

BOFI HOLDING, INC.

Investor Presentation

January 2018

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, 2017. 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> | Bofl¹ (%) | Banks \$1-\$10bn² (%) |
|-----------------------------------|---------------------------------|---|
| Net interest income | 3.94 | 3.48 |
| Salaries and benefits | 0.83 | 1.49 |
| Premises and equipment | 0.15 | 0.32 |
| Other non-interest expense | 0.58 | 0.99 |
| Total non-interest expense | 1.56 | 2.80 |
| Core business margin | 2.38 | 0.68 |

1. For the three months ended 09/30/17 – the most recent data on FDIC website “Statistics on Depository Institutions Report”
Bofl Federal Bank only, excludes Bofl Holding, Inc. to compare to FDIC data

2. Commercial banks by asset size. FDIC reported for three months ended 09/30/17. Total of 511 institutions \$1-\$10 billion

Bofi's Business Model Is Differentiated From Other Banks



- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • Digital Marketing • Affinity and Distribution Partners • Data mining/target feeding direct marketing • Cross-sell | <ul style="list-style-type: none"> • Automated fulfillment • Inbound call center sales • Outbound call center sales • Minimal outside sales • Significant inside sales | <ul style="list-style-type: none"> • Self-service • Digital journey • Direct banker (call center) | <ul style="list-style-type: none"> • Balance sheet • Whole loan sales options • Securitization |
|--|---|--|---|

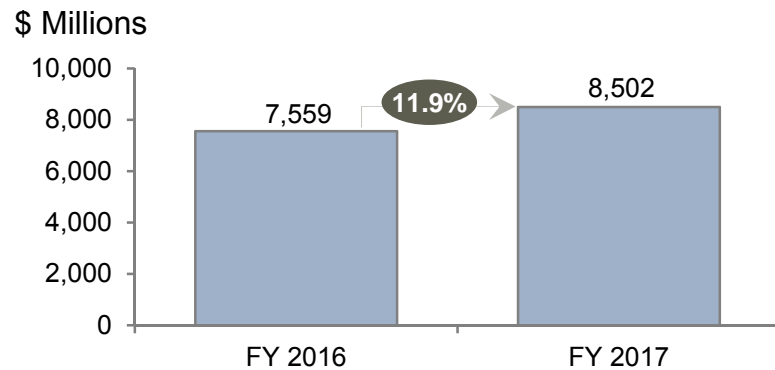
Core Digital Capabilities



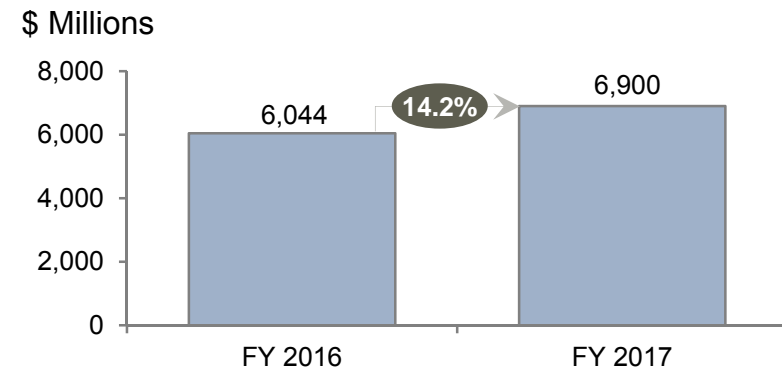
Fiscal 2017 Highlights Compared with Fiscal 2016



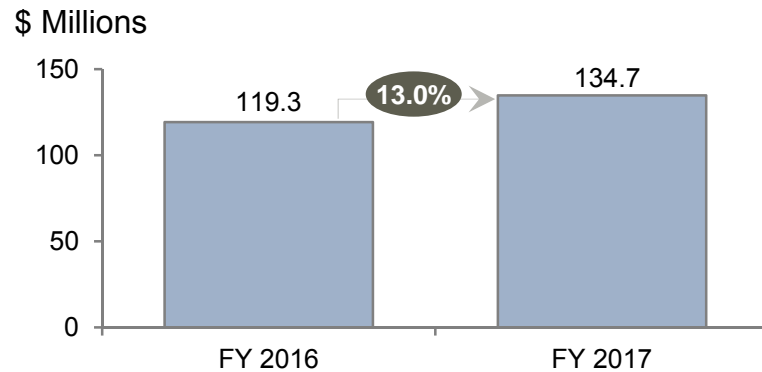
Asset Growth



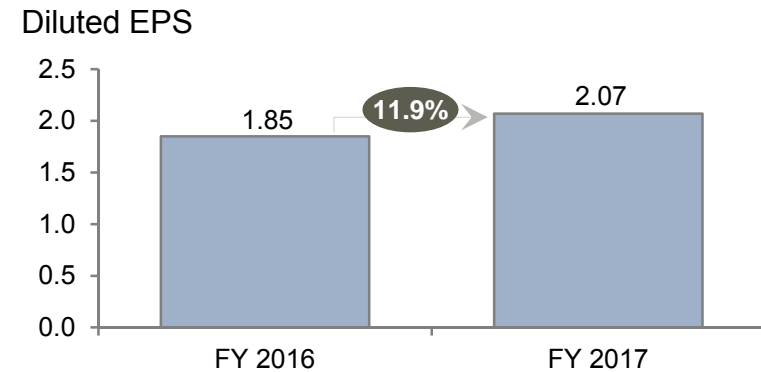
Deposit Growth



Net Income



Diluted EPS



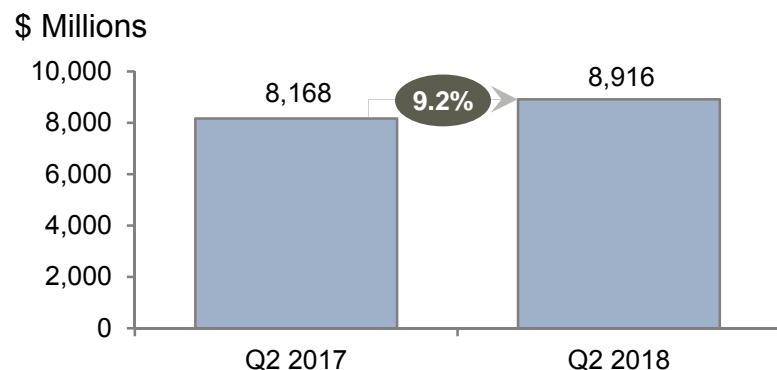
Return on Equity = 17.78%

Return on Assets = 1.68%

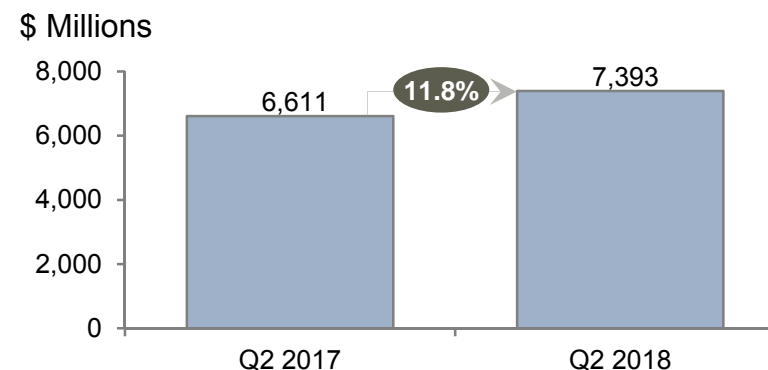
Fiscal 2018 Second Quarter Highlights Compared with Fiscal 2017 Second Quarter



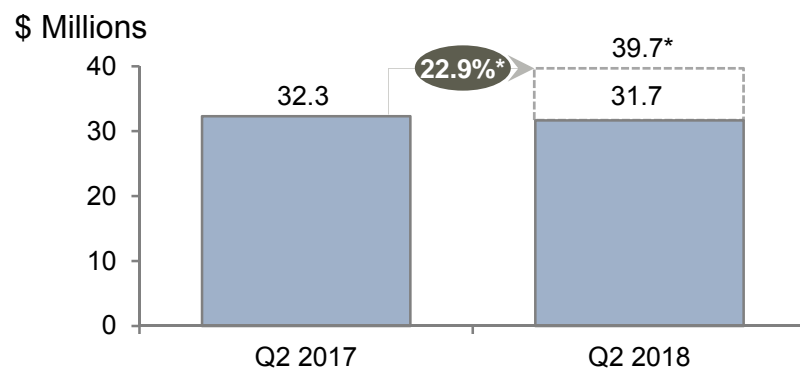
Asset Growth



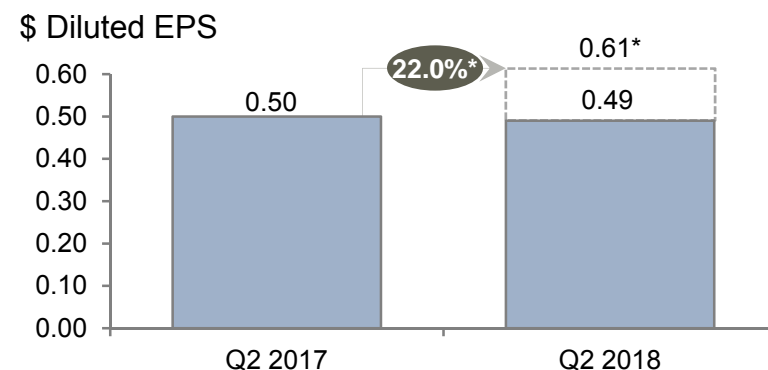
Deposit Growth



Net Income



Diluted EPS



Non-GAAP Return on Equity = 18.54%*

Non-GAAP Return on Assets = 1.87%*

GAAP Return on Equity = 14.37%

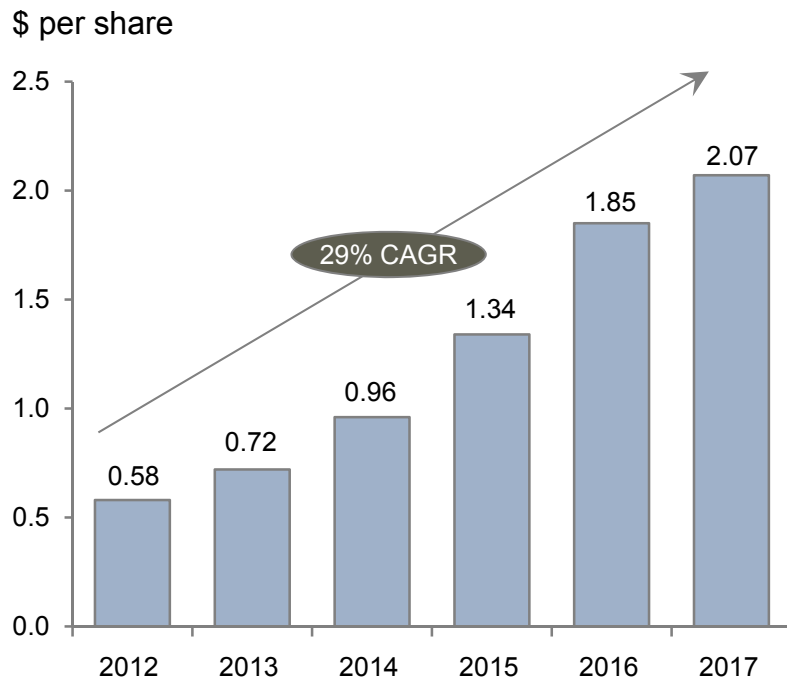
GAAP Return on Assets = 1.49%

* Non-GAAP – adjusted for one-time deferred tax asset valuation charge of \$8.0 million. Non-GAAP return on equity and non-GAAP return on assets additionally consider a full quarter's weighting impact of our share repurchases completed during the quarter ended December 31, 2017.

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

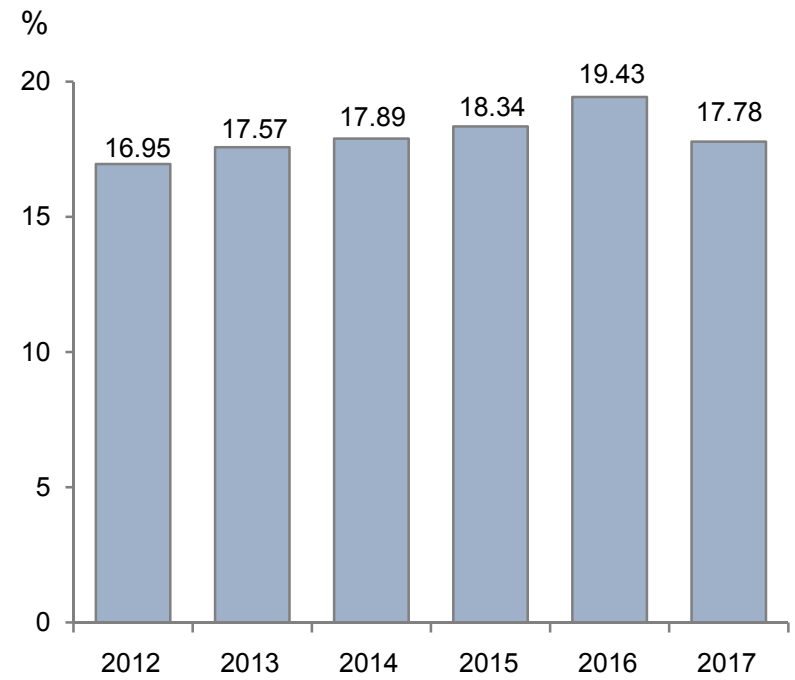


Diluted EPS (FY)



| Book value per share | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|--------|--------|--------|--------|---------|---------|
| | \$3.95 | \$4.79 | \$6.33 | \$8.51 | \$10.73 | \$13.05 |

Return On Average Equity (FY)



| Tier 1 leverage ratio | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|------|------|------|------|------|------|
| | 8.6% | 8.6% | 8.7% | 9.3% | 8.8% | 9.6% |

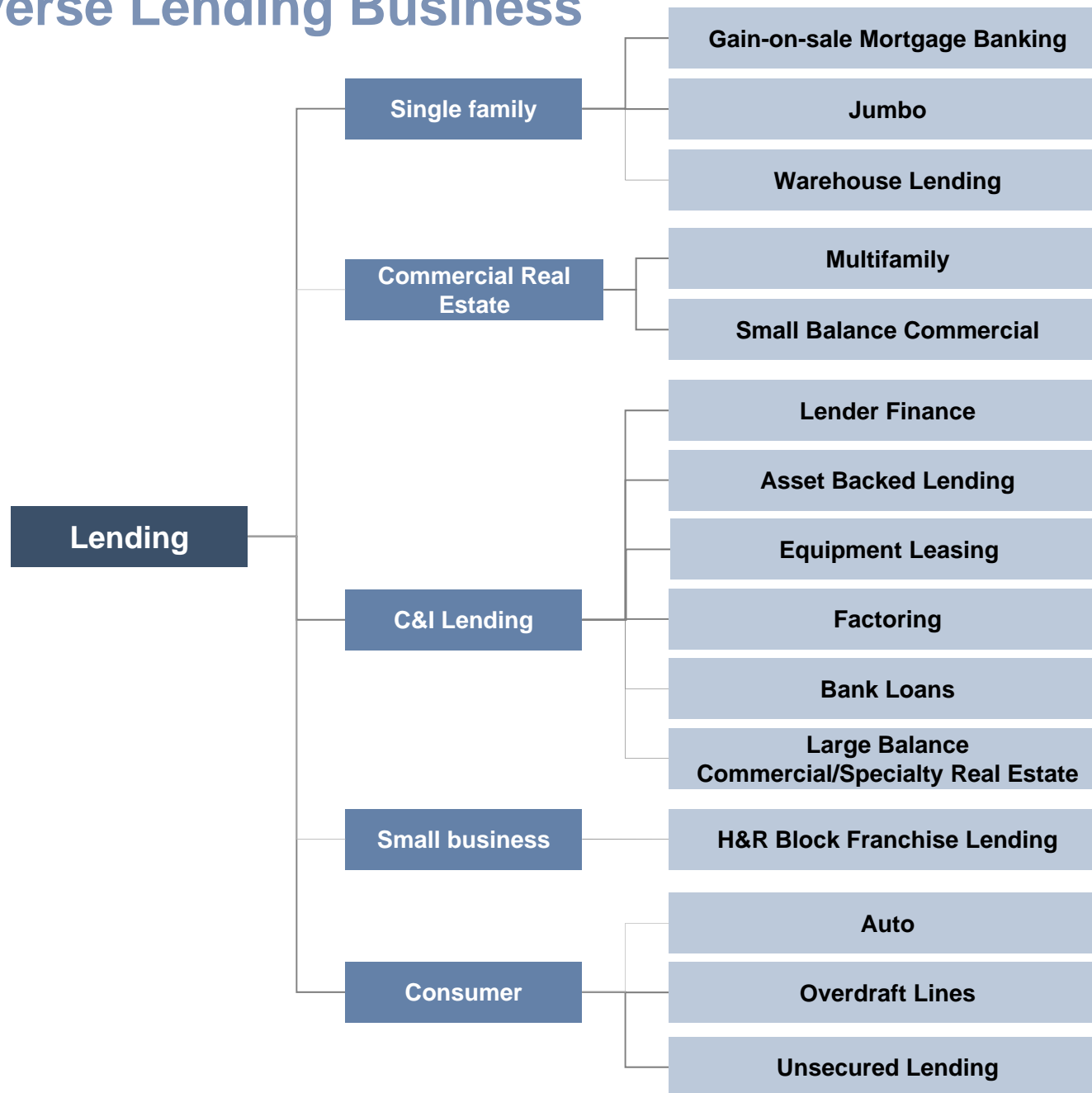
Bofl is a Top Quartile Performer Versus Bank Peer Group

The 93% on ROE means that the Bank outperformed 93% of all banks. The 19% G&A ranking means that only 19% of banks spend less on G&A than Bofl. Peer group includes savings banks greater than \$1 billion.

| | Bofl Federal Bank | Peer Group | Percentile |
|------------------|--------------------------|-------------------|-------------------|
| ROAA | 1.82% | 0.93% | 90% |
| Return on equity | 19.52% | 8.49% | 93% |
| G&A | 1.51% | 2.60% | 19% |
| Efficiency ratio | 31.95% | 63.09% | 5% |

Source: Uniform Bank Performance Report (UBPR) as of 9/30/2017
 Note: Peer group is all savings banks with assets greater than \$1 billion for quarter ended 9/30/17

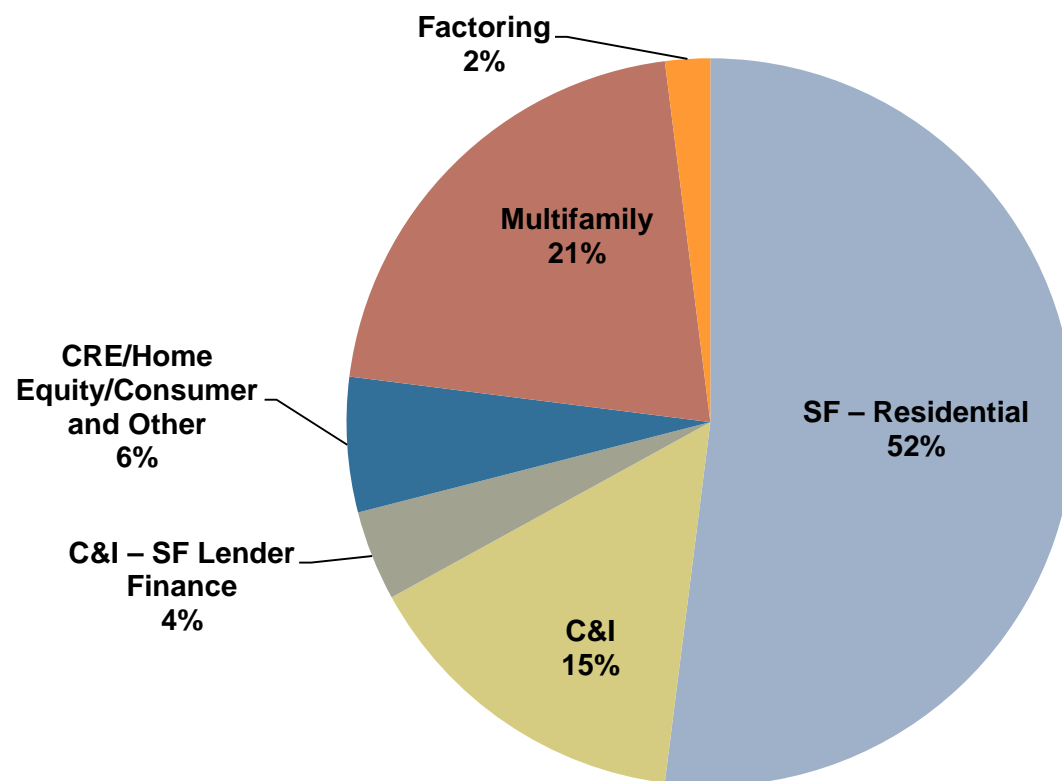
Diverse Lending Business



Loan Diversity – December 31, 2017

Loan Portfolio¹

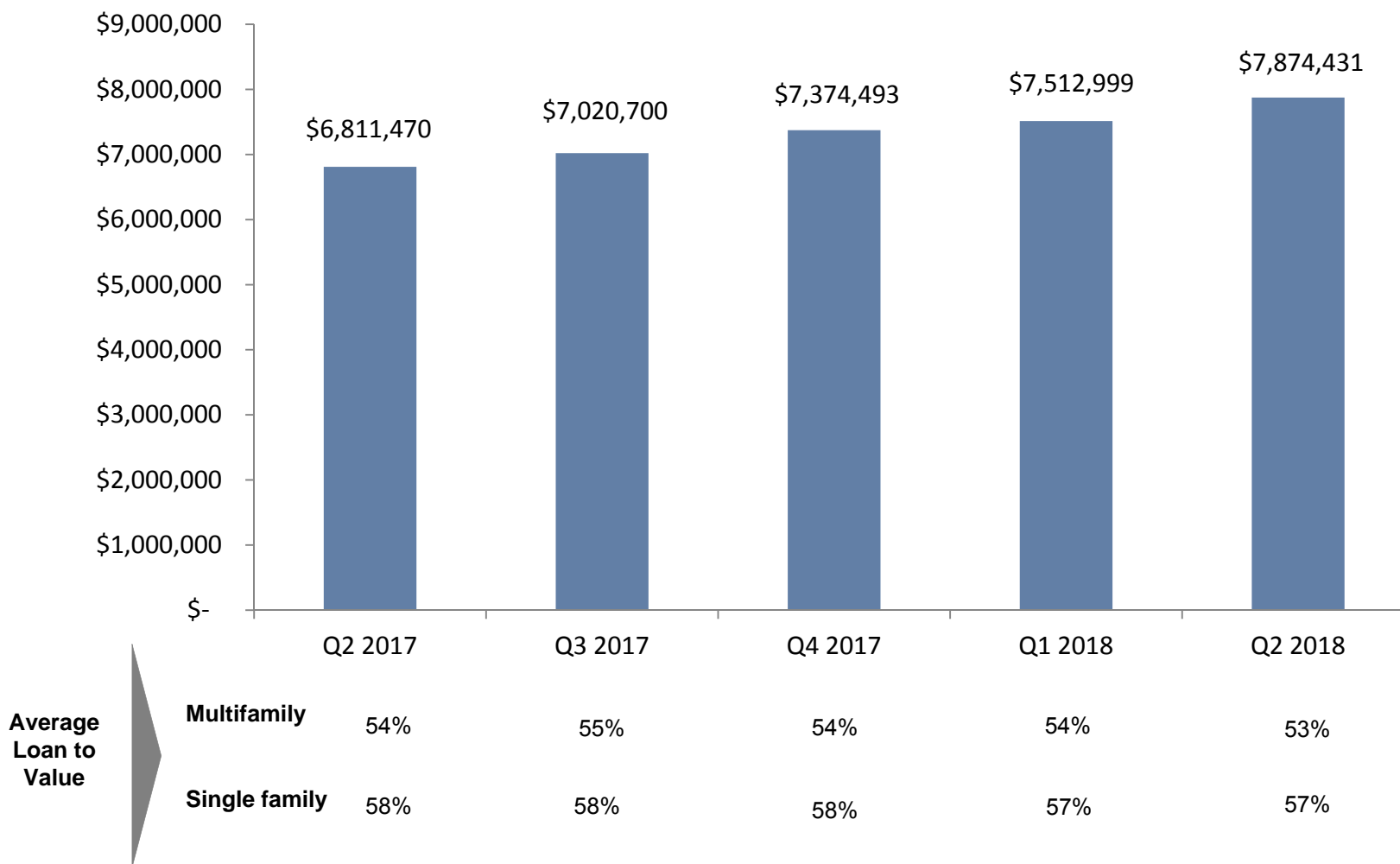
100% = \$7,969 Million



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

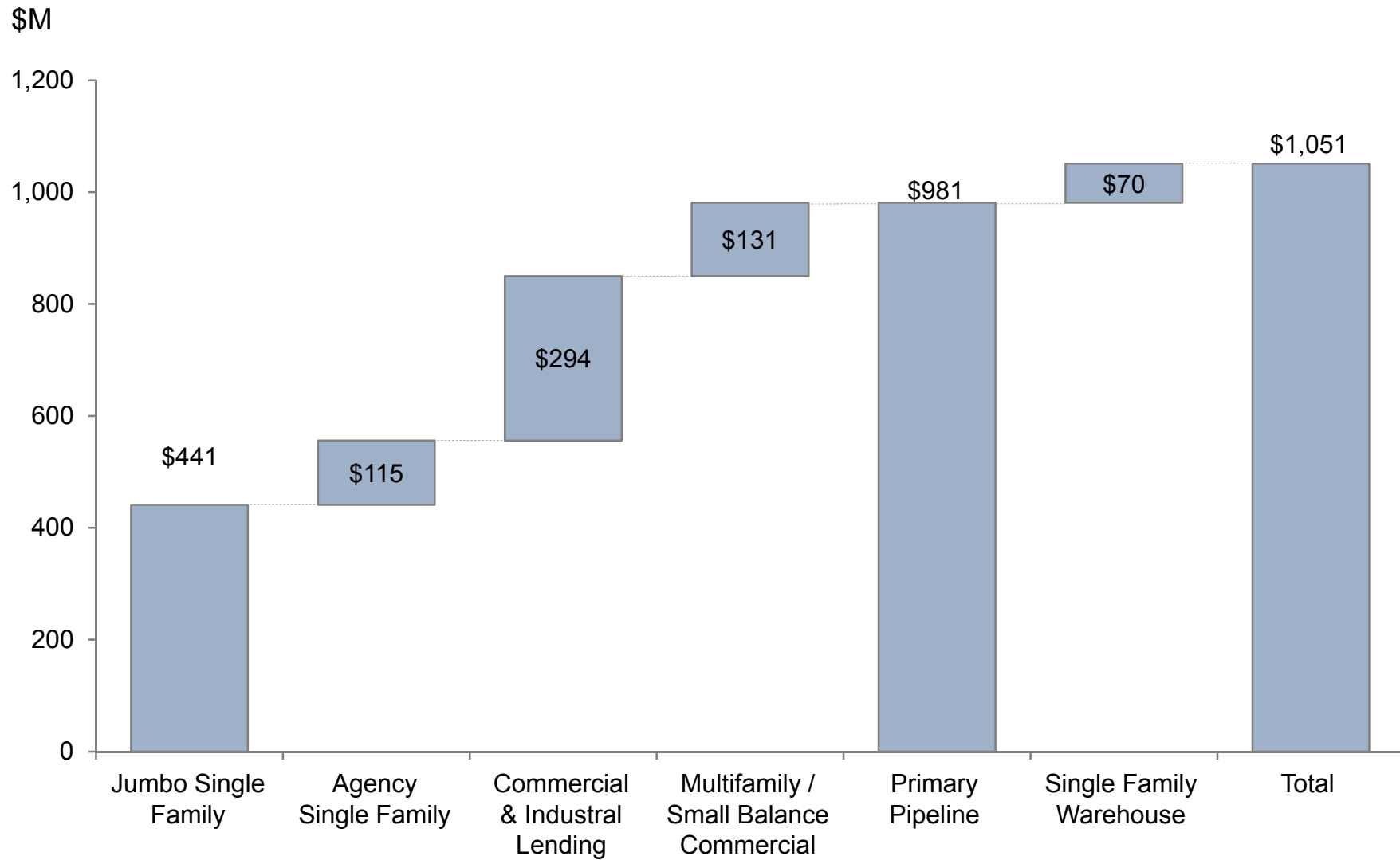
Our Asset Growth has been Driven by Strong and Profitable Organic Loan Production

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



Loan Pipeline Remains Strong

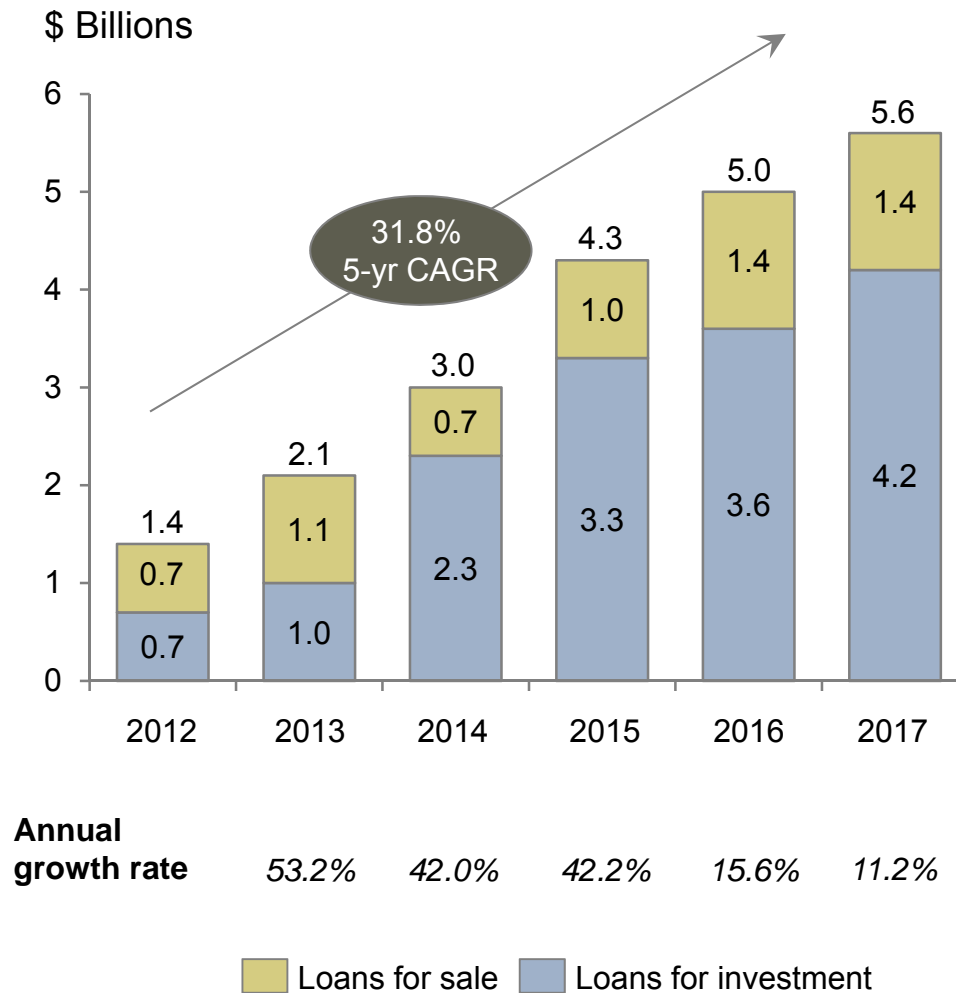
FY 2018 Q2



Loan Origination Growth



Fiscal Year Loan Originations



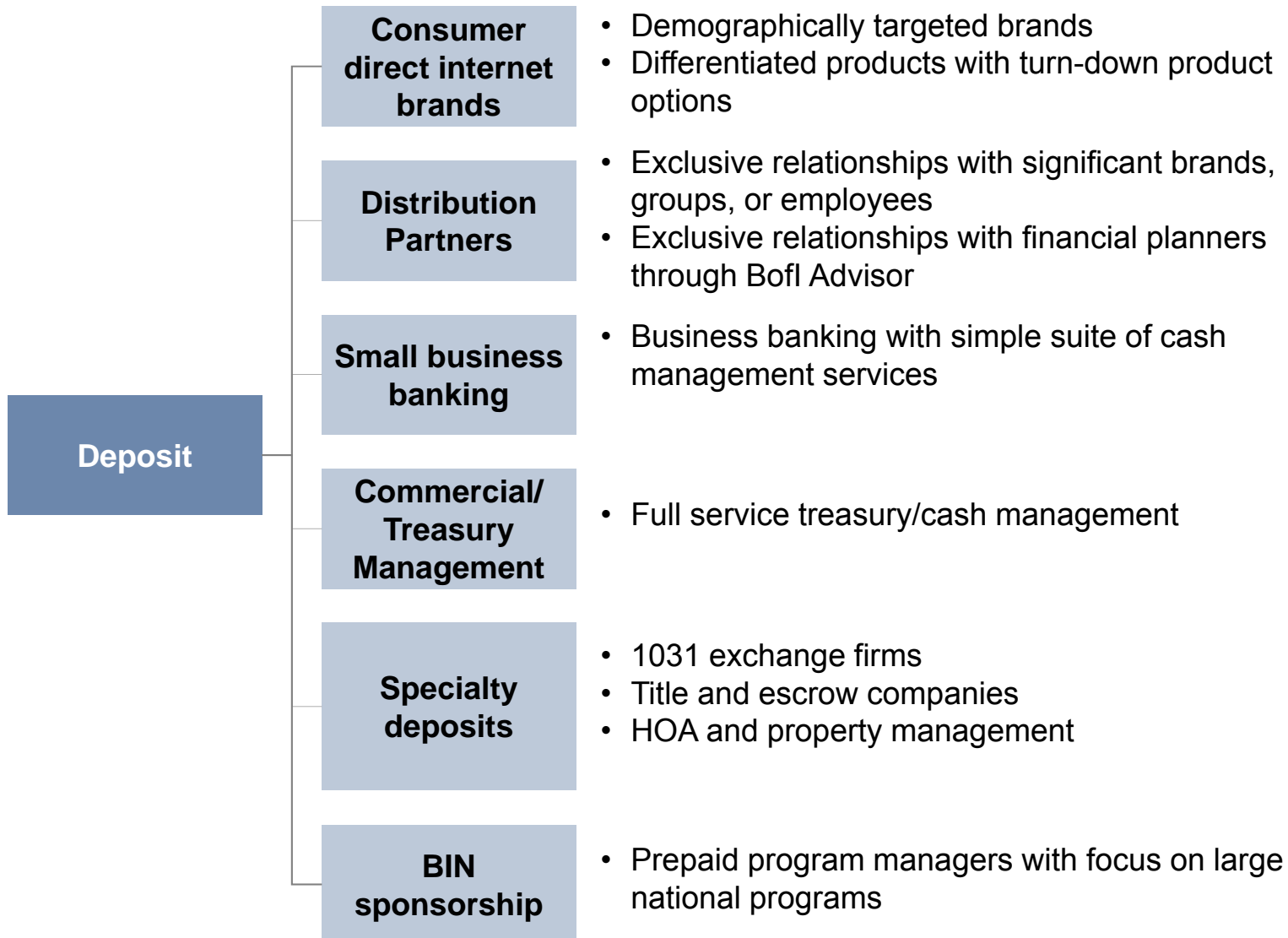
Future Plans

- 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

Diversified Branchless Deposit Businesses



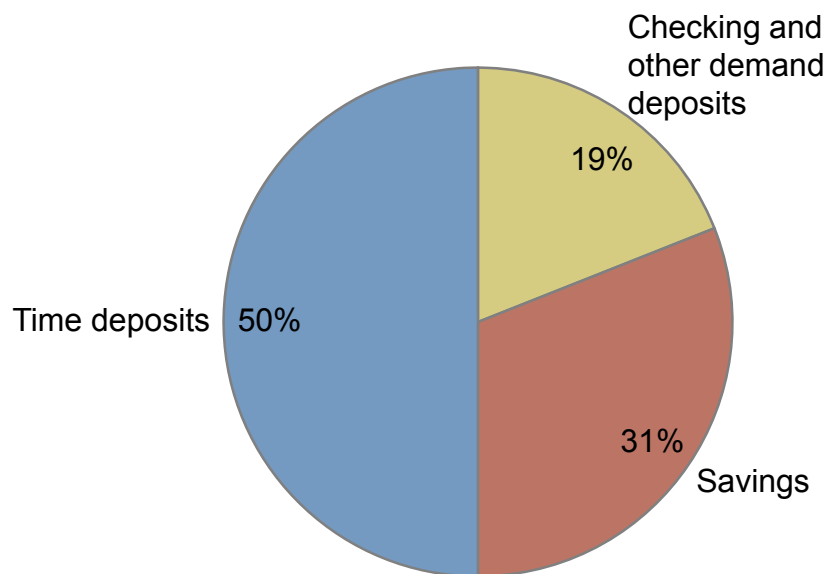
Key Elements



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

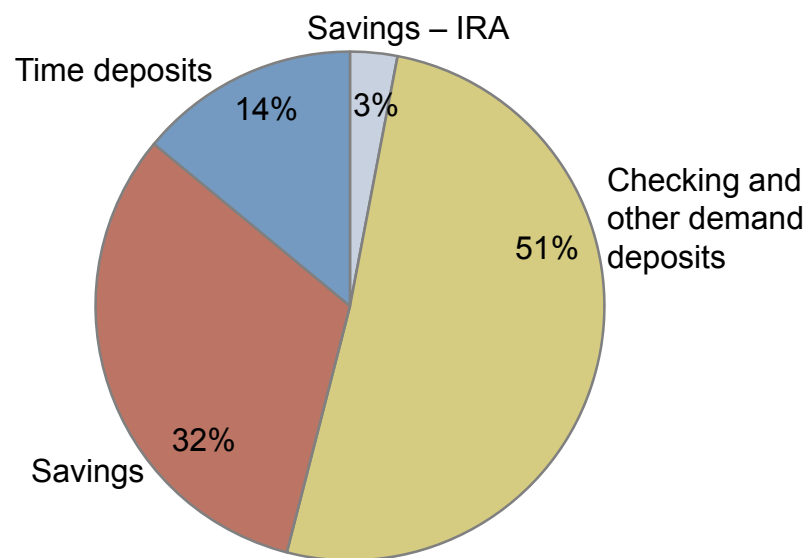
June 30, 2013

100% of Deposits = \$2.1 billion



December 31, 2017

100% of Deposits = \$7.4 billion



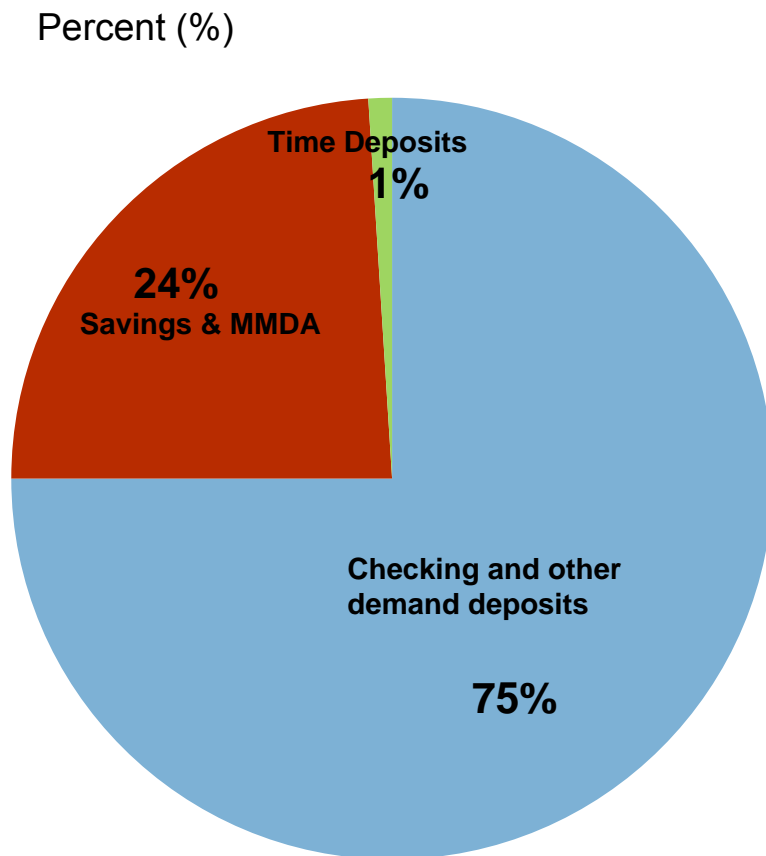
Checking Growth (6/2013-12/2017) = 854%

Savings Growth (6/2013-12/2017) = 267%

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

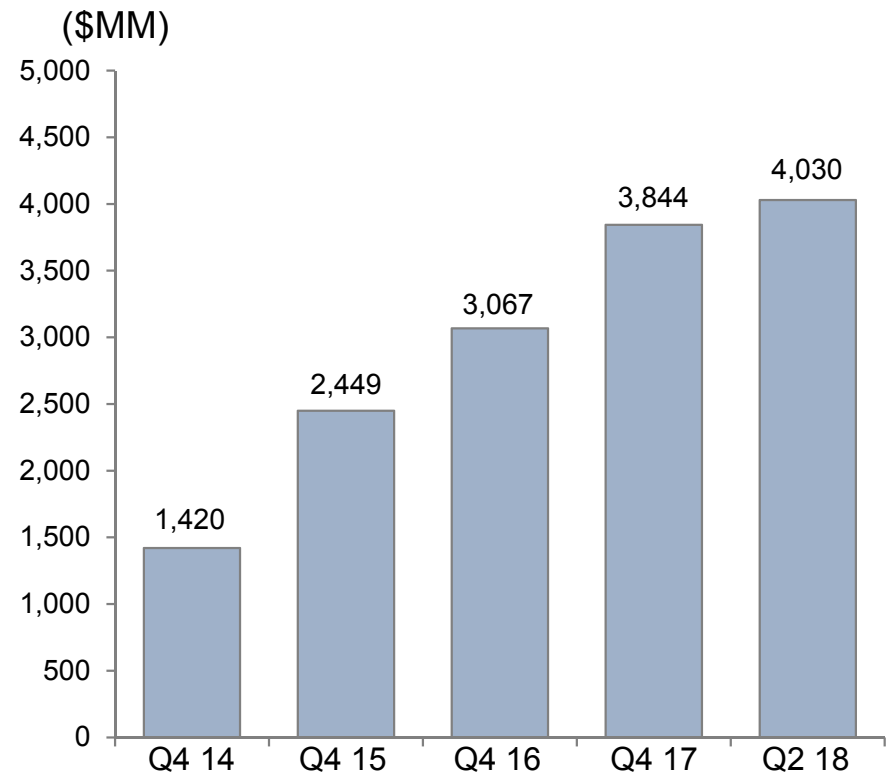


Business Deposits by Account Type*

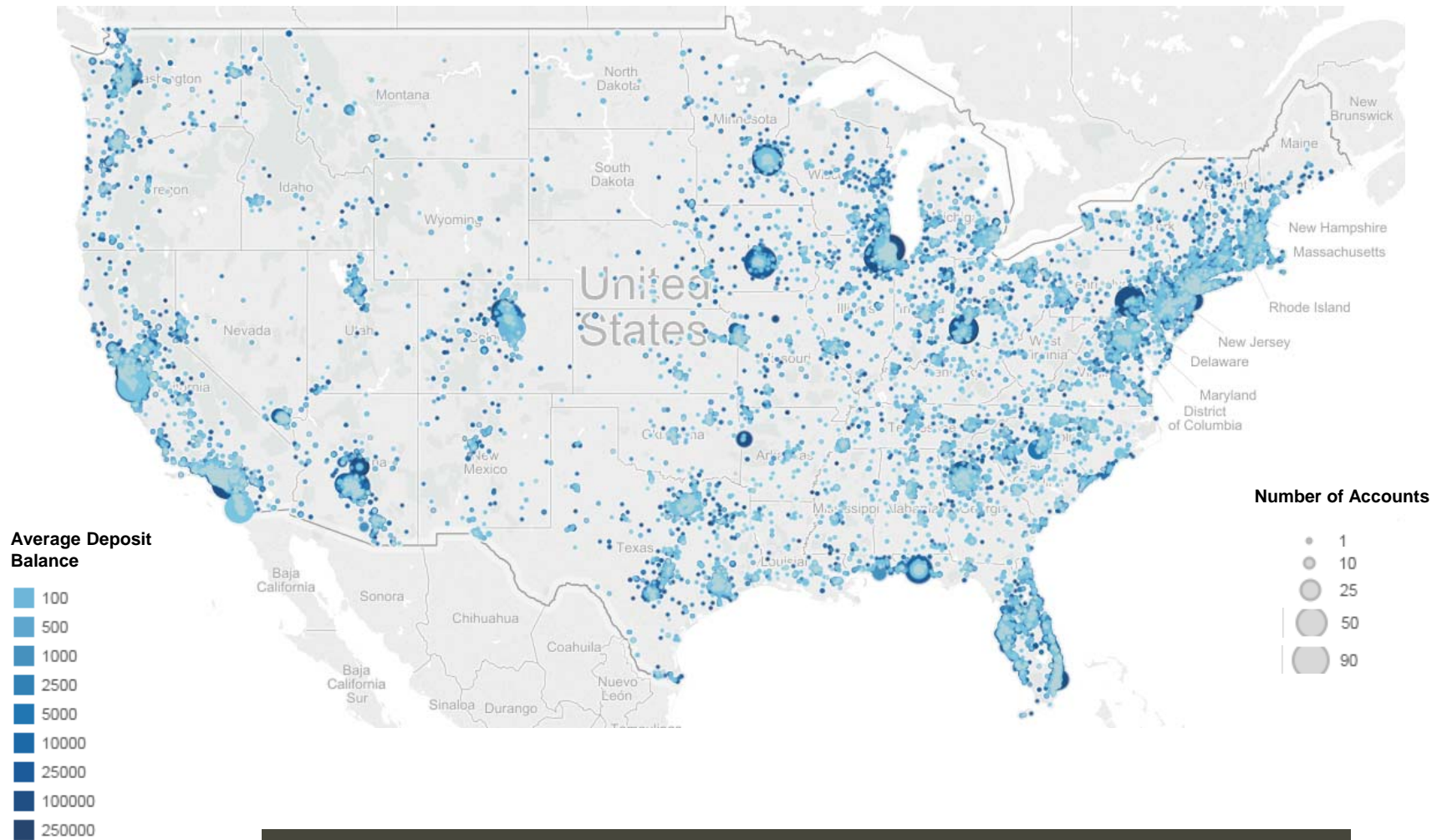


* As of quarter end 12/31/17

Business Banking Deposits



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

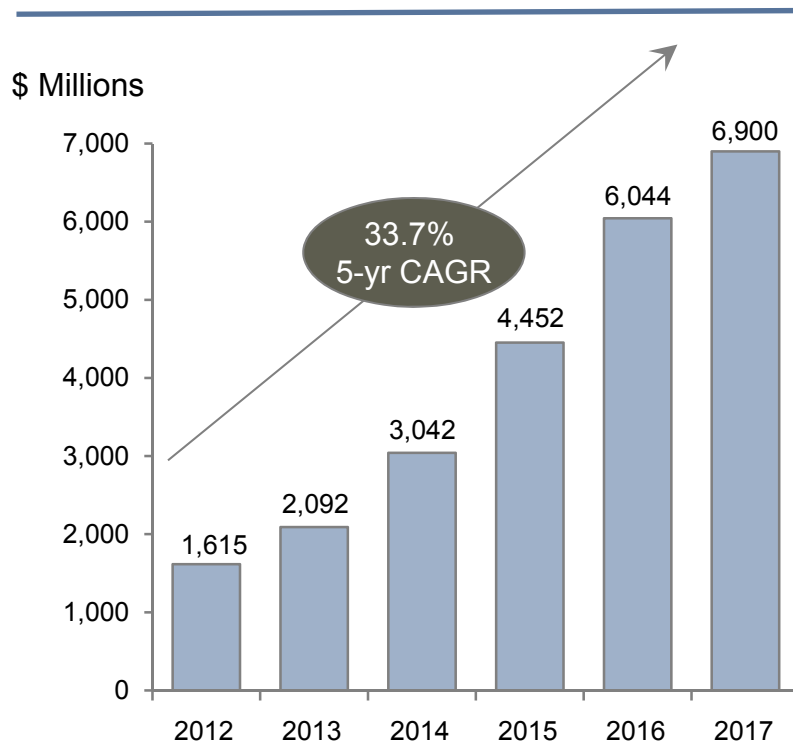
| Engagement | Low Activity | High Activity | | |
|----------------------------|-------------------|---------------|------------------|---------------|
| Attributes | Low Activity User | Basic User | Engaged | Elite Engaged |
| Engagement Score (0-100) | 0s | $0 < S < 30$ | $30 \leq S < 60$ | ≥ 60 |
| 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



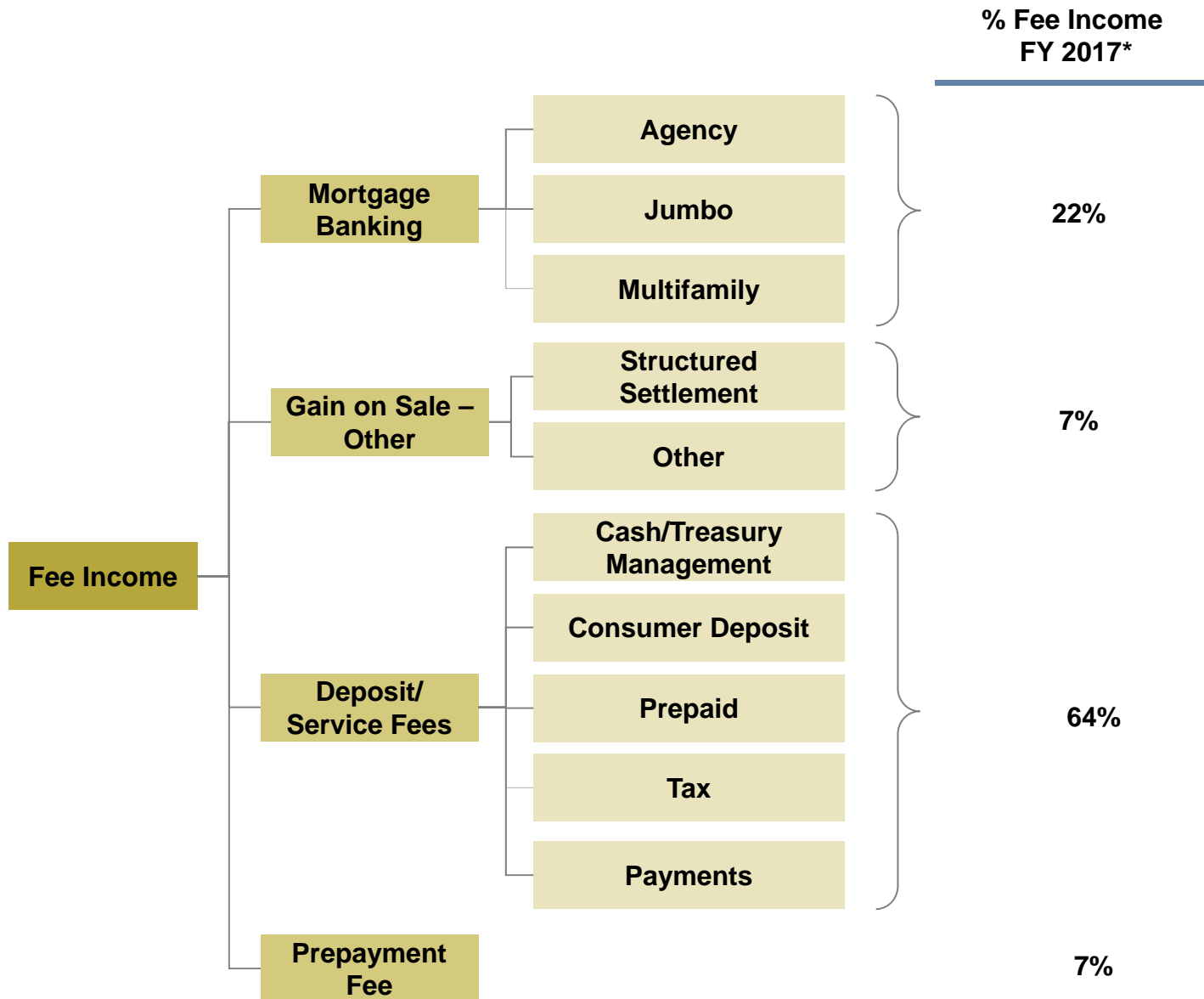
Future Plans

- 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 | 57% | 50% | 26% | 18% | 17% | 12% |
| % Borrowings² | 25% | 25% | 24% | 15% | 12% | 9% |

¹ as a % of total deposits
² as a % of total liabilities

Diversified Fee / Non-Interest Income



* Excludes securities income

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) Unsecured Consumer Lending |
| 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 | |

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

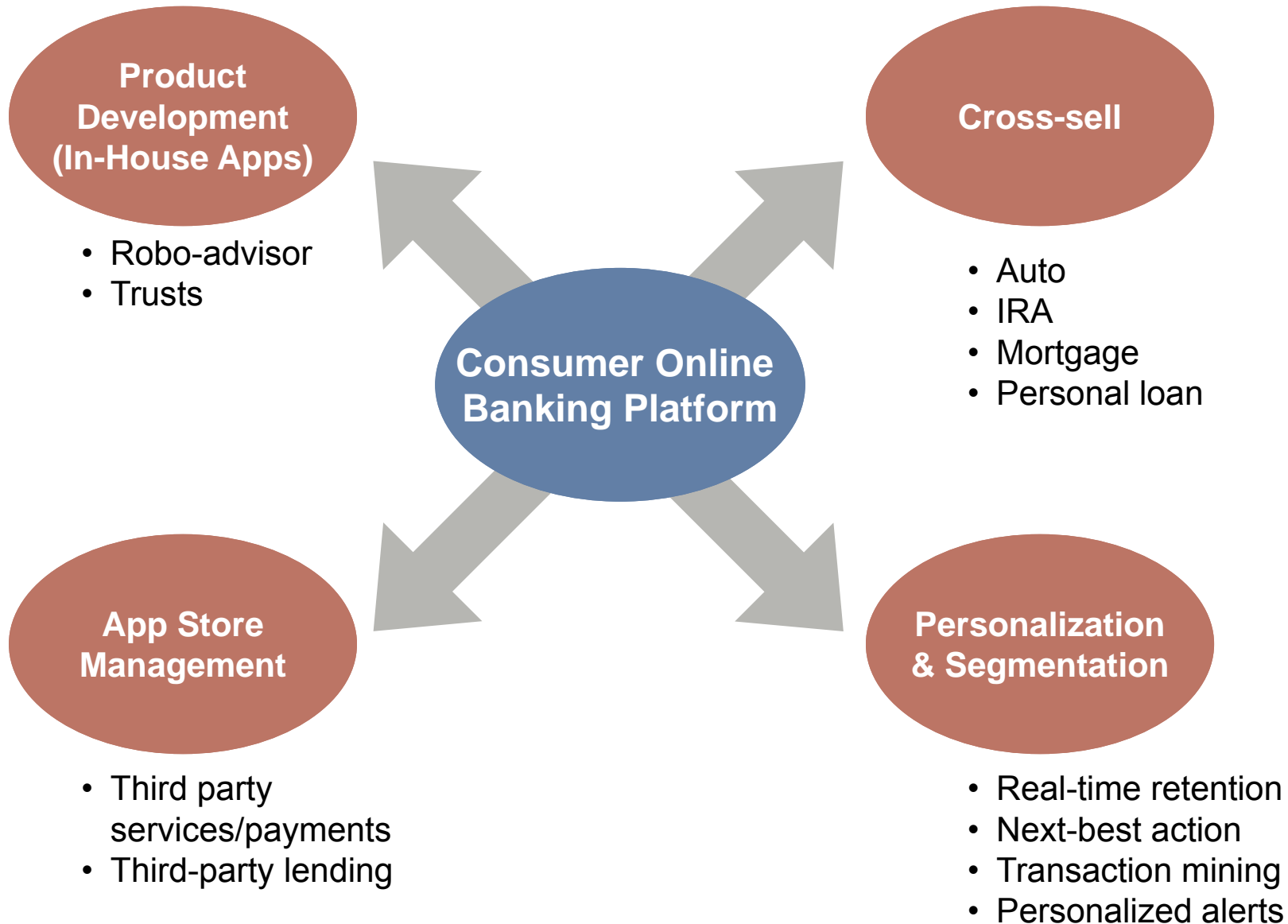
Customizable Experience

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

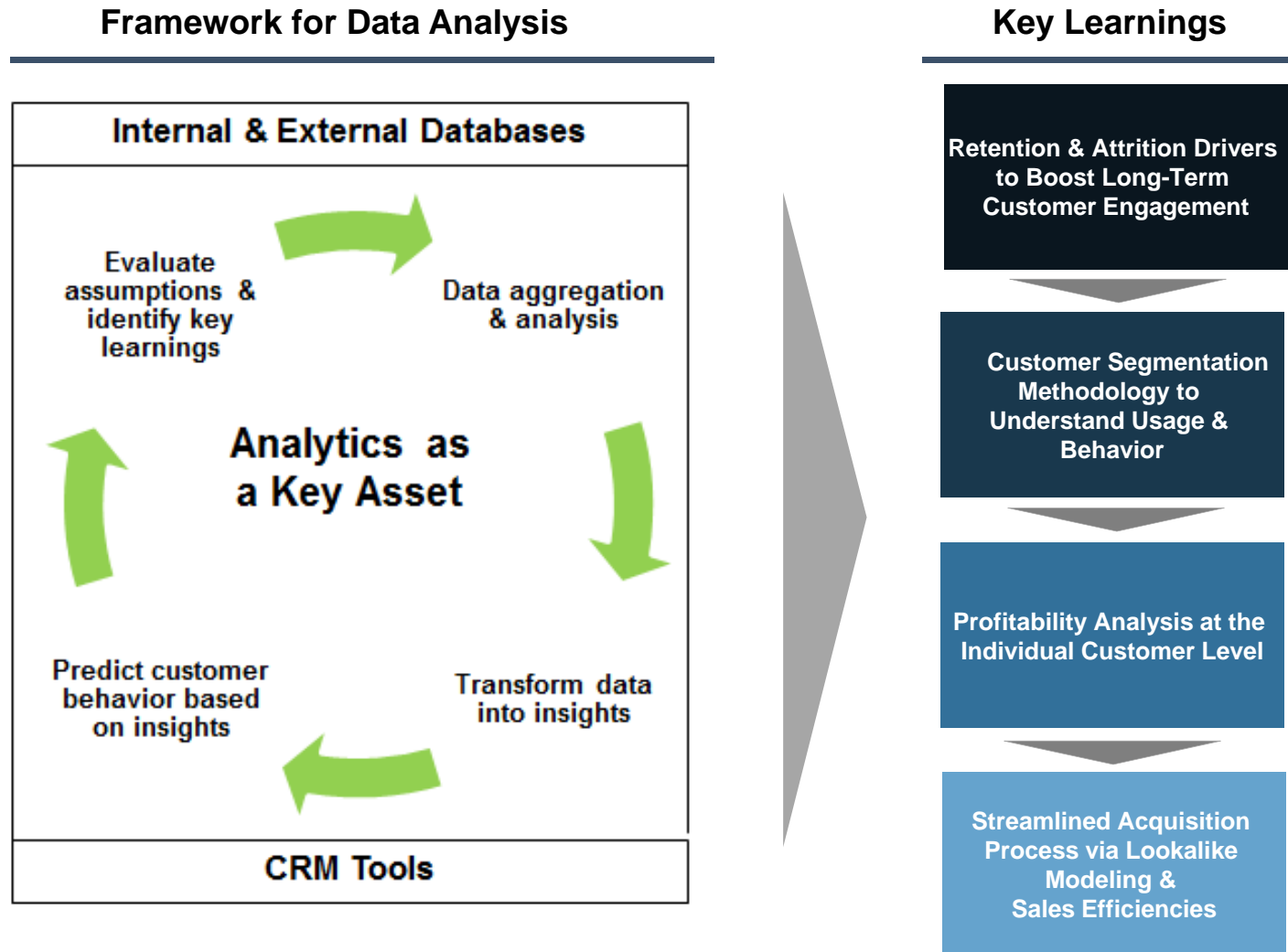
Cross-Sell

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

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 Expanding our Strategic Partnership with H&R Block



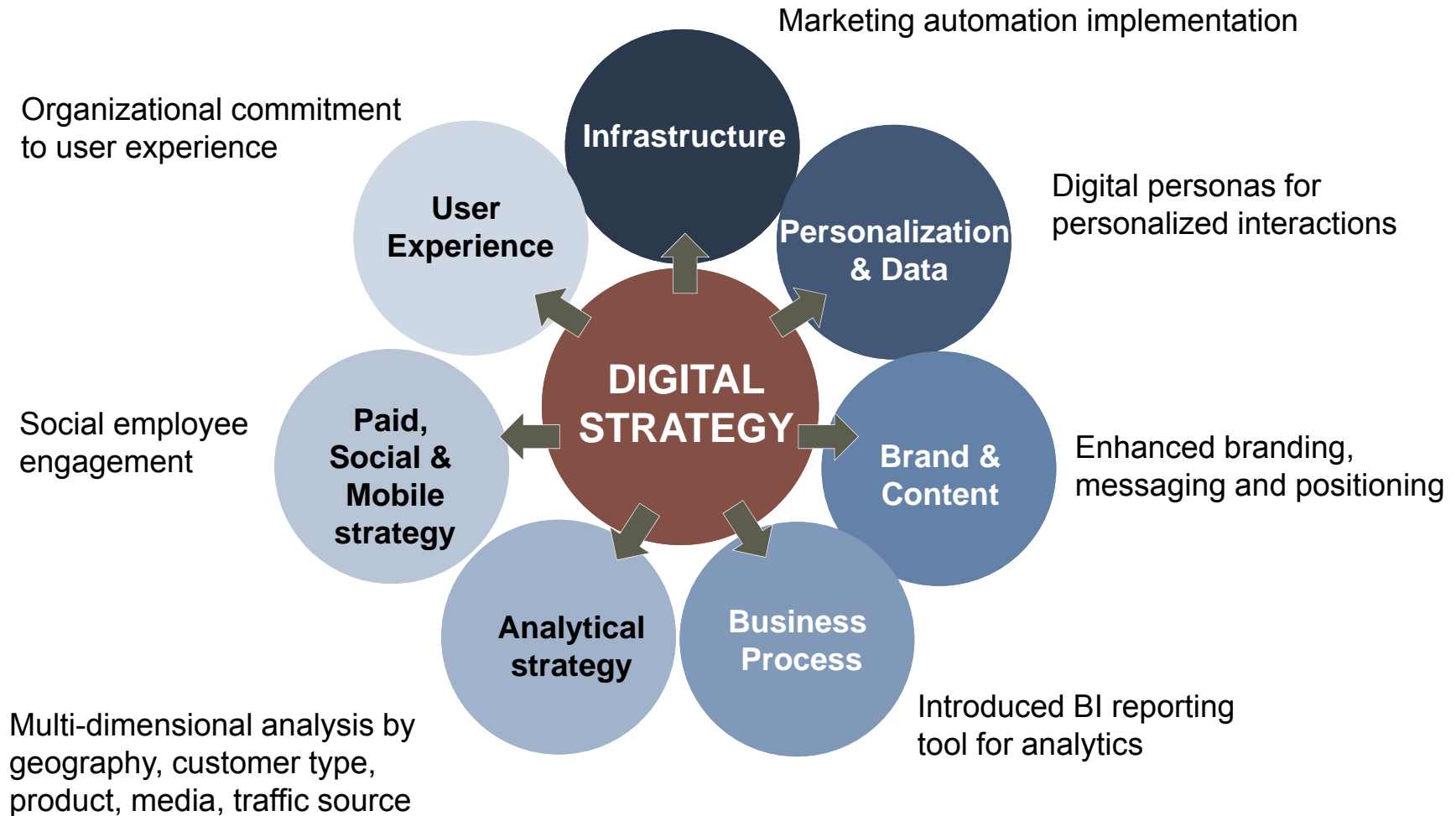
H&R Block Overview

- 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 2018 Tax Season

- Refund Transfer
- Emerald Advance Unsecured Loan
- Emerald Prepaid Card
- Refund Advance Interest-Free Loan
 - BOFI is exclusive provider in 2018 tax season
 - BOFI will provide credit underwriting, loan origination, funding and loan servicing
 - Interest-free loan is collateralized by borrower's tax refund
 - BOFI's profits will depend on origination volume and actual credit losses

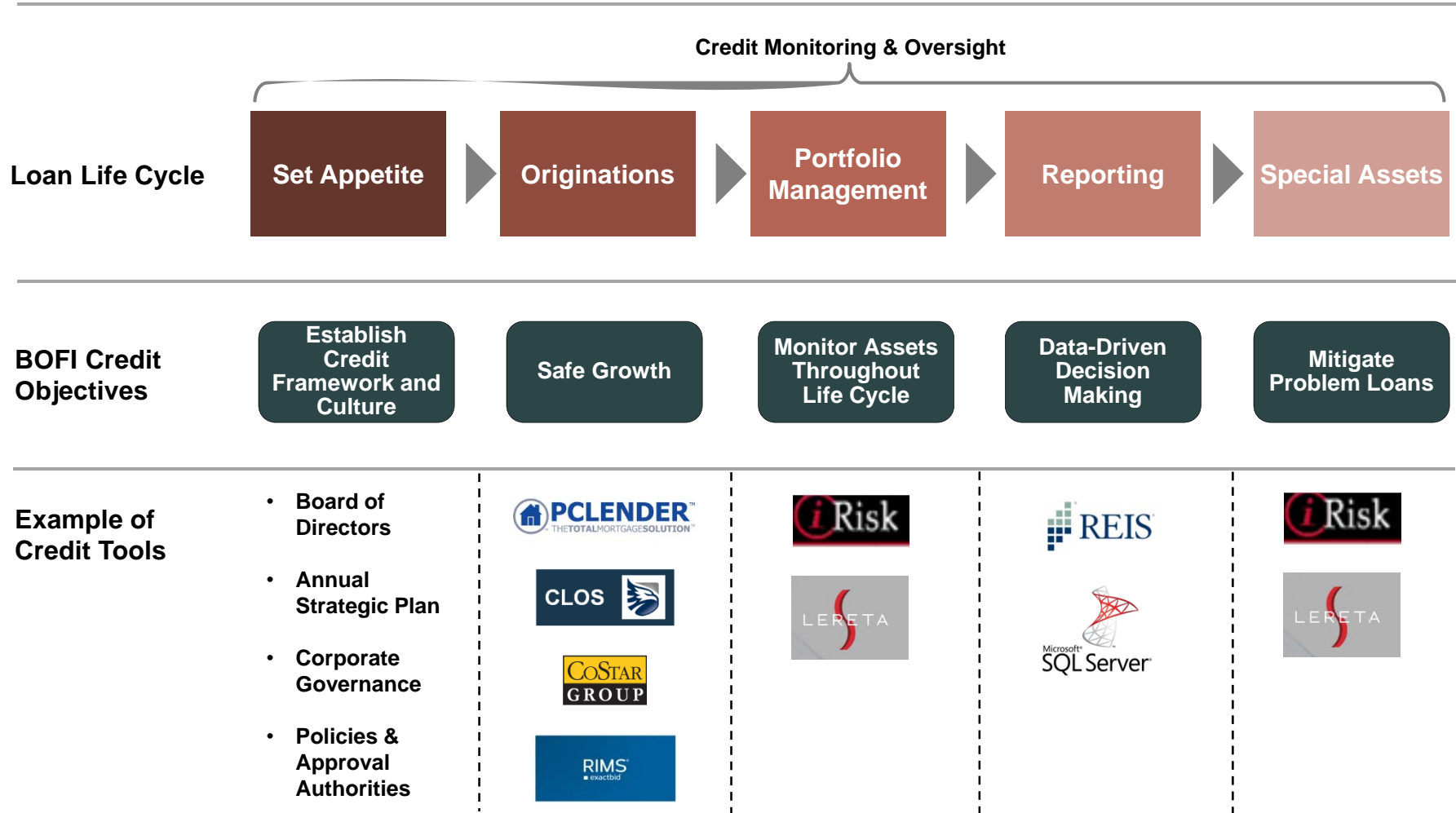
Omni Channel Approach for Bofl's 2018 Digital Marketing Strategy



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



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

Commercial Specialty

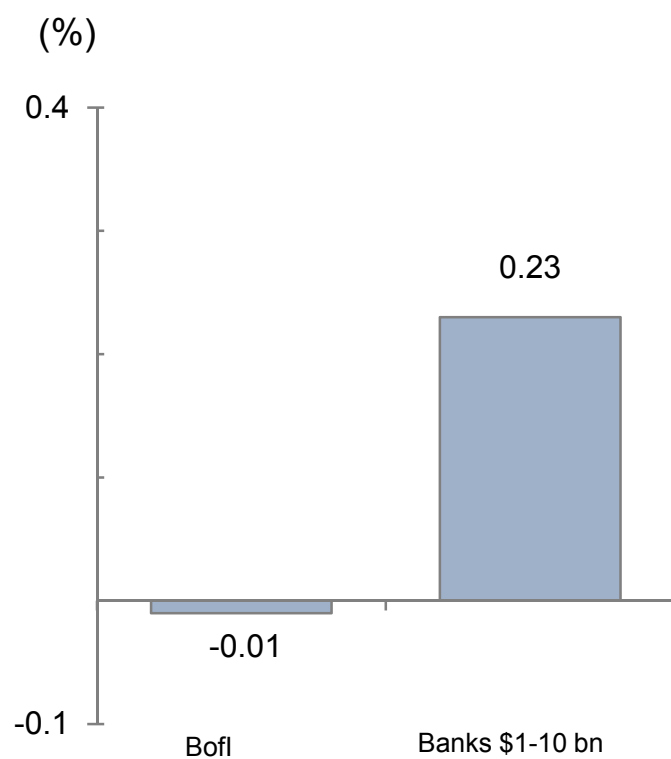
- Loan reviews at least quarterly
- Project updates at least quarterly
- Updated financials at least annually
- Site visits & inspections for development projects

C&I – Lender Finance

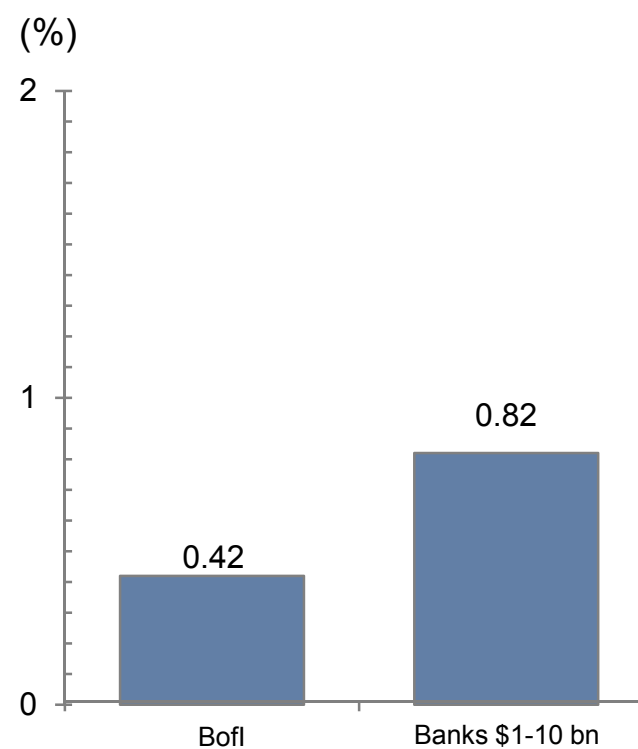
- Loan reviews at least quarterly
- Updated financials at least quarterly
- Borrowing base / custodial reports at least monthly
- Continuous collateral analytics, with quarterly validation

Best-in-Class Loan Quality

Total Net Charge-Offs Annualized¹



Loans in non-accrual to total loans¹



1. From FDIC SDI report at 9/30/17. Total of 511 institutions included in the \$1-\$10 billion group.

Bank Provides Appropriate Resources to Manage Credit and Compliance Risk

| Department FTEs | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|--|---------------|---------------|---------------|---------------|
| Credit and Quality Control | 41 | 57 | 65 | 85 |
| Risk, Internal Asset Review, Compliance, Audit and BSA | 26 | 35 | 44 | 54 |

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