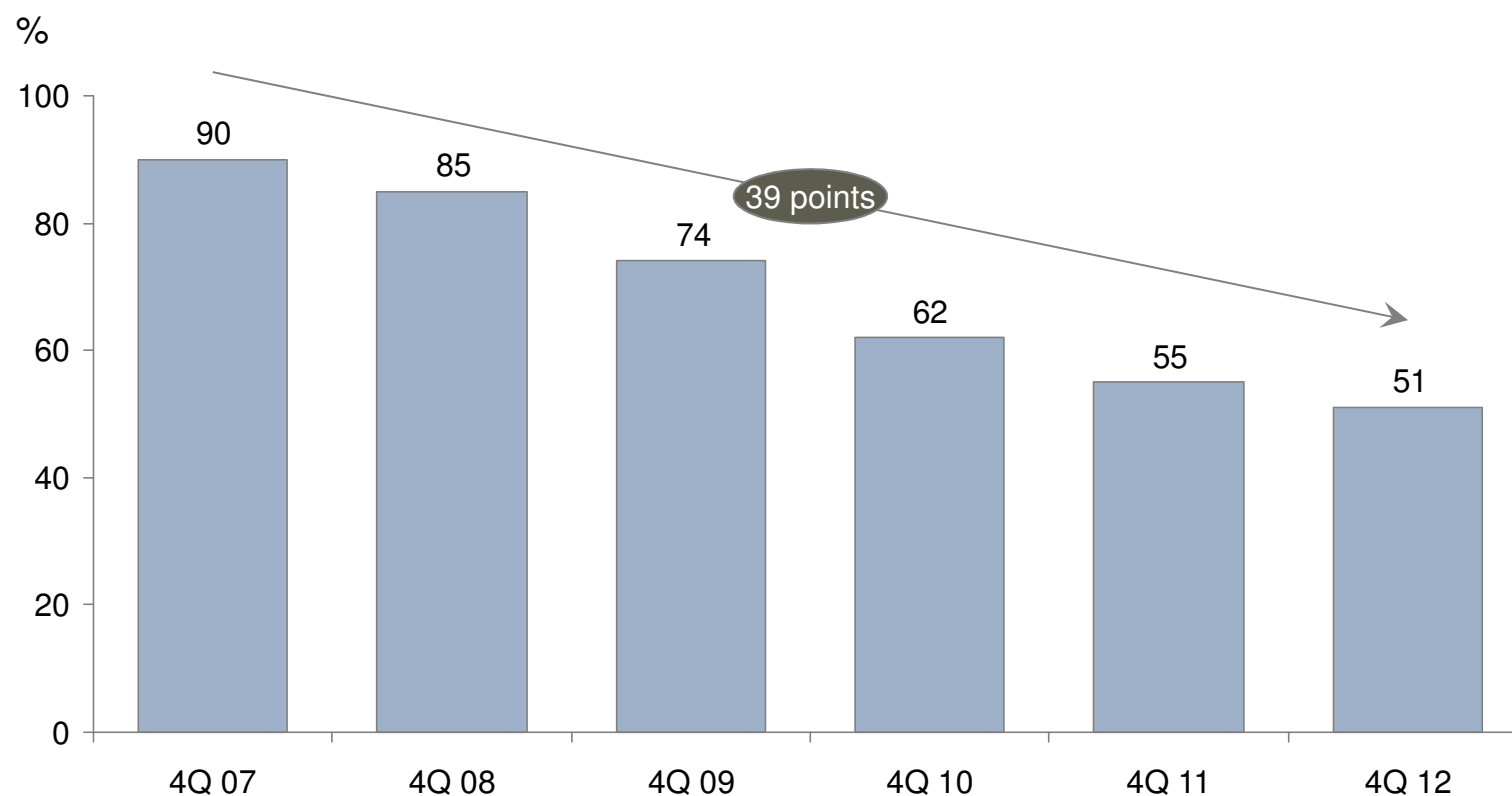
"Branch foot-traffic is plummeting and branches are largely idle, except for the activities of the employees"

"Check writing declines 6-10% per year"

– Bob Meara, Analyst, Celent

The Rollout of Remote Deposit Capture has had an Immediate Impact – Chase Example

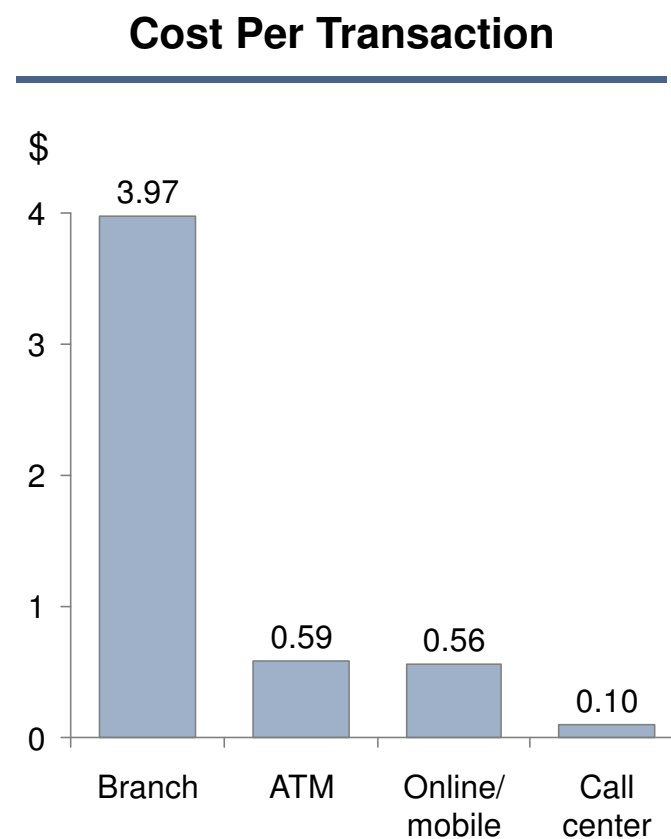
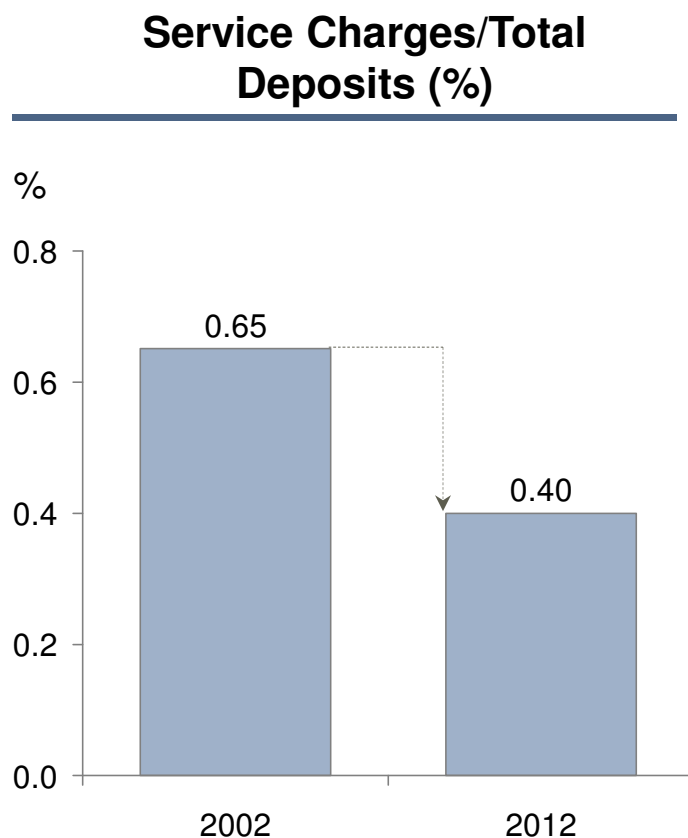
% of Consumer Deposits Through Tellers¹



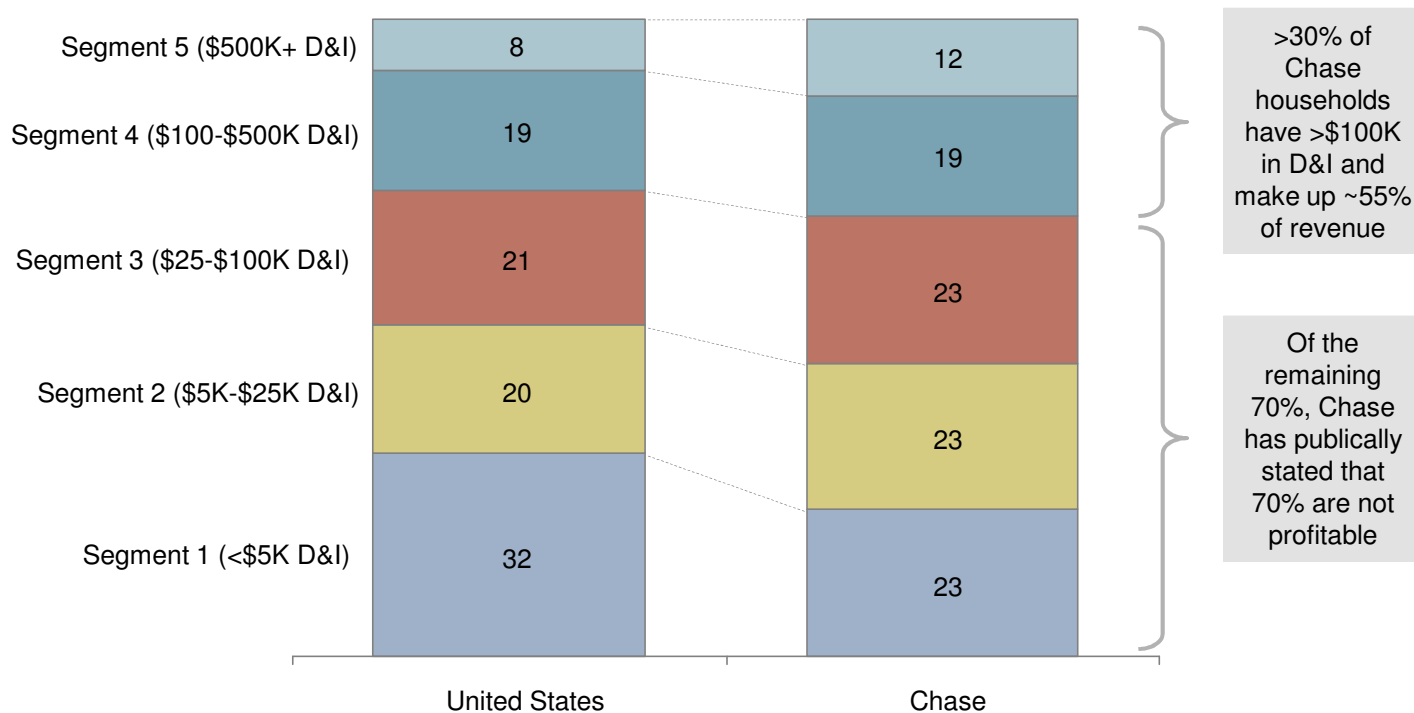
1. Chase data includes non-Chase ATMs

Source: Gordon Smith, "Consumer & Community Banking" 2/26/13, J.P. Morgan & Chase, SNL Financial

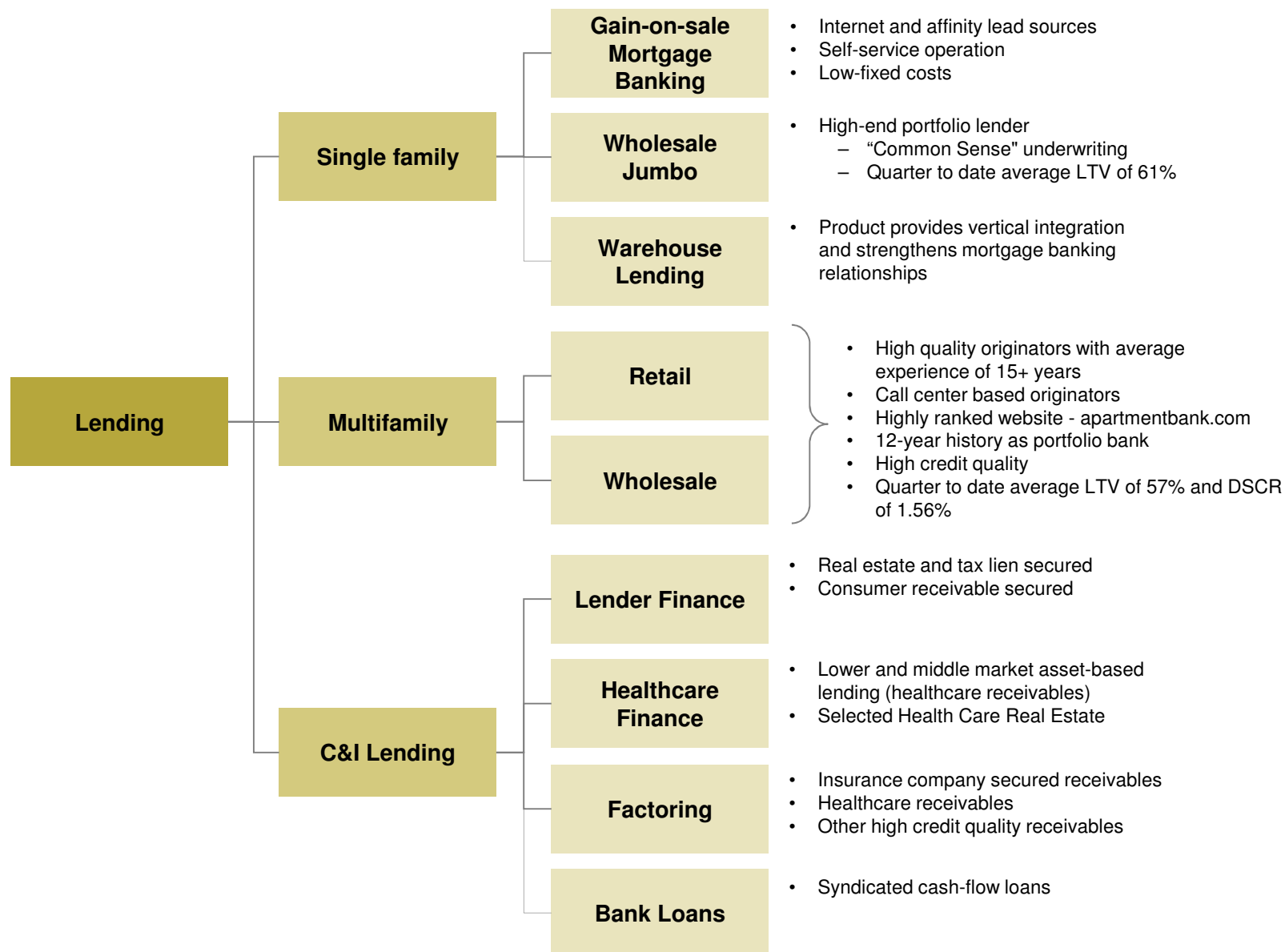
Bank Deposit Revenue Sources have been Significantly Reduced and Cost per Branch Transaction is 40 Times that of a Call Center



Branch Banks Cannot Cost-Effectively Serve Most Customers

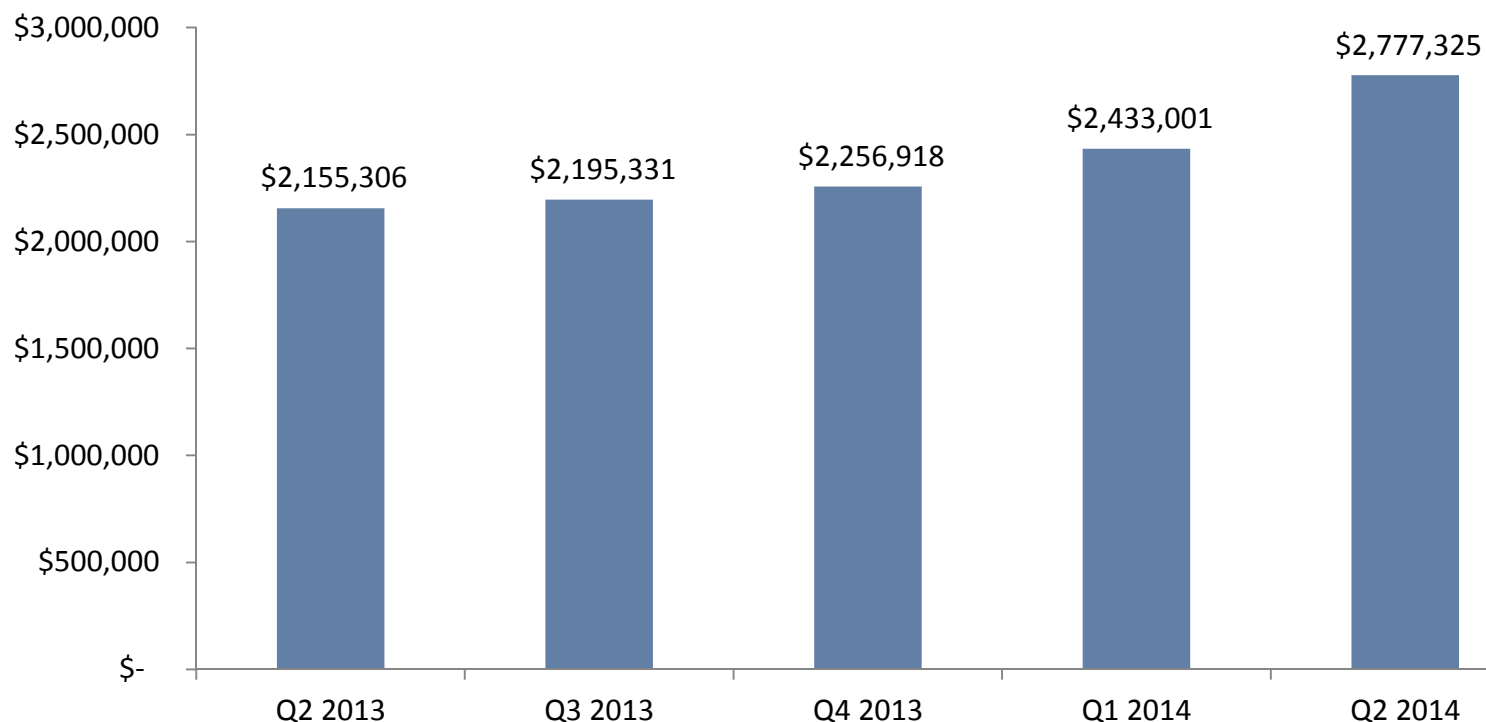


Primary Business – Lending



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

Loan Portfolio – End of Last Five Quarters (\$ in Thousands)

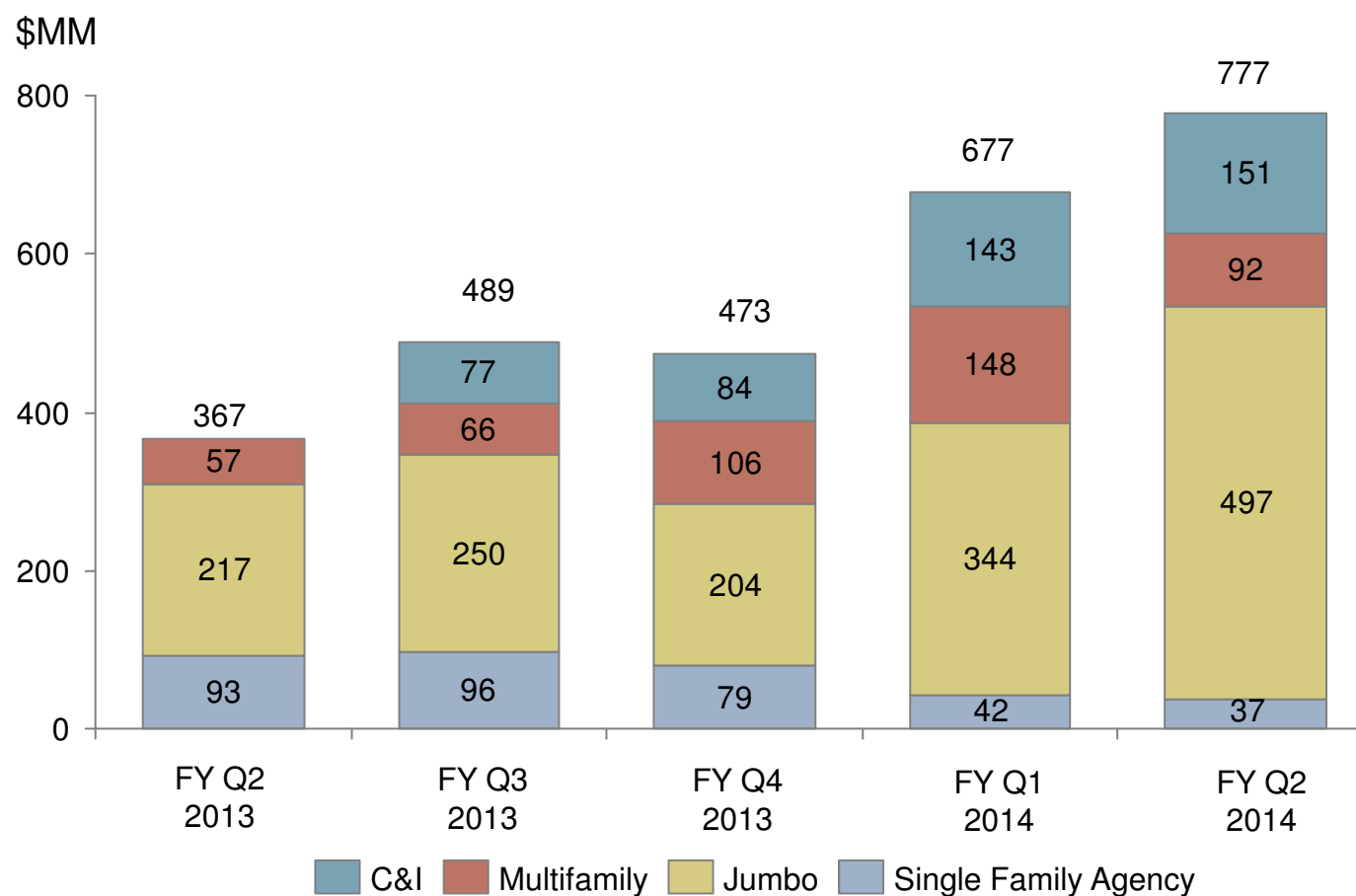


**Average
Loan to
Value**

Multifamily	55%	55%	55%	55%	55%
Single family	54%	54%	55%	56%	55%

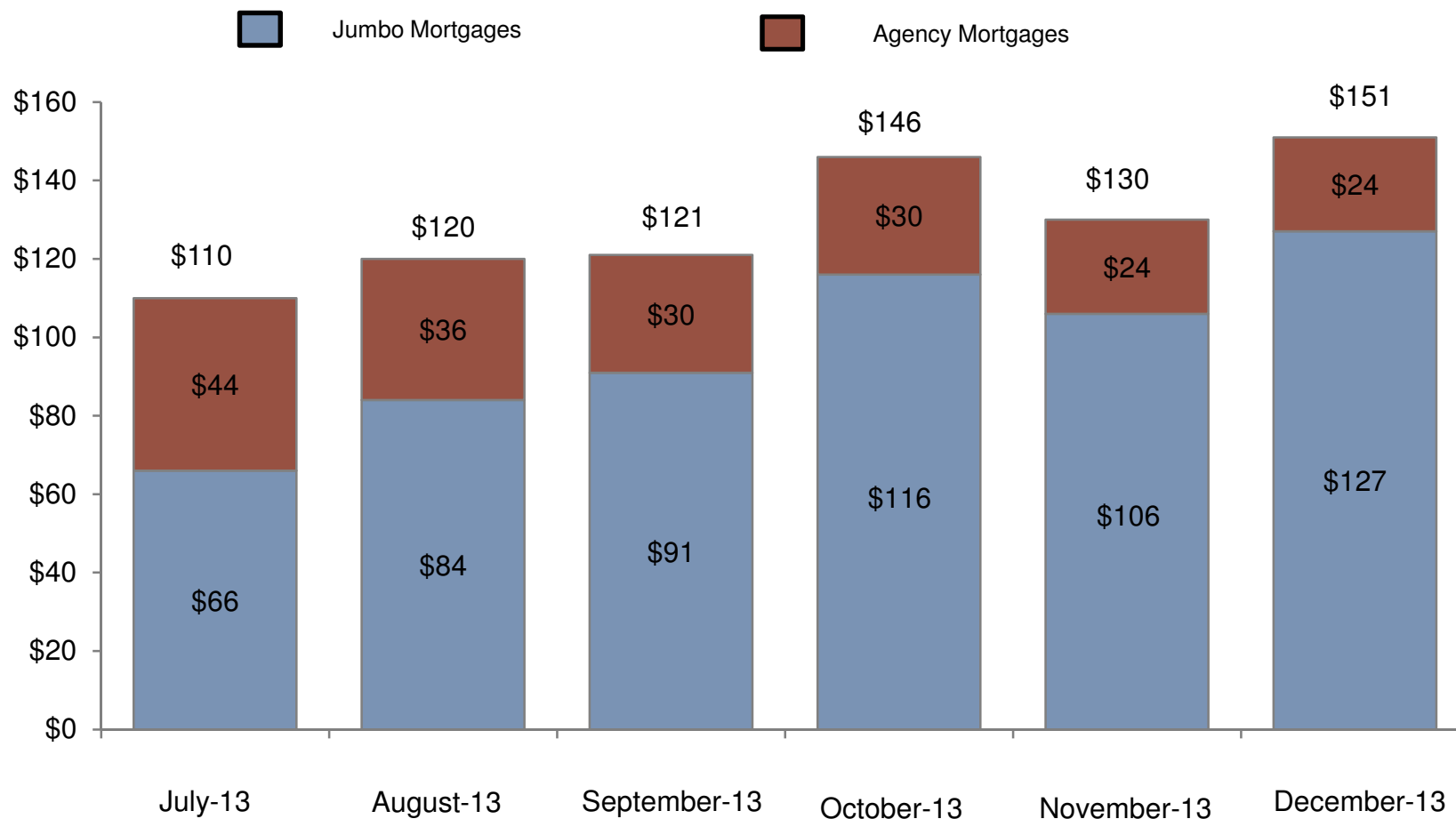
Total Loan Pipeline at Record High

Loan Pipeline – Last Four Quarters and Current



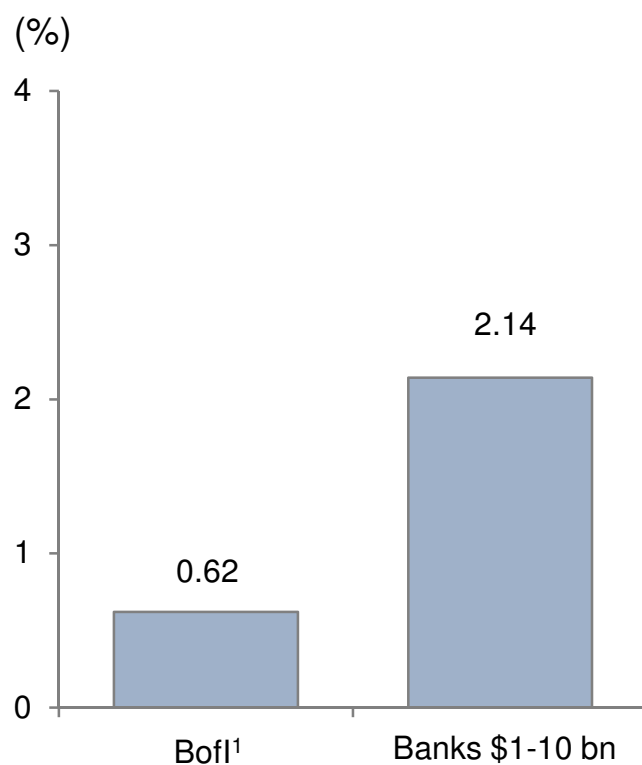
... with Single Family Production shifted to Jumbo Mortgages and Away From Agency Eligible Loans

Monthly Loan Production (\$MM)

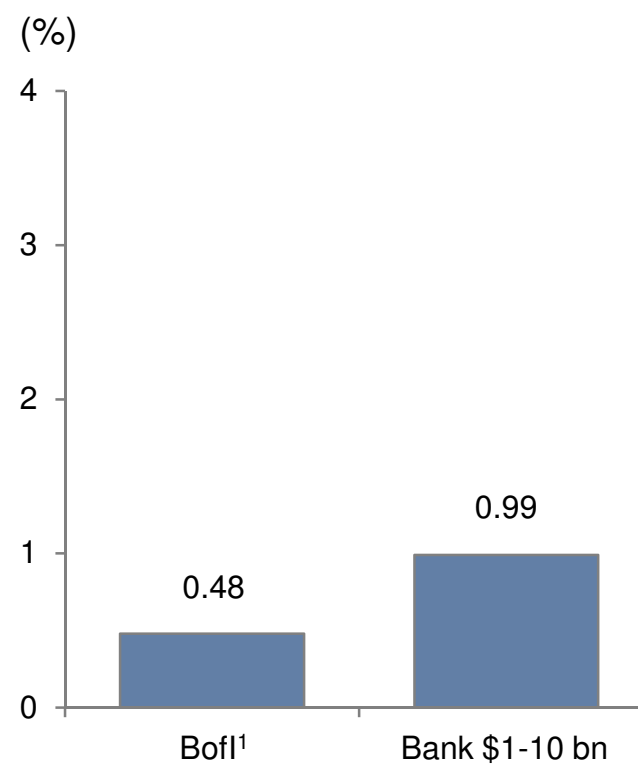


Best-in-Class Asset Quality

Non-current (30 days+) loans to total loans¹



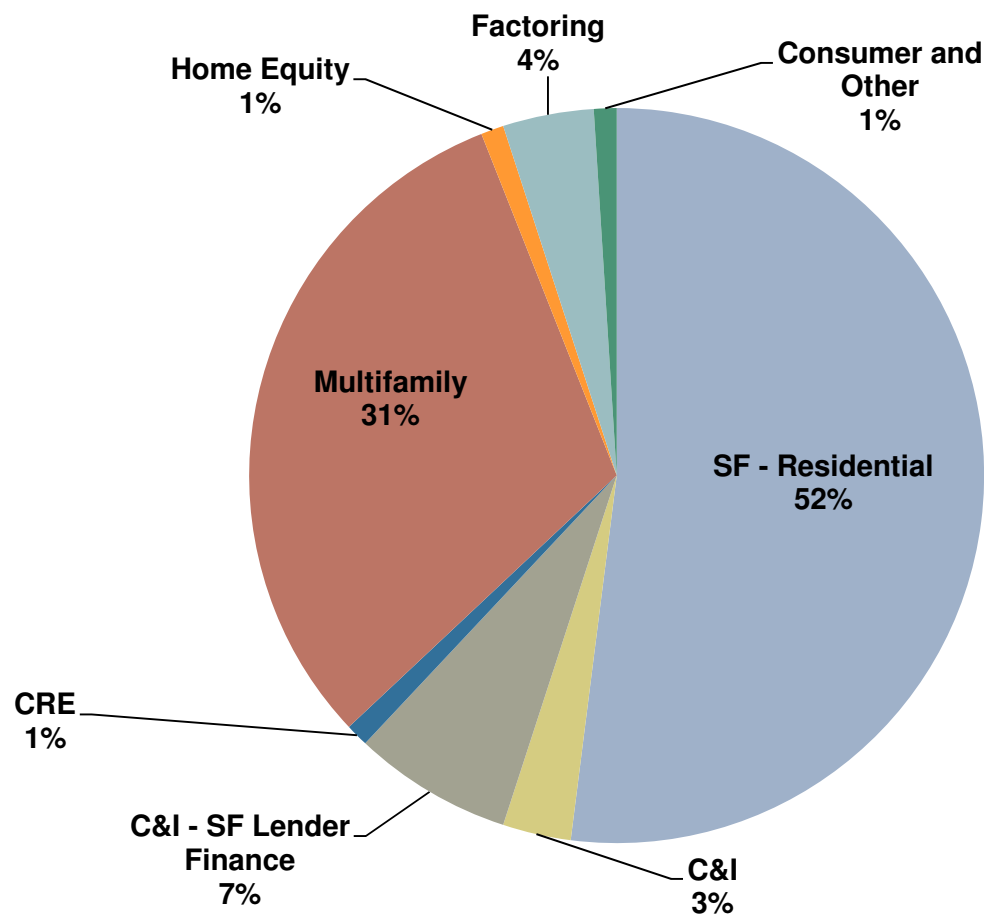
Assets in non-accrual to total assets¹



1. As reported in FDIC SDI report at 9/30/13. Total of 450 institutions included in the \$1-\$10 billion group

Loan Diversity – December 31, 2013

Loan Portfolio¹ 100% = \$2,828 Million



1. Gross loans before premiums, discounts and allowances

Non-Interest Income Is Diversified With Significant Growth Outside of Single Family Agency Mortgage Banking

(\$ in Thousands)	Q2 Fiscal 2013	Q2 Fiscal 2014
Mortgage loan sales:		
Single family	\$4,168	\$1,738
Multifamily	1,410	1,400
Other loan sales, primarily structured settlements	--	1,048
Mortgage prepayment penalties	512	1,173
Bank service fees, prepaid card fees, other non-interest income, net	683	1,246
Total non-interest income from core earnings¹	\$6,773	\$6,605

1. Core earnings is a non-GAAP measure that excludes realized and unrealized gains and losses associated with our securities portfolios.

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

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