



# Axos Q4 Fiscal 2024 Earnings Supplement

July 30, 2024

NYSE: AX

**axos**<sup>TM</sup>  
Banking **Evolved**<sup>SM</sup>

# Loan Growth by Category

			\$ Millions		
			Q4 FY24	Q3 FY24	Inc (Dec)
Loans	Single Family Mortgage & Warehouse	Jumbo Mortgage	\$ 3,922	\$ 3,964	\$ (42)
		SF Warehouse Lending	257	159	98
	Multifamily & Commercial Mortgage	Multifamily	2,541	2,663	(122)
		Small Balance Commercial	1,321	1,338	(17)
	Commercial Real Estate	CRE Specialty	5,189	5,220	(31)
		Lender Finance RE	900	693	207
	Commercial & Industrial Non-RE	Lender Finance Non-RE	2,328	2,320	8
		Asset-Based and Cash Flow Lending	1,797	1,617	180
		Capital Call Facilities	1,116	891	225
	Auto & Consumer	Auto	386	399	(13)
		Unsecured/OD	44	51	(7)
		Other	2	2	—
			\$ 19,803	\$ 19,317	\$ 486

# FDIC Loan Purchase Metrics

as of June 30, 2024



Loan Type	Unpaid Principal Balance (mm)	Weighted-Average Yield Before Accretion of Discount	Weighted-Average LTV	Remaining Term (Months)
Office	\$ 239	7.5 %	52.1 %	44
Data Center	122	4.2	38.5	15
Land	44	8.6	28.6	17
Other	50	6.8	51.0	12
Industrial	38	6.9	70.3	89
Mixed Use	34	7.4	57.4	33
Retail	27	7.7	49.1	33
<b>Total CRE</b>	<b>554</b>	<b>6.8 %</b>	<b>48.5 %</b>	<b>35</b>
Residential	349	6.7	61.1	137
Rent-stabilized / Rent-controlled Multifamily <sup>1</sup>	328	7.2	73.6	91
<b>Total Multifamily</b>	<b>677</b>	<b>6.9 %</b>	<b>67.2 %</b>	<b>115</b>
<b>Total</b>	<b>\$ 1,231</b>	<b>6.9 %</b>	<b>58.8 %</b>	<b>79</b>

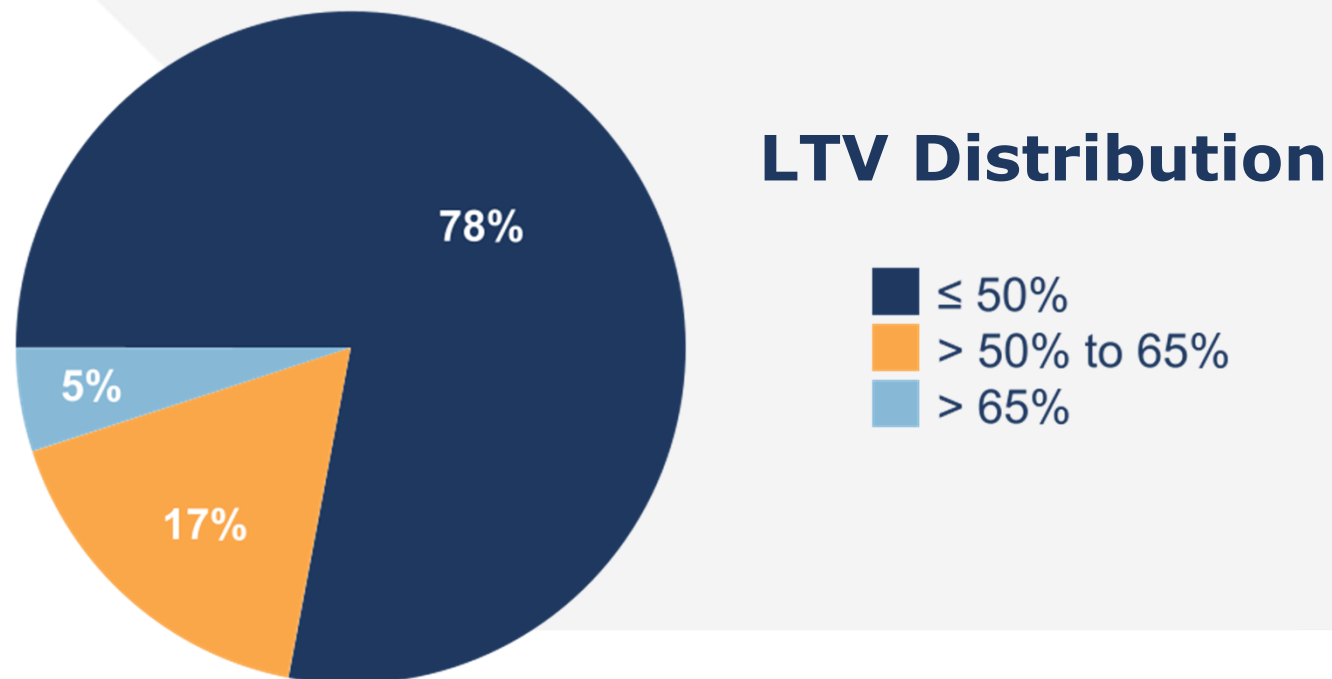
On December 7, 2023, Axos completed a purchase of \$1.25 billion of loans from the FDIC at a 37% discount.

Note 1: 1,456 units out of 1,457 total units are rent-stabilized; only 1 is rent-controlled

# Commercial Real Estate Specialty<sup>1</sup> Detail

as of June 30, 2024

Loan Type	Balance (mm)	Weighted Avg. LTV	Non-Accrual Loans (mm)
<b>Multifamily</b>	\$ 1,946	39 %	\$ 11
<b>Hotel</b>	1,021	40	—
<b>SFR</b>	710	43	15
<b>Industrial</b>	536	48	—
<b>Other</b>	451	32	—
<b>Office</b>	302	35	—
<b>Retail</b>	223	46	—
<b>Total</b>	<b>\$ 5,189</b>	<b>40 %</b>	<b>\$ 26</b>



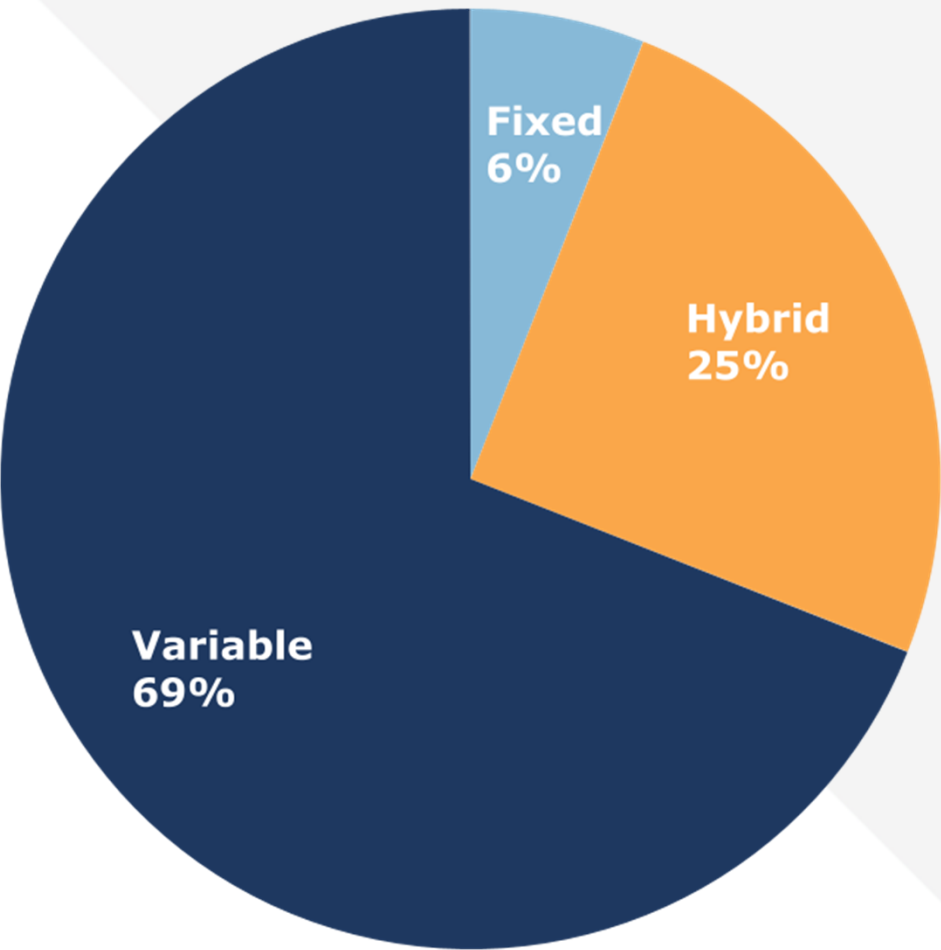
Note 1: Includes Commercial Real Estate Specialty loan portfolio only.

# Interest Rate Components of Loan & Lease Portfolio

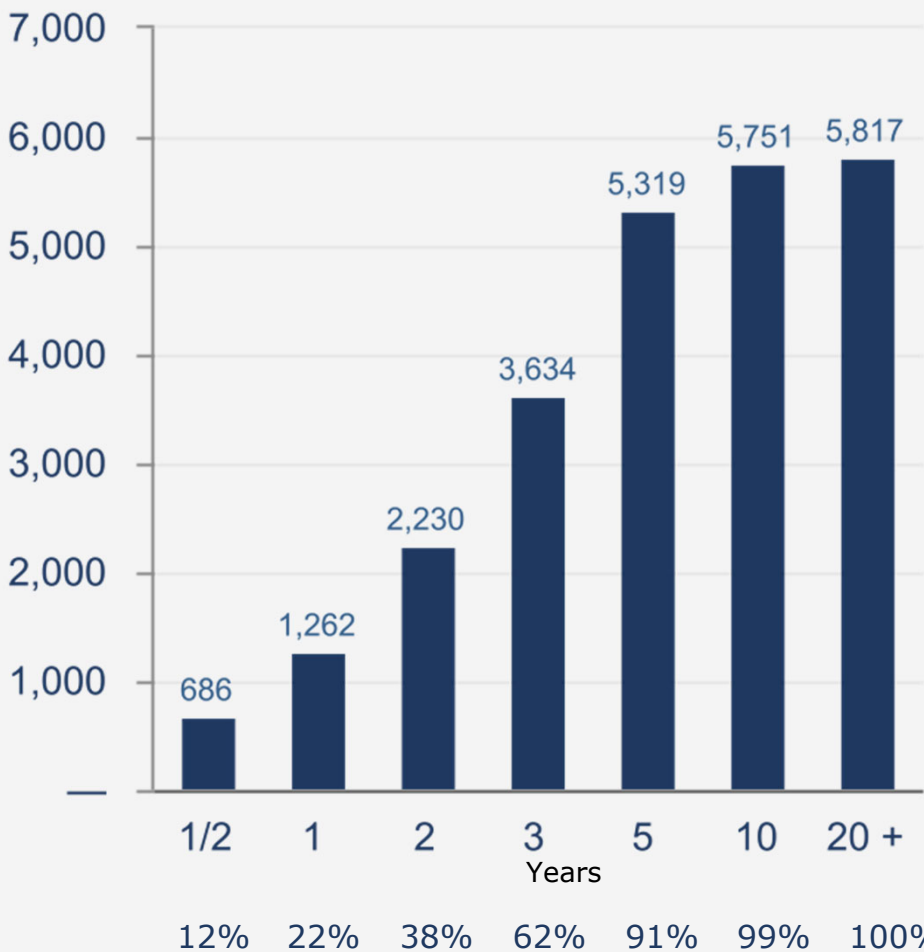
As of June 30, 2024



Mix of Loan Repricing Types



Fixed/Hybrid Years to Maturity / Repricing\*

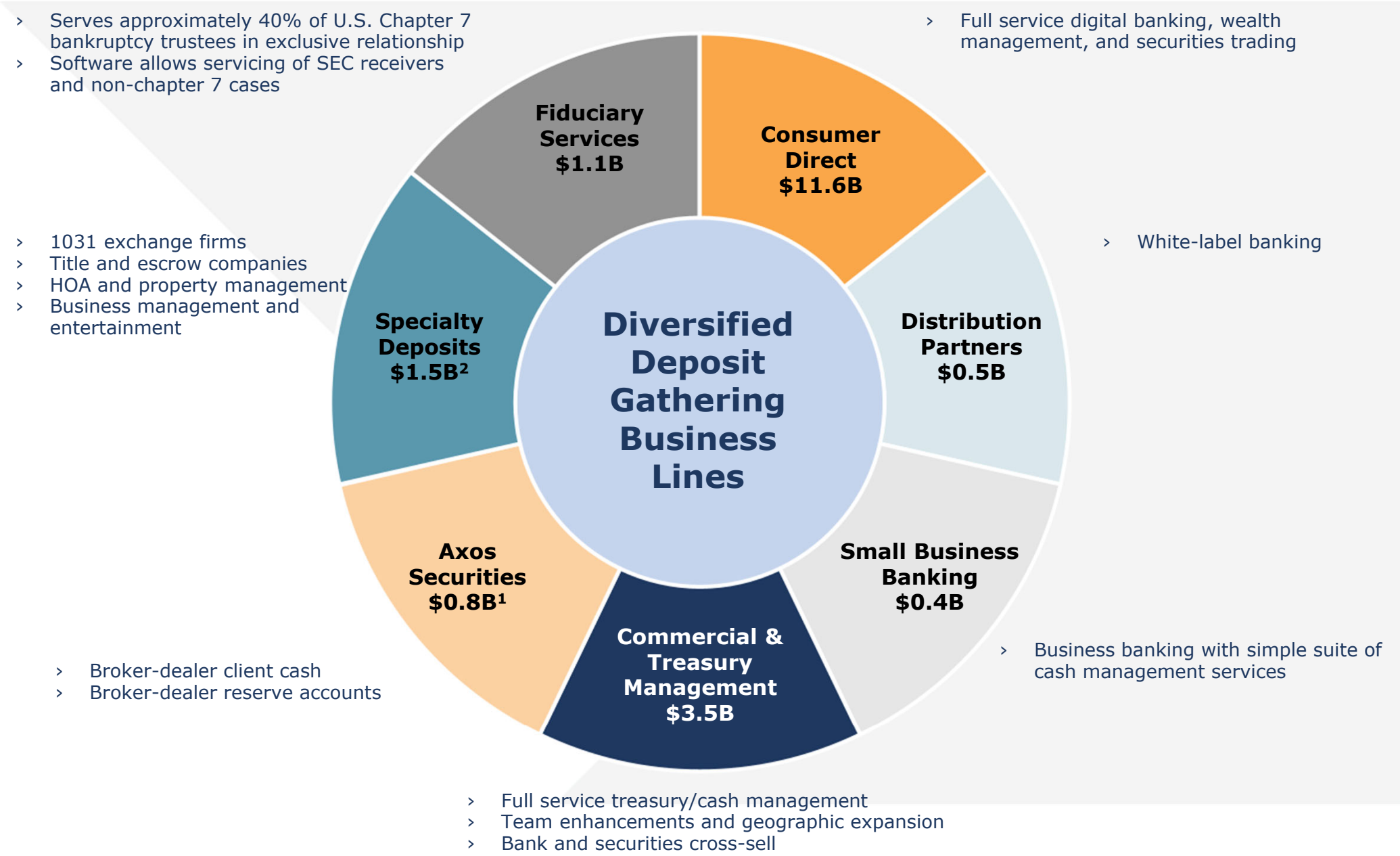


\*Excludes SF Warehouse Lending and Equipment Leasing. The years to repricing assumes no loan prepayments and reflects only contractual terms.

Of the fixed and hybrid rate loan balances in our portfolio at June 30, 2024, 62% will reprice within 3 years and 91% will reprice within 5 years

# Diversified Deposit Gathering

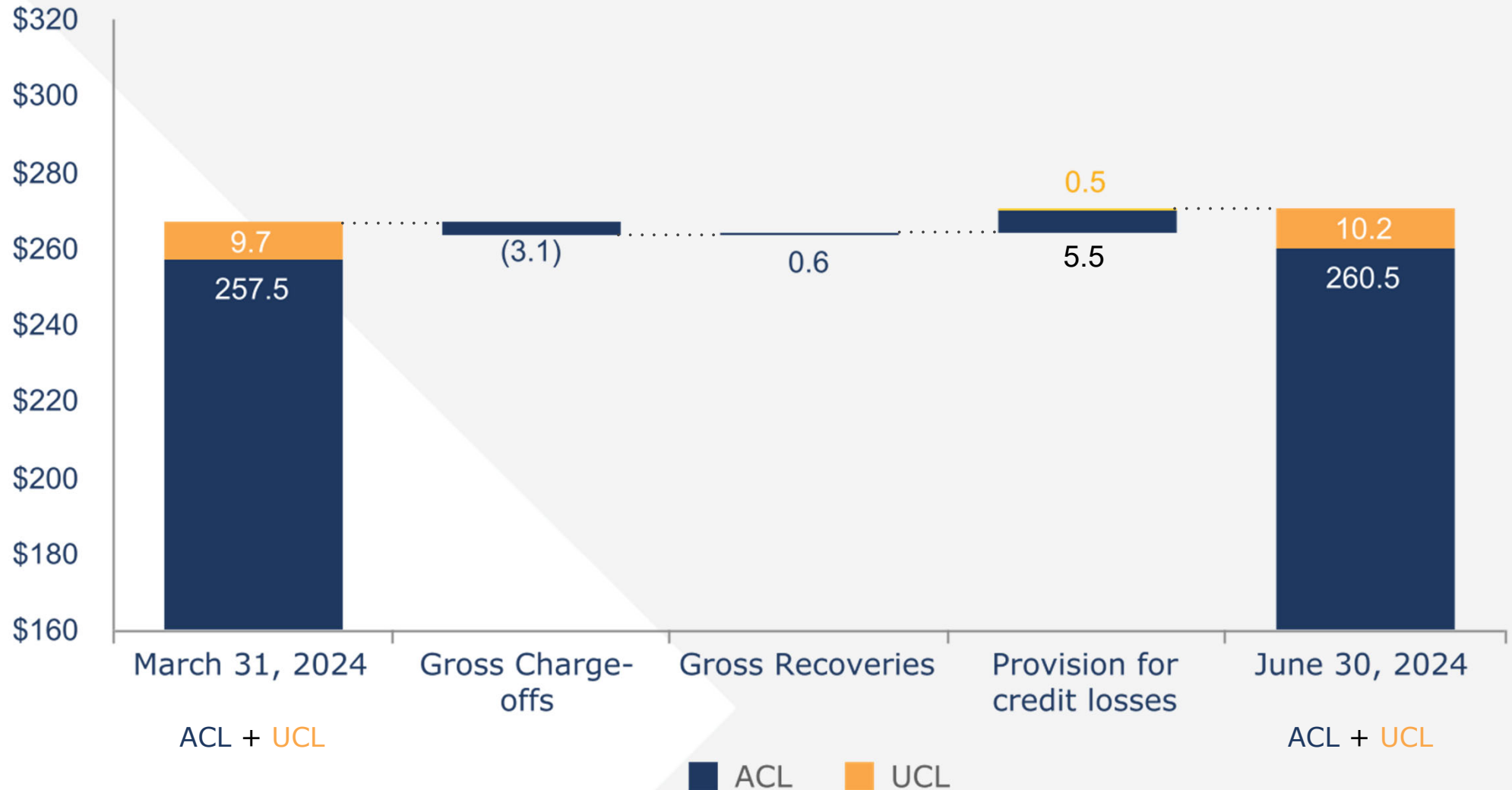
Approximately 90% of deposits are FDIC-insured or collateralized



Deposit balances as of June 30, 2024  
Note 1: Excludes approximately \$550 million of off-balance sheet deposits  
Note 2: Excludes approximately \$700 million of client deposits held at other banks

# Change in Allowance for Credit Losses (ACL) & Unfunded Loan Commitments Reserve (UCL)

(\$ in millions)



# Allowance for Credit Losses (ACL) by Loan Category

as of June 30, 2024



\$ Millions				
		Loan Balance	ACL	ACL %
Loans	Single Family Mortgage & Warehouse	\$ 4,179	\$ 17	0.4 %
	Multifamily & Commercial Mortgage	3,862	71	1.8 %
	Commercial Real Estate	6,089	88	1.4 %
	Commercial & Industrial Non-RE	5,241	76	1.5 %
	Auto & Consumer	432	9	2.1 %
		\$ 19,803	\$ 261	1.3 %



# Credit Quality (\$ millions)



June 30, 2024	Loans O/S	Non-Accrual Loans	%
Single Family-Mortgage & Warehouse	\$ 4,179	\$ 46	1.10 %
Multifamily and Commercial Mortgage	3,862	35	0.91
Commercial Real Estate	6,089	26	0.43
Commercial & Industrial - Non-RE	5,241	4	0.08
Auto & Consumer	432	2	0.47
Total	\$ 19,803	\$ 113	0.57 %

March 31, 2024	Loans O/S	Non-Accrual Loans	%
Single Family-Mortgage & Warehouse	\$ 4,123	\$ 51	1.24 %
Multifamily and Commercial Mortgage	4,001	39	0.97
Commercial Real Estate	5,913	26	0.44
Commercial & Industrial - Non-RE	4,828	4	0.08
Auto & Consumer	452	2	0.44
Total	\$ 19,317	\$ 122	0.63 %

June 30, 2023	Loans O/S	Non-Accrual Loans	%
Single Family-Mortgage & Warehouse	\$ 4,174	\$ 31	0.74 %
Multifamily and Commercial Mortgage	3,082	35	1.14
Commercial Real Estate	6,200	15	0.24
Commercial & Industrial - Non-RE	2,640	3	0.11
Auto & Consumer	556	3	0.54
Total	\$ 16,652	\$ 87	0.52 %

**AXOS FINANCIAL, INC.**  
**SELECTED CONSOLIDATED FINANCIAL INFORMATION**  
*(Unaudited – dollars in thousands)*



	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b><i>Selected Balance Sheet Data:</i></b>					
Total assets	\$ 22,855,334	\$ 22,642,133	\$ 21,623,764	\$ 20,825,206	\$ 20,348,469
Loans—net of allowance for credit losses	19,231,385	18,733,455	18,264,354	16,955,041	16,456,728
Loans held for sale, carried at fair value	16,482	16,239	13,468	8,014	23,203
Loans held for sale, lower of cost or fair value	—	—	—	—	776
Allowance for credit losses	260,542	257,522	251,749	170,870	166,680
Securities—trading	353	592	329	640	758
Securities—available-for-sale	141,611	207,582	239,812	236,726	232,350
Securities borrowed	67,212	105,853	145,176	96,424	134,339
Customer, broker-dealer and clearing receivables	240,028	292,630	265,857	285,423	374,074
Total deposits	19,359,217	19,103,532	18,203,912	17,565,741	17,123,108
Advances from the FHLB	90,000	90,000	90,000	90,000	90,000
Borrowings, subordinated notes and debentures	325,679	330,389	341,086	447,733	361,779
Securities loaned	74,177	119,800	155,492	116,446	159,832
Customer, broker-dealer and clearing payables	301,127	387,176	368,885	341,915	445,477
Total stockholders' equity	2,290,596	2,196,293	2,078,224	1,976,208	1,917,159
<b><i>Capital Ratios:</i></b>					
Equity to assets at end of period	10.02 %	9.70 %	9.61 %	9.49 %	9.42 %
Axos Financial, Inc.:					
Tier 1 leverage (to adjusted average assets)	9.43 %	9.33 %	9.39 %	9.27 %	8.96 %
Common equity tier 1 capital (to risk-weighted assets)	12.01 %	11.47 %	10.97 %	11.11 %	10.94 %
Tier 1 capital (to risk-weighted assets)	12.01 %	11.47 %	10.97 %	11.11 %	10.94 %
Total capital (to risk-weighted assets)	14.84 %	14.26 %	13.79 %	14.06 %	13.82 %
Axos Bank:					
Tier 1 leverage (to adjusted average assets)	9.74 %	9.86 %	10.22 %	9.99 %	9.68 %
Common equity tier 1 capital (to risk-weighted assets)	12.74 %	12.47 %	12.26 %	11.69 %	11.63 %
Tier 1 capital (to risk-weighted assets)	12.74 %	12.47 %	12.26 %	11.69 %	11.63 %
Total capital (to risk-weighted assets)	13.81 %	13.49 %	13.25 %	12.65 %	12.50 %
Axos Clearing LLC:					
Net capital	\$ 101,462	\$ 102,963	\$ 103,454	\$ 101,391	\$ 35,221
Excess capital	\$ 96,654	\$ 97,646	\$ 98,397	\$ 96,211	\$ 29,905
Net capital as a percentage of aggregate debit items	42.21 %	38.73 %	40.92 %	39.14 %	13.25 %
Net capital in excess of 5% aggregate debit items	\$ 89,442	\$ 89,671	\$ 90,812	\$ 88,440	\$ 21,930

**AXOS FINANCIAL, INC.**  
**SELECTED CONSOLIDATED FINANCIAL INFORMATION**  
*(Unaudited – dollars in thousands)*



At or For The Three Months Ended

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b>Selected Income Statement Data:</b>					
Interest and dividend income	\$ 453,428	\$ 443,564	\$ 394,663	\$ 363,952	\$ 346,430
Interest expense	193,366	181,958	166,057	152,797	142,676
Net interest income	260,062	261,606	228,606	211,155	203,754
Provision for credit losses	6,000	6,000	13,500	7,000	7,000
Net interest income, after provision for credit losses	254,062	255,606	215,106	204,155	196,754
Non-interest income	30,861	33,163	124,129	34,507	32,705
Non-interest expense	140,535	133,228	121,839	120,506	112,456
Income before income taxes	144,388	155,541	217,396	118,156	117,003
Income taxes	39,516	44,821	65,625	35,511	29,647
Net income	\$ 104,872	\$ 110,720	\$ 151,771	\$ 82,645	\$ 87,356
<b>Per Common Share Data:</b>					
Net income:					
Basic	\$ 1.84	\$ 1.94	\$ 2.65	\$ 1.40	\$ 1.48
Diluted	\$ 1.80	\$ 1.91	\$ 2.62	\$ 1.38	\$ 1.46
Adjusted earnings per common share (Non-GAAP) <sup>1</sup>	\$ 1.83	\$ 1.94	\$ 1.60	\$ 1.41	\$ 1.50
Book value per common share	\$ 40.26	\$ 38.48	\$ 36.53	\$ 33.78	\$ 32.53
Tangible book value per common share (Non-GAAP) <sup>1</sup>	\$ 37.26	\$ 35.46	\$ 33.45	\$ 30.72	\$ 29.51
<b>Weighted average number of common shares outstanding:</b>					
Basic	56,938,405	56,932,050	57,216,621	58,949,038	58,981,372
Diluted	58,164,623	58,037,698	57,932,834	59,808,322	59,707,871
Common shares outstanding at end of period	56,894,565	57,079,429	56,898,377	58,503,976	58,943,035
Common shares issued at end of period	70,221,632	70,033,523	69,828,709	69,826,263	69,465,446
<b>Performance Ratios and Other Data:</b>					
Loan originations for investment	\$ 2,451,410	\$ 2,801,110	\$ 2,739,261	\$ 2,605,332	\$ 2,216,764
Loan originations for sale	52,574	47,821	44,325	52,858	64,154
Loan purchases	430	—	789,516	51,892	650
Return on average assets	1.81 %	1.98 %	2.90 %	1.64 %	1.73 %
Return on average common stockholders' equity	18.81 %	20.71 %	30.39 %	16.91 %	18.60 %
Interest rate spread <sup>2</sup>	3.63 %	3.88 %	3.58 %	3.37 %	3.20 %
Net interest margin <sup>3</sup>	4.65 %	4.87 %	4.55 %	4.36 %	4.19 %
Net interest margin <sup>3</sup> – Banking Business Segment	4.68 %	4.92 %	4.62 %	4.46 %	4.26 %
Efficiency ratio <sup>4</sup>	48.31 %	45.20 %	34.54 %	49.05 %	47.56 %
Efficiency ratio <sup>4</sup> – Banking Business Segment	41.39 %	38.82 %	30.96 %	45.44 %	45.07 %
<b>Asset Quality Ratios:</b>					
Net annualized charge-offs to average loans	0.05 %	0.07 %	0.04 %	0.04 %	0.04 %
Non-accrual loans to total loans	0.57 %	0.63 %	0.65 %	0.62 %	0.52 %
Non-performing assets to total assets	0.51 %	0.55 %	0.60 %	0.56 %	0.47 %
Allowance for credit losses - loans to total loans held for investment	1.34 %	1.36 %	1.33 %	1.00 %	1.00 %
Allowance for credit losses - loans to non-performing loans	229.84 %	210.95 %	205.50 %	159.80 %	191.23 %

<sup>1</sup> See "Use of Non-GAAP Financial Measures" herein.

<sup>2</sup> Interest rate spread represents the difference between the annualized weighted average yield on interest-earning assets and the annualized weighted average rate paid on interest-bearing liabilities.

<sup>3</sup> Net interest margin represents annualized net interest income as a percentage of average interest-earning assets.

<sup>4</sup> Efficiency ratio represents non-interest expense as a percentage of the aggregate of net interest income and non-interest income.

## Use of Non-GAAP Financial Measures



In addition to the results presented in accordance with GAAP, this earnings supplement includes non-GAAP financial measures such as adjusted earnings, adjusted earnings per diluted common share, and tangible book value per common share. Non-GAAP financial measures have inherent limitations, may not be comparable to similarly titled measures used by other companies and are not audited. Readers should be aware of these limitations and should be cautious as to their reliance on such measures. Although we believe the non-GAAP financial measures disclosed in this report enhance investors' understanding of our business and performance, these non-GAAP measures should not be considered in isolation, or as a substitute for GAAP basis financial measures.

We define "adjusted earnings", a non-GAAP financial measure, as net income without the after-tax impact of non-recurring acquisition-related costs and other costs (unusual or non-recurring charges). Adjusted earnings per diluted common share ("adjusted EPS"), a non-GAAP financial measure, is calculated by dividing non-GAAP adjusted earnings by the average number of diluted common shares outstanding during the period. We believe the non-GAAP measures of adjusted earnings and adjusted EPS provide useful information about the Company's operating performance. We believe excluding the non-recurring acquisition related costs and other costs (unusual or non-recurring) provides investors with an alternative understanding of Axos' core business.

Below is a reconciliation of net income, the nearest comparable GAAP measure, to adjusted earnings and adjusted EPS (Non-GAAP) for the periods shown:

<i>(Dollars in thousands, except per share amounts)</i>	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net income	\$ 104,872	\$ 110,720	\$ 151,771	\$ 82,645	\$ 87,356
FDIC Loan Purchase - Gain on purchase	—	—	(92,397)	—	—
FDIC Loan Purchase - Provision for credit losses	—	—	4,648	—	—
Acquisition-related costs	2,554	2,719	2,780	2,790	2,779
Other costs	—	—	—	—	—
Income taxes	(699)	(784)	25,650	(839)	(704)
Adjusted earnings (non-GAAP)	\$ 106,727	\$ 112,655	\$ 92,452	\$ 84,596	\$ 89,431
Average dilutive common shares outstanding	58,164,623	58,037,698	57,932,834	59,808,322	59,707,871
Diluted EPS	\$ 1.80	\$ 1.91	\$ 2.62	\$ 1.38	\$ 1.46
FDIC Loan Purchase - Gain on Purchase	—	—	(1.59)	—	—
FDIC Loan Purchase - Provision for credit losses	—	—	0.08	—	—
Acquisition-related costs	0.04	0.05	0.05	0.05	0.05
Other costs	—	—	—	—	—
Income taxes	(0.01)	(0.02)	0.44	(0.02)	(0.01)
Adjusted EPS (Non-GAAP)	\$ 1.83	\$ 1.94	\$ 1.60	\$ 1.41	\$ 1.50

We define "tangible book value", a non-GAAP financial measure, as book value adjusted for goodwill and other intangible assets. Tangible book value is calculated using common stockholders' equity minus servicing rights, goodwill and other intangible assets. Tangible book value per common share, a non-GAAP financial measure, is calculated by dividing tangible book value by the common shares outstanding at the end of the period. We believe tangible book value per common share is useful in evaluating the Company's capital strength, financial condition, and ability to manage potential losses.

Below is a reconciliation of total stockholders' equity, the nearest comparable GAAP measure, to tangible book value per common share (non-GAAP) as of the dates indicated:

<i>(Dollars in thousands, except per share amounts)</i>	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Common stockholders' equity	\$ 2,290,596	\$ 2,196,293	\$ 2,078,224	\$ 1,976,208	\$ 1,917,159
Less: servicing rights, carried at fair value	28,924	28,130	28,043	29,338	25,443
Less: goodwill and intangible assets	141,769	144,324	146,793	149,572	152,149
Tangible common stockholders' equity (Non-GAAP)	\$ 2,119,903	\$ 2,023,839	\$ 1,903,388	\$ 1,797,298	\$ 1,739,567
Common shares outstanding at end of period	56,894,565	57,079,429	56,898,377	58,503,976	58,943,035
Book value per common share	\$ 40.26	\$ 38.48	\$ 36.53	\$ 33.78	\$ 32.53
Less: servicing rights, carried at fair value per common share	\$ 0.51	\$ 0.49	\$ 0.49	\$ 0.50	\$ 0.44
Less: goodwill and other intangible assets per common share	\$ 2.49	\$ 2.53	\$ 2.59	\$ 2.56	\$ 2.58
Tangible book value per common share (Non-GAAP)	\$ 37.26	\$ 35.46	\$ 33.45	\$ 30.72	\$ 29.51

**Greg Garrabrants, President and CEO**  
**Derrick Walsh, EVP and CFO**

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