

BofI Holding, Inc.
Form 8-K
February 14, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 14, 2006

B of I HOLDING, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-51201
(Commission File Number)

33-0867444
(IRS Employer Identification
Number)

**12777 High Bluff Drive, Suite 100, San
Diego, CA**
(Address of principal executive offices)

92130
(Zip Code)

Registrant's telephone number, including area code: **(858) 350-6200**

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
-

TABLE OF CONTENTS

Item 7.01: Regulation FD Disclosure

SIGNATURE

Item 7.01 Regulation FD Disclosure.

BofI Holding, Inc. (the “Registrant”) is presenting a slide show at American Community Banker’s Conference - Palace Hotel, San Francisco, CA on February 22, 2006 at 11:00 AM. A copy of the information in the slide show is attached below and is incorporated herein by reference. This Form 8-K and the information attached below shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended (“Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such a filing. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Registrant that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Registrant or any of its affiliates. The information in the materials is presented as of February 8, 2006, and the Registrant does not assume any obligation to update such information in the future.

Safe Harbor Statement

Statements contained in the slide show presentation that state expectations or predictions about the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act and the Exchange Act. The Registrant’s actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include “Risk Factors” and the other factors appearing in the documents that the Registrant has filed with the Securities and Exchange Commission.

Set forth below, are the presentation materials:

American Community Bankers – Palace Hotel, San Francisco CA
11:00-11:30AM on Wednesday February 22 nd in the Presidio room

Safe Harbor

Statements contained in the slide show presentation that state expectations or predictions about the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act and the Exchange Act. The Registrant's actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include "Risk Factors" and the other factors appearing in the documents that the Registrant has filed with the Securities and Exchange Commission.

2

Equity Snapshot

Exchange/Symbol:	NASDAQ/BOFI		
Price (2/8/2006):	\$7.15		
Shares Outstanding:		8.38 M	
Market Capitalization:			\$60.0 M
BV Per Share (mrq)			\$7.61
Price/Book (2/8/06 price/mrq) :		.94	
Total Assets (mrq):		\$681.5 M	
Publicly traded since:	March 15, 2005		
Price/Earnings (2/8/06 price/ttm)		18.82X	

3

Corporate Overview

To be the premier low-cost operator in the
consumer financial services industry

MISSION STATEMENT

Federally chartered savings bank

Regulated by the Office of Thrift
Supervision

Deposits insured by the Federal
Deposit Insurance Corporation

BofI Holding, Inc.

BofI Trust 1

(Trust Preferred)

Bank of

Internet USA

BANKOF INTERNET USA

4

Investment Highlights

The Internet creates an opportunity for a more efficient banking model

BofI has a unique, low-cost and scalable operating model

Proprietary software and technology

Strong record of growth and profitability

Portfolio of high quality assets nationwide

Attractive valuation – price to book value of .94

5

Equals

“The efficiency of
wholesale deposits---
the stability of retail
deposits”

6

Mature Industries Evolving
to Lowest Cost Producers
7

8

Highly Efficient vs. Traditional
Bank Average

Bank

Industry

Average: 57

Source: FDIC, "Statistics on Depository Institutions – Year to Date 9/30/2005." Data does not include holding companies.

* Efficiency ratio = non-interest expense as a percentage of net interest income plus non-interest income

Common-sized income statement comparison

Bofl generates higher earnings through lower costs

Income Statement Comparison

9

Source: FDIC - Statistics on Depository Institutions - Nine-months ended 9/30/2005.

(1) Excludes operating income and expense of Bofl Holding, Inc. Holding company data is also not included in competitor information.

Bank of

All S&Ls- Assets

Internet USA (1)

\$500 Mil - \$1 Bil

ING Bank

NetBank

(In basis points on average assets)

Income:

Interest income

449

508

401

512

Interest expense

277

203

262

259

Net interest income

172

305

139

253

Fees and other income

17

60

2

76

Subtotal - Income

189

365

141

329

Operating overhead:

Personnel

34

138

21

247

Premises & equipment

19

39

9

94

Other G & A

21

63

27

194

Loan loss provision

5

11

5

20

Subtotal - Overhead

79

251

62

555

Pre-tax operating earnings

110

114

79

-226

Securities gains

4

8

4

234

Pre-tax earnings

114

122

83

8

Outsource core banking
system

Proprietary CRM and
fraud control

No legacy systems

Building Blocks for

Successful Execution

COST EFFECTIVE PROCESS

Assembly-line simplicity

Streamlined deposit &

loan approval

Real-time customer

information

SCALABLE TECHNOLOGY

Superior risk management

Quality underwriting

Intelligent product

selection

EXPERIENCED MANAGEMENT

Self-service design

Efficient automation

Minimal manual

intervention

AUTOMATED SERVICE

10

Annual Net Interest Income vs
Noninterest Expense

\$218,000	\$273,000	\$405,000	\$609,000
2002	2003	2004	2005

Assets in Thousands

Net Interest

Income (in 000s)

Noninterest Expense

EXCLUDING SALARY & WAGES

11

For the Fiscal Years Ended June 30

Demonstrated Scalability

Assets per Employee at Fiscal Year End

(At Year Ends June 30, and at December 31, 2005)

(full-time equivalent employees)

(Dollars in millions)

Source: FDIC

14 Employees

\$0 Assets

27 Employees

\$681M Assets

20 Employees

\$273M Assets

2001

2002

2003

2004

2005

2005

June 30,

December 31,

Bank Industry Average

12

Strong Track Record of Growth

13

*

* At each fiscal year end June 30. Most recently, there were 21,149 accounts at 12/31/05

Strong Track Record of Growth

14

* At each fiscal year end June 30. Most recently, assets totaled \$681.5 million at 12/31/05

*

Strong Track Record of Growth

15

* - For each fiscal year ended June 30. For the six months ended 12/31/05 and 12/31/04, net interest income was \$4.9 million and \$4.3 million, respectively.

*

\$1,162

\$3,497

\$5,088

\$6,530

\$8,969

\$0

\$2,000

\$4,000

\$6,000

\$8,000

\$10,000

2001

2002

2003

2004

2005

Net Interest Income

(\$ in thousands)

Strong Track Record of Growth

16

*

* - For each fiscal year ended June 30. For the six months ended 12/31/05 and 12/31/04, net income was \$1.6 million and \$1.2 million, respectively.

\$(1,082)

\$1,020

\$1,730

\$2,175

\$2,869

\$(1,100)

\$(100)

\$900

\$1,900

\$2,900

\$3,900

2001

2002

2003

2004

2005

Net Income

(\$ in thousands)

Multifamily mortgages – 71%

Single family mortgage – 13%

Commercial real estate loans –
2%

Mortgage-backed securities –
14%

FNMA, FHLMC, GNMA

Investment in High Quality Assets

Investments by Type

December 31, 2005

17

Geographic Breakdown

Mortgage Loans

As of December 31, 2005

18

History of Quality Assets
Since inception through
December 31, 2005, BOFI
has had no mortgage-loan:
Write-offs
Foreclosure sales
Restructurings
Three loans classified in five
year history
Loan portfolio is supported by
exceptional LTVs
19

Stable Deposit Base,

Managed Interest Rate Risk

More than 21,000 online deposit
customers

37% of accounts are checking and
savings

57% of all checking and savings
accounts opened between July 1,
2002 and June 30, 2005 are still open

82% of all Senior checking accounts
opened between July 1, 2002 and
June 30, 2005 are still open

FHLB Advances - Principally used as a
hedging vehicle - Weighted-average rate
of 3.77% and maturity of 26 months at
December 31, 2005

20

Capital Structure

Initial Public Offering - March 2005

Added \$31.3 million in equity and 3,052,174 common shares; 37%
of total shares outstanding of 8,193,906

Provides capital to grow bank

Dividends

No dividends paid on common shares

\$6.6 million in convertible preferred with 6% dividend, after Dec.
2005, \$1.5 million converted to common at \$10.50 per share

Stock Options

Under FASB 123R start expensing stock options effective 7/1/05.

Operating results for the quarter and six-month periods ended

12/31/05 included stock option and stock grant expense of

\$105,000 and \$195,000, respectively.

21

Banking Environment Challenges

Maintain Net Interest Margin

In the near term, until the flattening yield curve reverses, BofI net interest margins will narrow with asset growth

BofI's low cost structure, compared to traditional banks of similar asset size, allows profit with a smaller net interest margin and better opportunity to deploy excess capital

Risk Premiums and Competition for Mortgage Loans

Many mortgage lenders have relaxed credit standards

BofI's low overhead loan origination structure reduces pressure to originate loans for portfolio and promotes selective purchases of whole loans and MBS

Real Estate Bubble? BofI Reduces Risk by:

No subprime lending

Low loan to value and geographic diversification

22

Quarterly Financial Data

23

*

*** - Diluted EPS reduced by 3,052,174 shares issued in IPO**

YoY

2004

2005

% Chg

Net Income (000s)

514

750

46%

Diluted Earnings Per Share

0.08

0.08

0%

Return on Avg Common Stockholders' Equity

6.30

4.14

-34%

Efficiency Ratio (1)

58.3

50.5

-13%

Total Assets (000s)

513,108

\$

681,492

\$

33%

Loans Held For Investment (000s)

417,915

\$

545,208

\$

30%

Total Deposits (000s)

320,019

\$

399,387

\$

25%

Book Value Per Common Share

5.74

\$

7.61

\$

33%

(1) Non-interest expense divided by the sum of net interest income and non-interest income.

December 31,

For or At the Quarter Ended

Selected Annual Financial Data
and BOFI Goals

24

For or At the Year Ended

YoY

2004

2005

% Chg

Goals

Net Income (000s)

2,175

\$

2,869

\$

32%

Diluted Earnings Per Share

0.39

\$

0.40

\$

3%

Return on Avg Common Stockholders' Equity

8.42%

6.73%

-20%

10.00%

Efficiency Ratio (1)

49.47%

48.05%

-3%

40.00%

Total Assets (000s)

405,039

\$

609,508

\$

50%

\$ 1 Billion

Loans Held For Investment (000s)

355,261

\$

486,872

\$

37%

Total Deposits (000s)

269,841

\$

361,051

\$

34%

Book Value Per Common Share

5.57

\$

7.47

\$

34%

(1) Non-interest expense divided by the sum of net interest income and non-interest income.

June 30,

Growth Strategy – Next Two Years

Build Bank Size and Efficiency

Use IPO capital to grow to \$1 billion

Improve efficiency ratio to 40% or lower

Improve ROE to 10% or greater

Expand Product Capabilities

Add key consumer loan product personnel

Expand online and back office systems

Test demographic branding

Leverage Growing Online Customer Base, Affiliations and

Nationwide Lending

Double online customers from 20K to 40K

In addition to residential mortgage lending, select specialty consumer financial product(s)

Expand marketing and cross selling opportunities

25

Experienced Management Team

Gary Lewis Evans

President and CEO

30 + years management experience in commercial and savings banking

Andrew Micheletti

Vice President and CFO

25 + years experience in financial management, accounting and auditing

Terry M. Harris

VP and Chief Credit Officer

25 + years experience in retail banking, consumer credit and residential lending

Patrick A. Dunn

VP and Multifamily Lending Officer

15 + years experience in commercial and savings banking

Michael J. Berengolts

VP and Chief Technology Officer

10 + years experience in technology and information systems management

26

Investment Highlights

27

The Internet creates an opportunity for a more efficient banking model

BofI has a unique, low-cost and scalable operating model

Proprietary software and technology

Strong record of growth and profitability

Portfolio of high quality assets nationwide

Attractive valuation – price to book value of .94

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

B of I HOLDING, INC.

Date: February 14, 2006

By: /s/ Gary Lewis Evans
Gary Lewis Evans
President and Chief Executive Officer