

# Sandler O'Neill & Partners 2012 West Coast Financial Services Conference

March 6, 2012

Andy Micheletti  
Executive Vice President and Chief  
Financial Officer



# Safe Harbor

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# Q2 Fiscal 2012 Financial Highlights



<b>Q2 2012 vs Q2 2011</b>	<b>Amount (\$M or %)</b>	<b>Increase (%)</b>
Asset growth	\$567.3	33.9%
Deposit growth	\$436.9	39.1%
Loan portfolio growth	\$523.3	52.2%
Loan origination growth	\$175.9	84.2%
Non-performing assets to total assets	64 bps	-61 bps
Q2 Net Income	\$6.7	35.2%

**Return on Equity: 15.6%**

**Return on Assets: 1.23%**

# Bofl is Consistently Ranked Among the Best of the Biggest Thrifts by SNL Financial



## 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	Bofl 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	0.26
4	Bofl Holding, Inc. (BOFI)	CA	127.12	1,736	1.29	15.44	15.16	39.43	1.51	0.45
7	Orion Financial Corp. (ORF)	ND	87.21	2,557	0.71	3.12	33.13	32.80	1.78	0.61
8	Kaiser Federal Financial Group Inc. (KFFG)*	CA	83.95	902	0.95	7.39	20.85	53.74	4.06	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

## 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	2008 rank	Company (ticker)	State	Score	Total assets (\$M)	Core ROAA (%)	Core ROAE (%)	TBV / share 3-yr CAGR (%)	Efficiency ratio (%)	NPAs +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	7	Hingham Institution for Savings (HIFS)	MA	90.70	966.4	1.00	14.06	8.37	44.13	1.34	0.08
3	5	Bofl 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	Bofl Holding, Inc. (BOFI)	CA	89.40	1,401.1	1.16	15.87	13.14	32.23	1.21	0.80
6	12	Ocean Shore Holding Co. (OSHC)	ND	82.78	781.2	0.76	0.82	17.33	63.83	0.33	0.07
9	1	Flushing Financial Corp. (FFIC)	NY	81.10	4,183.1	0.77	9.25	5.76	47.48	2.36	0.39
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

## 2008 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 2008 (Nos. 1-25)

2008 rank	2007 rank	Company (ticker)	State	Score	Total assets (\$M)	Core ROAA (%)	Core ROAE (%)	TBV/share 3-yr CAGR (%)	Efficiency ratio (%)	NPAs +90 / assets (%)	NCOs/avg. loans (%)
1	4	Flushing Financial Corp. (FFIC)	NY	87.3	3,949	1.08	16.47	3.80	45.44	1.03	0.04
2	11	Hingham Institution for Savings (HIFS)	MA	85.9	806	0.81	11.08	7.01	51.85	0.91	0.03
3	3	Hudson City Bancorp Inc. (HCBK)	NJ	85.9	54,145	0.91	9.36	1.15	20.71	0.43	0.02
4	37	New York Community Bancorp Inc. (NYB)	NY	82.7	42,430.7	0.91	11.08	1.23	21.35	0.46	0.02
5	28	Bofl Holding, Inc. (BOFI)	CA	81.4	1,220	0.75	10.89	5.36	38.88	0.83	0.28
7	14	ESB Financial Corp. (ESBF)	PA	80.1	1,975	0.57	8.36	9.94	55.92	0.17	0.12
9	24	Teche Holding Co. (TSH)	LA	79.3	768	1.14	12.64	6.85	69.16	0.93	0.07
10	10	Parkvale Financial Corp. (PVSA)	PA	77.7	1,890	0.74	9.95	7.68	52.39	1.10	0.29

#5

# Comparison of the 2010 SNL Number 1 Thrift and Number 2 Ranked Thrift

For The Year Ended June 30, 2011

	Bank of Internet <sup>1</sup>	Malaga Bank <sup>2</sup>
2011 ROE (%)	15.2	12.5
2011 Asset Growth (\$MM)	519	5
2011 Loan Growth (\$MM)	550	11
2010 SNL Thrift Ranking	#2	#1

1. Including BofI Holding, Inc.

2. Malaga reports on calendar year . Data derived from FDIC reports.

# Bofl is a Top Quartile Performer Versus Thrift Peer Group



**For Quarter Ended June 30, 2011**

The 93% on ROE means that the Bank outperformed 93% of all Banks. The 15% G&A ranking means that only 15% of Banks spend less on G&A than BoFl. Peer group includes thrifts up to \$5 billion dollars.

	<b>Bank of Internet</b>	<b>Peer Group</b>	<b>Percentile</b>
ROAA	1.35%	.58%	86%
Return on equity	16.93%	5.28%	93%
G&A	1.53%	2.48%	15%
Efficiency ratio	42.68	69.92	14%
Mortgage loans originated <sup>1</sup>	17.40%	2.95%	90%

1. Percent of assets at start of the period  
 Note: Peer group is all thrifts with assets between \$1 and \$5 billion  
 Source: Uniform Thrift Performance Report (UTPR)

# BOFI Trades At An Earnings Multiple Lower Than Our Competitors

Ticker	Company	State	Share price 11/30/11	Price 1-mo. (%)	Price/		Div yield (%)	ROAA (%)	ROAE (%)	Equity/assets (%)	NPAs/assets (%)	Total assets (\$M)
					LTM EPS (x)	T. Book (%)						
CFFC	Community Financial Corporation	VA	2.60	(13.3)	7.2	29.6	--	0.44	4.66	9.81	8.16	517
<b>BOFI</b>	<b>Bofl Holding, Inc.</b>	<b>CA</b>	<b>16.08</b>	<b>5.1</b>	<b>8.0</b>	<b>112.5</b>	<b>--</b>	<b>1.25</b>	<b>15.41</b>	<b>7.94</b>	<b>1.13</b>	<b>2,097</b>
JXSB	Jacksonville Bancorp, Inc.	IL	13.71	3.1	8.0	69.6	2.19	1.07	8.70	13.30	1.40	307
CBNJ	Cape Bancorp, Inc.	NJ	7.30	(3.9)	8.3	78.7	--	1.02	7.85	13.58	5.28	1,079
NHTB	New Hampshire Thrift Bancshares, Inc.	NH	11.13	(2.1)	8.6	108.5	4.67	0.81	8.53	10.35	1.22	1,041
DCOM	Dime Community Bancshares, Inc.	NY	11.84	(0.7)	8.9	138.6	4.73	1.11	13.34	8.78	NA	4,040
HIFS	Hingham Institution for Savings	MA	48.95	3.1	8.9	129.6	2.04	1.13	15.27	7.40	NA	1,086
AF	Astoria Financial Corporation	NY	7.54	(9.2)	9.0	67.6	6.90	0.45	6.29	7.57	2.95	16,977
CASH	Meta Financial Group, Inc.	IA	14.98	(1.1)	9.4	60.9	3.47	0.45	6.23	7.27	1.92	1,074
FSFG	First Savings Financial Group, Inc.	IN	17.25	6.2	9.7	NA	--	0.78	6.86	14.26	NA	537


  
**Of the Top 10 Lowest LTM EPS Multiples For Thrifts Nationwide, BOFI has the second lowest EPS multiple**

Source: SNL DataSource; As of 11/30/11

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



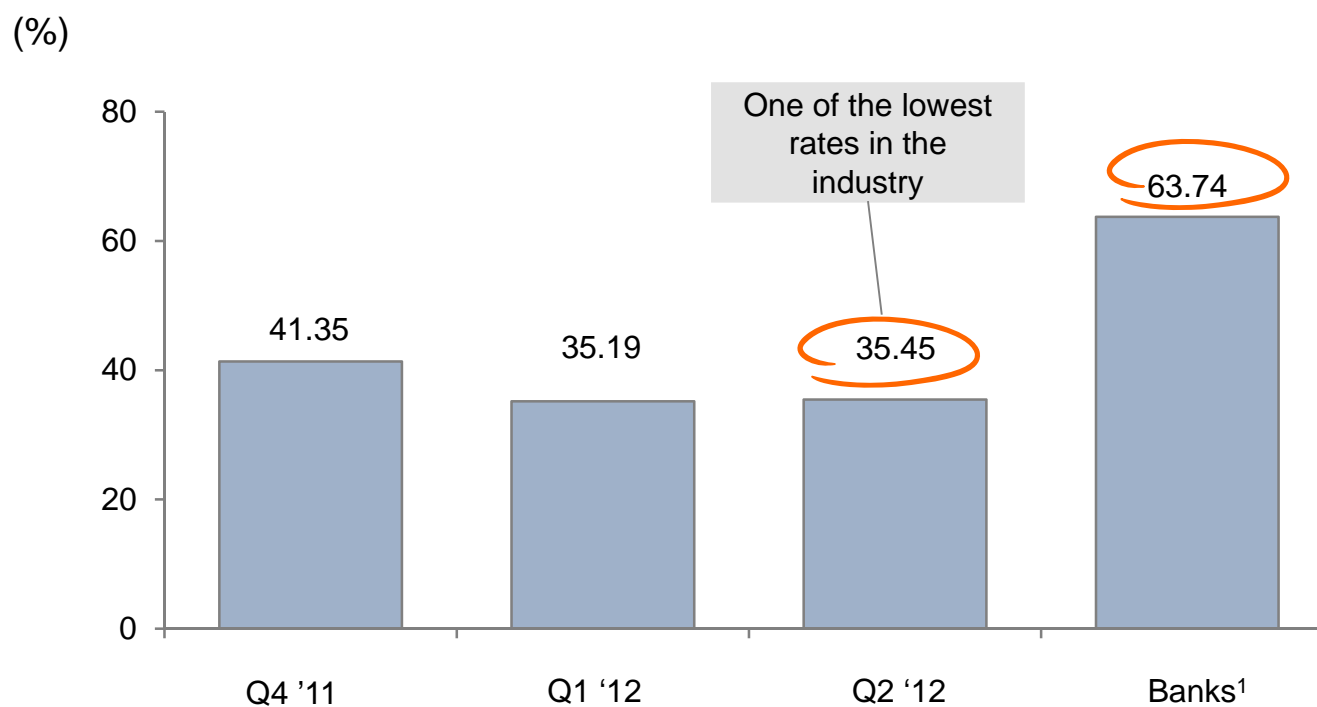
<i>As % of average assets</i>	<b>Bofl<sup>1</sup> (%)</b>	<b>Banks \$1-\$10bn<sup>2</sup> (%)</b>
Net interest income	3.56	3.63
Salaries and benefits	0.85	1.44
Premises and equipment	0.22	0.37
Other non-interest expense	0.43	1.33
<b>Total non-interest expense</b>	<b>1.50</b>	<b>3.14</b>
<b>Core business margin</b>	<b>2.06</b>	<b>0.49</b>

1. Bofl Federal Bank only for three months ended 12/31/11 - the most recent data on FDIC website "Statistics on Depository Institutions Report." Excludes Bofl Holding company to compare to FDIC data
2. Commercial banks by asset size. FDIC reported for three months ended 12/31/11. Total of 429 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 – 429 commercial banks with \$1-\$10 billion in assets for the quarter ended 12/31/11.  
Source: FDIC Statistics on Depository Institutions. 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

- \$2.2 billion asset savings and loan holding company<sup>1</sup>
- 11 years operating history, publicly traded on NASDAQ (BOFI) since 2005
- Headquartered in single branch location in San Diego, CA
- 38,000 deposit and loan customers<sup>1</sup>
- 200 employees (\$11 million in assets per employee)<sup>1</sup>
- Market Capitalization of \$188 million<sup>2</sup>



1. As of 12/31/11

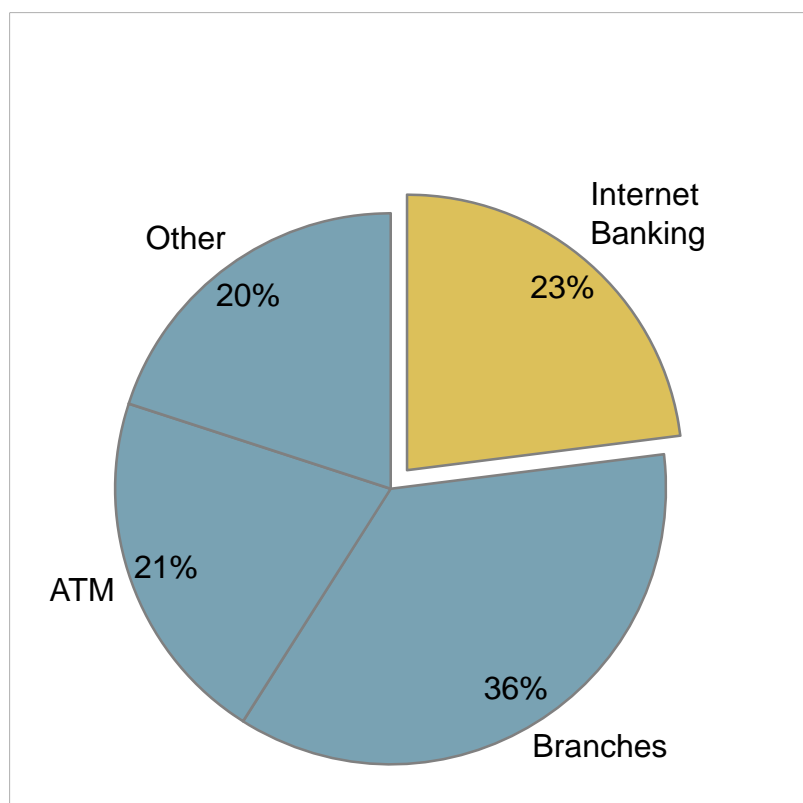
2. As of 2/28/12 closing price of \$16.45 per share

# Diversified Branchless Customer Acquisition Channels

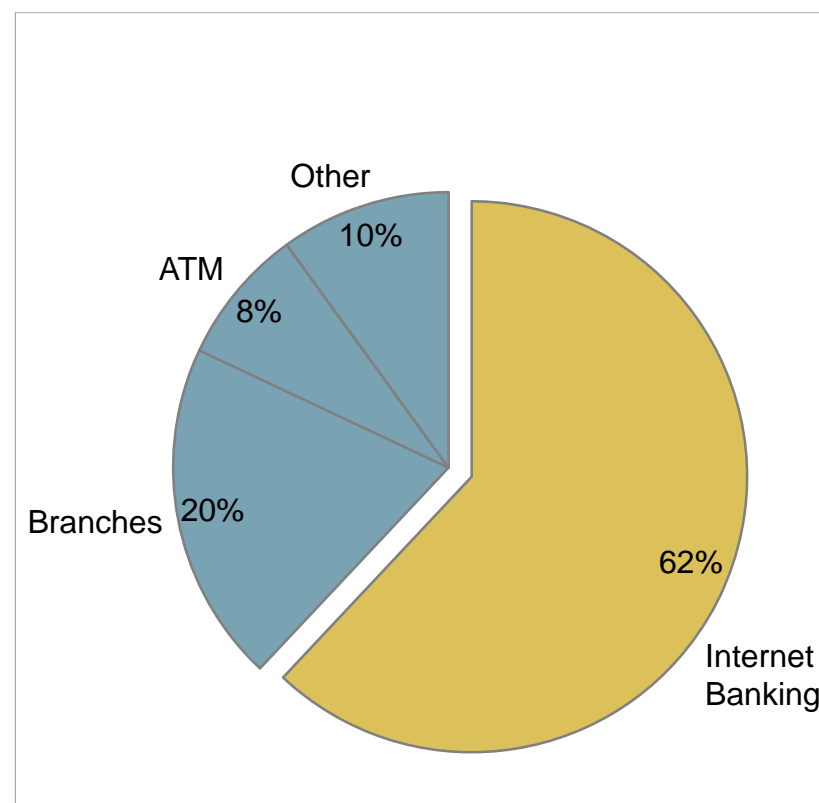
	Bank brands	Description	Affinity Partners	Description
Consumer online brands		<ul style="list-style-type: none"> <li>Value-oriented consumer</li> <li>High-end/older demographic</li> </ul>		<ul style="list-style-type: none"> <li>45 million members</li> </ul>
		<ul style="list-style-type: none"> <li>Airline 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>Business checking</li> </ul>		<ul style="list-style-type: none"> <li>2 million members</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>1 million members</li> </ul>

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

**Preferred Banking Method  
(2007)**

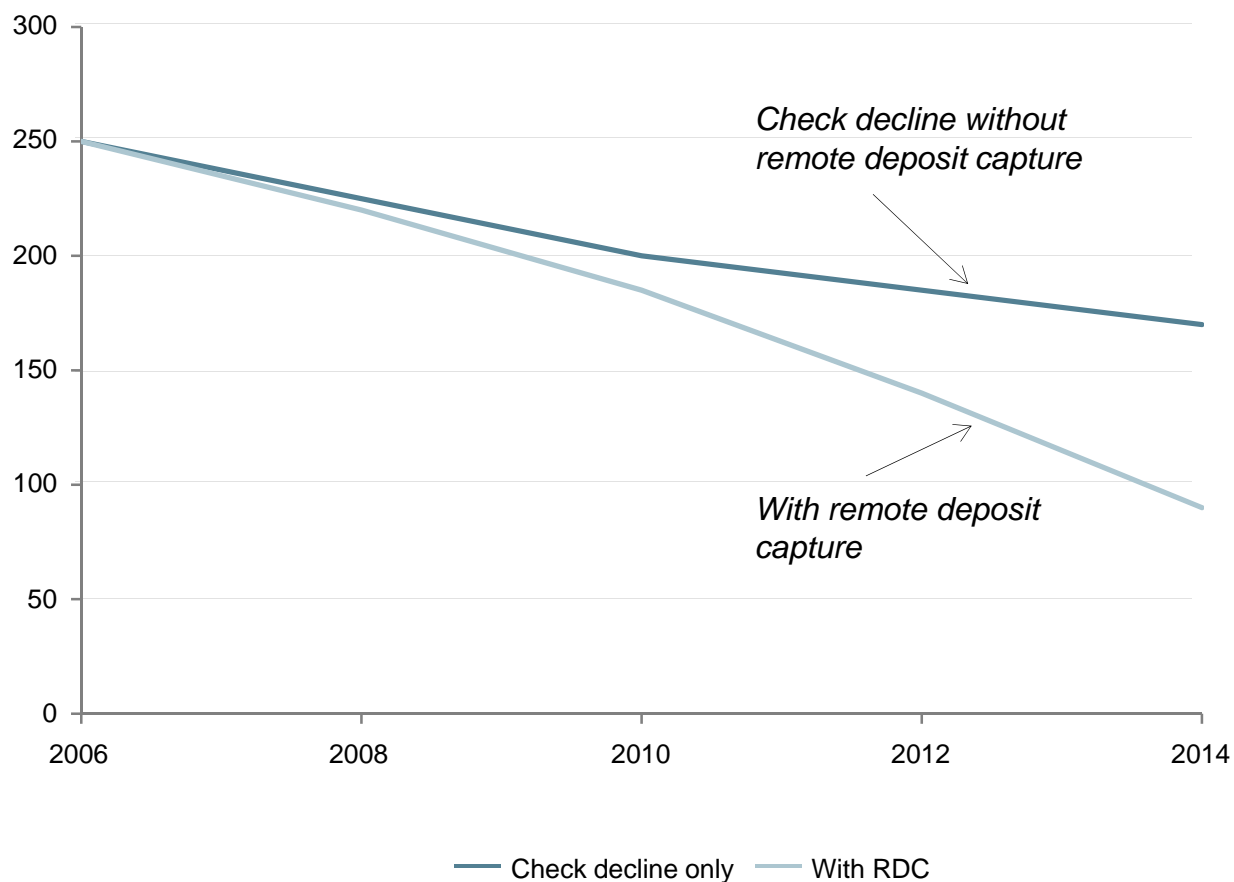


**Preferred Banking Method  
(2011)**



# With the Need For Branches to Deposit Checks Dropping Quickly

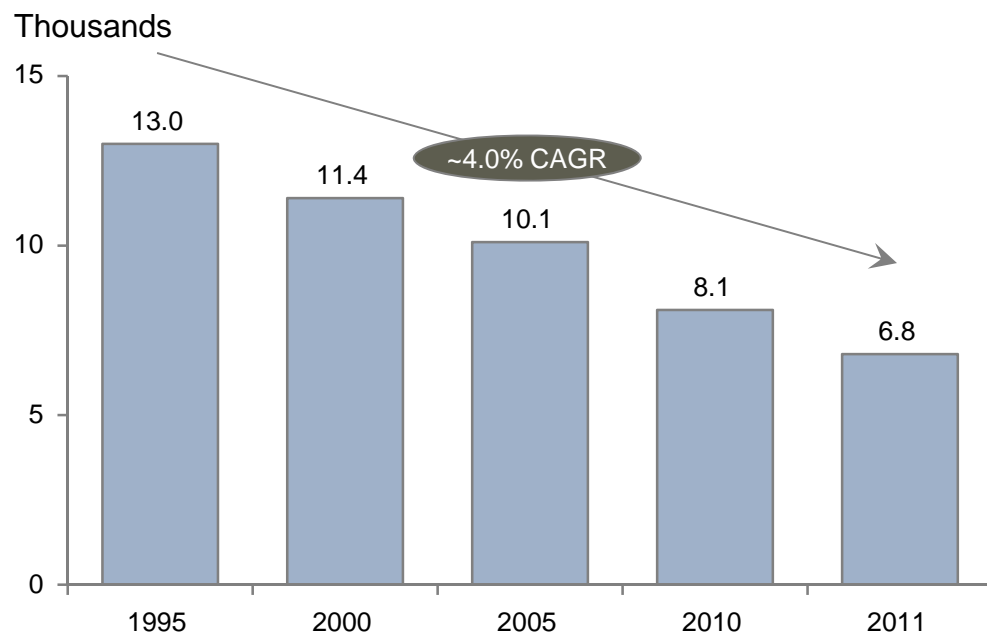
Avg. deposits per day per branch



- 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**



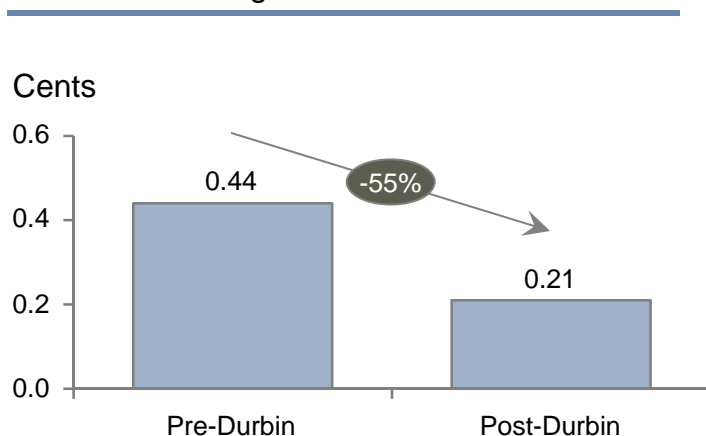
*"Branch foot-traffic is plummeting and branches are largely idle, except for the activities of the employees"*

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

– Bob Meara, Analyst, Celent

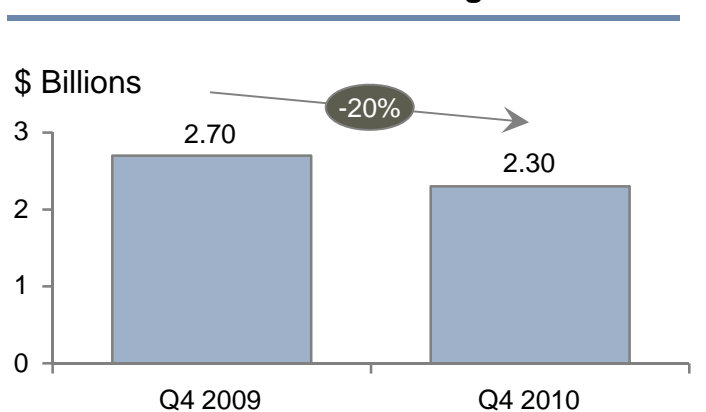
# Branch Banks are Losing Sources of Revenue that Supported "Free" Checking

**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

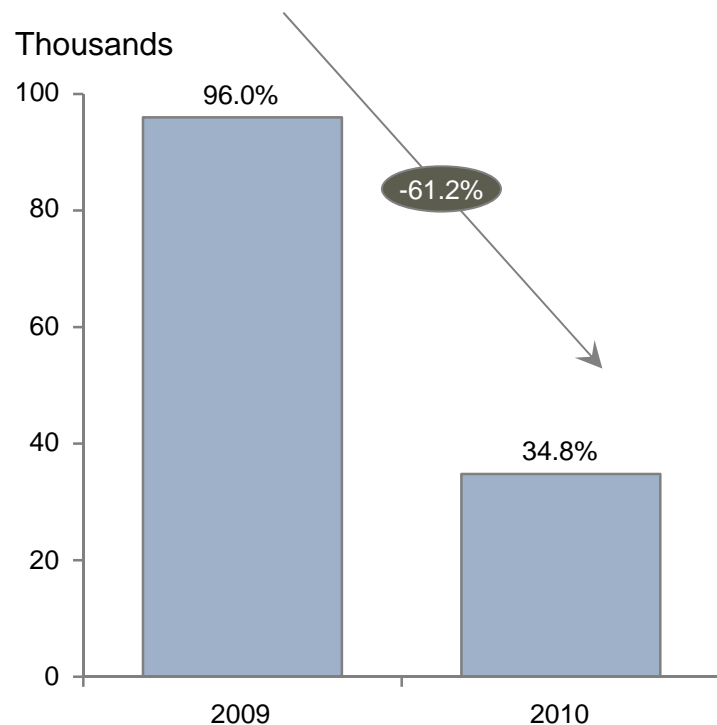
**Bank Service Charges**



- 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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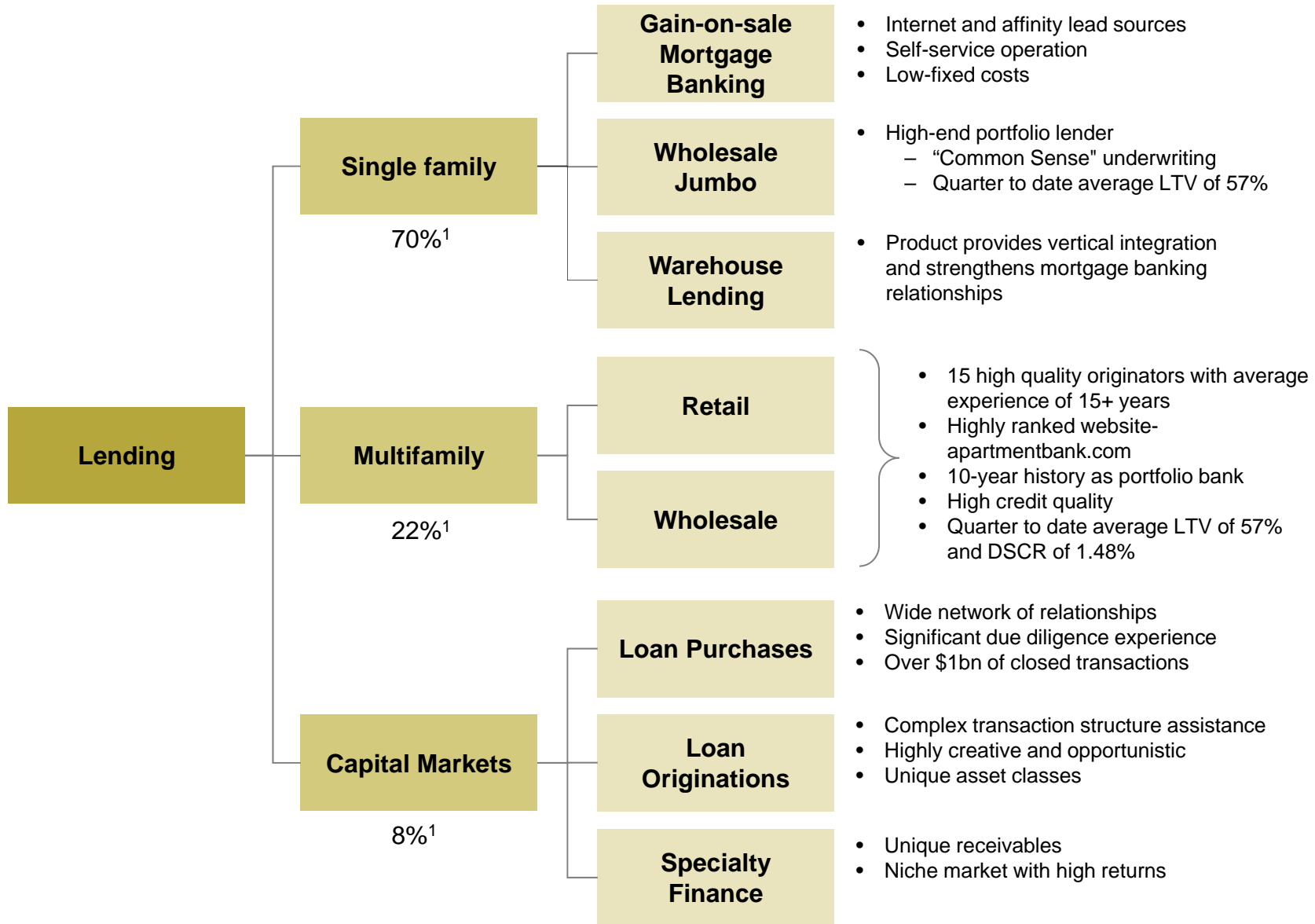
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Note: Information as of October 2011.

# Primary Business – Lending

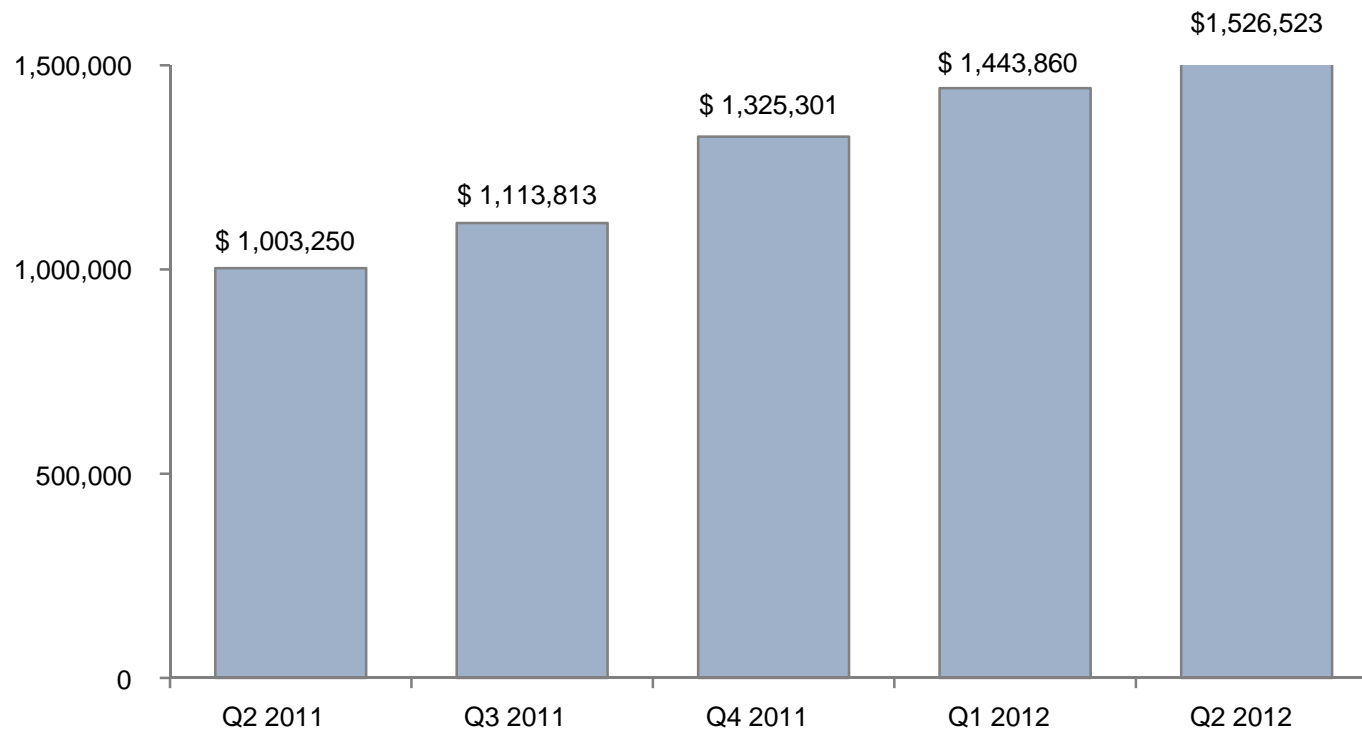


1. Percent of total originations and purchases for quarter ended December 31, 2011.

# Our Rapid Asset Growth Has Been Driven by Strong and Profitable Organic Loan Production



Loan Portfolio - End of Last Five Quarters



<b>Multifamily Avg LTV</b>	52%	53%	54%	54%	53%
<b>Single family Avg LTV</b>	54%	54%	54%	53%	52%

# Loan Origination Group Production Year over Year

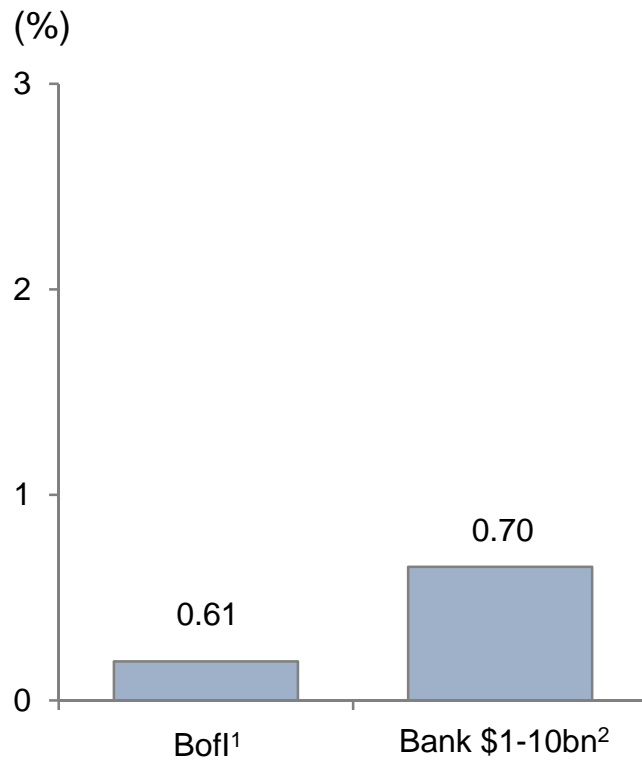
<i>(\$ Millions)</i>	<b>Q2-2012 Production</b>	<b>Q2-2011 Production</b>	<b>Pipeline<sup>1</sup></b>
Single Family – Gain on Sale	\$132.8	\$80.0	\$106.3
Single Family – Jumbo Portfolio	121.5	53.0	163.8
Multifamily – Portfolio	78.4	74.0	56.8
<b>Total</b>	<b>\$332.7</b>	<b>\$207.0</b>	<b>\$326.9</b>

1. Applications in as of 2/28/11.

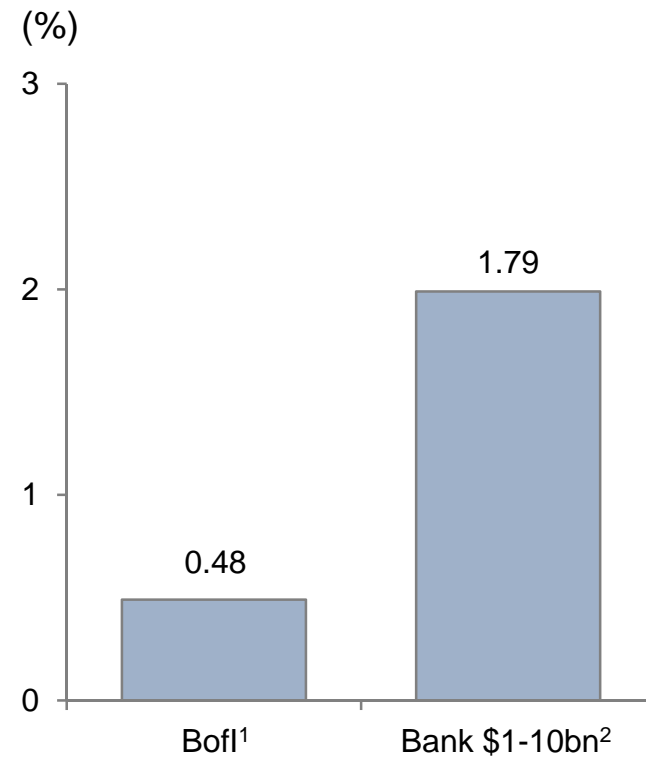
# Best in Class Asset Quality



## Assets 30-89 days delinquent



## Assets in non-accrual

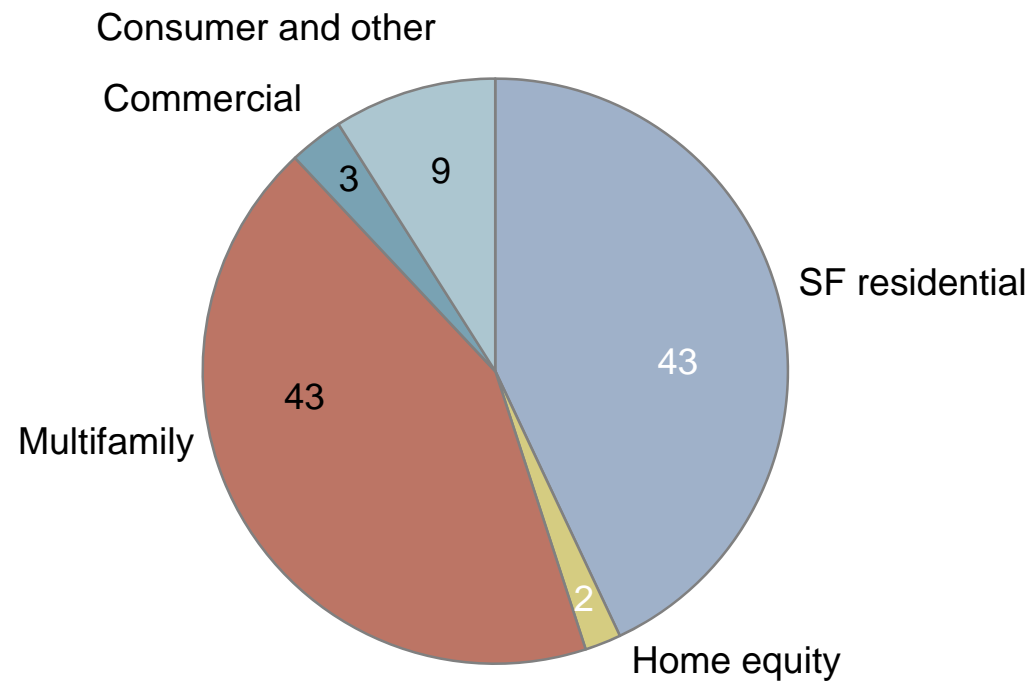


1. Bofl Federal Bank only at 12/31/11 (excludes Bofl Holding, Inc. to compare to FDIC data).
2. Commercial banks by asset size. FDIC reported at 12/31/11. Total of 429 institutions \$1-\$10 billion.

# Loan Diversity – December 31, 2011



## Loan Portfolio<sup>1</sup> 100% = \$1,540 Million



1. Gross loans before premiums, discounts and allowances.