

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

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

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

BofI 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 BofI 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

<b>\$218,000</b>	<b>\$273,000</b>	<b>\$405,000</b>	<b>\$609,000</b>
<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>

*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

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

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