



# CRAIG-HALLUM CAPITAL GROUP LLC

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Changes	Previous	Current
Rating:	--	Buy
Fundamental Trend:		Improving
Price Target:	\$51.00	\$40.00
FY18A Rev M:	--	\$439.4
FY19E Rev M:	\$502.7	\$496.7
FY20E Rev M:	\$589.7	\$575.9
FY18A Adj. EPS:	--	\$2.36
FY19E Adj. EPS:	--	\$2.80
FY20E Adj. EPS:	\$3.36	\$3.25

## Profile

Price:		\$28.60
52 Wk Range:	\$23.87	\$45.18
Avg Daily Vol:		622,407
Shares Out M:		62.7
Market Cap M:		\$1,792.5
Insiders Own:		12%
Short Interest (M):		8.5
BV/Sh:		\$15.87
Debt (M):		55
Year Ends:		June

Rev (M)	2018A	2019E	2020E
Sept	\$94	\$103A	\$129
Dec	\$101	\$110 A	\$134
Mar	\$140	\$157	\$173
Jun	\$104	\$127	\$140
FY	\$439	\$497	\$576
CY	\$457	\$547	

EPS	2018A	2019E	2020E
Sept	\$0.50	\$0.58 A	\$0.75
Dec	\$0.49	\$0.62 A	\$0.78
Mar	\$0.80	\$0.88	\$0.97
Jun	\$0.58	\$0.72	\$0.75
FY	\$2.36	\$2.80	\$3.25
CY	\$2.57	\$3.13	

FY P/E	12.1x	10.2x	8.8x
CY P/E	11.1x	9.1x	

## Management

CEO	Gregory Garrabrants
CFO	Andrew Micheletti

January 30, 2019  
Institutional Research

## Axos Financial, Inc.

(AX - \$28.60)

**BUY**

Price Target: \$40.00

**An Undervalued Management Team Getting It Done; Compounded Growth Across All Environments & Stages. Maintain BUY Rating, Lowering Price Target To \$40 For Yield Curve Environment.**

*Axos Financial is a branchless online bank.*

## OUR CALL

Axos is a bank, with exposure to all the same elements, yet they are delivering mid-teens EPS growth, holding their NIM constant, growing their Fee income and putting capital to work via investments in a wealth management platform, a lower cost deposit base and share buybacks. All while other banks are going through negative earnings headwinds and NIM compression. Which begs the question, why is this company trading at a single digit (~9x) P/E? We don't believe this valuation will last long and would take advantage of this quarter's above expectation execution on integration of acquisitions as Axos should comfortably hold their growth, NIM and ROE profile, with a substantial opportunity to improve ROE in the long run.

## QTR: EPS In-line, Revenue Below Our Estimate

- A mostly in-line quarter from top to bottom, but much better than feared given the messiness of the recent acquisitions. Better loan growth and slightly better NIM drove NII beat with total revenue below our estimate from lower non-interest income, primarily related to a lower gain on sale, mortgage banking and Epiq fee revenue.
- EPS was in-line as expense growth outperformed our expectations along with an unmodeled share buyback of 1.7m shares of ~\$48m.
- The company is already seeing a positive impact to NIM from the deposit acquisitions with yields on Checking, Savings and Time Deposits all down sequentially from Q1.
- Ahead of schedule was \$200m of non-interest bearing deposits won from Epiq bankruptcy trustees with more on the way.

	FY Q2 2019			Y/Y Growth Change	
	CH.	Street	Actual	Y/Y	Change
Revenue (M)	\$115.4	\$112.7	\$109.6	8.2%	- 1.3%
EPS	\$0.63	\$0.62	\$0.62	27.3%	10.4%
NIM	3.86%	3.84%	3.87%	- 0.13%	NA
Efficiency Ratio	48.6%	48.0%	46.5%	6.19%	NA
ROE	15.6%	NA	15.2%	0.85%	NA
Equity/ Assets	10.5%	NA	10.1%	0.34%	NA

## Outlook: Tweaking Estimates Slightly, No Change To FY 2019 EPS

- We modestly tweaked our 2019 estimates, raising NII and lowering non-interest income with no change to EPS. We believe our estimates remain conservative and see upside to NIM via improving deposit mix, and fee income via the integration of COR.
- We lowered our 2020 estimates to assume a more aggressive investment pace and a higher efficiency ratio with the mix of COR (~70% efficiency ratio, 40% ROE) and have lowered our price target in lieu of the yield curve environment.

	FY Q3 2019			FY 2019		
	Previous	New	CH.	Previous	New	CH.
Revenue (M)	\$156.5	\$157.9	\$156.8	\$499.8	\$502.7	\$496.7
EPS	\$0.93	\$0.88	\$0.88	\$2.85	\$2.80	\$2.80
NIM	4.83%	4.86%	4.79%	4.10%	4.10%	4.12%
Efficiency Ratio	36.0%	37.8%	37.9%	\$0.4	45.6%	45.0%
ROE	NA	20.8%	21.5%	NA	16.8%	17.0%

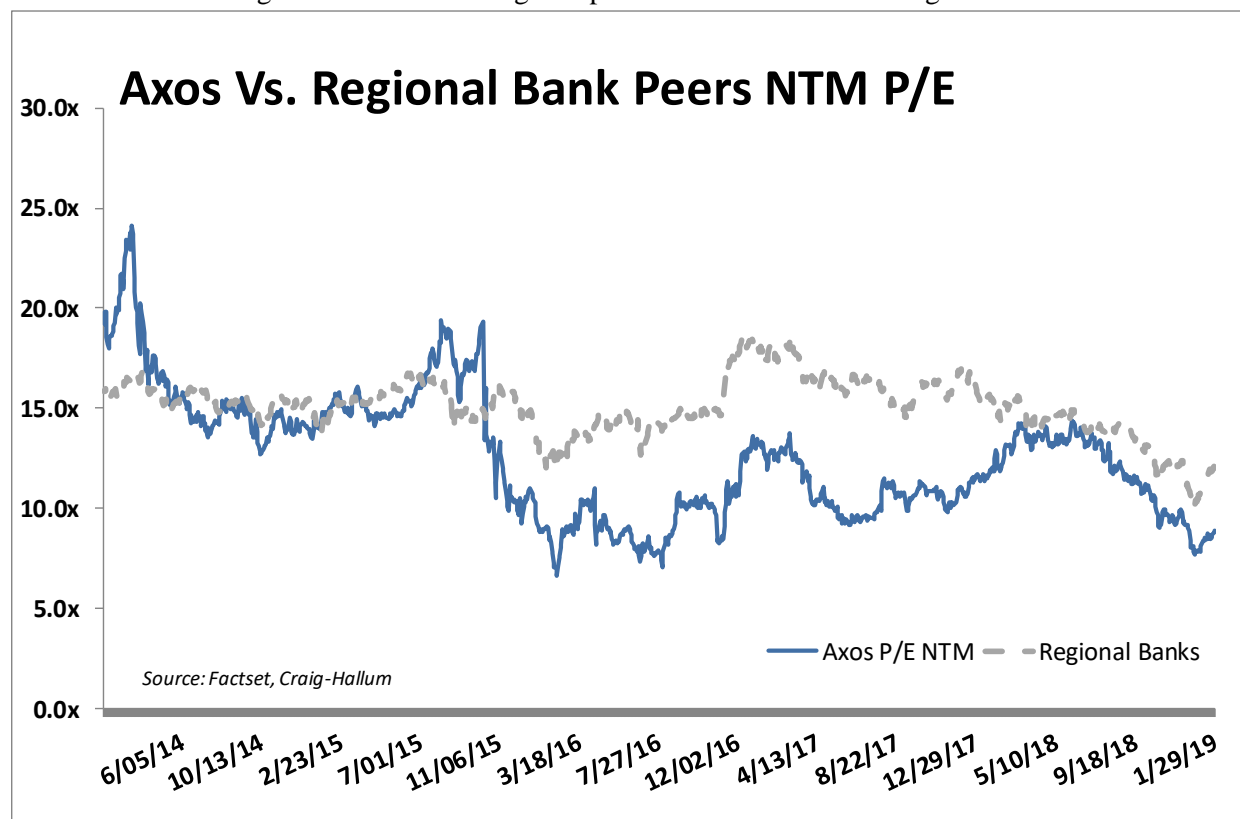
Quarterly Results							
Key Financial Items	FY Q2 2018	FY Q2 2019			Actual Vs.		Comments
		Street	CH.	Actual	Street	CH	
Total Net Loans	\$7,874.4	\$8,852.8	\$8,856.8	\$9,017.6	1.9%	1.8%	Beat from better C&I, Single & Multi-Family. We modeled in slower loan growth to assume the company would stay under \$10bn in assets.
Q/ Q	4.8%	2.3%	2.3%	4.2%			
Y/ Y	15.6%	12.4%	12.5%	14.5%			
Y/ Y Growth Change	0.9%	- 2.8%	- 2.7%	- 0.7%			
Avg. Interest Earning Assets	\$8,419.5	\$9,549.7	\$9,514.1	\$9,579.8	0.3%	0.7%	
Q/ Q	1.2%	4.0%	3.6%	4.3%			
Y/ Y	10.3%	13.4%	13.0%	13.8%			
Y/ Y Growth Change	- 2.4%	3.1%	2.6%	3.4%			
NIM	4.00%	3.84%	3.86%	3.87%	0.0%	0.0%	Beat from the contribution of acquisitions which are already impacting the deposit mix in a positive manner. Checking, Savings & Time Deposit yields were all down sequentially.
Q/ Q Change	0.1%	0.1%	0.1%	0.1%			
Y/ Y Change	0.0%	- 0.2%	- 0.1%	- 0.1%			
Net Interest Income	\$84.2	\$92.5	\$91.8	\$92.7	0.3%	1.1%	Beat from better loan growth and NIM.
Q/ Q	4.5%	7.2%	6.3%	7.5%			
Y/ Y	10.3%	9.8%	9.0%	10.1%			
Y/ Y Growth Change	- 5.2%	2.7%	1.8%	3.0%			
Total non- interest income	\$17.1	\$19.3	\$23.7	\$16.9	- 12.4%	- 28.7%	Miss from lower fee income in mortgage banking, and gain on sale.
Q/ Q	28.2%	16.6%	43.2%	2.1%			
Y/ Y	2.4%	12.8%	38.5%	- 1.2%			
Y/ Y Growth Change	11.8%	- 11.2%	14.5%	- 25.2%			
Total Revenue	\$101.3	\$112.7	\$115.4	\$109.6	- 2.8%	- 5.1%	Miss from lower non-interest income than we modeled primarily related to lower mortgage banking and gain on sale.
Q/ Q	7.9%	9.6%	12.3%	6.6%			
Y/ Y	8.9%	11.3%	13.9%	8.2%			
Y/ Y Growth Change	- 2.2%	1.8%	4.4%	- 1.3%			
Total OPEX	\$40.8	\$54.1	\$56.2	\$50.9	(\$0.1)	- 9.3%	Beat from better than expected expense control.
Q/ Q	7.3%	2.2%	6.1%	- 3.8%			
Y/ Y	22.5%	32.6%	37.6%	24.8%			
Y/ Y Growth Change	6.9%	- 6.6%	- 1.6%	- 14.4%			
Efficiency Ratio	40.3%	48.0%	48.6%	46.5%	- 3.2%	- 4.5%	Beat from better than expected expense control.
Q/ Q Change	- 0.21%	- 3.49%	- 2.82%	- 5.00%			
Y/ Y Change	4.50%	7.70%	8.37%	6.19%			
EPS	\$0.49	\$0.62	\$0.63	\$0.62	- 0.5%	- 1.9%	In-line from lower operating expenses, despite revenue below our estimate.
Q/ Q	- 2.2%	7.1%	8.7%	6.6%			
Y/ Y	- 2.2%	27.8%	29.7%	27.3%			
Y/ Y Growth Change	- 13.5%	11.0%	12.9%	10.4%			
ROE	14.4%	17.0%	15.6%	15.2%			In-Line.
Q/ Q Change	14.37%	16.95%	15.64%	15.22%			
Y/ Y Change	14.37%	2.58%	1.27%	0.85%			
Equity/Assets	9.8%	NA	10.5%	10.1%			

Key Financial Items	Previous Estimates				New Estimates		Comments
	FY Q3 2019		FY 2019		FY Q3 2019	FY 2019	
	CH.	Street	CH.	Street	CH.		
Total Net Loans	\$9,059.0	\$9,263.1	\$9,515.2	\$9,583.7	\$9,269.5	\$9,605.5	Raised slightly to factor in Q2 beat.
Q/ Q	0.5%	2.7%			2.8%		
Y/ Y	12.3%	14.9%	12.8%	13.7%	14.9%	13.9%	
Y/ Y Growth Change	- 2.2%	0.3%	- 1.5%	- 0.7%	0.4%	- 0.4%	
Avg. Interest Earning Assets	\$10,596.8	\$10,793.3	\$9,933.3	\$9,976.1	\$10,727.2	\$10,015.4	
Q/ Q	10.6%	12.7%			12.0%		
Y/ Y	8.5%	10.5%	10.7%	11.2%	9.8%	11.6%	
Y/ Y Growth Change	- 5.3%	- 3.3%	- 2.4%	- 2.0%	- 3.9%	- 1.5%	
<b>NIM</b>	<b>4.86%</b>	<b>4.83%</b>	<b>4.10%</b>	<b>4.10%</b>	<b>4.79%</b>	<b>4.12%</b>	
Q/ Q Change	0.99%	0.96%					
Y/ Y Change	0.08%	0.05%	- 0.01%	- 0.01%	0.68%	0.01%	Raised slightly to factor in Q2 beat. We think our estimate remains conservative given the improving deposit mix.
<b>Net Interest Income</b>	<b>\$128.7</b>	<b>\$129.7</b>	<b>\$407.4</b>	<b>\$411.0</b>	<b>\$128.5</b>	<b>\$412.5</b>	Raised slightly in conjunction with loan growth and NIM.
Q/ Q	38.8%	39.9%			38.6%		
Y/ Y	10.3%	11.1%	10.6%	11.5%	10.1%	11.9%	
Y/ Y Growth Change	0.2%	1.0%	- 7.1%	- 6.1%	0.0%	- 5.7%	
<b>Total non-interest income</b>	<b>\$29.3</b>	<b>\$26.6</b>	<b>\$95.3</b>	<b>\$84.8</b>	<b>\$28.4</b>	<b>\$84.2</b>	Lowered to factor in lower fee revenue growth in mortgage banking, and gain on sale.
Q/ Q	73.3%	57.3%			67.9%		
Y/ Y	24.4%	13.0%	34.3%	19.6%	20.6%	18.8%	
Y/ Y Growth Change	25.7%	14.2%	30.2%	15.4%	21.8%	14.6%	
<b>Total Revenue</b>	<b>\$157.9</b>	<b>\$157</b>	<b>\$502.7</b>	<b>\$500</b>	<b>\$156.8</b>	<b>\$496.7</b>	Lowered slightly from lower non-interest income. We believe our estimate remains conservative and see upside from the integration of COR clearing.
Q/ Q	44.1%	42.8%			43.1%		
Y/ Y	12.6%	11.6%	14.4%	13.7%	11.9%	13.0%	
Y/ Y Growth Change	4.5%	3.4%	- 0.8%	- 1.5%	3.7%	- 2.2%	
<b>Total OPEX</b>	<b>\$59.8</b>	<b>\$56.4</b>	<b>\$229.1</b>	<b>\$222.5</b>	<b>\$59.5</b>	<b>\$223.7</b>	Lowered to factor in better expense control with integrations.
Q/ Q	17.4%	10.7%			16.8%		
Y/ Y	31.6%	24.2%	31.7%	27.9%	30.9%	28.6%	
Y/ Y Growth Change	6.8%	- 0.7%	5.3%	1.5%	6.1%	2.2%	
<b>Efficiency Ratio</b>	<b>37.8%</b>	<b>36.0%</b>	<b>45.6%</b>	<b>44.5%</b>	<b>37.9%</b>	<b>45.0%</b>	
Q/ Q Change	- 8.62%	- 10.43%					
Y/ Y Change	5.44%	3.63%	6.00%	4.94%	- 1.65%	5.46%	
<b>EPS</b>	<b>\$0.88</b>	<b>\$0.93</b>	<b>\$2.80</b>	<b>\$2.85</b>	<b>\$0.88</b>	<b>\$2.80</b>	No change to our FY Est.
Q/ Q	42.3%	51.0%			41.8%		
Y/ Y	10.2%	17.0%	18.7%	21.1%	9.9%	18.8%	
Y/ Y Growth Change	- 17.1%	- 10.3%	5.0%	7.4%	- 17.4%	5.1%	
<b>ROE</b>	<b>20.8%</b>	<b>24.5%</b>	<b>16.8%</b>	<b>19.5%</b>	<b>21.5%</b>	<b>17.0%</b>	
Q/ Q Change	5.55%	9.32%					
Y/ Y Change	- 2.08%	1.70%	- 0.20%	2.51%	4.50%	0.07%	



## STOCK OPPORTUNITY

We have a BUY rating on AX and are lowering our price target to \$40.00. Our price target is based on a forward multiple of 12.8x 2019 calendar EPS estimate of \$3.13, a slight premium to regional banks trading at ~12.1x. We believe this multiple is appropriate given Axos's high growth and the branchless model which has a significant cost advantage vs. peers and delivers a much higher ROE.



## RISKS

We believe an investment in Axos involves the following risks:

- **Legal:** The lawsuit filed by a former internal auditor (Erhart) could prove more adverse than expected and additional lawsuits could be filed.
- **Regulatory:** Capital requirements could be changed. The CFPB (Consumer Financial Protection Bureau), FDIC and OCC are always a risk in banking. Fannie and Freddie have not yet seen how they will be restructured post being put into conservatorship. Axos sells a material amount of its mortgage loans to Fannie Mae and/or Freddie Mac. If changes are made that impact their ability to purchase loans, it would likely have a material impact on Axos.
- **Interest Rates:** A rapid rise in interest rates could negatively impact Axos. Its deposits could reprice upwards faster than its loans and result in compressing its net interest margin. A flattening yield curve could also pressure Axos's net interest margins.
- **Macro-Economic Slowdown:** A significant economic downturn in the U.S. economy could result in an increase in non-performing loans as the result of higher unemployment, lower borrower incomes, or a decline in real estate values. Axos is especially sensitive to the California economy given its



concentrations of mortgages in the state. At June 30, 2018, approximately 71.1% of the mortgage portfolio was secured by real estate located in California.

- **Competition:** Axos faces strong competition from thousands of existing banks, other Internet focused financial institutions, internet based FinTech companies, and existing companies expanding into competing products. Axos will need to continue to invest in innovation for product offerings, marketing, branding, distribution channels, and customer experiences on ease of use. Increasing competition or changes in Axos's operations that impact its lower cost approach could harm its competitiveness.
- **Underwriting:** Axos has expanded into a number of loan categories where it has a limited experience underwriting across business cycles. Its underwriting could fail to predict losses as expected and result in adverse credit performance and negatively impact earnings results.
- **Privacy:** Axos collects, uses, and retains a significant amount of personal data for consumers and businesses. With numerous different states and federal regulations it is possible that Axos may fail to satisfy a regulator(s) that it is complying with a requirement. Failure or perceived failure could harm its reputation.

<b>Income Statement</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Sep '17</b>	<b>Dec '17</b>	<b>Mar '18</b>	<b>Jun '18</b>	<b>FY 2018</b>	<b>Sep '18</b>	<b>Dec '18</b>	<b>Mar '19E</b>	<b>Jun '19E</b>	<b>FY 2019E</b>	<b>FY 2020E</b>
Loans, Including Fees	220,486	291,058	358,849	97,575	102,034	135,901	111,481	446,991	116,593	123,275	149,725	133,305	522,898	607,187
Investments	23,878	26,649	28,437	5,936	5,751	8,979	7,417	28,083	6,204	7,964	12,888	10,442	37,498	42,231
<b>Total Interest &amp; Dividend Income</b>	<b>244,364</b>	<b>317,707</b>	<b>387,286</b>	<b>103,511</b>	<b>107,785</b>	<b>144,880</b>	<b>118,898</b>	<b>475,074</b>	<b>122,797</b>	<b>131,239</b>	<b>162,614</b>	<b>143,746</b>	<b>560,396</b>	<b>649,418</b>
Deposits	34,733	42,667	56,493	17,318	19,044	20,800	22,689	79,851	28,681	25,985	33,669	38,524	126,860	182,038
Advances from the FHLB	8,910	11,175	12,403	4,552	3,557	6,496	8,243	22,848	6,908	11,574	464	210	19,156	676
Other Borrowings	1,776	2,854	5,163	1,091	971	901	918	3,881	929	960	-	-	1,889	-
<b>Total Interest Expense</b>	<b>45,419</b>	<b>56,696</b>	<b>74,059</b>	<b>22,961</b>	<b>23,572</b>	<b>28,197</b>	<b>31,850</b>	<b>106,580</b>	<b>36,518</b>	<b>38,519</b>	<b>34,133</b>	<b>38,734</b>	<b>147,904</b>	<b>182,714</b>
<b>NII</b>	<b>198,945</b>	<b>261,011</b>	<b>313,227</b>	<b>80,550</b>	<b>84,213</b>	<b>116,683</b>	<b>87,048</b>	<b>368,494</b>	<b>86,279</b>	<b>92,720</b>	<b>128,480</b>	<b>105,012</b>	<b>412,492</b>	<b>466,704</b>
<b>Provision</b>	<b>(11,200)</b>	<b>(9,700)</b>	<b>(11,062)</b>	<b>(1,000)</b>	<b>(4,000)</b>	<b>(16,900)</b>	<b>(3,900)</b>	<b>(25,800)</b>	<b>(600)</b>	<b>(4,950)</b>	<b>(21,944)</b>	<b>(4,719)</b>	<b>(32,213)</b>	<b>(32,959)</b>
<b>NII After Provision</b>	<b>187,745</b>	<b>251,311</b>	<b>302,165</b>	<b>79,550</b>	<b>80,213</b>	<b>99,783</b>	<b>83,148</b>	<b>342,694</b>	<b>85,679</b>	<b>87,770</b>	<b>106,536</b>	<b>100,294</b>	<b>380,279</b>	<b>433,745</b>
<b>Total Unrealized Gain on Securities</b>	<b>(2,599)</b>	<b>(813)</b>	<b>(1,222)</b>	<b>(149)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>(156)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prepayment Penalty Fee Income	4,695	2,914	4,575	1,069	1,165	874	754	3,862	904	2,467	2,000	1,500	6,871	4,800
Gain On Sale - Other	5,793	15,540	4,486	446	1,920	522	2,846	5,734	3,133	1,943	1,200	1,200	7,476	8,000
Mortgage Banking Income	15,264	11,076	14,284	4,708	4,055	3,089	1,903	13,755	1,815	792	750	750	4,107	4,000
Banking Service Fees & Other	6,850	36,196	42,089	6,984	10,165	19,141	11,474	47,764	10,824	11,690	23,718	18,295	64,528	89,576
<b>Total Non-Interest Income</b>	<b>30,590</b>	<b>66,340</b>	<b>68,132</b>	<b>13,340</b>	<b>17,099</b>	<b>23,525</b>	<b>16,977</b>	<b>70,941</b>	<b>16,543</b>	<b>16,892</b>	<b>28,368</b>	<b>22,445</b>	<b>84,249</b>	<b>109,176</b>
<b>Total Revenue</b>	<b>229,535</b>	<b>327,351</b>	<b>381,359</b>	<b>93,890</b>	<b>101,312</b>	<b>140,208</b>	<b>104,025</b>	<b>439,435</b>	<b>102,822</b>	<b>109,612</b>	<b>156,849</b>	<b>127,457</b>	<b>496,740</b>	<b>575,880</b>
Salaries & Related	43,819	66,667	81,819	22,133	24,306	25,871	28,665	100,975	30,662	29,146	32,721	34,051	126,580	151,198
Data Processing & Internet	6,632	10,348	13,324	4,065	3,910	4,216	5,209	17,400	4,735	4,913	5,399	5,789	20,836	25,548
Advertising & Promotional	6,060	6,867	9,367	2,966	3,811	4,315	4,408	15,500	4,425	3,205	4,553	4,025	16,208	17,534
D&A	3,273	4,795	6,094	1,748	1,947	2,024	2,855	8,574	3,016	3,567	4,878	5,031	16,493	20,631
Professional Services	4,122	4,700	4,980	1,624	856	1,474	1,326	5,280	1,858	2,345	2,050	2,100	8,353	8,850
Occupancy & Equipment	3,091	4,326	5,612	1,481	1,437	1,543	1,602	6,063	1,602	1,797	1,800	1,873	7,071	8,238
Other G&A	10,481	10,467	11,582	2,843	3,513	4,891	3,777	15,024	3,753	4,428	4,908	5,108	18,197	22,680
FDIC & Regulatory Fees	3,434	4,632	4,329	1,091	1,005	1,242	1,522	4,860	2,926	1,528	3,182	2,420	10,056	8,306
<b>Total Operating Expenses</b>	<b>77,478</b>	<b>112,756</b>	<b>137,606</b>	<b>38,020</b>	<b>40,809</b>	<b>45,434</b>	<b>49,673</b>	<b>173,936</b>	<b>52,922</b>	<b>50,933</b>	<b>59,492</b>	<b>60,396</b>	<b>223,743</b>	<b>262,985</b>
<b>Operating Income</b>	<b>140,857</b>	<b>204,895</b>	<b>232,691</b>	<b>54,870</b>	<b>56,503</b>	<b>77,874</b>	<b>50,452</b>	<b>239,699</b>	<b>49,300</b>	<b>53,729</b>	<b>75,413</b>	<b>62,343</b>	<b>240,784</b>	<b>279,936</b>
<b>Income Tax</b>	<b>(58,175)</b>	<b>(85,604)</b>	<b>(97,953)</b>	<b>(22,487)</b>	<b>(24,845)</b>	<b>(26,621)</b>	<b>(13,335)</b>	<b>(87,288)</b>	<b>(12,459)</b>	<b>(14,894)</b>	<b>(20,361)</b>	<b>(16,832)</b>	<b>(64,547)</b>	<b>(75,583)</b>
<i>Tax Rate</i>	<i>41.3%</i>	<i>41.8%</i>	<i>42.1%</i>	<i>41.0%</i>	<i>44.0%</i>	<i>34.2%</i>	<i>26.4%</i>	<i>36.4%</i>	<i>25.3%</i>	<i>27.7%</i>	<i>27.0%</i>	<i>27.0%</i>	<i>26.8%</i>	<i>27.0%</i>
<b>NI</b>	<b>82,682</b>	<b>119,291</b>	<b>134,738</b>	<b>32,383</b>	<b>31,658</b>	<b>51,253</b>	<b>37,117</b>	<b>152,411</b>	<b>36,841</b>	<b>38,835</b>	<b>55,051</b>	<b>45,510</b>	<b>176,237</b>	<b>204,353</b>
Preferred stock dividends	(232)	(309)	(309)	(77)	(78)	(77)	(77)	(309)	(77)	(78)	(78)	(77)	(310)	(310)
<b>NI</b>	<b>82,373</b>	<b>118,982</b>	<b>134,430</b>	<b>32,306</b>	<b>31,580</b>	<b>51,176</b>	<b>37,040</b>	<b>152,102</b>	<b>36,764</b>	<b>38,757</b>	<b>54,973</b>	<b>45,433</b>	<b>175,927</b>	<b>204,043</b>
<b>Non-GAAP NI</b>	<b>82,902</b>	<b>118,934</b>	<b>134,119</b>	<b>31,423</b>	<b>32,497</b>	<b>49,624</b>	<b>37,767</b>	<b>151,311</b>	<b>37,047</b>	<b>39,604</b>	<b>54,851</b>	<b>45,310</b>	<b>176,812</b>	<b>204,353</b>
<b>EPS (Diluted)</b>	<b>1.34</b>	<b>1.85</b>	<b>2.07</b>	<b>0.50</b>	<b>0.49</b>	<b>0.80</b>	<b>0.58</b>	<b>2.36</b>	<b>0.58</b>	<b>0.62</b>	<b>0.88</b>	<b>0.72</b>	<b>2.80</b>	<b>3.25</b>
Non GAAP EPS	1.35	1.85	2.07	0.48	0.50	0.77	0.59	2.34	0.58	0.63	0.88	0.72	2.81	3.25
CY EPS	1.56	1.96	2.11	-	-	-	-	2.57	-	-	-	-	3.13	3.35
<b>Diluted Shares Outstanding</b>	<b>61,400</b>	<b>64,339</b>	<b>64,851</b>	<b>65,045</b>	<b>64,984</b>	<b>64,099</b>	<b>64,087</b>	<b>64,554</b>	<b>63,365</b>	<b>62,674</b>	<b>62,674</b>	<b>62,674</b>	<b>62,847</b>	<b>62,844</b>

Y/Y Growth	FY 2015	FY 2016	FY 2017	Sep '17	Dec '17	Mar '18	Jun '18	FY 2018	Sep '18	Dec '18	Mar '19E	Jun '19E	FY 2019E	FY 2020E
Net Loan Growth	39.5%	28.9%	16.0%	14.7%	15.6%	14.9%	14.3%	14.3%	15.2%	14.5%	14.9%	13.9%	13.9%	11.7%
Q/Q Change				-1.34%	0.90%	-0.73%	-0.53%		0.85%	-0.68%	0.42%	-1.03%		
Y/Y Change	-17.03%	-10.57%	-12.89%	-10.64%	-5.05%	-1.47%	-1.70%	-1.70%	0.49%	-1.09%	0.07%	-0.43%	-0.43%	-2.23%
Loans, Including fees	49.3%	32.0%	23.3%	21.0%	18.9%	36.7%	19.9%	24.6%	19.5%	20.8%	10.2%	19.6%	17.0%	16.1%
Investments	-5.3%	11.6%	6.7%	-13.5%	-32.0%	18.6%	33.8%	-1.2%	4.5%	38.5%	43.5%	40.8%	33.5%	12.6%
Total Interest & Dividend Income	41.4%	30.0%	21.9%	18.3%	14.3%	35.4%	20.7%	22.7%	18.6%	21.8%	12.2%	20.9%	18.0%	15.9%
Q/Q Change				4.09%	-4.03%	21.15%	-14.79%		-2.02%	3.13%	-9.52%	8.66%		
Y/Y Change	13.91%	-11.34%	-8.11%	-4.49%	-9.89%	8.54%	6.42%	0.77%	0.31%	7.46%	-23.21%	0.24%	-4.71%	-2.07%
Total Non-interest expense	29.3%	45.5%	22.0%	15.6%	22.5%	28.2%	38.1%	26.4%	39.2%	24.8%	30.9%	21.6%	28.6%	17.5%
Q/Q Change				6.56%	6.91%	5.62%	9.89%		1.14%	-14.39%	6.13%	-9.35%		
Y/Y Change	17.43%	16.26%	-23.49%	-27.82%	1.22%	7.63%	28.98%	4.36%	23.56%	2.26%	2.77%	-16.47%	2.23%	-11.10%
Banking Service Fees & Other	49.6%	428.4%	16.3%	24.1%	20.1%	-1.8%	35.1%	13.5%	55.0%	15.0%	23.9%	59.4%	35.1%	38.8%
Non Interest Income	36.2%	116.9%	2.7%	-9.4%	2.4%	1.5%	25.5%	4.1%	24.0%	-1.2%	20.6%	32.2%	18.8%	29.6%
Q/Q Change				11.02%	11.84%	-0.85%	23.91%		-1.44%	-25.22%	21.80%	11.62%		
Y/Y Change	36.23%	80.63%	-114.17%	-59.94%	-0.57%	2.18%	45.92%	1.42%	33.46%	-3.60%	19.05%	6.76%	14.64%	10.83%
Total Revenue	43.9%	42.6%	16.5%	11.1%	8.9%	25.5%	13.0%	15.2%	9.5%	8.2%	11.9%	22.5%	13.0%	15.9%
Q/Q Change				4.26%	-2.23%	16.63%	-12.49%		-3.48%	-1.32%	3.68%	10.66%		
Y/Y Change	18.05%	-1.25%	-26.12%	-11.53%	-8.35%	5.19%	6.16%	-1.27%	-1.58%	-0.67%	-13.62%	9.53%	-2.19%	2.89%
Salaries & Related	35.9%	52.1%	22.7%	14.0%	21.9%	21.6%	35.1%	23.4%	38.5%	19.9%	26.5%	18.8%	25.4%	19.4%
Professional Services	-24.0%	14.0%	6.0%	19.9%	-21.2%	44.1%	-12.6%	6.0%	14.4%	173.9%	39.1%	58.4%	58.2%	5.9%
Occupancy & Equipment	33.0%	40.0%	29.7%	16.2%	5.4%	5.6%	5.9%	8.0%	8.2%	25.1%	16.6%	16.9%	16.6%	16.5%
Data Processing & Internet	23.4%	56.0%	28.8%	28.2%	32.9%	27.8%	33.1%	30.6%	16.5%	25.7%	28.1%	11.1%	19.7%	22.6%
Advertising & Promotional	62.7%	13.3%	36.4%	16.7%	92.4%	100.9%	63.4%	65.5%	49.2%	-15.9%	5.5%	-8.7%	4.6%	8.2%
D&A	13.9%	46.5%	27.1%	29.2%	38.0%	30.4%	60.6%	40.7%	72.5%	83.2%	141.0%	76.2%	92.4%	25.1%
Other G&A	31.4%	-0.1%	10.7%	19.6%	4.8%	42.4%	56.3%	29.7%	32.0%	26.0%	0.4%	35.2%	21.1%	24.6%
Total Non Interest Expense	29.3%	45.5%	22.0%	15.6%	22.5%	28.2%	38.1%	26.4%	39.2%	24.8%	30.9%	21.6%	28.6%	17.5%
Q/Q Change				6.56%	6.91%	5.62%	9.89%		1.14%	-14.39%	6.13%	-9.35%		
Y/Y Change	19.02%	16.26%	-23.49%	-27.82%	1.22%	7.63%	28.98%	4.36%	23.56%	2.26%	2.77%	-16.47%	2.23%	-11.10%
Net Income	48.0%	44.4%	13.0%	12.1%	-2.0%	25.1%	14.1%	13.1%	13.8%	22.7%	7.4%	22.7%	15.7%	16.0%
Diluted EPS GAAP FY	39.3%	37.8%	12.1%	11.3%	-2.2%	26.8%	15.6%	13.7%	16.8%	27.3%	9.9%	25.4%	18.8%	16.0%
Q/Q Change				2.63%	-13.49%	28.97%	-11.15%		1.17%	10.43%	-17.39%	15.56%		
Y/Y Change	4.32%	-1.43%	-25.78%	-0.24%	-15.08%	13.49%	6.97%	1.63%	5.51%	29.43%	-16.93%	9.78%	5.11%	-2.82%
Diluted EPS GAAP CY		25.4%	7.8%					21.9%					21.6%	6.9%

<b>Margin Analysis % of Salaries</b>														
	FY 2015	FY 2016	FY 2017	Sep '17	Dec '17	Mar '18	Jun '18	FY 2018	Sep '18	Dec '18	Mar '19E	Jun '19E	FY 2019E	FY 2020E
Professional Services	9.4%	7.0%	6.1%	7.3%	3.5%	5.7%	4.6%	5.2%	6.1%	8.0%	6.3%	6.2%	6.6%	5.9%
Occupancy & Equipment	7.1%	6.5%	6.9%	6.7%	5.9%	6.0%	5.6%	6.0%	5.2%	6.2%	5.5%	5.5%	5.6%	5.4%
Data Processing & Internet	15.1%	15.5%	16.3%	18.4%	16.1%	16.3%	18.2%	17.2%	15.4%	16.9%	16.5%	17.0%	16.5%	16.9%
Other G&A	23.9%	15.7%	14.2%	12.8%	14.5%	18.9%	13.2%	14.9%	12.2%	15.2%	15.0%	15.0%	14.4%	15.0%
<b>Margin Analysis % of Interest Income</b>														
	FY 2015	FY 2016	FY 2017	Sep '17	Dec '17	Mar '18	Jun '18	FY 2018	Sep '18	Dec '18	Mar '19E	Jun '19E	FY 2019E	FY 2020E
Advertising & Promotional	2.5%	2.2%	2.4%	2.9%	3.5%	3.0%	3.7%	3.3%	3.6%	2.4%	2.8%	2.8%	2.9%	2.7%
D&A	1.3%	1.5%	1.6%	1.7%	1.8%	1.4%	2.4%	1.8%	2.5%	2.7%	3.0%	3.5%	2.9%	3.2%
<b>Efficiency Ratio</b>														
	33.8%	34.4%	36.1%	40.5%	40.3%	32.4%	47.8%	39.6%	51.5%	46.5%	37.9%	47.4%	45.0%	45.7%
Q/Q Change				1.41%	-0.21%	-7.88%	15.35%		3.72%	-5.00%	-8.54%	9.46%		
Y/Y Change	-3.81%	0.69%	1.64%	1.59%	4.50%	0.68%	8.67%	3.50%	10.98%	6.19%	5.52%	-0.37%	5.46%	0.62%
<b>FTE Details</b>														
	FY 2015	FY 2016	FY 2017	Sep '17	Dec '17	Mar '18	Jun '18	FY 2018	Sep '18	Dec '18	Mar '19E	Jun '19E	FY 2019E	FY 2020E
Period End Employee's	503	629	681	694	707	720	801	801	814	845	858	871	897	951
Y/Y	40.4%	25.0%	14.5%	10.2%	11.9%	11.6%	21.7%		17.3%	19.5%	19.1%	8.8%	12.0%	6.0%
Average # of employees	420	546	638	688	701	714	761	716	808	830	852	865	838	923
Y/Y	26.2%	30.2%	16.7%	9.2%	11.0%	11.8%	16.7%	12.2%	17.5%	18.4%	19.3%	13.7%	17.1%	10.1%
Cost Per Employee	104	122	128	129	139	145	151	141	144	153	154	158	151	164
Y/Y	7.7%	16.9%	5.2%	4.4%	9.8%	8.8%	15.8%	10.0%	12.0%	10.0%	6.0%	4.5%	7.0%	8.5%
Rev/Employee	591	565	604	149	152	201	148	651	151	155	190	165	661	698
Y/Y	9%	25%	15%	7%	2%	21%	-1%	16%	1%	2%	-6%	11%	9%	6%
<b>Spreads</b>														
	FY 2015	FY 2016	FY 2017	Sep '17	Dec '17	Mar '18	Jun '18	FY 2018	Sep '18	Dec '18	Mar '19E	Jun '19E	FY 2019E	FY 2020E
Asset Yield	4.93%	4.75%	4.89%	4.98%	5.12%	5.93%	5.07%	5.30%	5.35%	5.48%	6.06%	5.44%	5.60%	5.77%
Q/Q Change				0.21%	0.15%	0.81%	-0.86%		0.27%	0.13%	0.58%	-0.62%		
Y/Y Change	-0.26%	-0.17%	0.13%	0.24%	0.18%	0.81%	0.31%	0.41%	0.37%	0.36%	0.13%	0.37%	0.30%	0.17%
Deposit Yield	1.03%	1.05%	1.15%	1.36%	1.41%	1.52%	1.73%	1.51%	1.96%	2.00%	1.87%	1.91%	1.93%	2.05%
Q/Q Change				0.15%	0.04%	0.11%	0.21%		0.22%	0.05%	-0.13%	0.04%		
Y/Y Change	-0.13%	0.01%	0.10%	0.23%	0.28%	0.39%	0.52%	0.36%	0.59%	0.60%	0.35%	0.18%	0.42%	0.12%
Interest Rate Spread	3.89%	3.71%	3.74%	3.61%	3.71%	4.41%	3.34%	3.78%	3.39%	3.48%	4.20%	3.53%	3.66%	3.72%
Q/Q Change				0.06%	0.10%	0.70%	-1.07%		0.05%	0.09%	0.72%	-0.67%		
Y/Y Change	-0.13%	-0.19%	0.03%	0.01%	-0.11%	0.42%	-0.21%	0.05%	-0.22%	-0.24%	-0.22%	0.19%	-0.12%	0.06%
NIM	4.01%	3.91%	3.95%	3.87%	4.00%	4.78%	3.71%	4.11%	3.76%	3.87%	4.79%	3.97%	4.12%	4.15%
Q/Q Change				0.07%	0.13%	0.78%	-1.06%		0.04%	0.11%	0.92%	-0.82%		
Y/Y Change	-0.10%	-0.11%	0.05%	0.09%	0.00%	0.54%	-0.08%	0.16%	-0.11%	-0.13%	0.01%	0.26%	0.01%	0.03%
NIM EX H&R				3.87%	3.92%	3.84%	3.80%	3.86%	3.76%	3.82%	3.89%	3.85%	3.83%	3.88%
Q/Q Change				-0.02%	0.05%	-0.08%	-0.04%		-0.04%	0.06%	0.07%	-0.04%		
Y/Y Change	0.00%	0.00%	0.00%	3.87%	0.02%	-0.09%	-0.09%	3.86%	-0.11%	-0.10%	0.05%	0.05%	-0.03%	0.05%

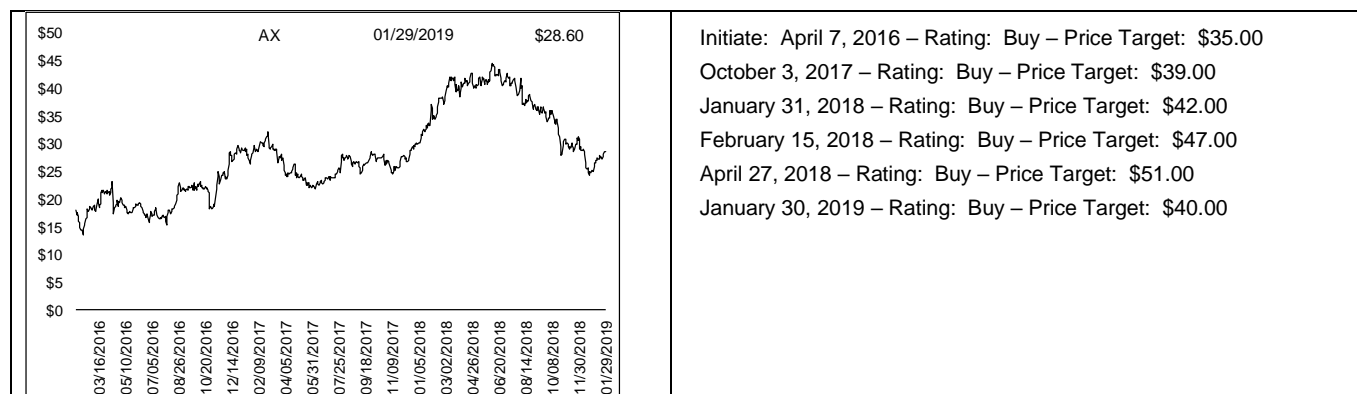




<b>Balance Sheet</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Sep '17</b>	<b>Dec '17</b>	<b>Mar '18</b>	<b>Jun '18</b>	<b>FY 2018</b>	<b>Sep '18</b>	<b>Dec '18</b>	<b>Mar '19E</b>	<b>Jun '19E</b>	<b>FY 2019E</b>	<b>FY 2020E</b>
Cash & Cash Due From Banks	222,774	486,627	628,172	624,169	617,989	1,490,692	622,750	622,750	533,869	256,447	1,565,227	939,136	939,136	1,150,442
Federal Funds Sold	100		15,369	7,752	100	349	100	100	100	100	100	100	100	100
Total Cash & Cash Equivalents	222,874	486,727	643,541	631,921	618,089	1,491,041	622,850	622,850	533,969	256,547	1,565,327	939,236	939,236	1,150,542
Securities	396,748	472,205	387,885	219,713	191,725	173,186	180,305	180,305	202,727	216,785	219,713	219,713	219,713	219,713
Stock in FHLB	66,270	57,123	63,207	63,207	63,207	66,987	17,250	17,250	69,660	17,250	50,000	50,000	50,000	56,822
Loans Held for Sale FV	25,430	20,871	18,738	21,532	24,499	28,301	35,077	35,077	30,916	16,135				
Loans Held for Sale, lower of Cost or FV	77,891	33,530	6,669	7,470	7,067	6,770	2,686	2,686	6,078	2,883				
Total Loans Held For Sale	103,321	54,401	25,407	29,002	31,566	35,071	37,763	37,763	36,994	19,018	37,078	38,422	38,422	42,911
<b>Net Loans</b>	<b>4,928,618</b>	<b>6,354,679</b>	<b>7,374,493</b>	<b>7,512,999</b>	<b>7,874,431</b>	<b>8,064,716</b>	<b>8,432,289</b>	<b>8,432,289</b>	<b>8,654,500</b>	<b>9,017,550</b>	<b>9,269,498</b>	<b>9,605,495</b>	<b>9,605,495</b>	<b>10,727,755</b>
Accrued Interest Receivable	20,268	26,201	20,781	25,183	26,053	26,889	26,729	26,729	35,951	30,616	36,031	36,351	36,351	43,622
Furniture, Equipment & Software	8,551	13,995	16,659	17,751	18,700	19,290	21,454	21,454	22,283	28,540	23,148	25,745	25,745	30,894
Deferred Income Tax	32,955	39,171	34,341	33,857	19,747	27,087	17,957	17,957	17,925	18,112	28,441	18,855	18,855	19,798
Cash Surrender Value of Life Insurance	5,806	5,990	6,174	6,220	6,267	6,312	6,358	6,358	6,404	6,450	6,501	6,549	6,549	6,745
Mortgage Servicing Rights	2,098	3,943	7,200	8,044	9,066	10,228	10,752	10,752	11,216	11,215	12,274	12,902	12,902	15,483
Other real estate owned and repossessed vehicles	1,240	252	1,000	1,389	8,808	8,326	9,591	1,000	9,497	8,665	1,000	1,000	1,000	1,000
Other assets excluding Other real estate owned and	34,970							-					-	-
Goodwill & Other							67,788	67,788	67,139	79,829	79,829	79,829	79,829	79,829
Other Assets	36,210	86,667	35,667	32,342	48,300	53,187	88,418	88,418	123,255	99,519	99,519	99,519	99,519	109,471
<b>Total Assets</b>	<b>5,823,719</b>	<b>7,601,354</b>	<b>8,228,470</b>	<b>8,581,628</b>	<b>8,915,959</b>	<b>9,982,320</b>	<b>9,539,504</b>	<b>9,463,125</b>	<b>9,791,520</b>	<b>9,810,096</b>	<b>11,428,359</b>	<b>11,133,616</b>	<b>11,133,616</b>	<b>12,504,583</b>
Non-interest bearing	309,339	588,774	848,544	959,896	905,477	1,513,228	1,015,355	1,015,355	861,362	1,000,866	1,477,350	1,142,427	1,028,910	1,159,336
% of total deposits		10%	12%	9.0%	9.0%	9.0%	9.0%	13%	9.0%	9.0%	9.0%	9.0%	9%	9%
Interest bearing	4,142,578	5,455,277	6,050,963	6,218,904	6,487,756	6,450,529	6,969,955	6,969,955	5,216,226	7,339,654	7,566,391	8,502,628	8,502,628	9,745,820
<b>Total deposits</b>	<b>4,451,917</b>	<b>6,044,051</b>	<b>6,899,507</b>	<b>7,178,800</b>	<b>7,393,233</b>	<b>7,963,757</b>	<b>7,985,350</b>	<b>7,985,350</b>	<b>6,077,588</b>	<b>8,340,520</b>	<b>9,043,741</b>	<b>9,645,055</b>	<b>9,531,539</b>	<b>10,905,157</b>
Securities Sold Under Agreements to Repurchase	35,000	35,000	20,000	10,000			-	-	-	-	-	-	-	-
Advances from FHLB	753,000	727,000	640,000	400,000	543,000	968,000	457,000	457,000	2,580,000	342,500	1,239,762	283,365	283,365	139,652
Subordinated Debentures	5,155	58,066	54,463	54,479	54,503	54,528	54,552	54,552	54,588	54,625				-
Accrued Interest Payable	1,266	1,667	1,284	1,325	1,517	1,677	1,753	1,753	2,353	2,570	2,570	2,570	2,570	2,570
Notes Outstanding														
AP, Accrued & Other Liabilities	43,855	51,980	52,179	70,330	50,043	72,705	80,336	80,336	76,744	75,480	87,246	96,403	96,403	115,684
<b>Total Liabilities</b>	<b>5,290,193</b>	<b>6,917,764</b>	<b>7,667,433</b>	<b>7,714,934</b>	<b>8,042,296</b>	<b>9,060,667</b>	<b>8,578,991</b>	<b>8,578,991</b>	<b>8,791,273</b>	<b>8,815,695</b>	<b>10,373,319</b>	<b>10,027,393</b>	<b>10,027,393</b>	<b>11,170,440</b>
Preferred stock	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063
Common stock	166		651	653	654	655	658	658	660	662	662	662	662	662
Additional Paid-In Capital	296,507	331,156	346,117	349,774	353,801	359,299	366,515	366,515	373,364	377,689	383,354	389,105	389,105	412,981
Accumulated Other	(9,399)	(7,304)	487	(473)	366	(1,141)	(613)	(613)	(407)	(227)	(227)	(227)	(227)	(227)
Retained Earnings	265,833	384,815	519,246	551,552	583,132	634,308	671,348	671,348	708,112	746,869	801,842	847,275	847,275	1,051,319
Treasury Stock	(24,644)	(30,785)	(37,317)	(39,875)	(69,353)	(76,531)	(82,458)	(82,458)	(86,545)	(135,655)	(135,655)	(135,655)	(135,655)	(135,655)
<b>Total Stockholders' Equity</b>	<b>533,526</b>	<b>683,590</b>	<b>834,247</b>	<b>866,694</b>	<b>873,663</b>	<b>921,653</b>	<b>960,513</b>	<b>960,513</b>	<b>1,000,247</b>	<b>994,401</b>	<b>1,055,040</b>	<b>1,106,223</b>	<b>1,106,223</b>	<b>1,334,143</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>5,823,719</b>	<b>7,601,354</b>	<b>8,501,680</b>	<b>8,581,628</b>	<b>8,915,959</b>	<b>9,982,320</b>	<b>9,539,504</b>	<b>9,539,504</b>	<b>9,791,520</b>	<b>9,810,096</b>	<b>11,428,359</b>	<b>11,133,616</b>	<b>11,133,616</b>	<b>12,504,583</b>



<b>Tier 1 Ratios</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<i>Sep '17</i>	<i>Dec '17</i>	<i>Mar '18</i>	<i>Jun '18</i>	<b>FY 2018</b>	<i>Sep '18</i>	<i>Dec '18</i>	<i>Mar '19E</i>	<i>Jun '19E</i>	<b>FY 2019E</b>	<b>FY 2020E</b>
<b>Bofi Holding Inc.</b>														
Tier 1 Leverage (Core) Capital to Adj weighted assets	9.59%	9.12%	9.95%	10.29%	10.26%	9.36%	9.45%	9.45%	10.02%	9.41%	9.52%	10.25%	10.25%	11.00%
<b>Common Equity tier 1 capital (to risk weighted assets)</b>	14.98%	14.42%	14.66%	15.10%	14.39%	14.83%	13.27%	13.27%	13.42%	12.50%	<b>12.63%</b>	<b>13.60%</b>	<b>13.60%</b>	<b>14.61%</b>
Tier 1 capital (To risk weighted)	15.20%	14.53%	14.75%	15.19%	14.48%	14.91%	13.34%	13.34%	13.49%	12.57%	12.69%	13.66%	13.66%	14.67%
Total Capital (To risk weighted)	15.91%	13.63%	16.38%	16.82%	16.08%	16.74%	14.84%	14.84%	14.95%	14.01%				
<b>Bofi Federal Bank</b>														
Tier 1 Leverage (Core) Capital to Adj weighted assets	9.25%	8.78%	9.60%	9.95%	10.26%	9.40%	8.88%	8.88%	9.41%	9.03%				
Common Equity tier 1 capital (to risk weighted assets)	14.58%	14.00%	14.25%	14.70%	14.48%	14.97%	12.53%	12.53%	12.69%	12.06%				
Tier 1 capital (To risk weighted)	14.58%	14.00%	14.25%	14.70%	14.48%	14.97%	12.53%	12.53%	12.69%	12.06%				
Total Capital (To risk weighted)	15.38%	14.75%	14.97%	15.44%	15.23%	15.98%	13.27%	13.27%	13.41%	12.80%				
<b>Summarized Balance Sheet</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<i>Sep '17</i>	<i>Dec '17</i>	<i>Mar '18</i>	<i>Jun '18</i>	<b>FY 2018</b>	<i>Sep '18</i>	<i>Dec '18</i>	<i>Mar '19E</i>	<i>Jun '19E</i>	<b>FY 2019E</b>	<b>FY 2020E</b>
Net Loans	4,928,618	6,354,679	7,374,493	7,512,999	7,874,431	8,064,716	8,432,289	8,432,289	8,654,500	9,017,550	9,269,498	9,605,495	9,605,495	10,727,755
<b>Total Assets</b>	<b>5,823,719</b>	<b>7,601,354</b>	<b>8,228,470</b>	<b>8,581,628</b>	<b>8,915,959</b>	<b>9,982,320</b>	<b>9,539,504</b>	<b>9,463,125</b>	<b>9,791,520</b>	<b>9,810,096</b>	<b>11,428,359</b>	<b>11,133,616</b>	<b>11,133,616</b>	<b>12,504,583</b>
Total Deposits	4,451,917	6,044,051	6,899,507	7,178,800	7,393,233	7,963,757	7,985,350	7,985,350	6,077,588	8,340,520	9,043,741	9,645,055	9,531,539	10,905,157
Other Liabilities	838,276	873,713	767,926	536,134	649,063	1,096,910	593,641	593,641	2,713,685	475,175	1,329,578	382,338	382,338	257,906
<b>Total Equity</b>	<b>533,526</b>	<b>683,590</b>	<b>834,247</b>	<b>866,694</b>	<b>873,663</b>	<b>921,653</b>	<b>960,513</b>	<b>960,513</b>	<b>1,000,247</b>	<b>994,401</b>	<b>1,055,040</b>	<b>1,106,223</b>	<b>1,106,223</b>	<b>1,334,143</b>
<b>Total Liabilities &amp; Equity</b>	<b>5,823,719</b>	<b>7,601,354</b>	<b>8,501,680</b>	<b>8,581,628</b>	<b>8,915,959</b>	<b>9,982,320</b>	<b>9,539,504</b>	<b>9,539,504</b>	<b>9,791,520</b>	<b>9,810,096</b>	<b>11,428,359</b>	<b>11,133,616</b>	<b>11,133,616</b>	<b>12,504,583</b>
ROE	18.1%	19.3%	17.7%	15.2%	14.4%	22.8%	15.7%	17.0%	15.0%	15.2%	21.5%	16.8%	17.0%	16.7%
Equity to Assets	9.2%	9.0%	10.1%	10.1%	9.8%	9.2%	10.1%	10.2%	10.2%	10.1%	9.2%	9.9%	9.9%	10.7%
BV/ Diluted Share	\$8.69	\$10.62	\$12.86	\$13.32	\$13.44	\$14.38	\$14.99	\$14.88	\$15.79	\$15.87	\$16.83	\$17.65	\$17.60	\$21.23

**REQUIRED DISCLOSURES**

Source: FactSet

**Ratings definitions:**

**Buy** rated stocks generally have twelve month price targets that are more than 20% above the current price. **Hold** rated stocks generally have twelve month price targets near the current price. **Sell** rated stocks generally have no price target and we would sell the stock.

**Fundamental trend definitions:**

**Improving** means growth rates of key business metrics are generally accelerating. **Stable** means growth rates of key business metrics are generally steady. **Mixed** means growth rates of some key business metrics are positive but others are negative. **Declining** means growth rates of key business metrics are generally decelerating.

**Ratings Distribution (12/31/2018)**

Rating	% Of Companies Covered	% With Investment Banking Relationships
Buy	77%	18%
Hold	22%	2%
Sell	1%	0%
Total	100%	14%

**Information about valuation methods and risks can be found in the “STOCK OPPORTUNITY” and “RISKS” sections, respectively, of this report.**

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