



Axos Financial, Inc. Investor Presentation

January 2019

NYSE: AX

axosTM
Banking **Evolved**SM

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, projected consummation of pending acquisitions, 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, 2018. 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.

Our Business Model is More Profitable Because Our Costs are Lower

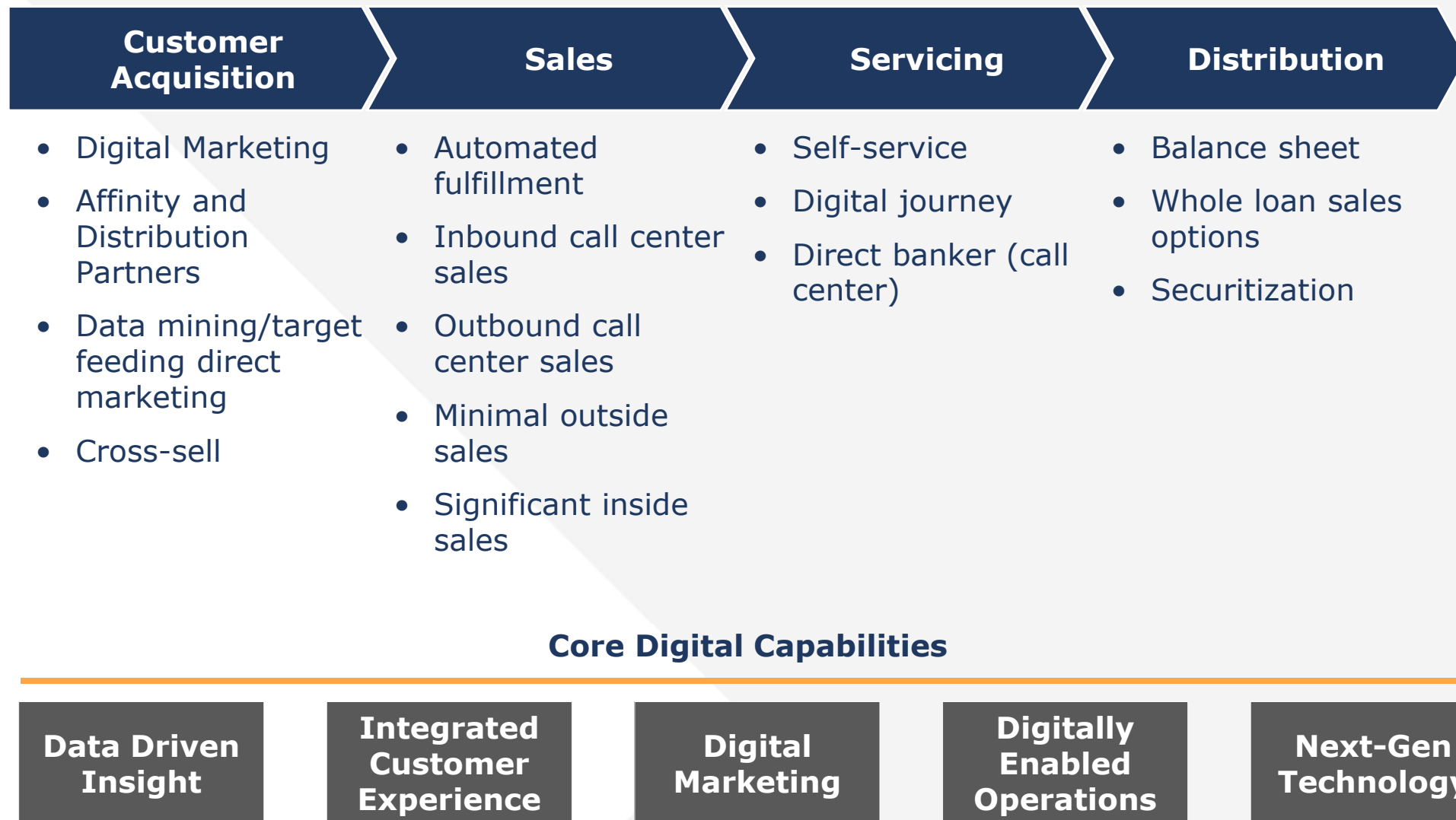
<i>As % of average assets</i>	Axos¹ (%)	Banks \$1-\$10bn² (%)
Net interest income	3.74	3.62
Salaries and benefits	0.94	1.48
Premises and equipment	0.19	0.31
Other non-interest expense	0.73	1.03
Total non-interest expense	1.86	2.82
Core business margin	1.88	0.80

1. For the three months ended 09/30/2018 – the most recent data on FDIC website “Statistics on Depository Institutions Report”

Axos Bank only, excludes Axos Financial, Inc. to compare to FDIC data. Data retrieved 01/29/2019.

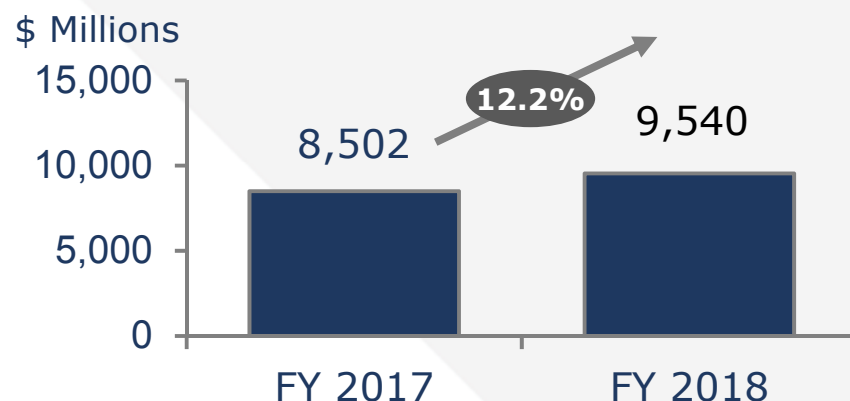
2. All Commercial Banks by asset size. FDIC reported for three months ended 09/30/18. Total of 513 institutions \$1-\$10 billion. Data retrieved 01/29/2019.

Axos' Business Model is Differentiated From Other Banks

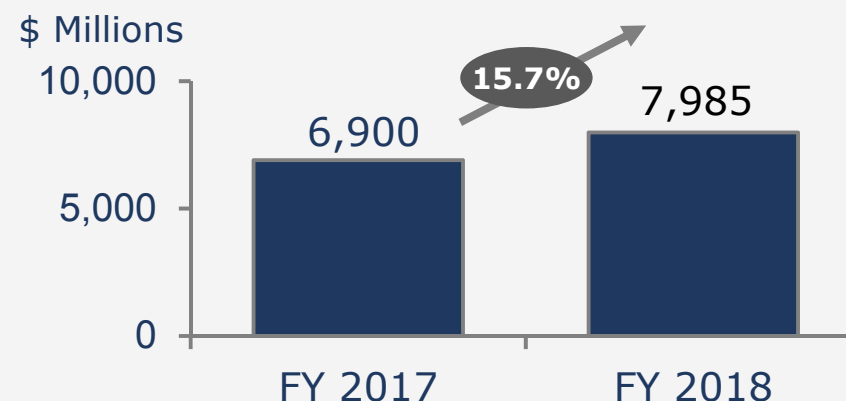


Fiscal 2018 Highlights Compared with Fiscal 2017

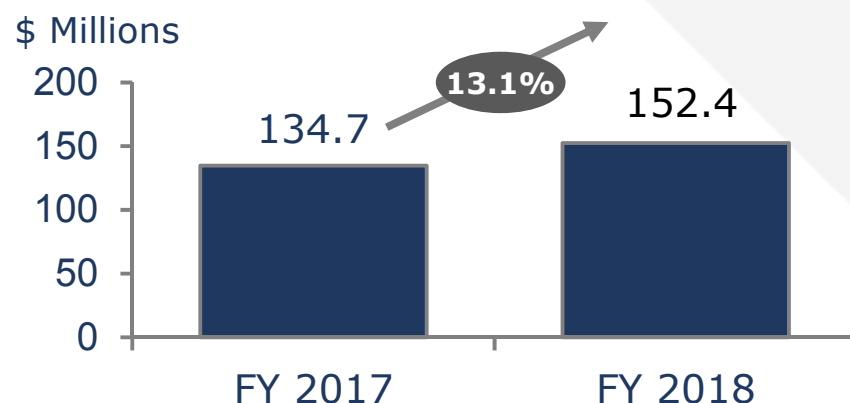
Asset Growth



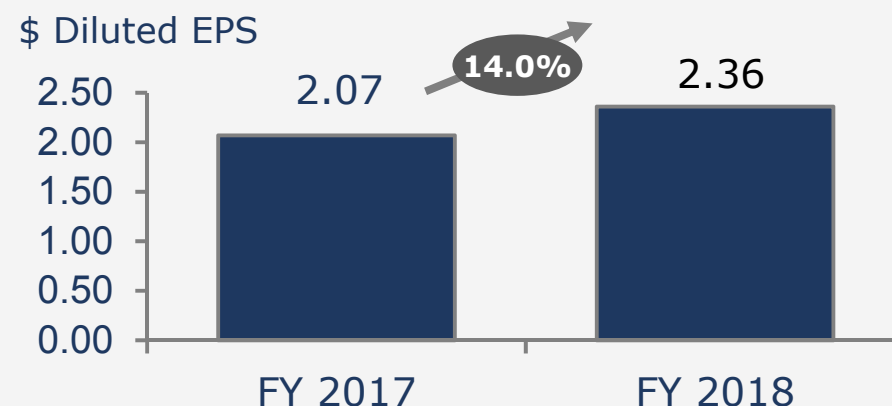
Deposit Growth



Net Income



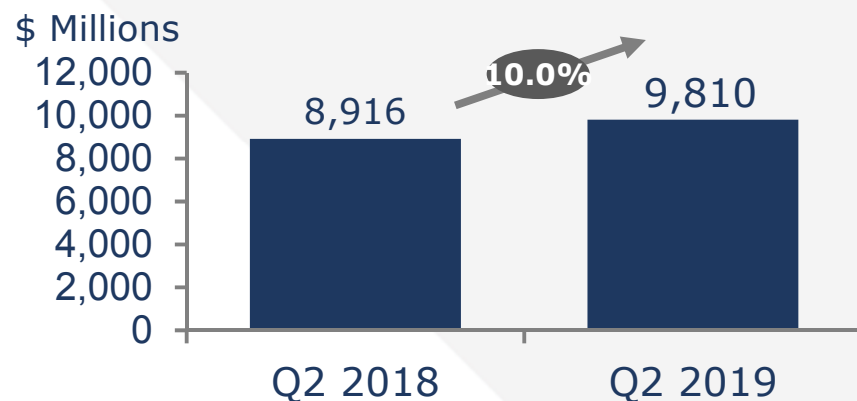
Diluted EPS



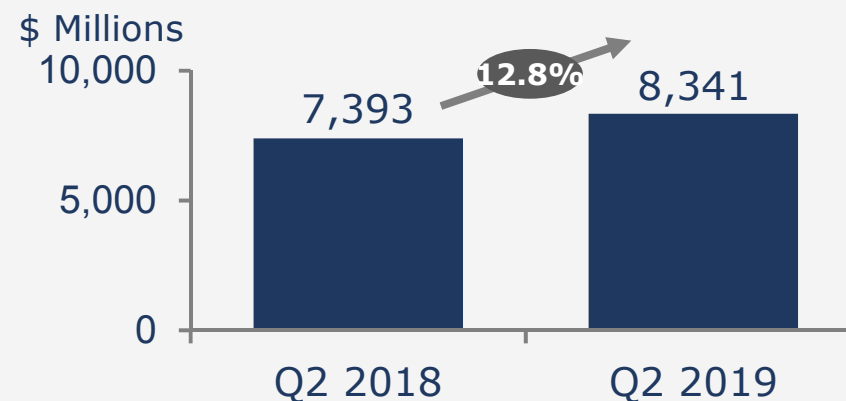
Return on Equity = 17.05%
Return on Assets = 1.68%

Fiscal 2019 Second Quarter Highlights Compared with Fiscal 2018 Second Quarter

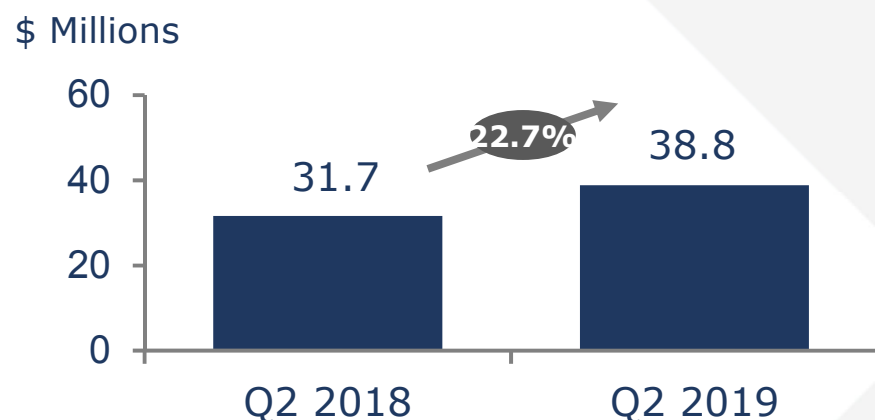
Asset Growth



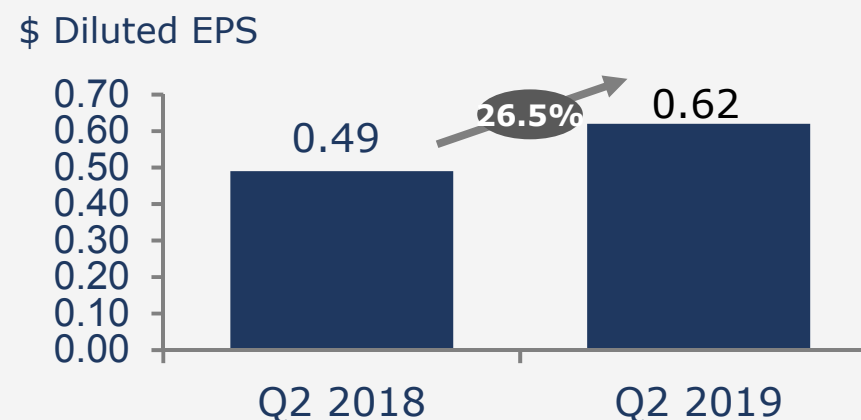
Deposit Growth



Net Income



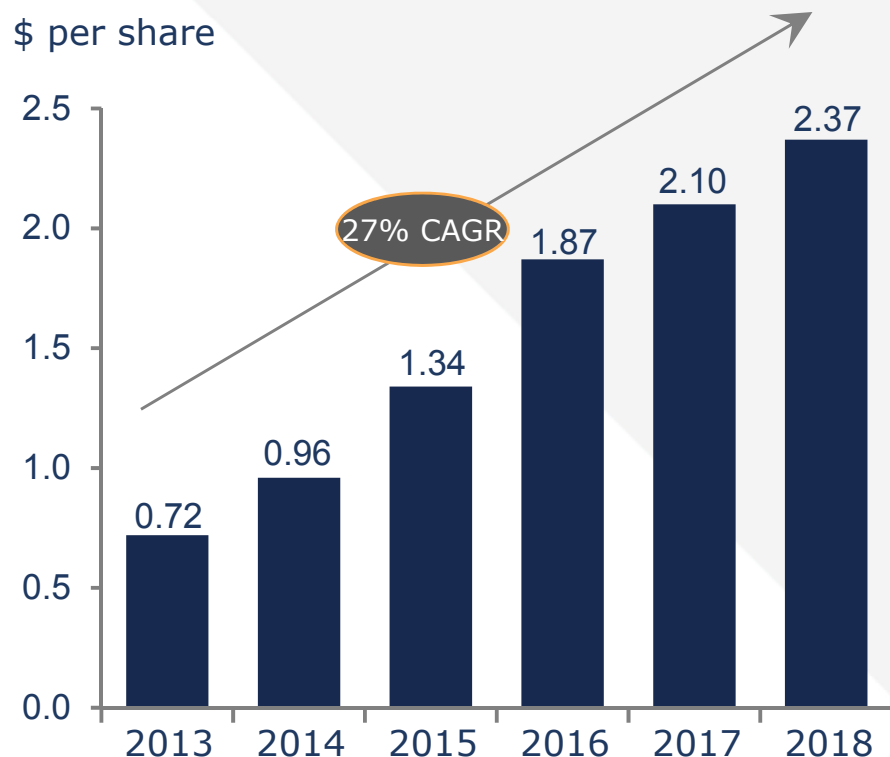
Diluted EPS



Return on Equity = 15.29%
Return on Assets = 1.59%

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

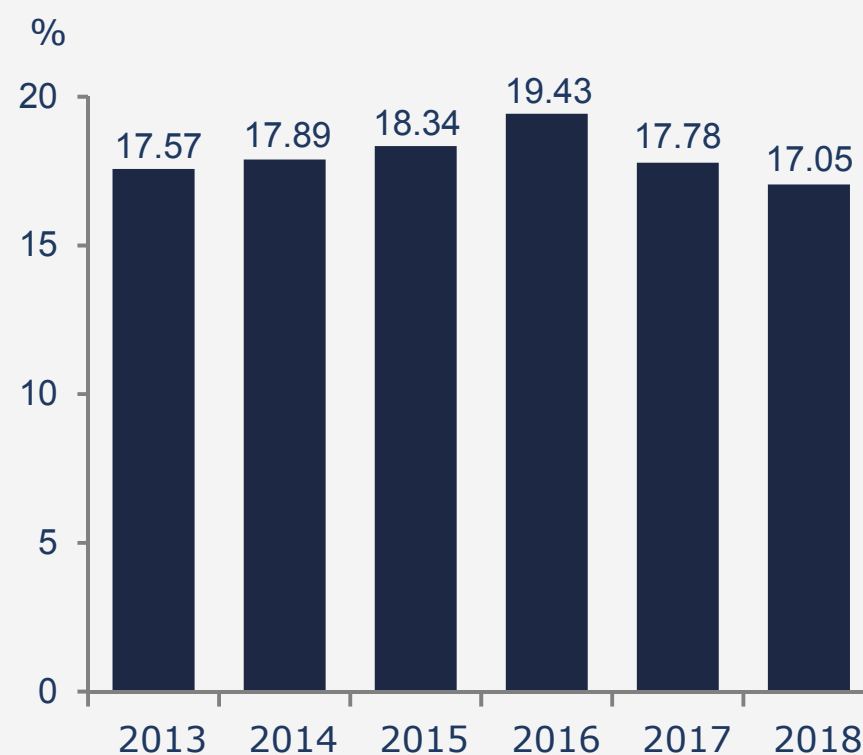
Diluted EPS (FY)



Book value per share

2013 2014 2015 2016 2017 2018
\$4.79 \$6.33 \$8.51 \$10.73 \$13.05 \$15.24

Return On Average Equity (FY)



Tier 1 leverage ratio*

2013 2014 2015 2016 2017 2018
8.6% 8.7% 9.6% 9.1% 10.0% 9.4%

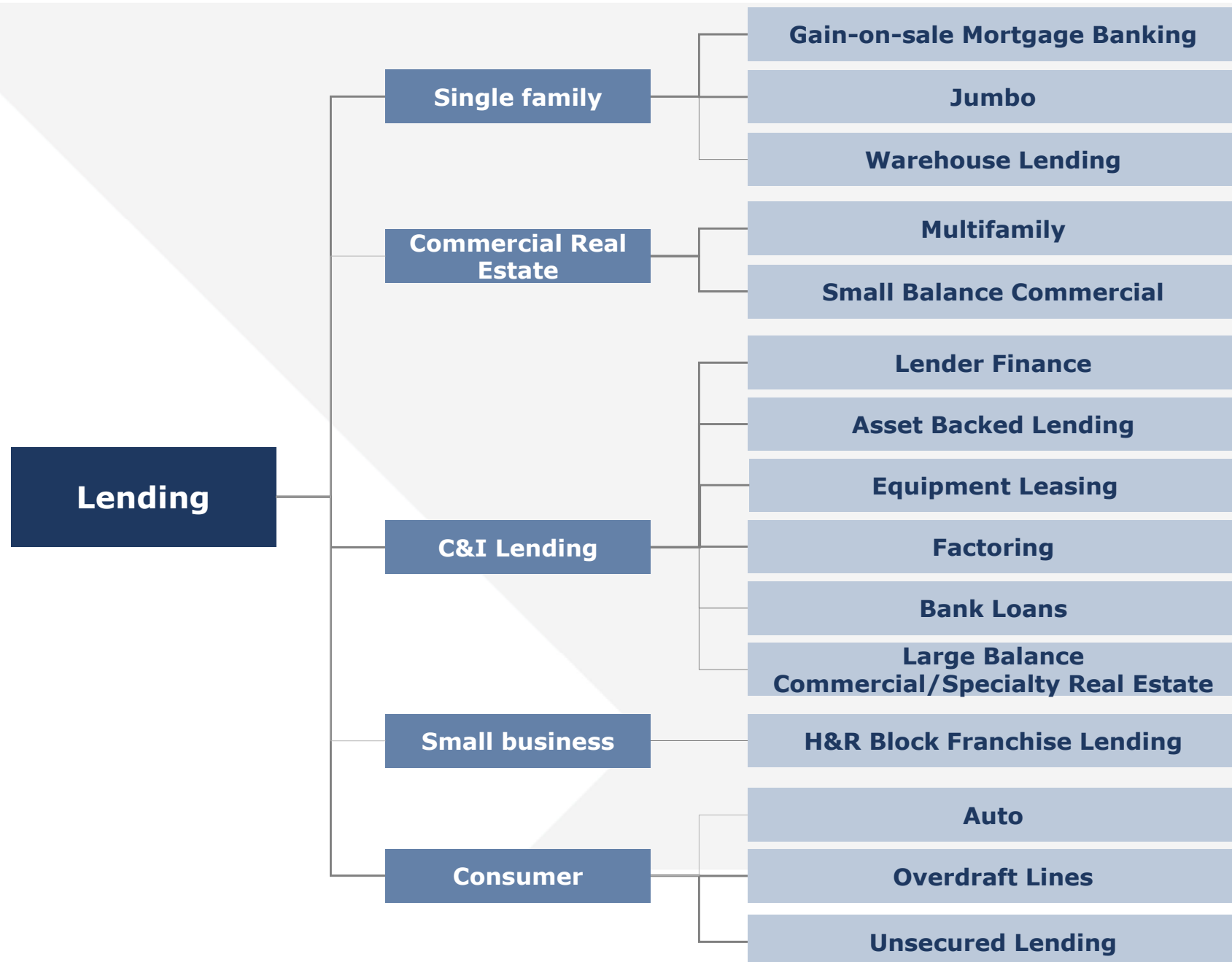
* Tier 1 leverage ratio is for Axos Financial, Inc., except 2013 and 2014 which are for Axos Bank

Axos is a Top Quartile Performer Versus Bank Peer Group

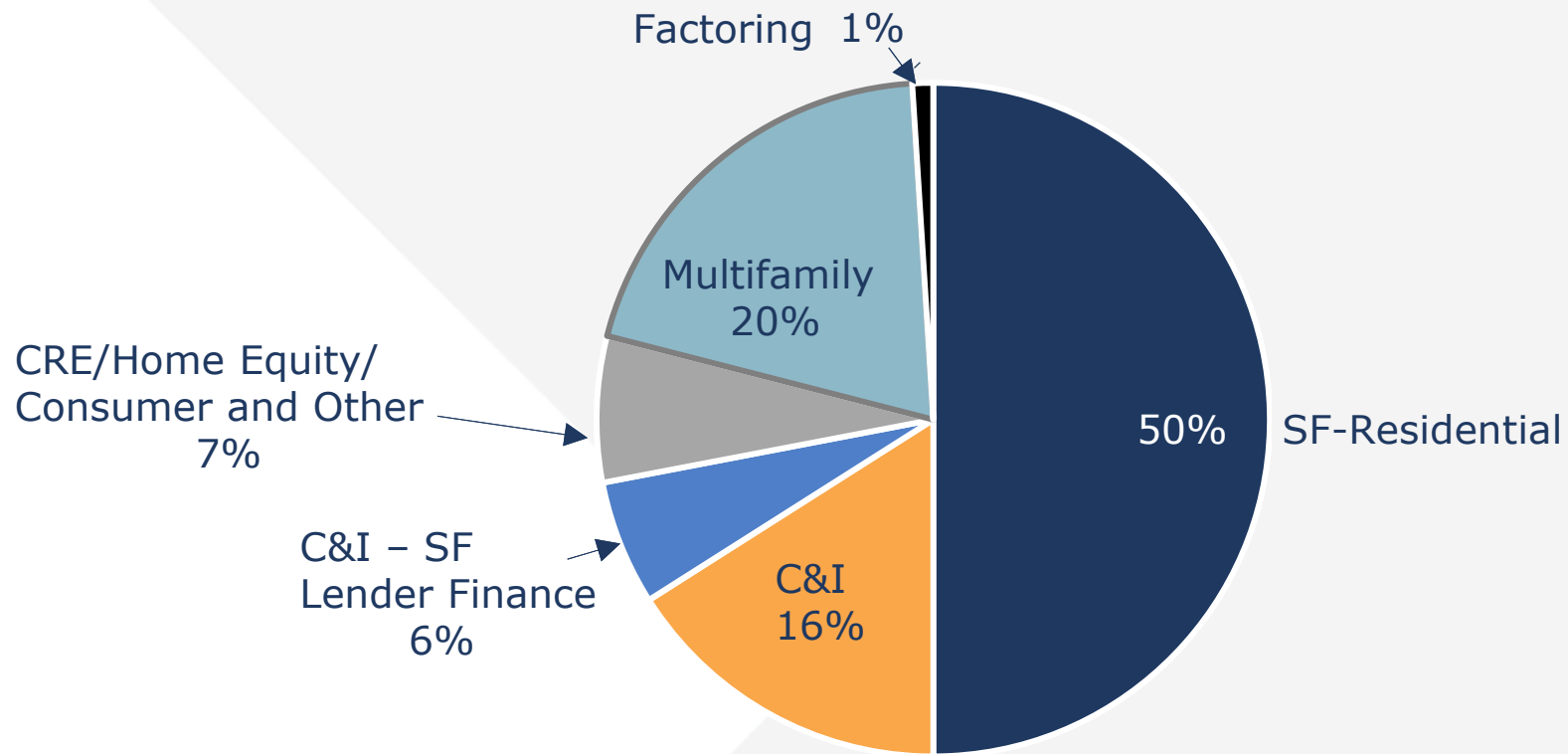
	Axos Bank	Peer Group	Percentile
ROAA	1.92%	1.10%	90%
Return on equity	20.18%	10.18%	90%
G&A	1.76%	2.55%	27%
Efficiency ratio	36.22%	61.93%	11%

The 90% on ROE means that the Bank outperformed 90% of all banks. The 27% G&A ranking means that only 27% of banks spend less on G&A than Axos. Peer group includes savings banks greater than \$1 billion.

Diverse Lending Business



Loan Portfolio¹ 100% = \$9,083 Million

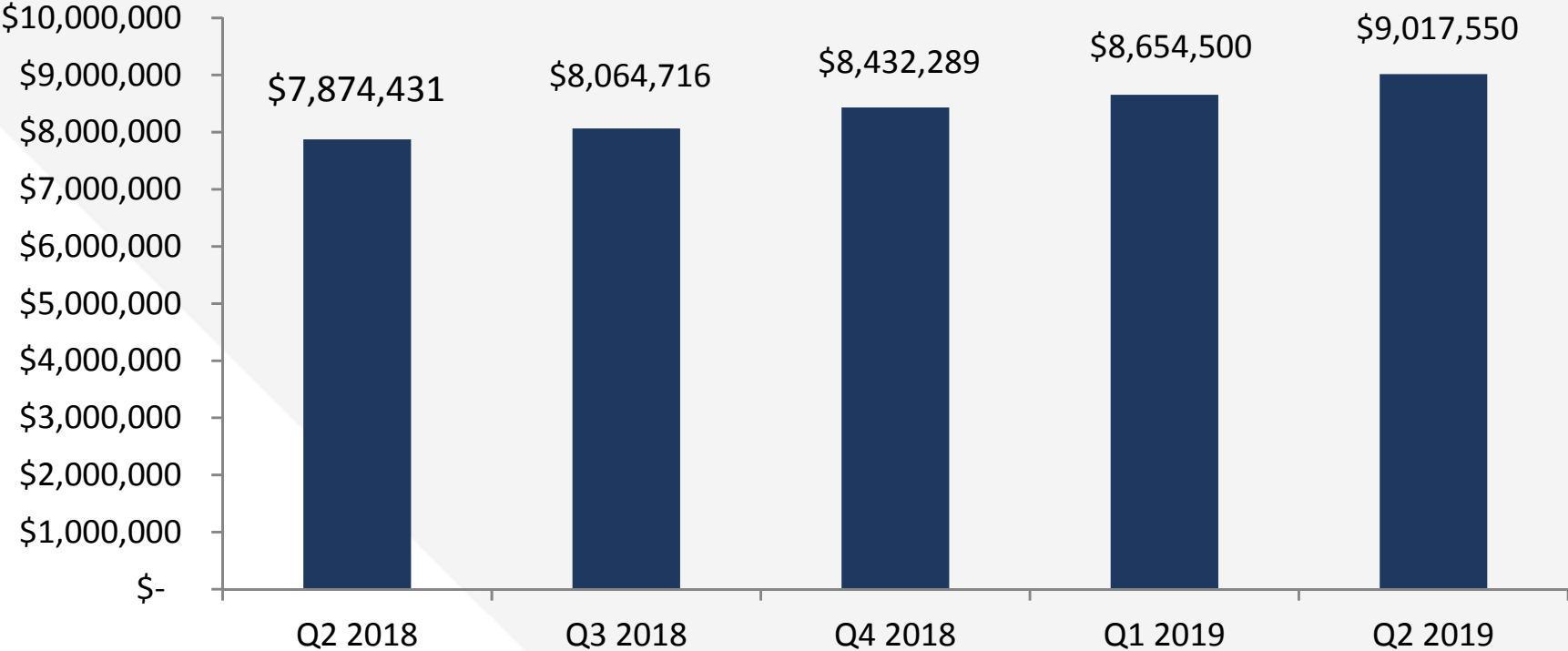


1. Gross loans and leases before unaccrued discounts and loan and lease fees and allowances.

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



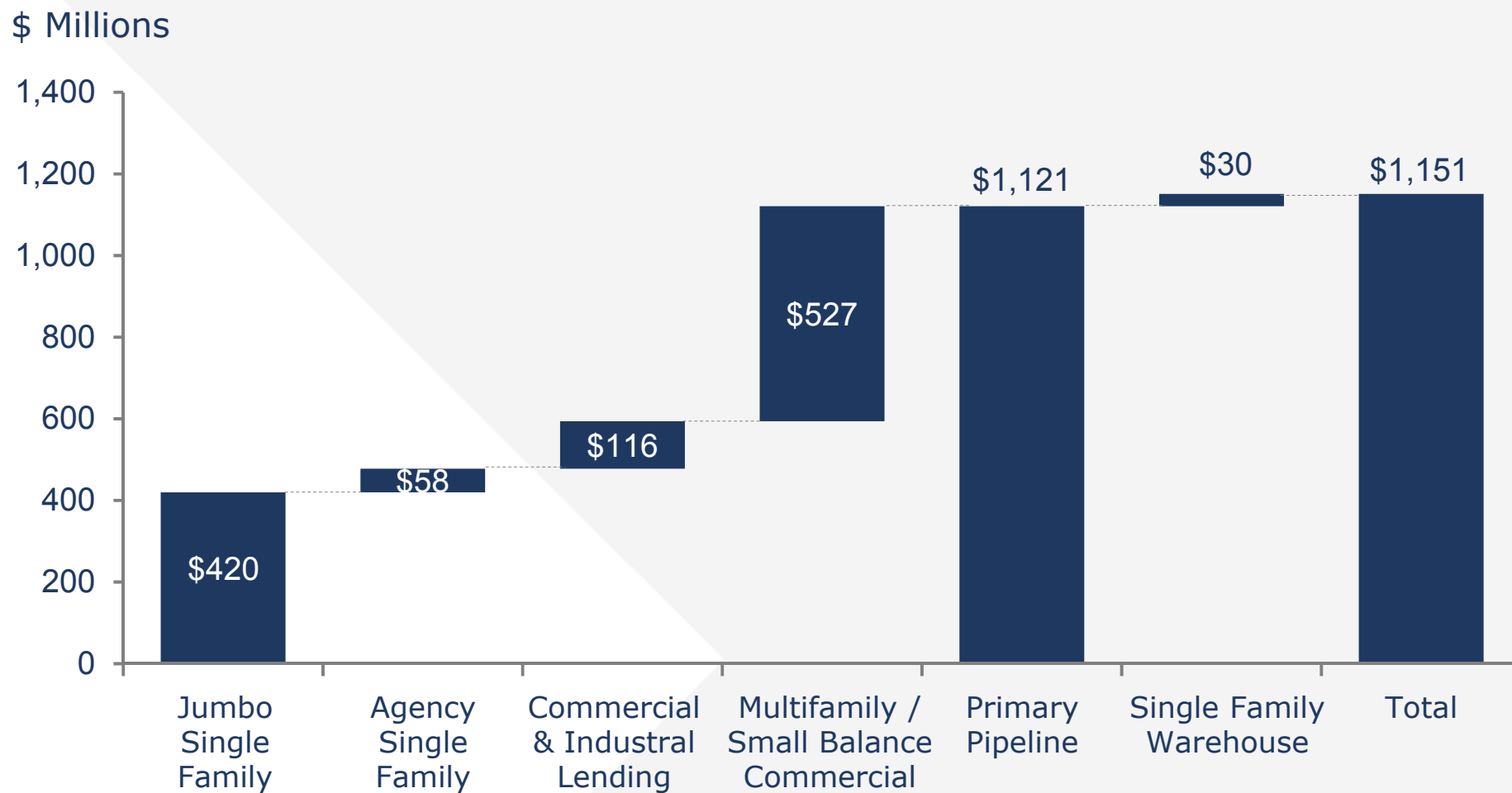
Net Loan Portfolio – End of Last Five Quarters (\$ in Thousands)



Average Loan to Value	Multifamily	53%	53%	53%	53%	53%
	Single family	57%	57%	57%	57%	57%

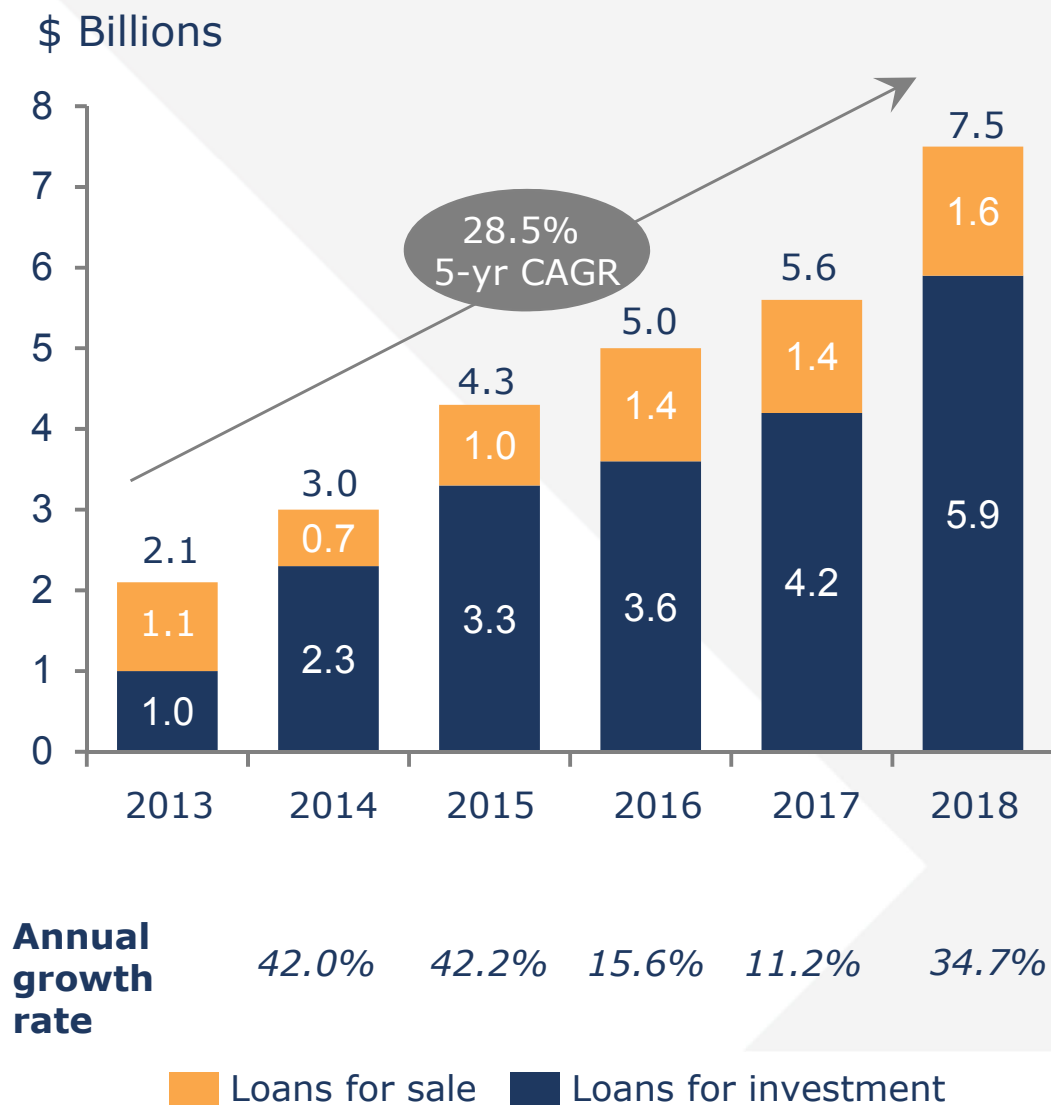
Loan Pipeline Remains Strong

FY 2019 Q2



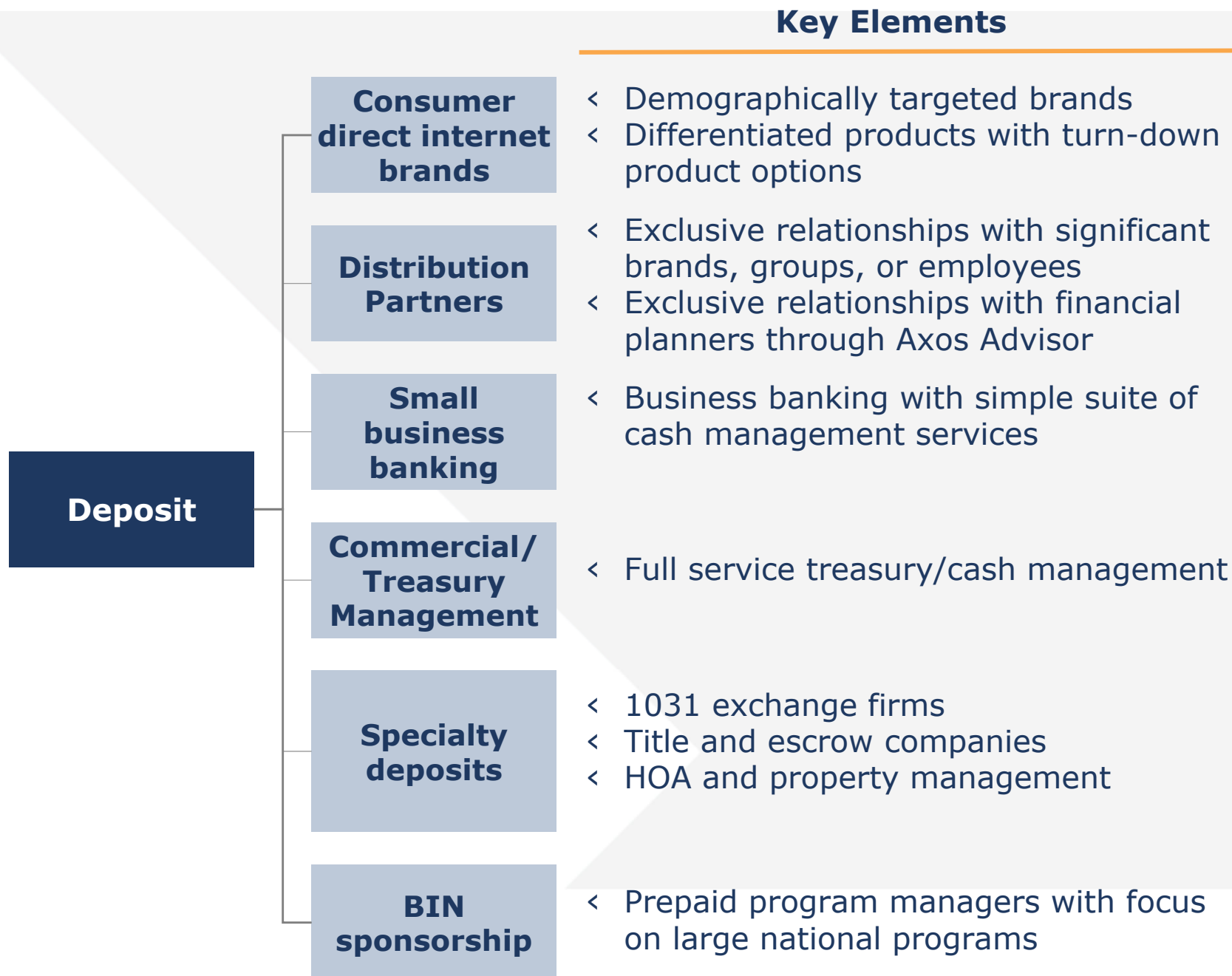
Loan Origination Growth

Fiscal Year Loan Originations



Future Plans

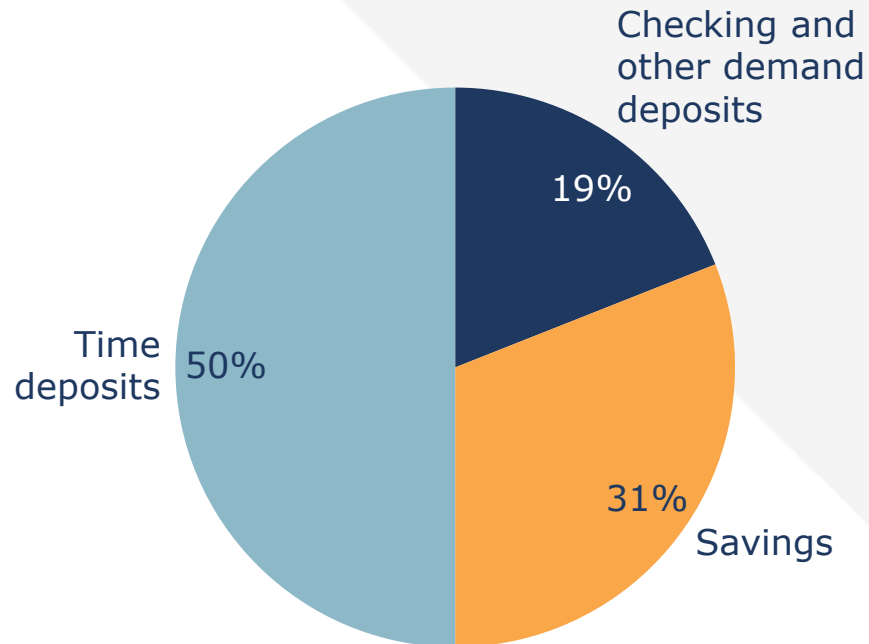
- > Organic growth in existing business lines
 - Multifamily geographic expansion
 - Agency and jumbo mortgage channel expansion
 - Small Balance Commercial Real Estate expansion
 - Large Balance Commercial / Specialty Real Estate expansion
- > Additional C&I verticals/product expansion
- > Retail auto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



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

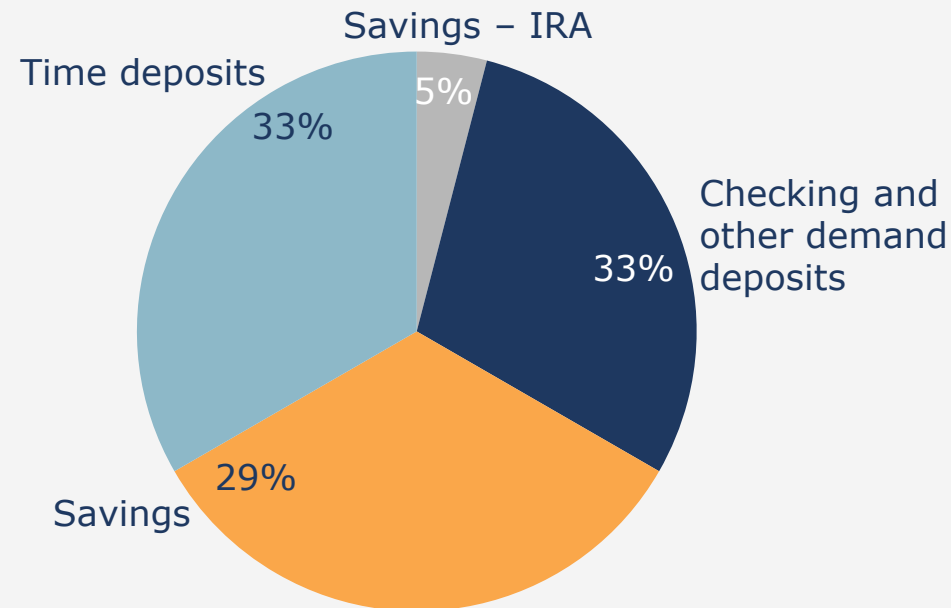
June 30, 2013

100% of Deposits = \$2.1 billion



December 31, 2018

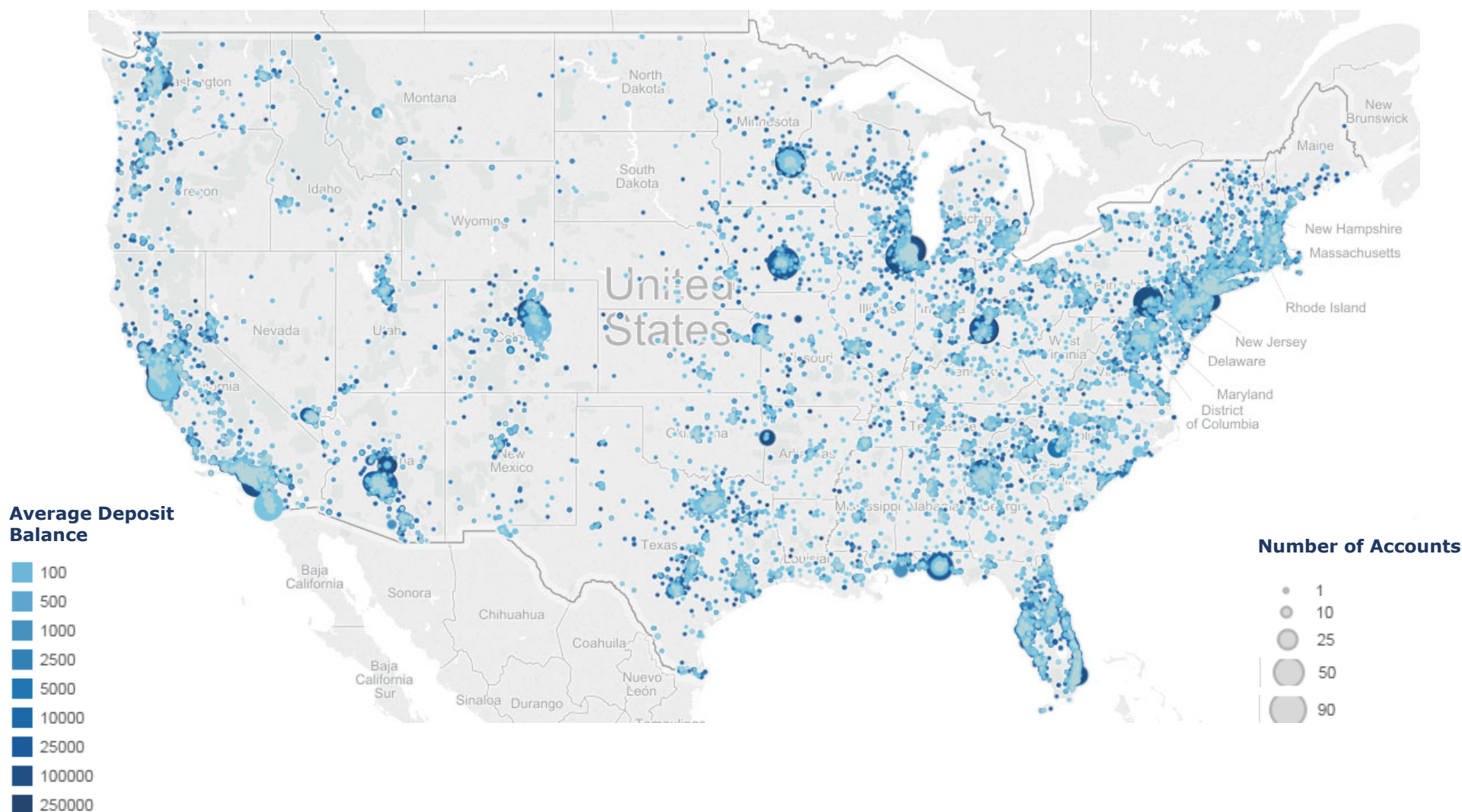
100% of Deposits = \$8.3 billion



Checking Growth (6/2013-12/2018) = 598%

Savings Growth (6/2013-12/2018) = 276%

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



Axos Deposits Have National Reach With Customers in Every State

Axos Customers are Highly Engaged

Customer Engagement Results

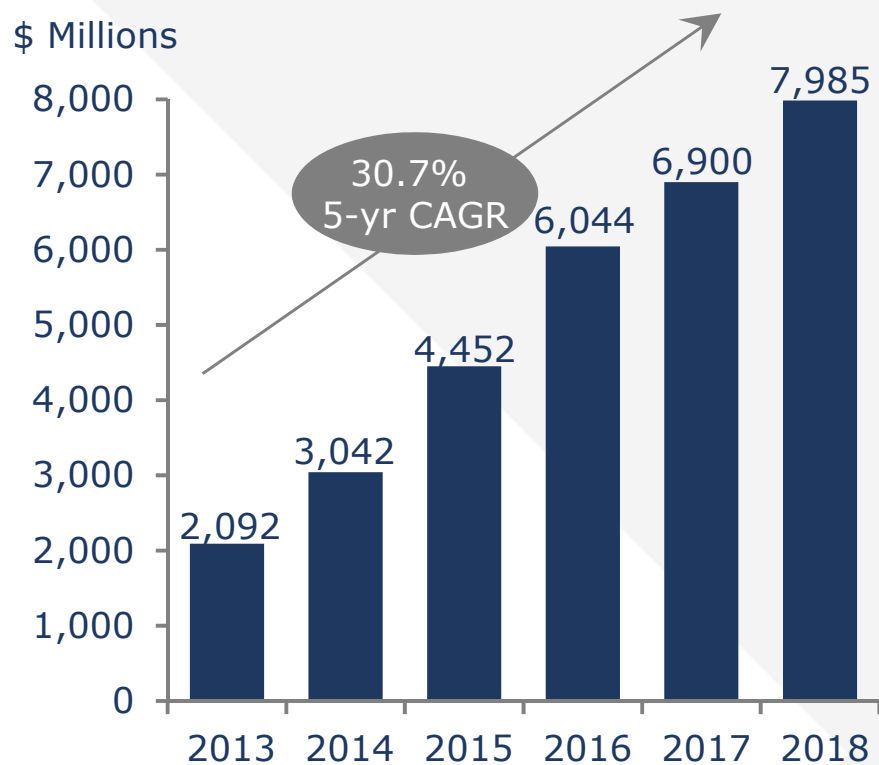
Engagement	Low Activity	High Activity		
Attributes	Low Activity User	Basic User	Engaged	Elite Engaged
Engagement Score (0-100)	0s	$0 < S < 30$	$30 \leq S < 60$	≥ 60
Average Lifetime Balance	\$100	\$4000	\$6,000	\$50,000
Average # of Services Used	-	< 5	7	10
Average # of POS	-	< 1	10	25
% of Total Population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



% CDs ¹	50%	26%	18%	17%	12%	25%
% Borrowings ²	25%	24%	15%	12%	9%	6%

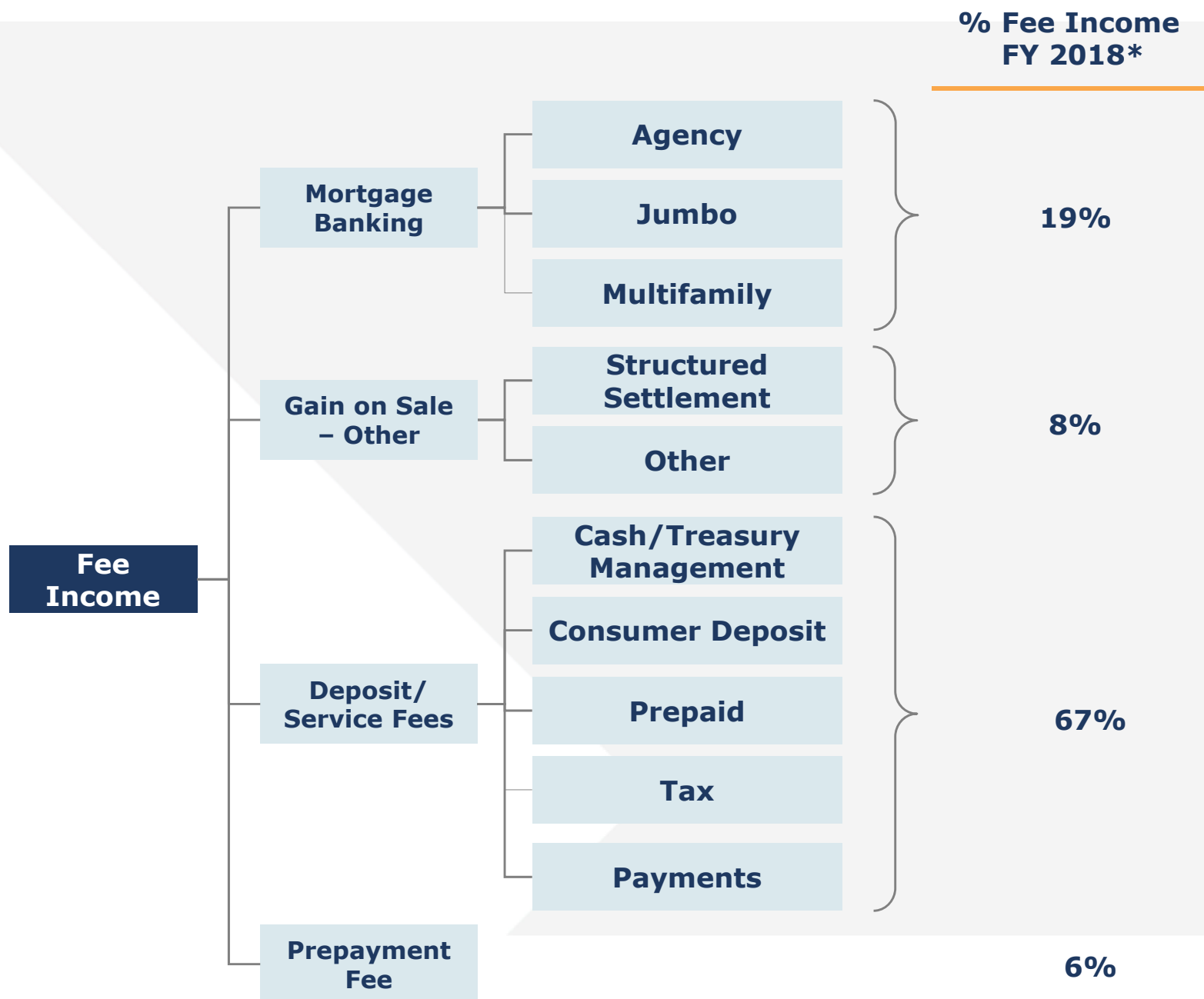
Future Plans

- > 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

¹ as a % of total deposits

² as a % of total liabilities

Diversified Fee / Non-Interest Income



*Excludes securities income.

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

	2013	2014	2015	2016	2017	2018	2019
New product	<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) Unsecured Consumer Lending 	<ul style="list-style-type: none"> Factoring Universal Digital Bank 	
Distribution/channel	<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 	<ul style="list-style-type: none"> Homebuilder mortgage group Nationwide partnership 	
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 		<ul style="list-style-type: none"> Epiq Trustee Services Nationwide deposits WiseBanyan acquisition COR Clearing 	<ul style="list-style-type: none"> MWABank

Key Goals of Universal Digital Bank

Personalization

- › Increase chance of offering right product at the right time and place
- › Personalization is the right antidote for too much choice, too much content, and not enough time

Self-Service

- › Eventual artificial intelligence tools assist sale of banking products such as deposits, loans, and mortgages
- › Products optimized by channel, recipient and journey
- › Self service saves time and cost (e.g., activate and de-activate debit-card in platform, send wires via self-service)

Facilitate Partnerships

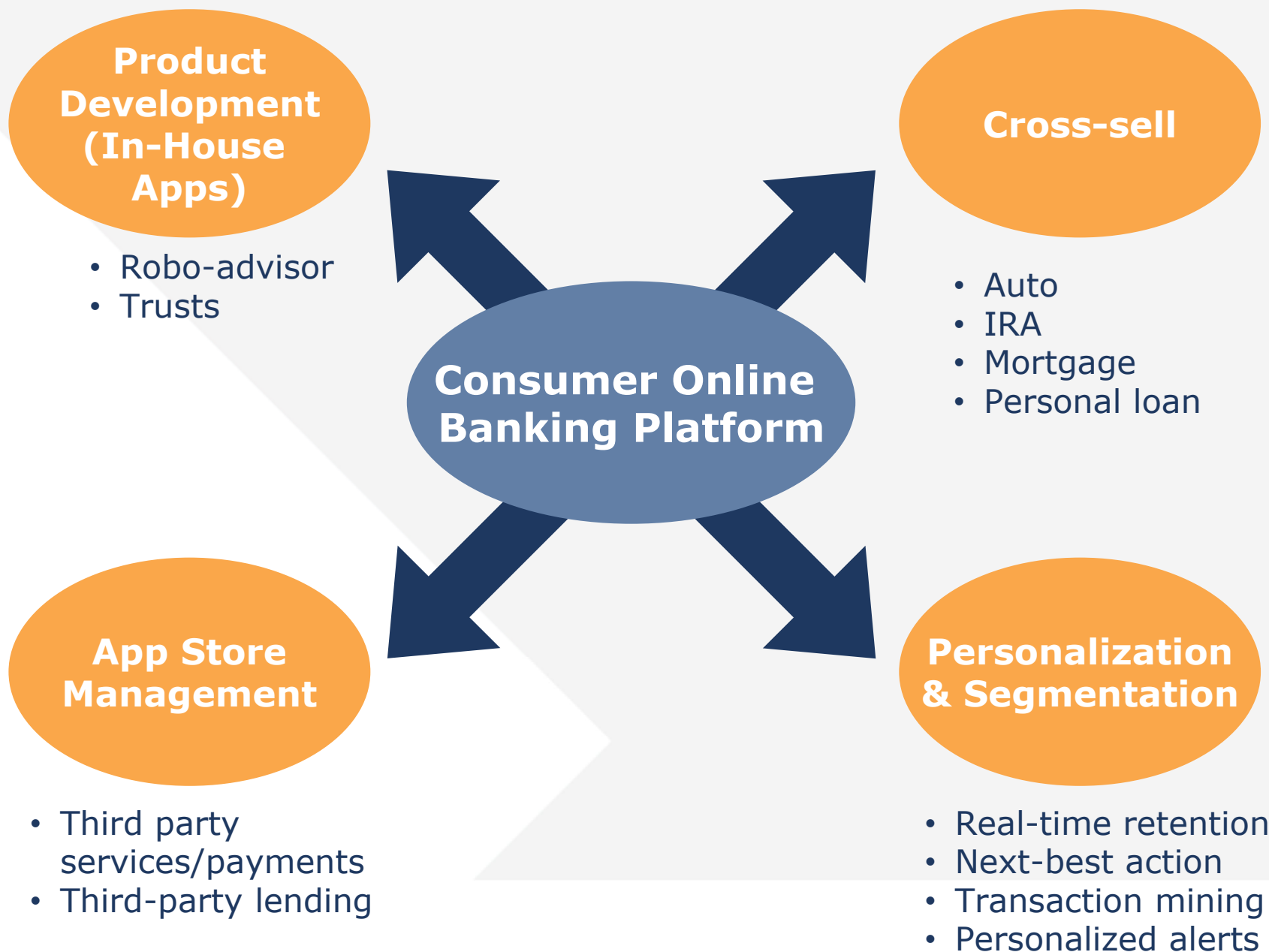
- › Easy integration of third-party features (e.g., biometrics)
- › Access to value added tools (e.g., robo-advisory, automated savings features) either proprietary or third party
- › Enable creative customer acquisition partners

Customizable Experience

- › Provide holistic and interactive and intuitive design experience
- › Integrate online experience with other channels

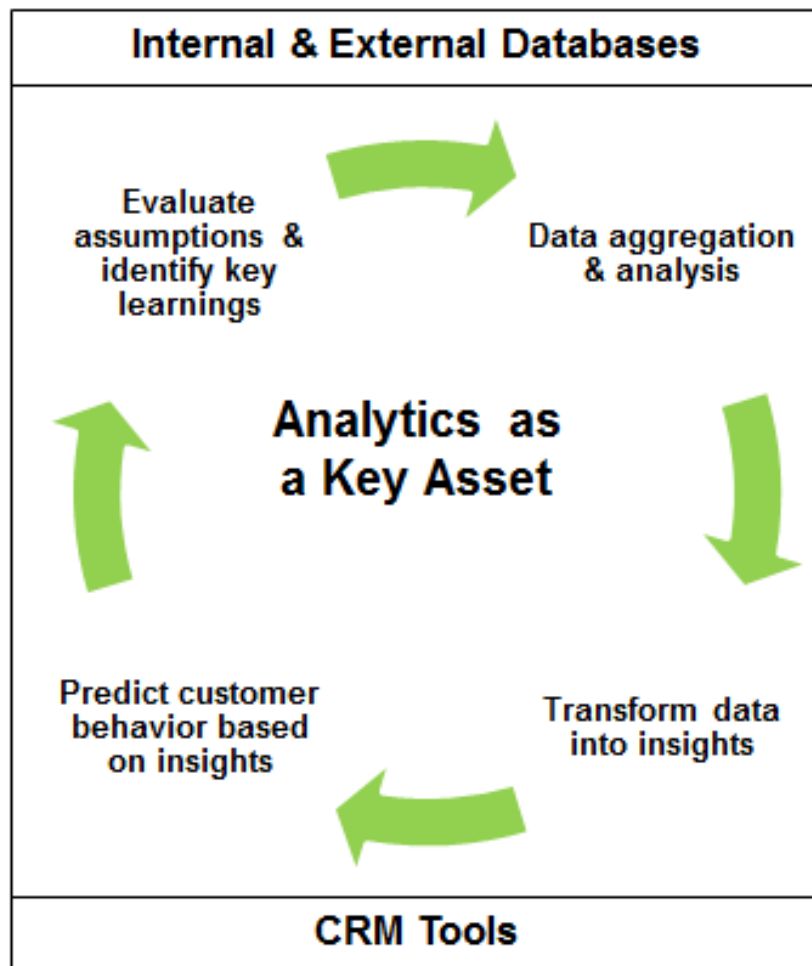
Cross-Sell

- › Artificial intelligence and big data credit models enable quick credit decisions
- › Customized product recommendations based upon analytical determination of need



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

Framework for Data Analysis



Key Learnings

Retention & Attrition Drivers to Boost Long-Term Customer Engagement



Customer Segmentation Methodology to Understand Usage & Behavior



Profitability Analysis at the Individual Customer Level



Streamlined Acquisition Process via Lookalike Modeling & Sales Efficiencies

We are Expanding our Strategic Partnership with H&R Block

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



Products for 2019 Tax Season

- › Refund Transfer
- › Emerald Advance Unsecured Loan
- › Emerald Prepaid Card
- › Refund Advance Interest-Free Loan
 - Axos is exclusive provider in 2019 tax season
 - Axos provides credit underwriting, loan origination, funding and loan servicing
 - Interest-free loan is repaid using borrower's tax refund proceeds
 - Axos' profits will depend on origination volume and actual credit losses

Omni Channel Approach for Axos' 2019 Digital Marketing Strategy

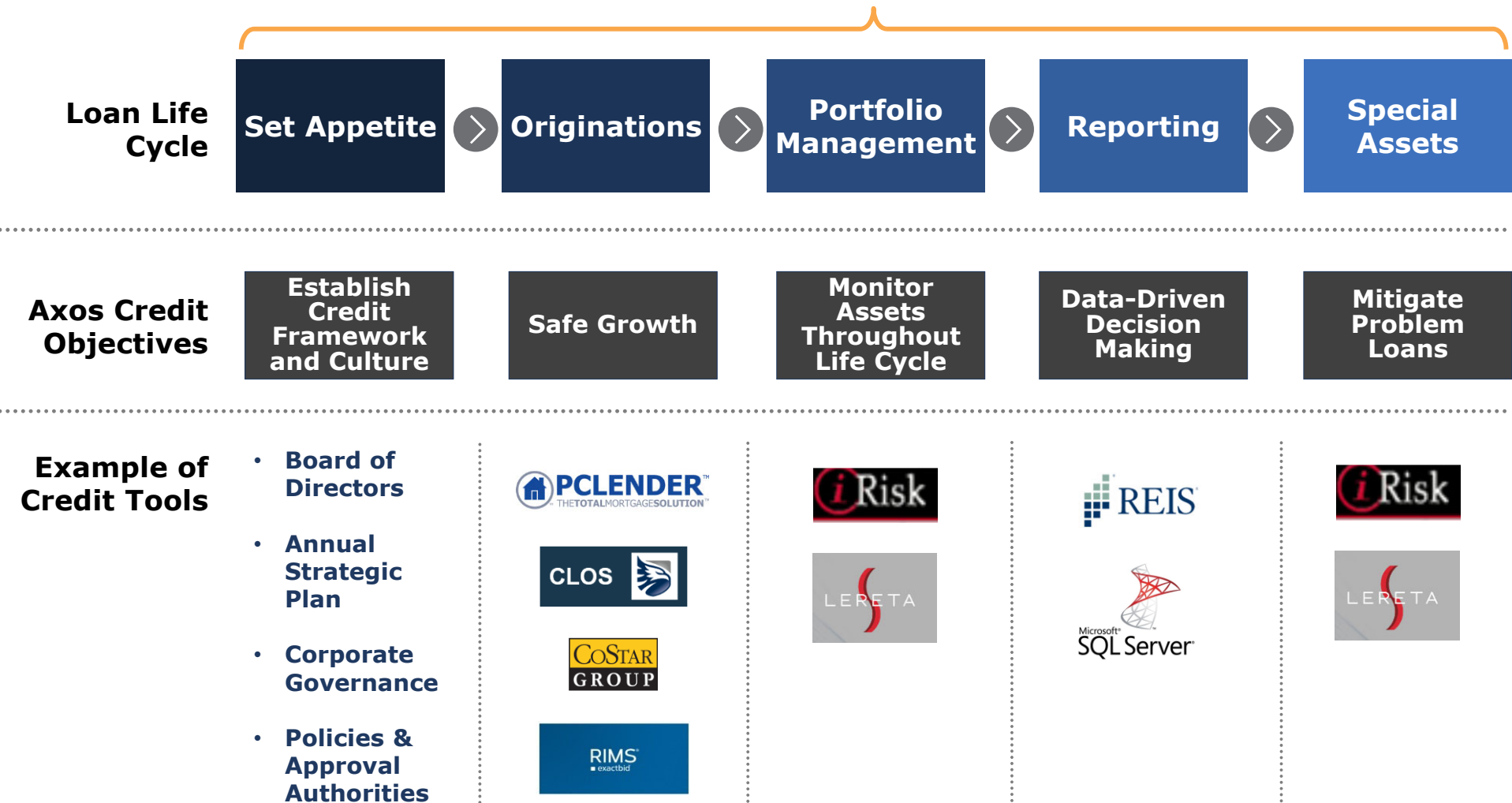


Holistic Credit Risk Management

What We Do

Utilize a holistic credit-risk management framework to manage and monitor credit quality at each stage of the loan life cycle, and leverage specialized Credit Tools to optimize monitoring and reporting capabilities

Credit Monitoring & Oversight



Monitoring & Management Oversight: Core Products

Single Family Residential

- › Portfolio level monitoring with individual loan reviews completed on an exception basis (e.g., 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

Commercial Specialty

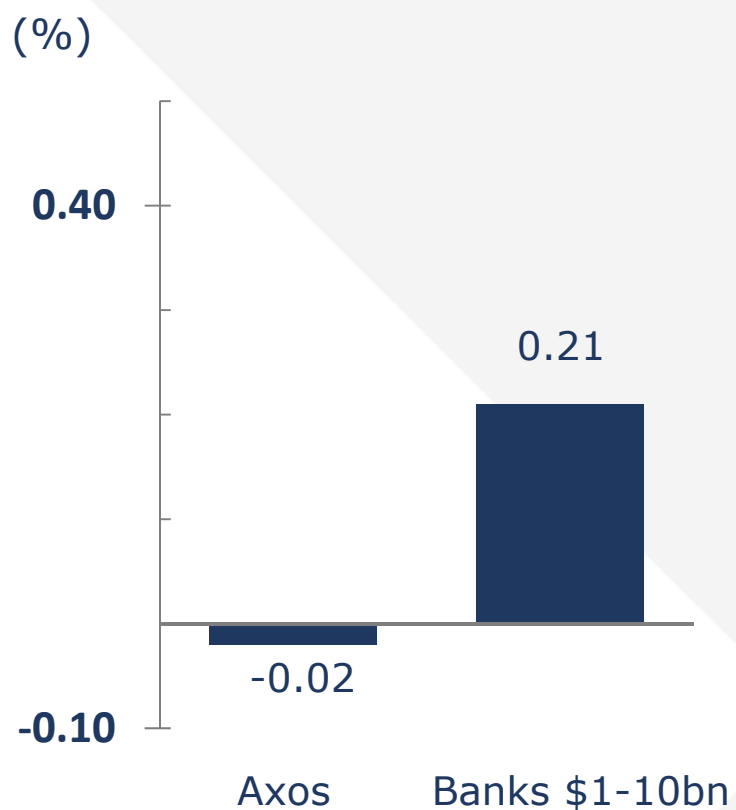
- › Loan reviews at least quarterly
- › Project updates at least quarterly
- › Updated financials at least annually
- › Site visits & inspections for development projects

C&I – Lender Finance

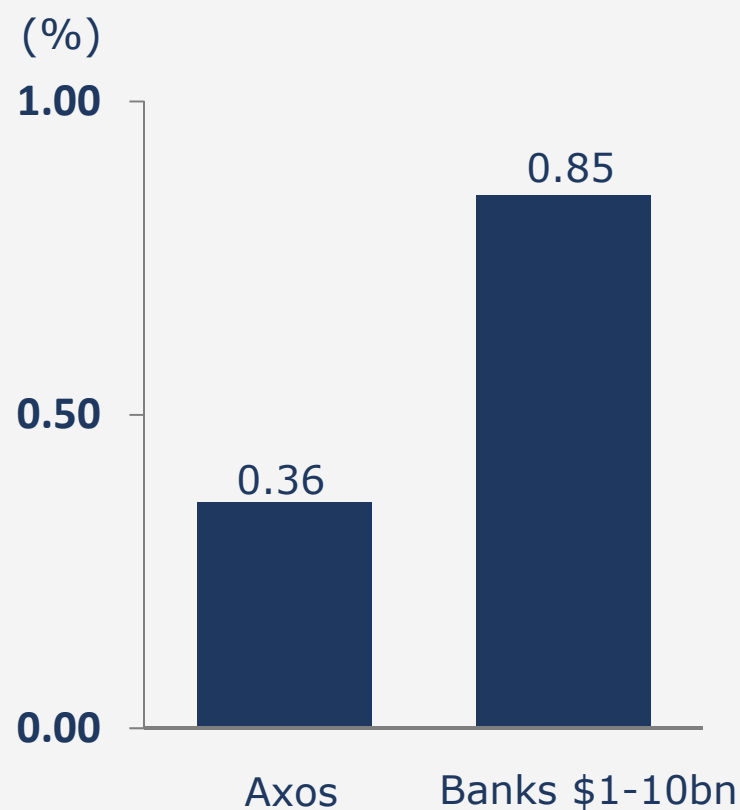
- › Loan reviews at least quarterly
- › Updated financials at least quarterly
- › Borrowing base / custodial reports at least monthly
- › Continuous collateral analytics, with quarterly validation

Best-in-Class Loan Quality

Total Net Charge-Offs Annualized¹



Loans in non-accrual to total loans¹



1. From FDIC SDI report at 9/30/2018. Total of 513 institutions included in the \$1-\$10 billion group. Data retrieved 01/29/2019.

Investment Summary



Full service online 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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