

BOFI HOLDING, INC.

Investor Presentation

November 2016

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

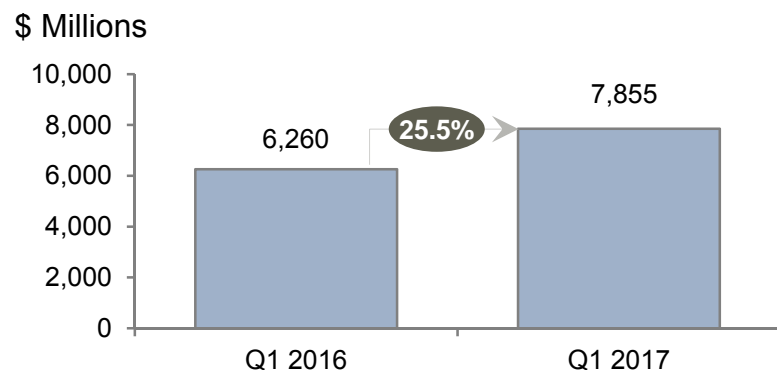


statements involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion 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, 2016. 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.

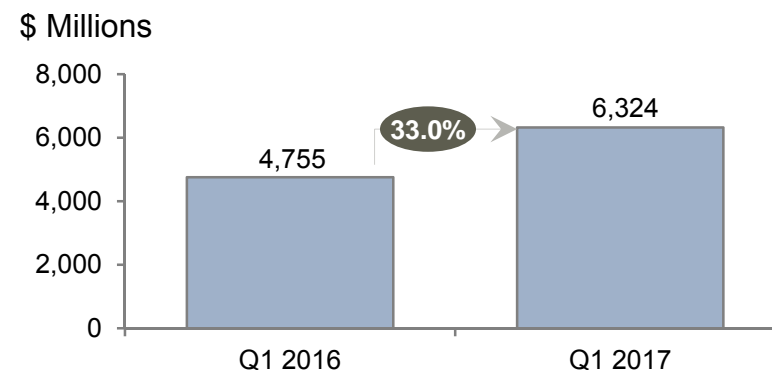
Fiscal 2017 First Quarter Highlights Compared with Fiscal 2016 First Quarter



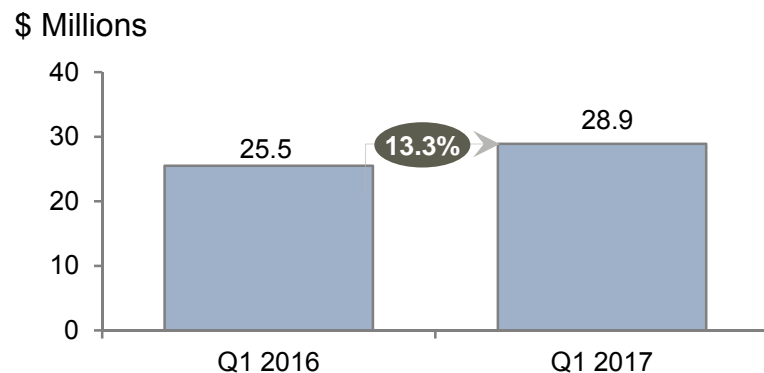
Asset Growth



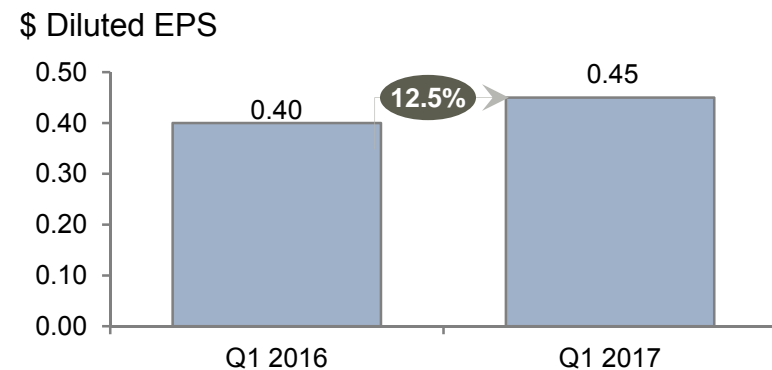
Deposit Growth



Net Income



Diluted EPS



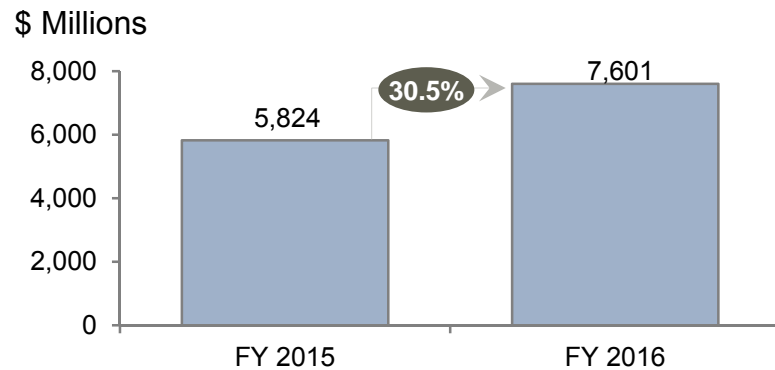
Return on Equity = 16.59%

Return on Assets = 1.53%

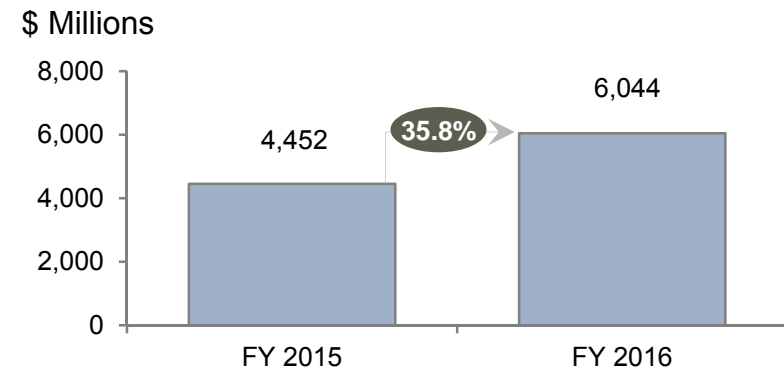
Fiscal 2016 Highlights Compared with Fiscal 2015



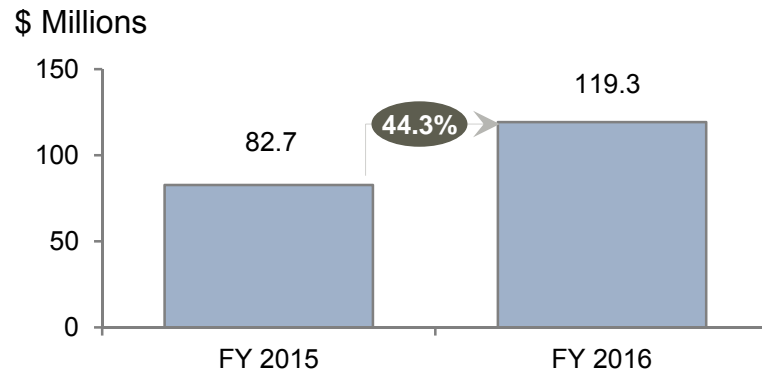
Asset Growth



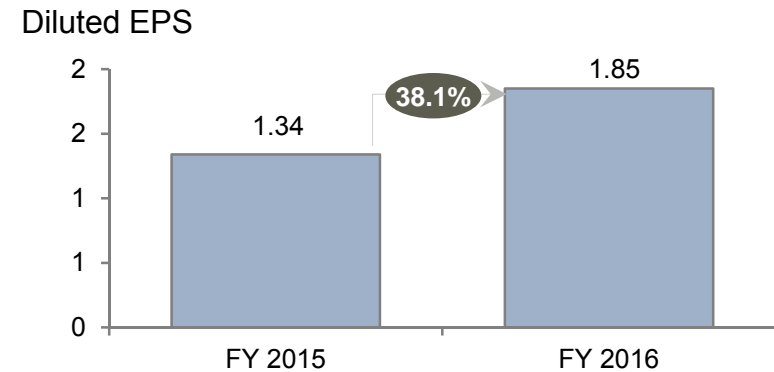
Deposit Growth



Net Income



Diluted EPS



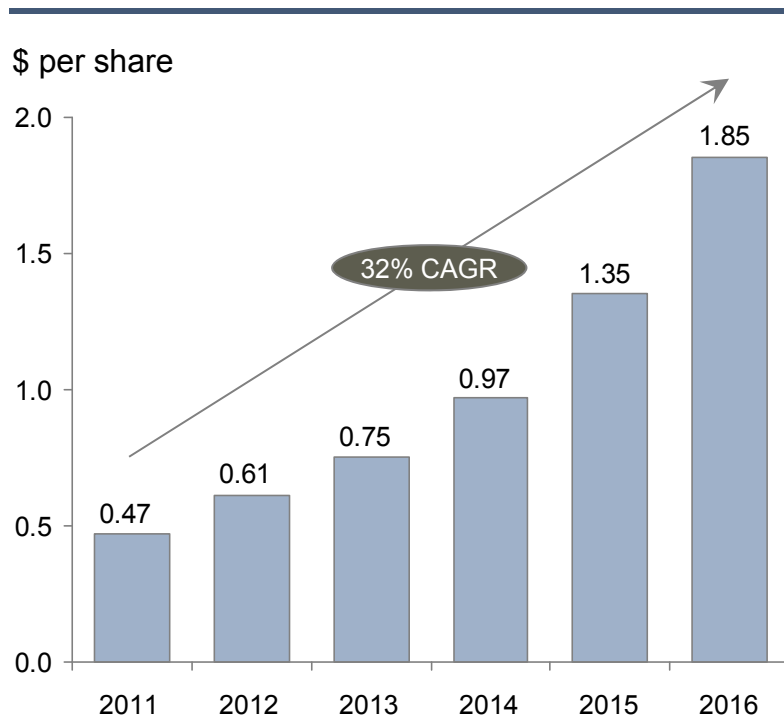
Return on Equity = 19.43%

Return on Assets = 1.75%

Diluted EPS and Return on Equity Have Been Consistently Strong Despite Significant Increase in Tier 1 Capital Ratios



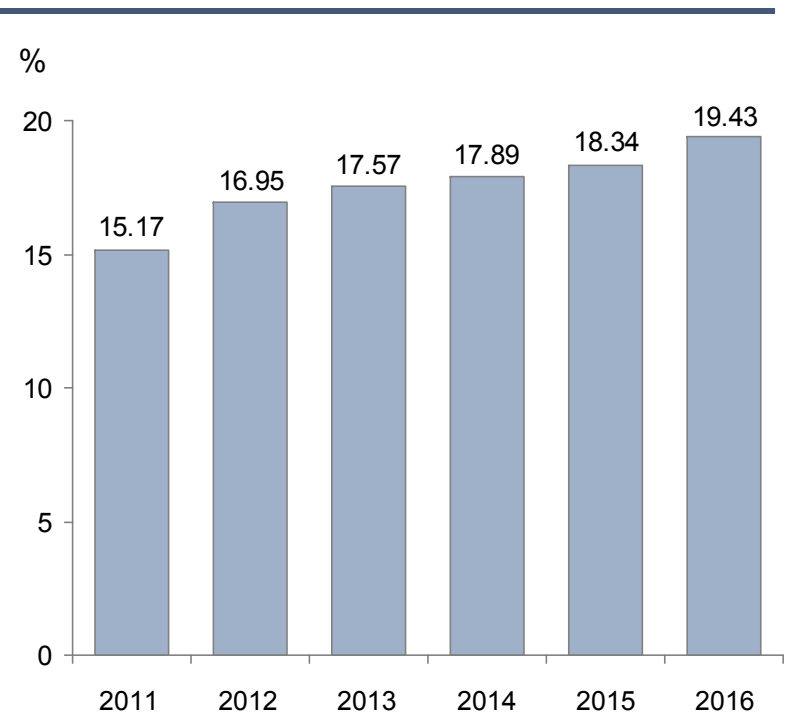
Diluted EPS (FY)



Book value per share

\$3.42 \$3.95 \$4.79 \$6.33 \$8.51 \$10.73

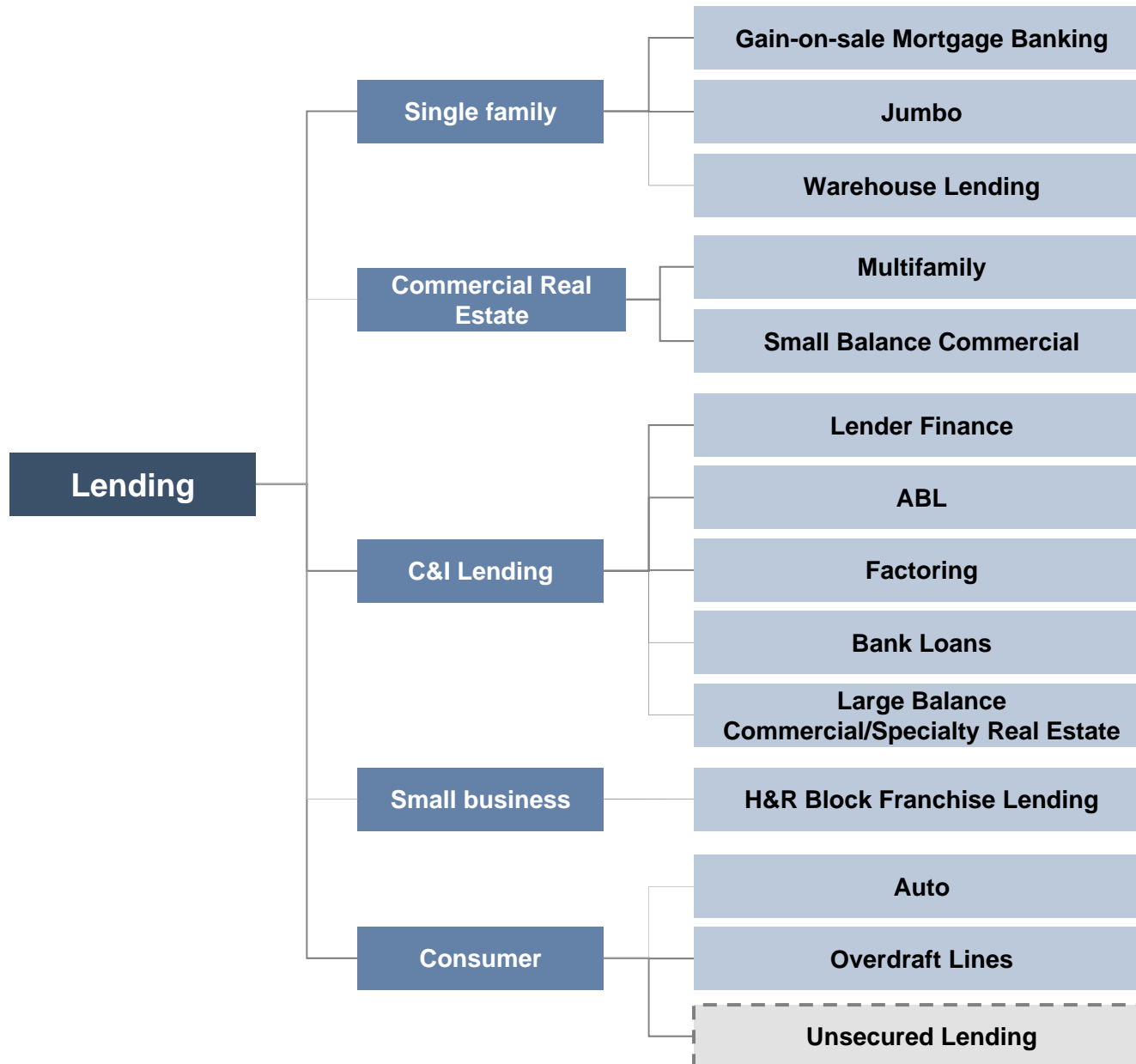
Return On Average Equity (FY)




Tier 1 leverage ratio

8.0% 8.6% 8.6% 8.7% 9.6% 9.1%

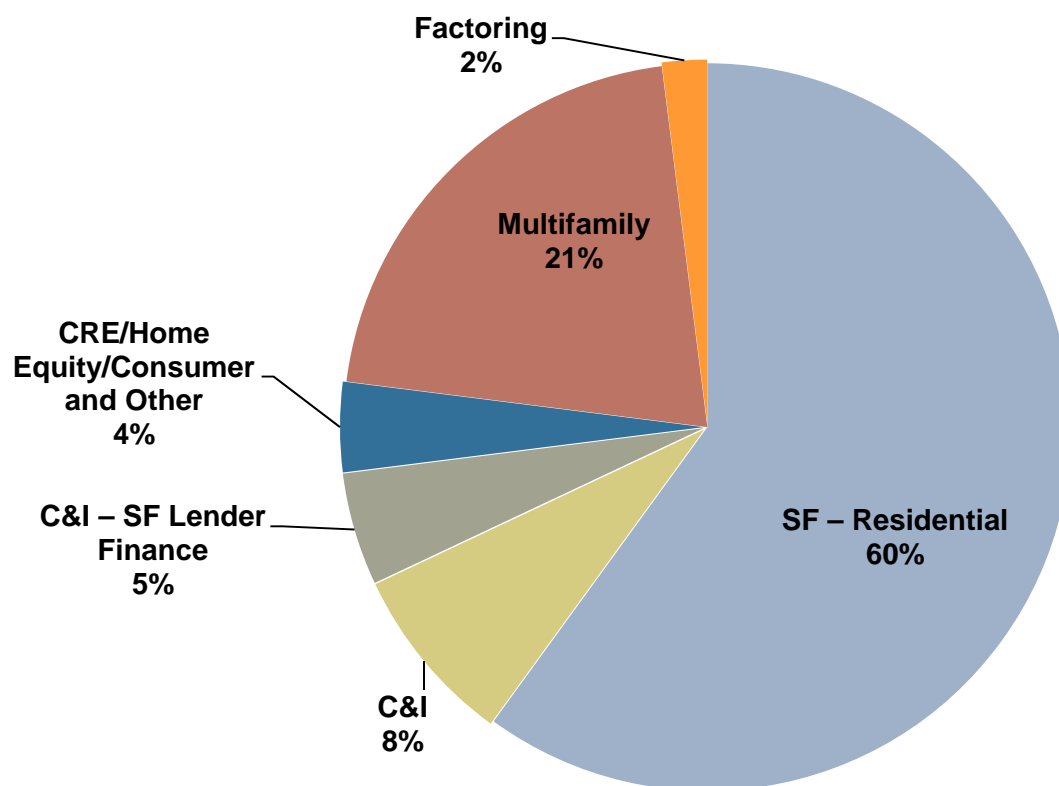
Diverse Lending Business



 Pilot to be launched in January 2017

Loan Diversity – September 30, 2016

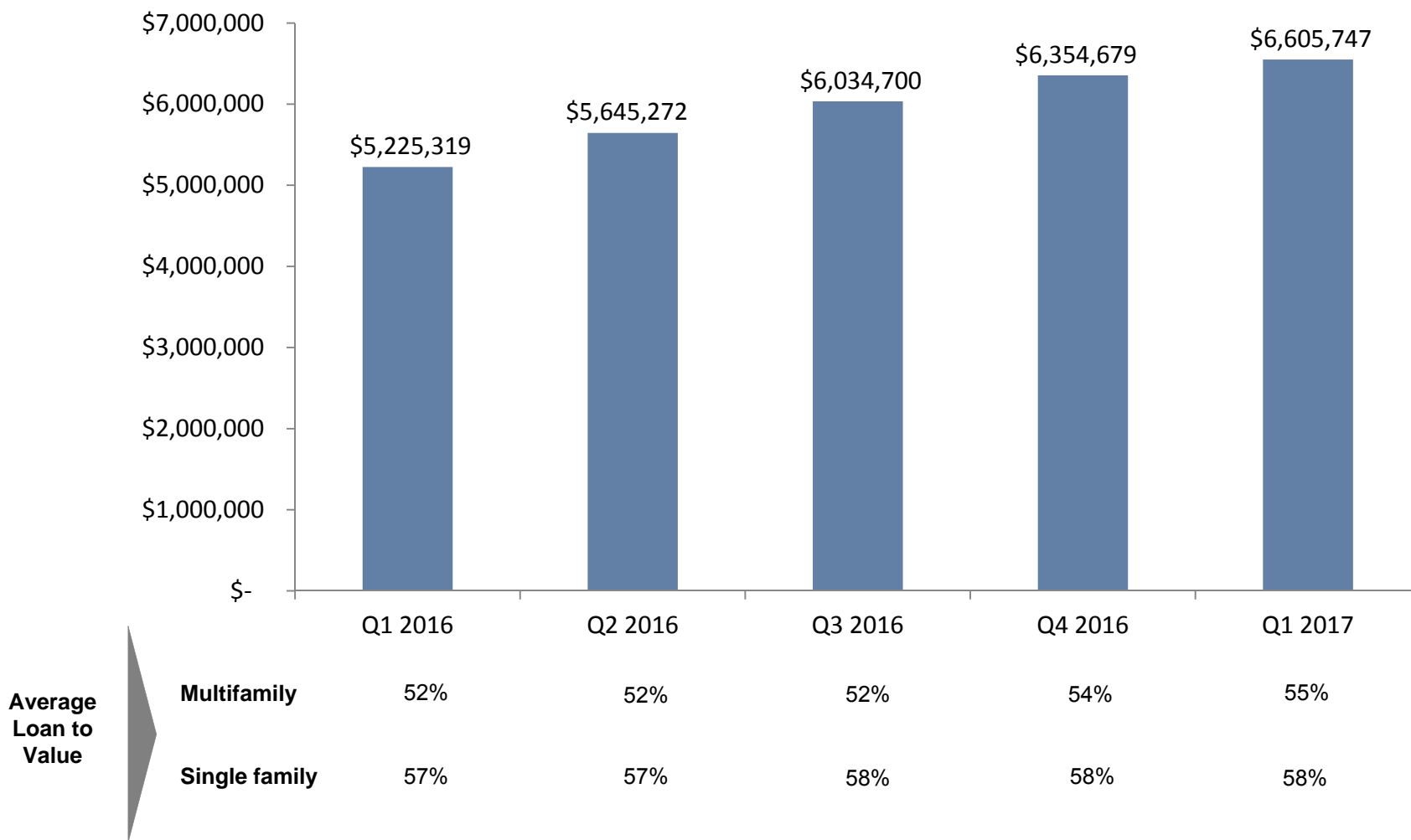
Loan Portfolio¹
100% = \$6,606 Million



1. Gross loans and leases before premiums, discounts and allowances

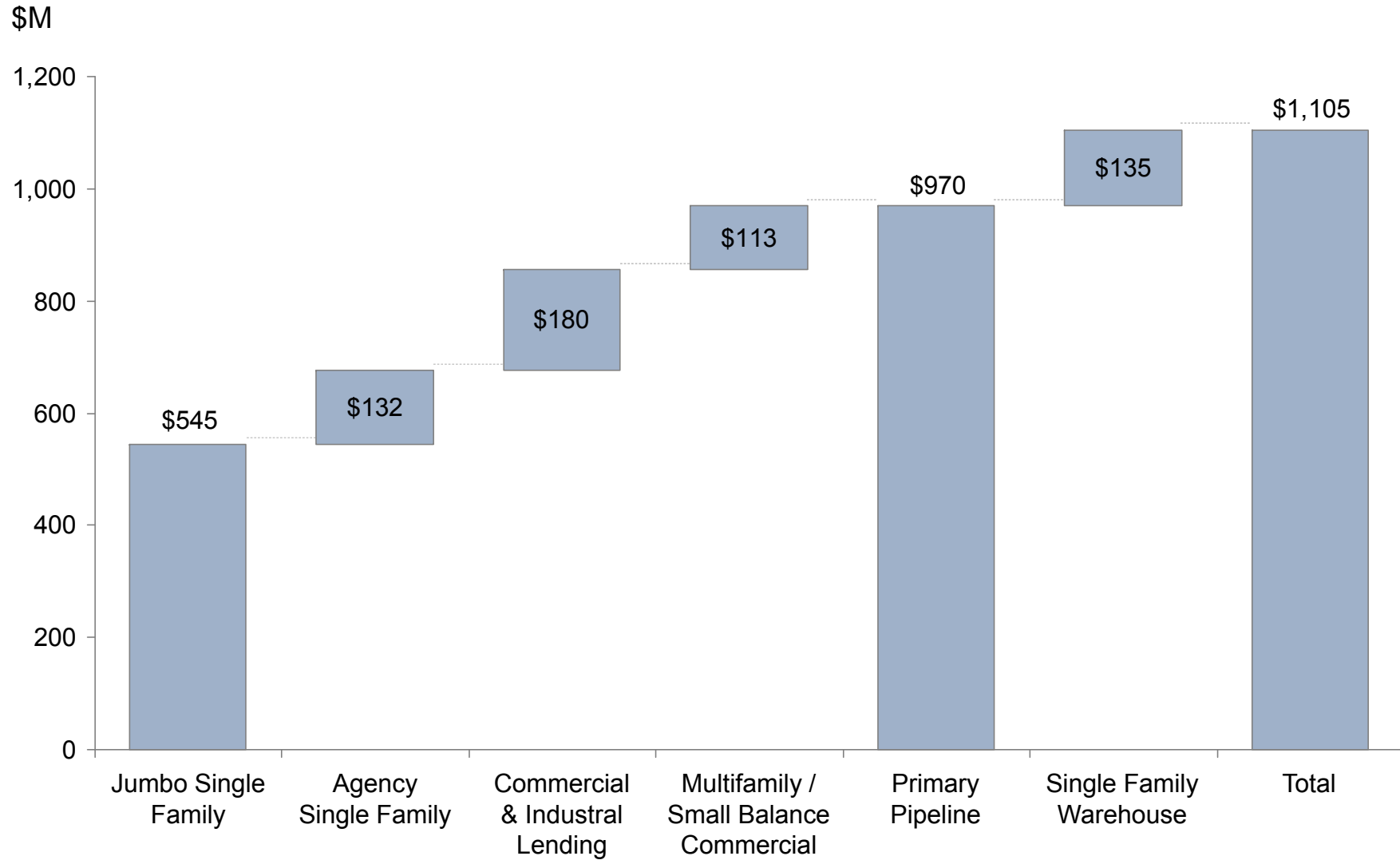
Our Asset Growth has been Driven by Strong and Profitable Organic Loan Production

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



Loan Pipeline Remains Strong

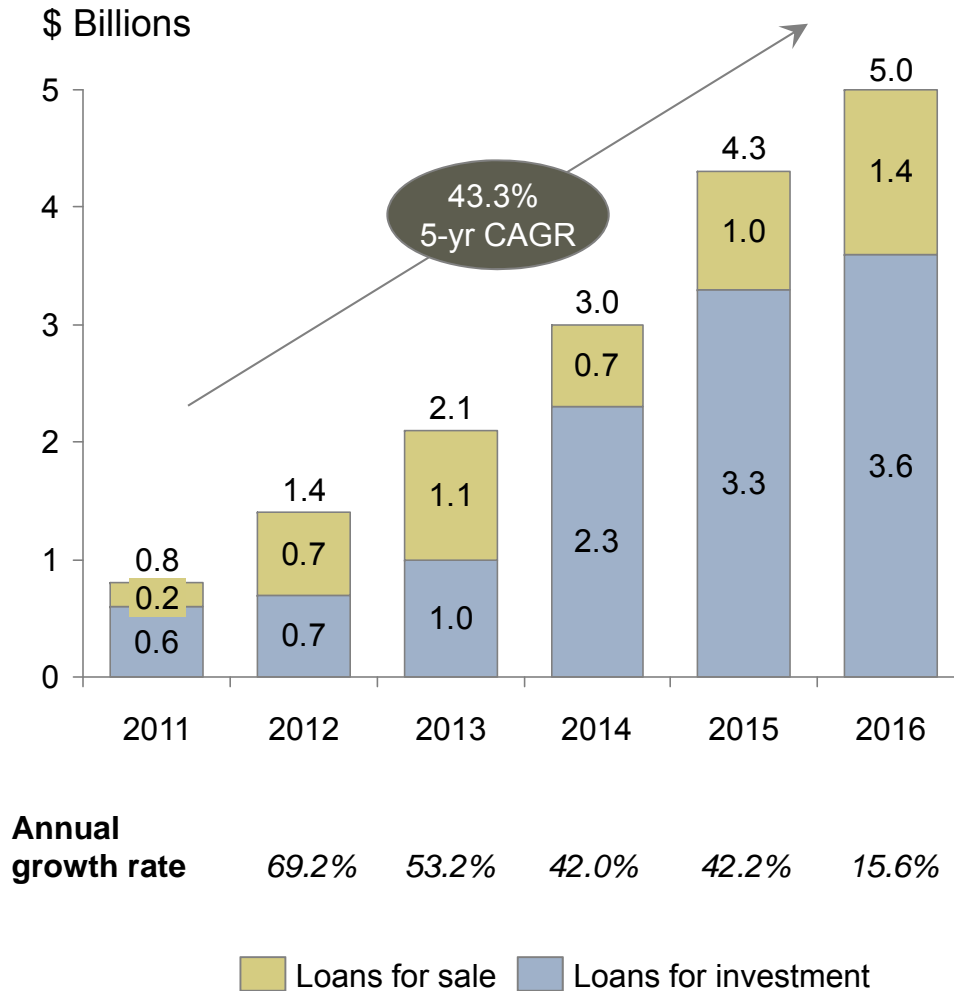
FY 2017 Q1



Loan Origination Growth



Fiscal Year Loan Originations



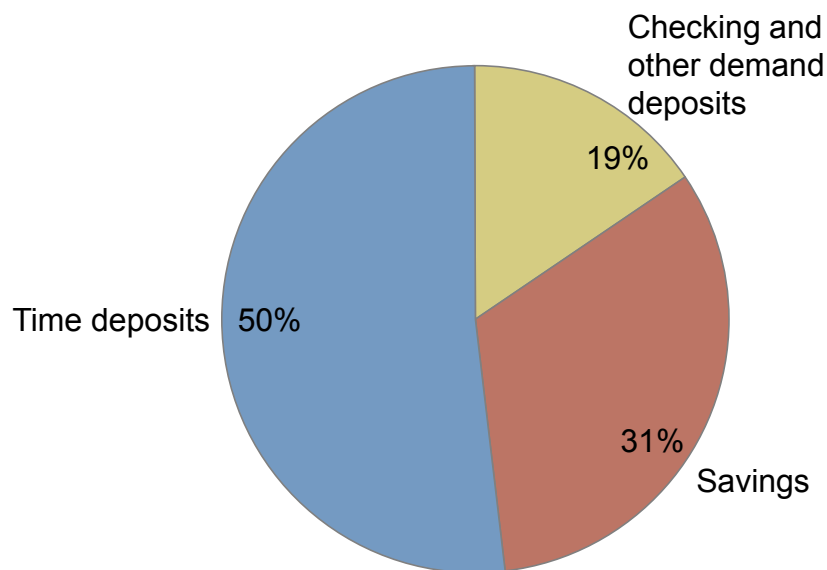
Future Plans

- Organic growth in existing business lines
 - Multifamily geographic expansion
 - Agency and jumbo mortgage channel expansion
 - Small Balance Commercial Real Estate expansion
 - Large Balance Commercial / Specialty Real Estate expansion
- Additional C&I verticals/product expansion
- Retail auto lending launch
- Consumer unsecured installment lending launch

Deposit Growth in Checking, Business, and Savings Was Achieved While Transforming the Mix of Deposits

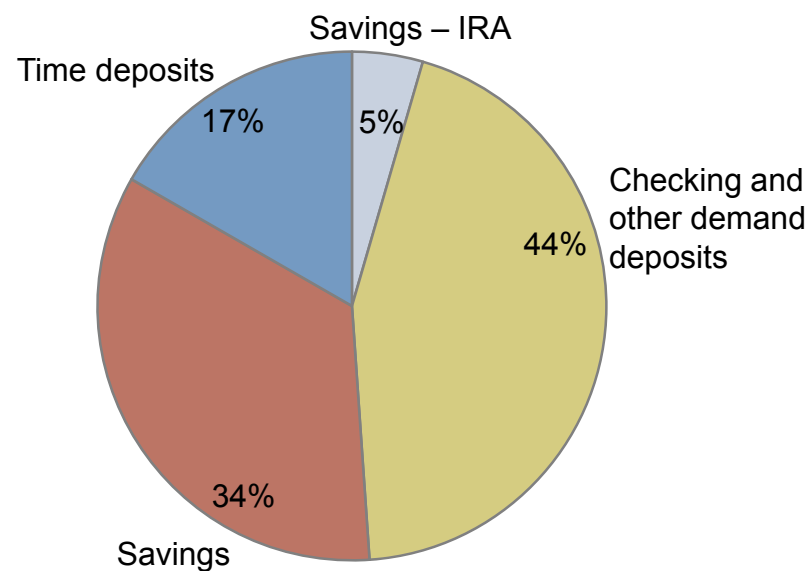
June 30, 2013

100% of Deposits = \$2.1 billion



September 30, 2016

100% of Deposits = \$6.3 billion



Checking Growth (6/2013-09/2016) = 615%

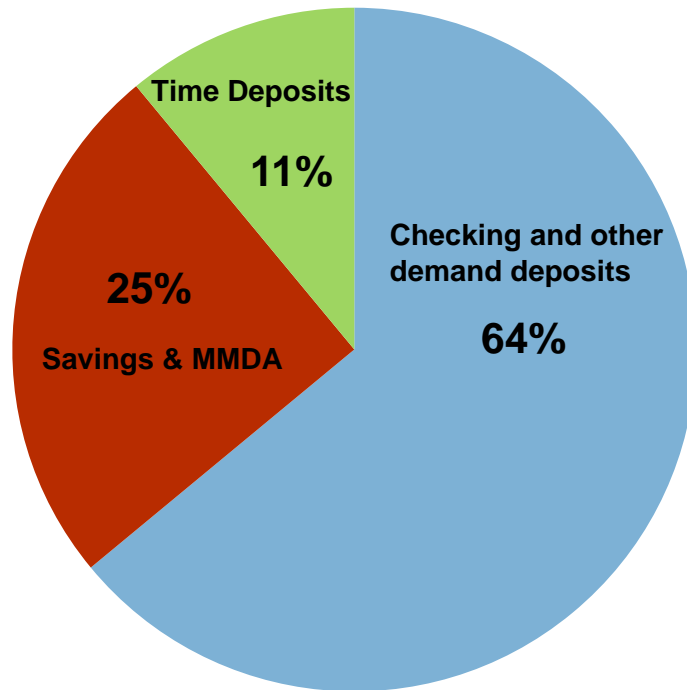
Savings Growth (6/2013-09/2016) = 239%

Our Business Banking Vertical has Fueled our Deposit Growth while Generating Significant Fee Income



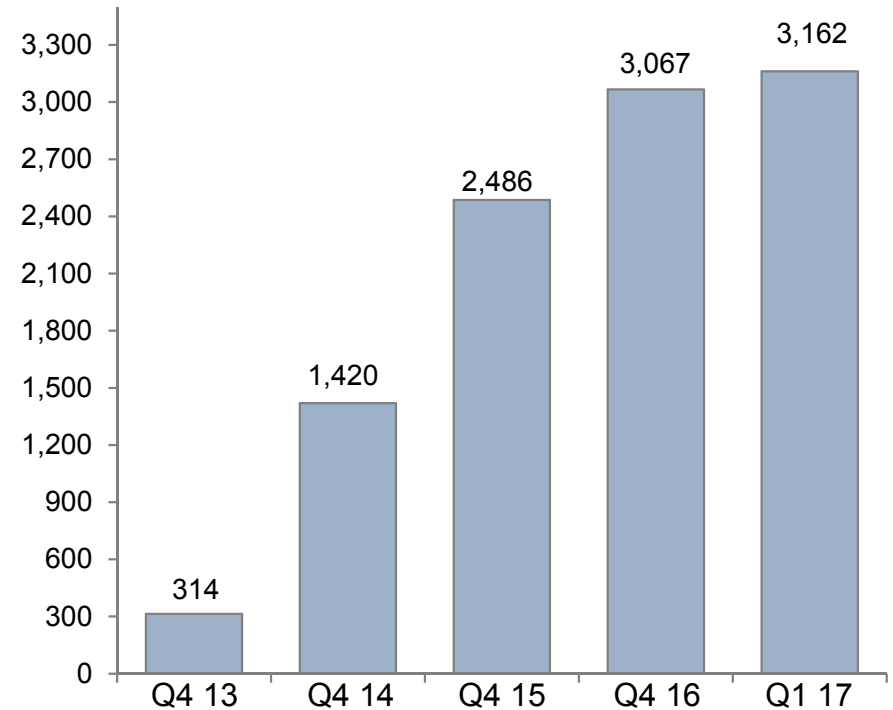
Business Deposits by Account Type*

Percent (%)



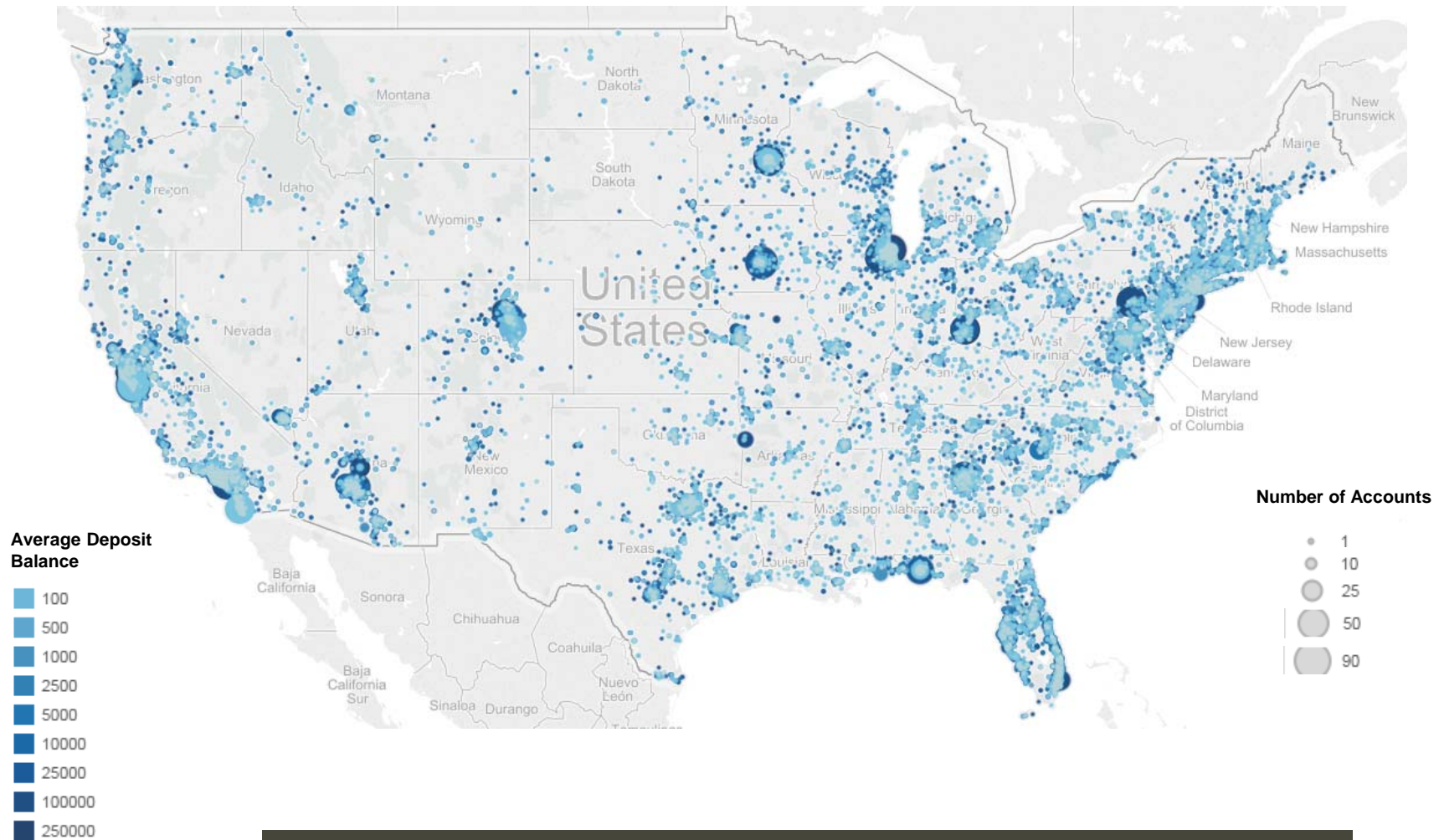
Business Banking Deposits

(\$MM)



* As of quarter end 9/30/16

BofI Customer Base and Deposit Volume is Well Distributed Throughout the United States



BofI Deposits Have National Reach With Customers in Every State

BofI Customers are Highly Engaged

Customer Engagement Results

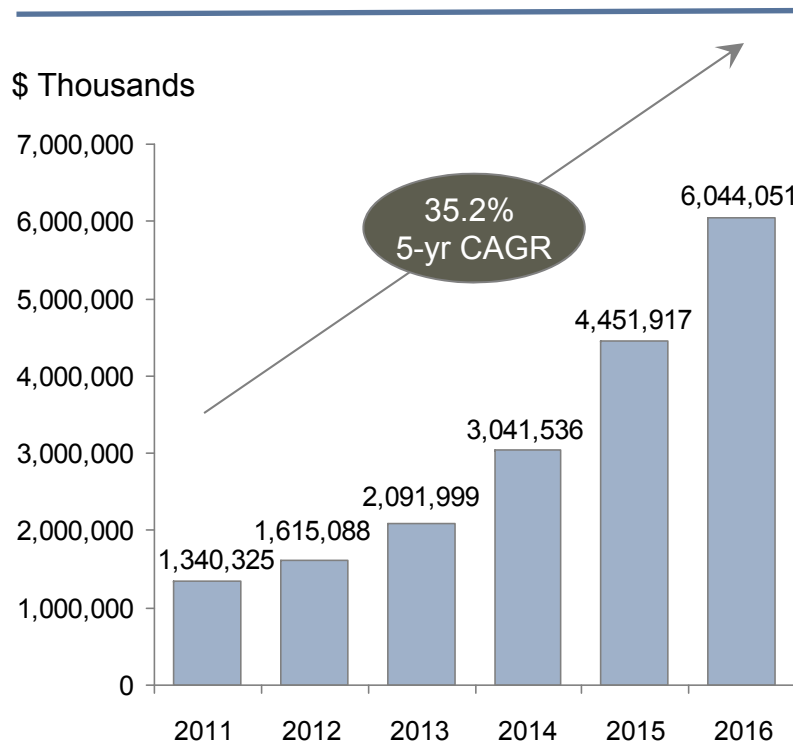
Engagement	Low Activity	High Activity		
Attributes	Low Activity User	Basic User	Engaged	Elite Engaged
Engagement Score (0-100)	0s	$0 < S < 30$	$30 \leq S < 60$	≥ 60
Average Lifetime Balance	\$100	\$4000	\$6,000	\$50,000
Average # of Services Used	-	< 5	7	10
Average # of POS	-	< 1	10	25
% of Total Population	22%	15%	41%	23%
% of Total Balance	0%	6%	24%	70%
Retention	Moderate	Moderate	High	High

64% of Population or 94% of Balance are Overall High Engagement

Core Deposit Growth Was Sufficiently Strong To Grow Overall Deposits While Changing The Deposit Mix



Deposit Growth



Future Plans

- Enhanced digital marketing automation integrated to outbound sales group
- Products and technology integration targeted to specific industry groups
- Create differentiated consumer and business banking platform
- Enhanced focus on customer service and user experience
- Leverage existing and create new distribution partnerships to reduce acquisition cost and leverage external brands

% CDs¹	74%	57%	50%	26%	18%	17%
% Borrowings¹	23%	23%	23%	22%	14%	12%

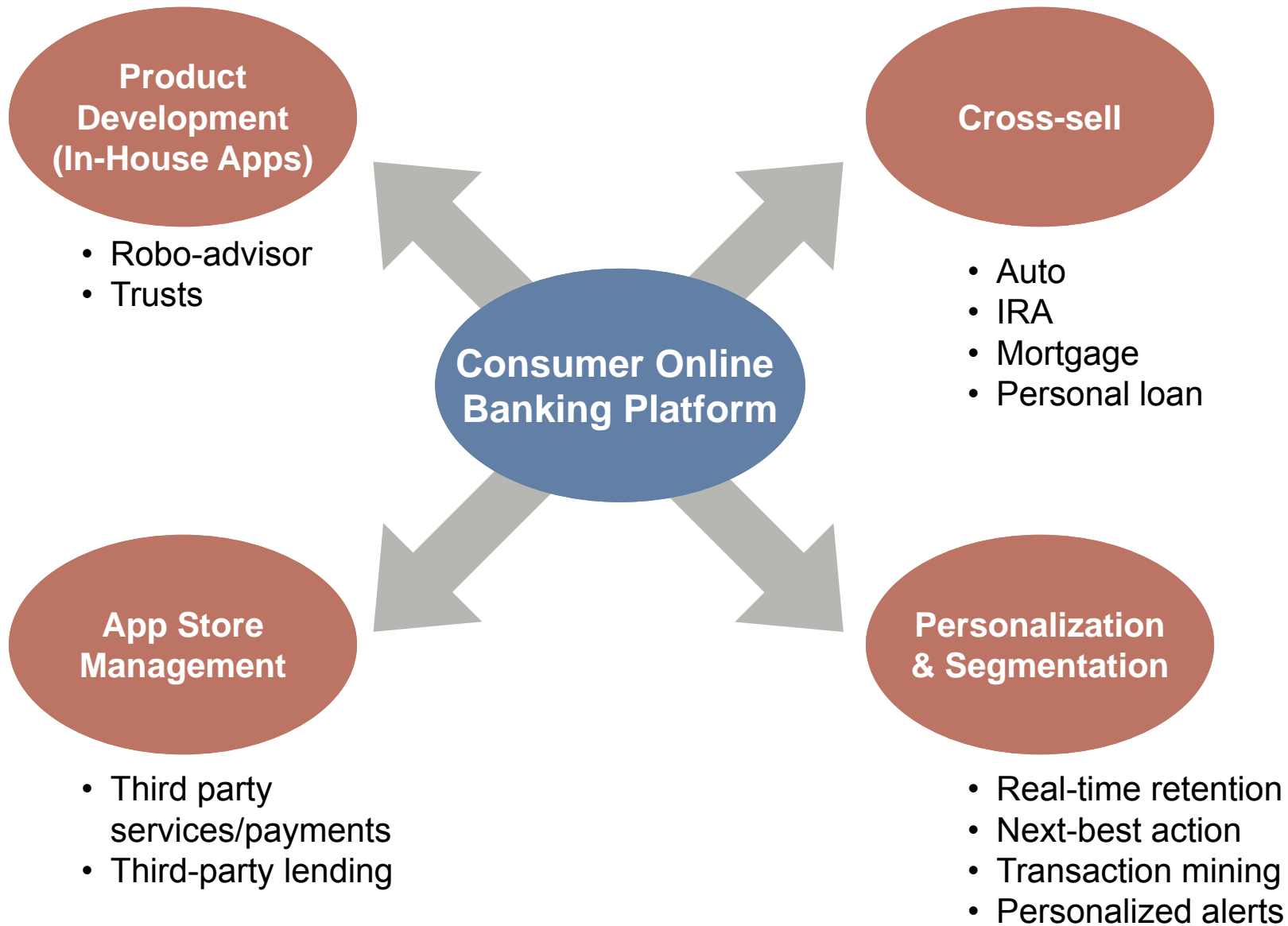
¹ as a % of total liabilities

Over the Last Five Years, BofI Has Successfully Started New Products, Added Distribution Channels, and Completed Acquisitions

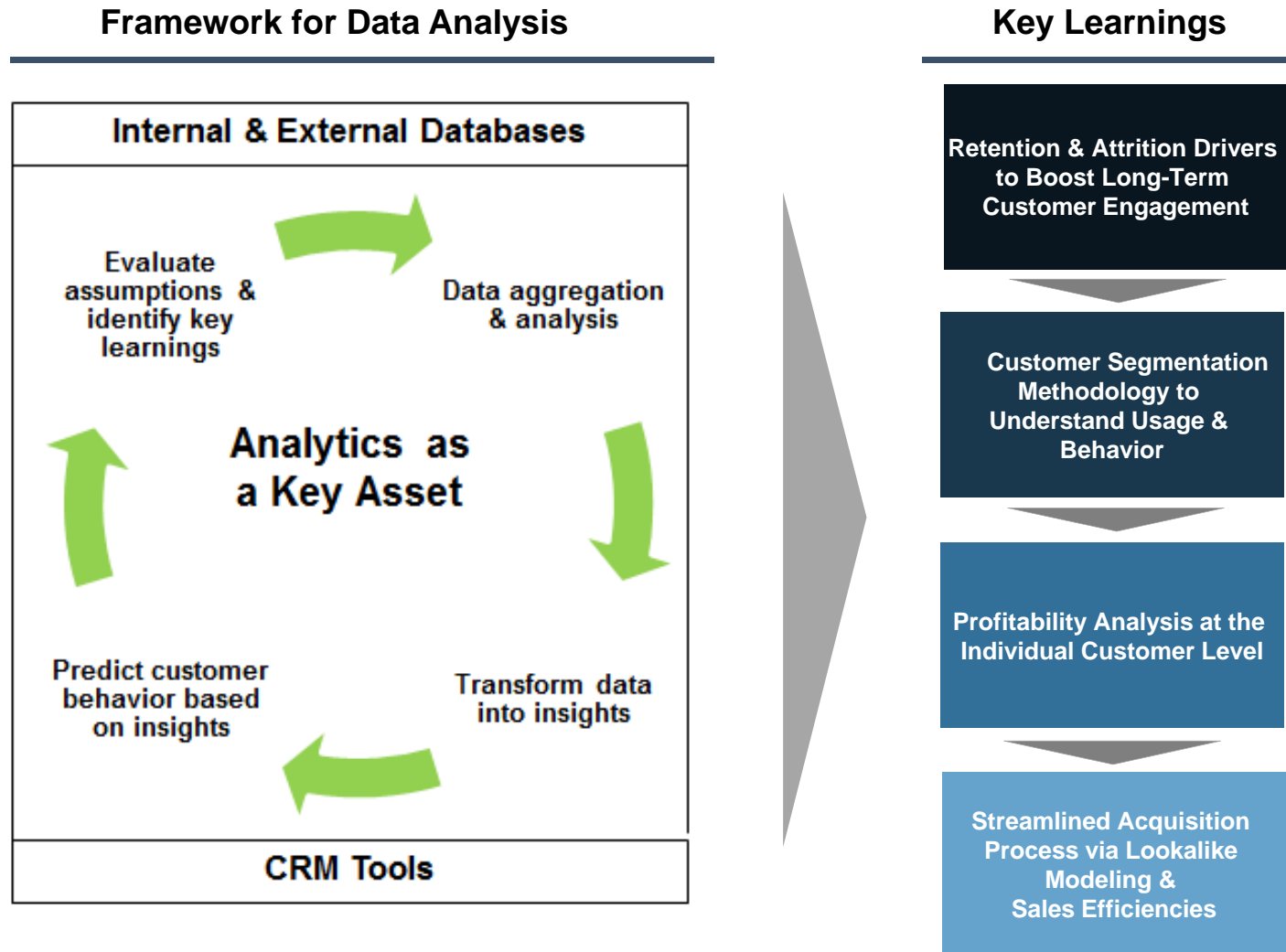


	2010	2011	2012	2013	2014	2015	2016	2017
New product	<ul style="list-style-type: none"> Agency mortgage Structured settlement 	<ul style="list-style-type: none"> Business banking Lottery 	<ul style="list-style-type: none"> Warehouse Lending 	<ul style="list-style-type: none"> Treasury/cash management C&I Prepaid Agency Servicing retention 	<ul style="list-style-type: none"> Small balance CRE 	<ul style="list-style-type: none"> Auto 	<ul style="list-style-type: none"> HRB franchising lending 	<ul style="list-style-type: none"> Retail Auto Refund Advance (H&R Block)
Distribution/channel	<ul style="list-style-type: none"> Costco Retail agency mortgage 	<ul style="list-style-type: none"> BofI advisor 	<ul style="list-style-type: none"> Netbank Retail Structured settlement 	<ul style="list-style-type: none"> UFB Direct Bank X IRA 	<ul style="list-style-type: none"> Virtus 	<ul style="list-style-type: none"> Wholesale agency 		<ul style="list-style-type: none"> H&R Block retail stores
M&A				<ul style="list-style-type: none"> Principal Bank 	<ul style="list-style-type: none"> Union Federal 	<ul style="list-style-type: none"> H&R Block Bank 	<ul style="list-style-type: none"> Equipment leasing 	

Universal Digital Bank Consumer Platform



Advanced Data Analytics Provides Key Insights Into Customer Engagement, Profitability, and Retention to Enhance Customer Lifetime Throughout the Bank



We are Also Leveraging Our API Stack to Integrate Our Consumer Enrollment Platform into H&R Block's Tax Software



H&R Block Overview

- Approximately 10,000 U.S branches
- Files 1 in every 7 U.S. tax returns
- 19.7 million U.S. tax returns per year
- 83% of customers receive a refund
- 35% franchise-owned
- Approximately 2,400 employees
- 55 million visits per year on HRB website
- Social media
 - 28,600 Twitter Followers
 - 463,000 Facebook fans
 - 1.7 Million views on YouTube

Key Steps for Tax Season 2017

- Accelerate cross-selling strategies on new and existing IRAs
- Full integration of IRAs into H&R Block's tax agency software (backend enrollment fully connected)

SPANISH

IRA contributions could lower your taxes.

DID YOU KNOW:

- Roth IRA allows savers a tax-free stream of income in retirement
- \$1000 to a traditional IRA could lower your taxes by up to \$250
- Depending on your income and filing status you could qualify for the Saver's Credit

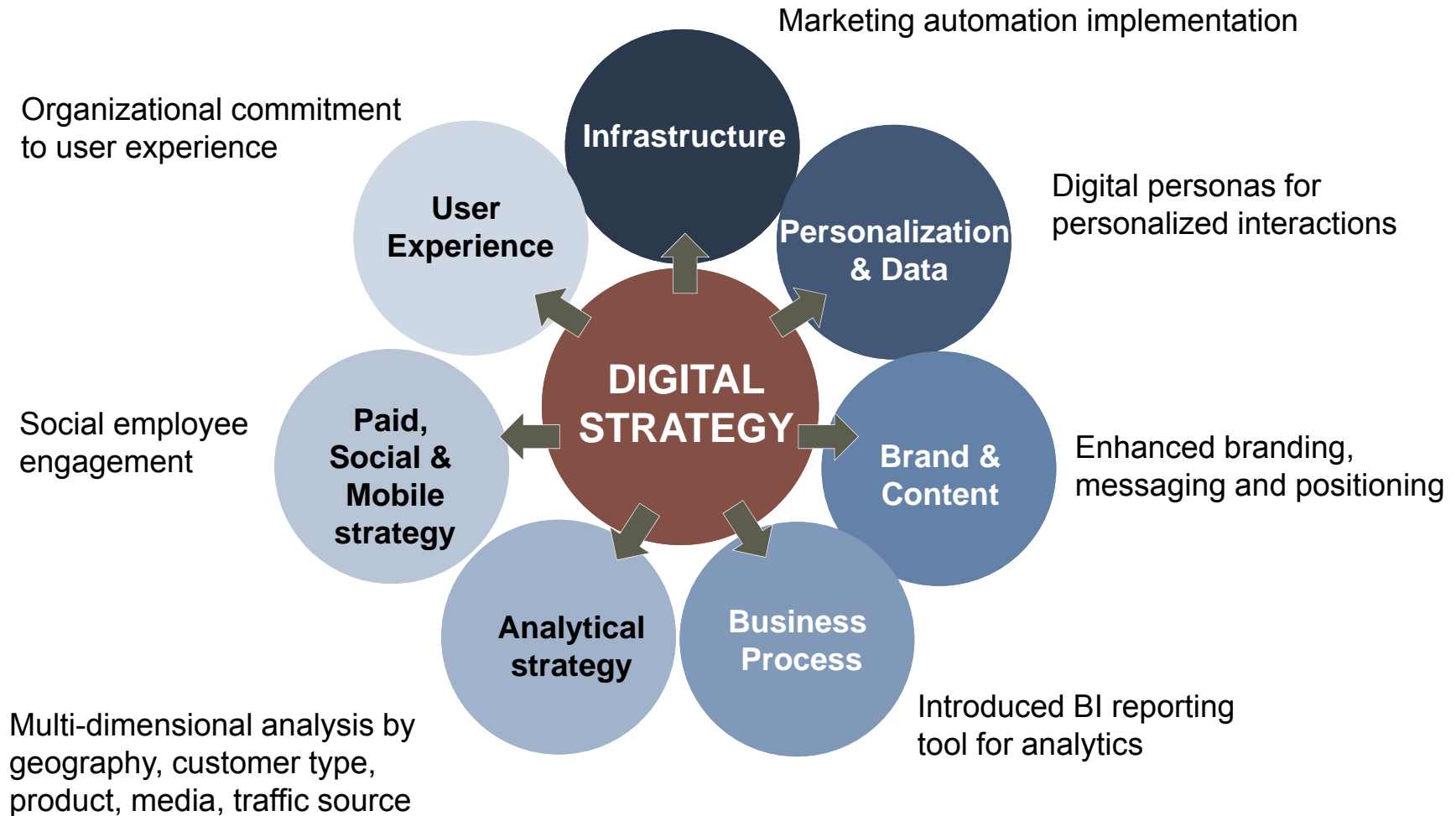
Start saving today!

May we use your information to determine your eligibility for an individual retirement account and provide you with more information? (Y/N)

PRODUCT FACTS & FEES

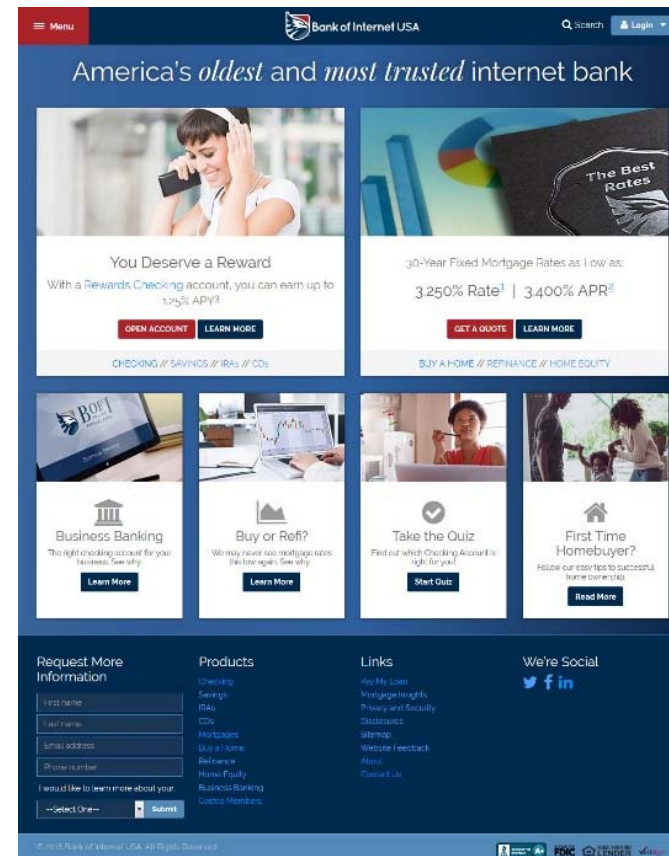
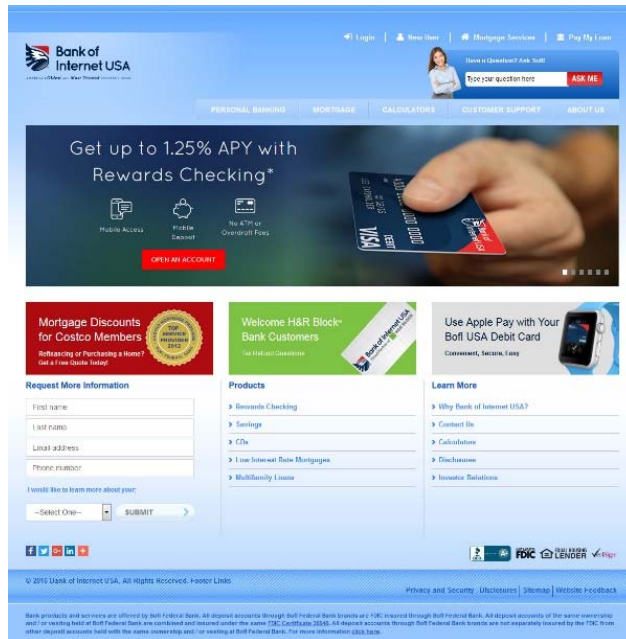
- IRA offer on HRB website and datamining on HRB database

Omni Channel Approach for Bofl's 2017 Digital Marketing Strategy



Bank of Internet Website Upgrade

Visual Design Research Combined with Improved UI/UX - Usability
Backend Performance

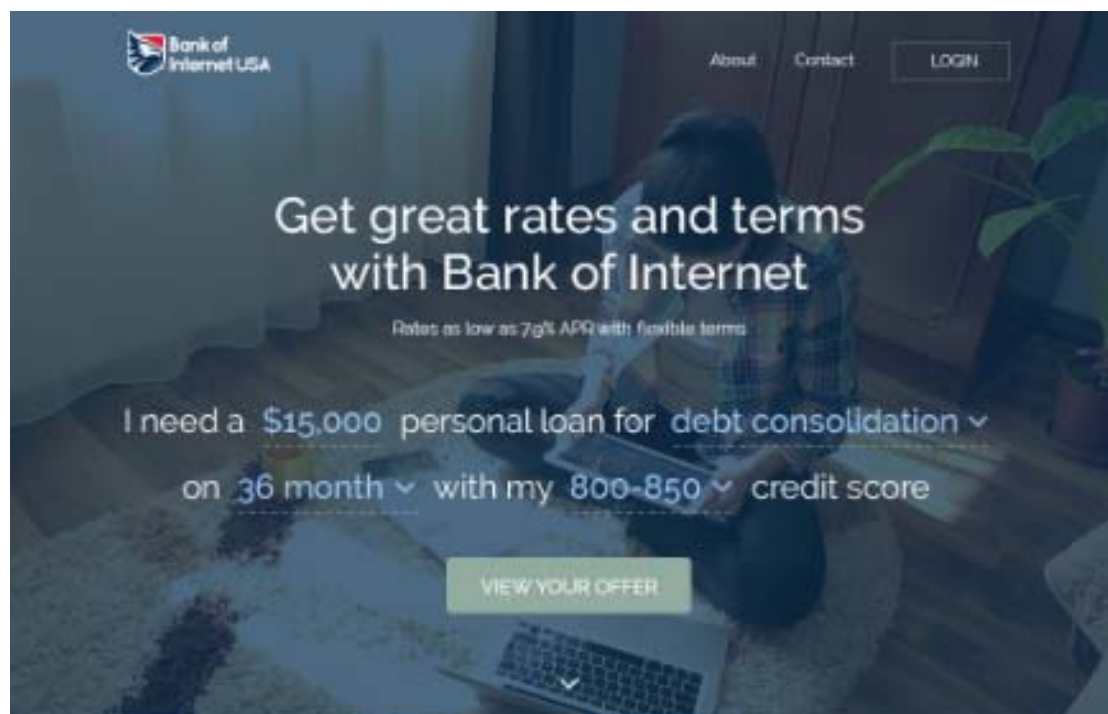


- Redesigned Bank Of Internet USA website awarded Best-In-Class Website by Interactive Media Awards (IMA) in 2016
- The result has been a significant increase in the organic traffic to the site

Consumer Unsecured

Website and Product

- On-line loan application
- Lead integration via API's with lead aggregators
- Loan amounts between \$5,000 and \$35,000
- Terms between 36 and 60 months
- Anticipated average credit score between 710 and 725
- Healthy Origination Fees and Interest Rates



Free online banking

Experience free and easy online checking while earning up to 1.25% APY.



Get fast approval

Our simple, streamlined process allows us to close your loan quickly without headaches or a long draw-out process.



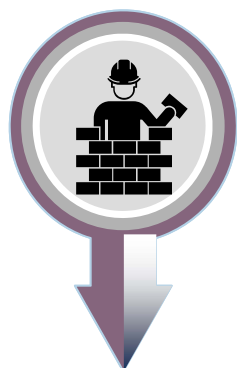
Up to a \$35,000 loan

Loans offered between \$5,000 and \$35,000 with 36 or 60 month terms.

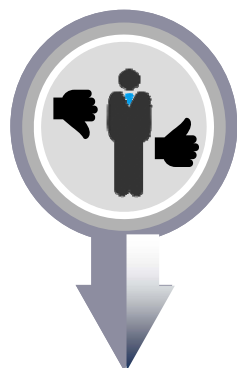
What makes Bofl different compared to other lenders?



We ask more questions and interact with the applicant.



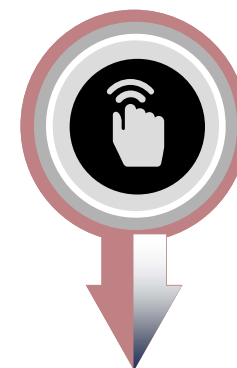
Foundation of the model built on Credit, Capacity, Character and Conditions.



While speed is important, it is not the sole driver to our platform.
Customer experience is essential, but so is making solid credit decisions.



We have lower cost of funds and origination costs.



We will price our loans properly for the risk that we are taking, even if it means a slower growth path.

Bank Provides Appropriate Resources to Manage Credit and Compliance Risk

Department FTEs	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Credit and Quality Control	27	41	57	65
Risk, Internal Asset Review, Compliance, Audit and BSA	16	26	35	44

Monitoring & Management Oversight: Core Products

Single Family Residential

- Portfolio level monitoring with individual loan reviews completed on an exception basis (i.e. delinquency, FICO/LTV degradation).
- FICO pulled twice a year
- Updated AVMs twice a year
- Super jumbo loans receive complete annual loan review, including updated credit report
- Pledged assets receive refreshed CLTV ratios on a semiannual basis
- Portfolio-level review performed quarterly

Income Property Lending

- Risk based annual loan review process, with 4 levels depending on financial performance & risk triggers
- Updated financials at least annually
- FICO pulled twice a year
- Updated AVMs twice a year
- Updated credit report and property inspections requested based on risk triggers
- Classified loans receive quarterly review
- Portfolio-level review performed quarterly
- Stress testing performed twice a year

C&I - Bridge

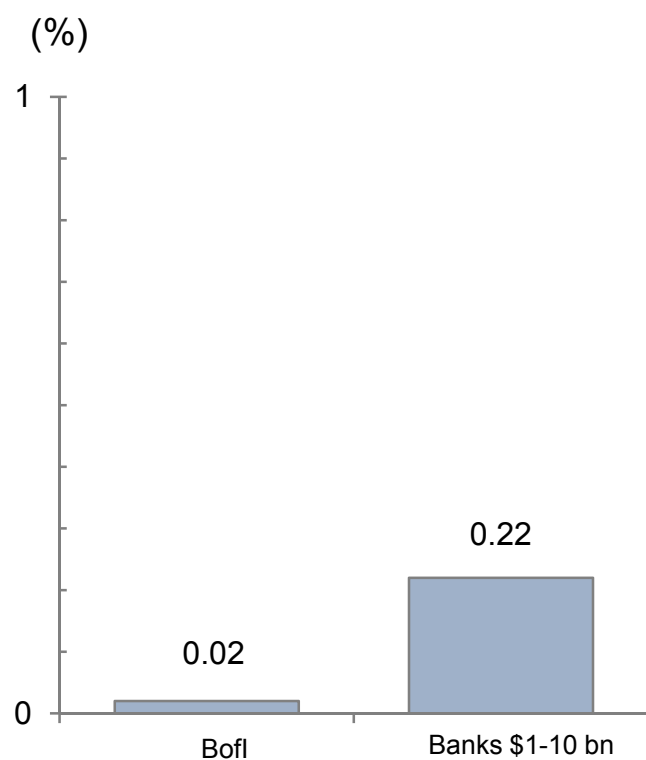
- Loan reviews at least quarterly
- Project updates at least quarterly
- Updated financials at least annually
- Site visits & inspections for development projects

C&I – Lender Finance

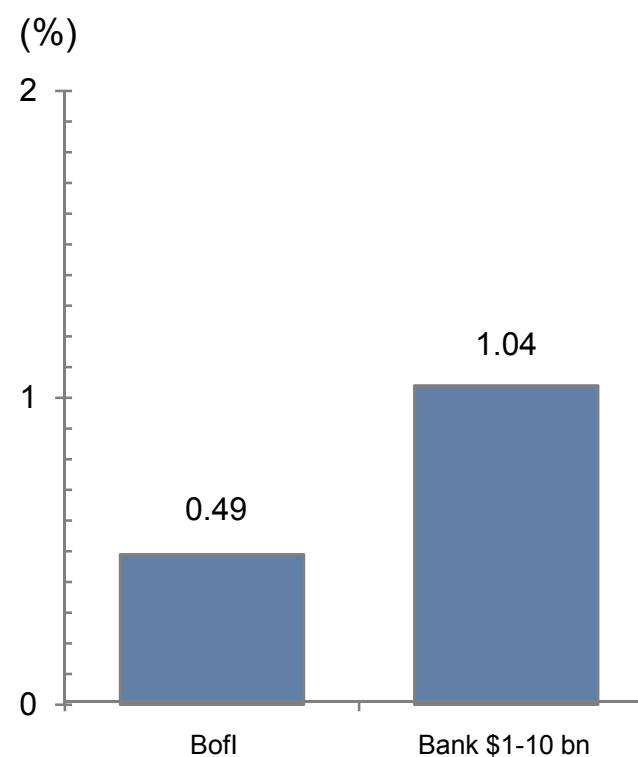
- Loan reviews at least quarterly
- Updated financials at least quarterly
- Borrowing base / custodial reports at least monthly
- Continuous collateral analytics, with quarterly validation

Best-in-Class Loan Quality

Total Net Charge-Offs Annualized ¹



Loans in non-accrual to total loans¹



1. As reported in FDIC SDI report at 06/30/16. Total charge-offs annualized for BofI reflects only net charge-offs and does not include write-downs arising from transfers of loans to held-for-sale accounts. Total of 505 institutions included in the \$1-\$10 billion group.

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

Greg Garrabrants, President and CEO
Andy Micheletti, EVP/CFO

investors@bofi.com
www.bofiholding.com

**Johnny Lai, VP Corporate Development and
Investor Relations**

Phone: 858.649.2218
Mobile: 858.245.1442
jlai@bofi.com