

First Internet Bancorp

NASDAQ: INBK

Subordinated Notes Offering

September 2016



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First Internet has filed a registration statement (including a prospectus) and a prospectus supplement which is preliminary and subject to completion, with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and the other documents that First Internet has filed with the SEC for more complete information about First Internet and the offering. You may get these documents for free by visiting the SEC web site at www.sec.gov. Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting: Sandler O’Neill + Partners, L.P. at toll-free 1-866-805-4128 or by emailing syndicate@sandleroneill.com.

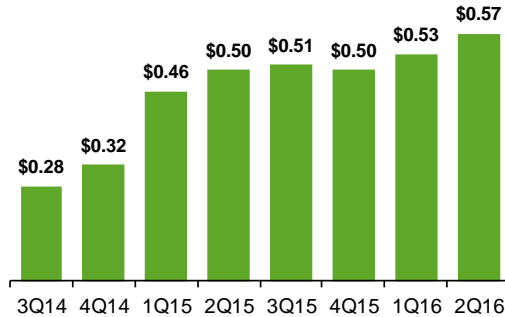
Terms of Proposed Offering

Issuer	First Internet Bancorp (NASDAQ: INBK)
Security	Fixed-to-floating rate subordinated notes
Size	\$25 million
Rating	BBB- by Kroll Bond Rating Agency
Term	10 years
Call Provision	Non-call 5 years
Covenants	Consistent with regulatory requirements for Tier 2 Capital
Use of Proceeds	Support the Bank's organic growth, pursue strategic acquisitions and general corporate purposes, which may include redeeming existing debt
Sole Book-Running Manager	Sandler O'Neill + Partners, L.P.

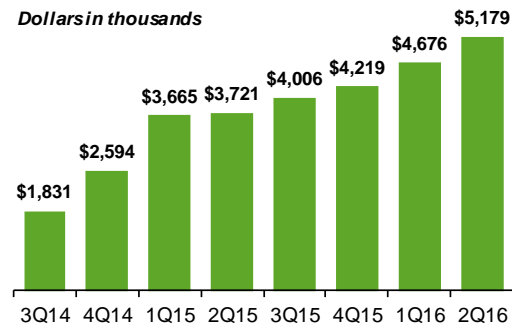
Performance Summary

Strong balance sheet growth has driven increased earnings and consistent growth in tangible book value per share

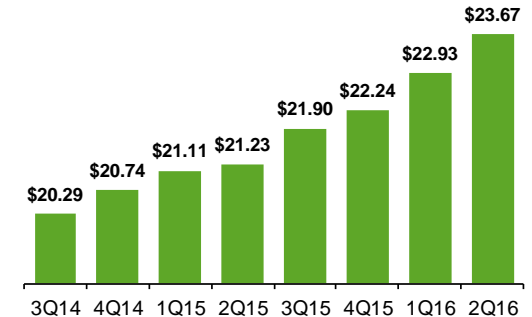
Diluted Earnings Per Share



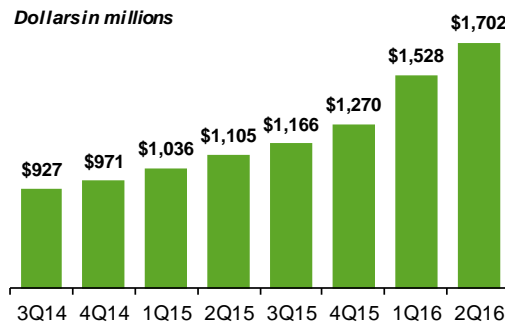
Pre-Tax, Pre-Provision Earnings



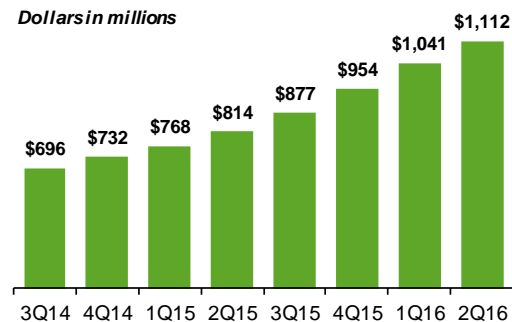
Tangible Book Value Per Share ¹



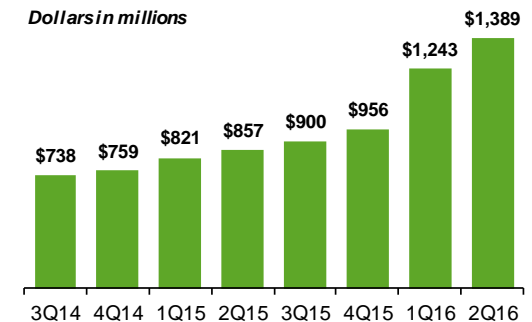
Total Assets



Total Loans



Total Deposits



¹ See Appendix for reconciliation of non-GAAP and GAAP measures

Corporate Overview

Corporate Summary

- First Internet Bank launched in 1999
- First state-chartered FDIC-insured Internet bank
- Headquartered in Fishers, IN with an office in Tempe, AZ
- Industry pioneer in branchless delivery of consumer and commercial banking services
- Nationwide deposit and lending footprint
- Experienced management team
- Strong balance sheet and earnings growth

2Q16 Financial Information

- | | |
|--|---------------|
| ▪ Total assets | \$1.7 billion |
| ▪ Total loans | \$1.1 billion |
| ▪ Total deposits | \$1.4 billion |
| ▪ TCE / tangible assets ¹ | 7.72% |
| ▪ ROAA ² | 0.71% |
| ▪ ROATCE ^{1,2} | 10.07% |
| ▪ NPLs / total loans | 0.51% |
| ▪ NPAs / total assets | 0.60% |
| ▪ Net charge-offs / average loans ² | 0.05% |

¹ See Appendix for reconciliation of non-GAAP and GAAP measures

² Annualized

Differentiated Business Model

- Nationwide **consumer banking** provider
 - Proven online / mobile retail deposit platform using scalable technology backed by exceptional customer service
 - Low cost delivery channel creates customer value through competitive rates and low fees

- **Commercial banking** franchise focused on select local and national markets

Local

- C&I – Central Indiana
- C&I – Arizona
- Investor CRE – Central Indiana
- Construction – Central Indiana

National

- Single tenant lease financing

- National, award-winning online direct-to-consumer mortgage banking platform
- National, niche consumer lending segments with strong yields and asset quality

Asset class and geographic diversity provides ability to generate top tier balance sheet and revenue growth funded by a loyal, efficient and growing deposit base

Strategic Objectives

- Drive revenue growth and positive operating leverage
- Achieve consistent strong profitability
- Deploy capital in an accretive manner focused on building shareholder value
- Capitalize on consumer trends by capturing greater deposit market share among digital banking adopters
- Maintain strong asset quality and focus on disciplined risk management
- Expand asset generation channels to supplement growth and increase profitability
- Continue investing in technology to remain a digital banking leader and increase efficiency

Experienced Leadership

David B. Becker

Chairman, President and CEO

- Founded the Bank in 1999 and CEO since inception
- Serial entrepreneur with 30 years experience in the financial services and technology industries
- 2001 recipient of the Ernst and Young Entrepreneur of the Year Award

Kenneth J. Lovik

SVP and Chief Financial Officer

- Joined INBK in August 2014
- 22 years experience in financial services and investment banking
- Previously served as SVP, Investor Relations and Corporate Development at First Financial Bancorp

Stephen Farrell

SVP and Chief Credit Officer

- Joined INBK in October 2015
- 35 years experience in the banking industry
- Previously served as Chief Credit Officer at Salin Bank

Michael E. Lewis

SVP – Commercial Real Estate Banking

- Joined INBK in 2010 to launch Commercial Real Estate Banking
- 33 years of banking experience in senior lending management positions with Huntington, Sky, Union Federal, LaSalle, Bank One, Chase and Summit Banks

Nicole S. Lorch

SVP – Retail Banking

- Joined the Bank in 1999 as Director of Marketing
- 20 years experience in banking and fintech
- Previously held marketing roles at VIFI and re:Member Data Services

C. Charles Perfetti

SVP and Corporate Secretary

- Joined the Bank in 2007 with the acquisition of Landmark Financial Corporation where he served as President and CEO from 1989 to 2007
- Previously served as Chief Investment Manager - State of Indiana 1979 to 1986

Kevin B. Quinn

SVP – Retail Lending

- Joined INBK in 2008
- 24 years experience in financial services and consumer finance
- Previously served as SVP at First Indiana Bank in Consumer Finance, Secondary Marketing and Wholesale Lending

Anne Sharkey

SVP - Operations

- Joined INBK in December 2015
- 27 years experience in banking and financial services industry
- Previously held senior management roles with LendKey Technologies, Remittance Processing Services and Irwin Union Bank

Connie Shepherd

SVP – Commercial Banking

- Joined INBK in 2011 to launch Commercial (C&I) Banking
- 29 years of banking experience
- Previously held senior lending management positions at M&I Bank, National City Bank and Mellon Bank

Corporate Recognition

First Internet Bank has been recognized for its innovation and is consistently ranked among the best banks to work for, enhancing its ability to attract and retain top-level talent

- TechPoint 2016 Mira Award “Tech-enabled Company of the Year”
- Top 10 finalist – 2016 Indiana Public Company of the year presented by the CFA Society and FEI
- American Banker’s “Best Banks to Work For”
 - ✓ 2016
 - ✓ 2015
 - ✓ 2014
 - ✓ 2013
- Workplace Dynamics’ “Indianapolis Star Top Workplaces”
 - ✓ 2016
 - ✓ 2015
 - ✓ 2014
- “Best Places to Work in Indiana”
 - ✓ 2016
 - ✓ 2013
- Mortgage Technology 2013 awarded top honors in the Online Mortgage Originator category

AMERICAN
BANKER.



MT MORTGAGE
TECHNOLOGY

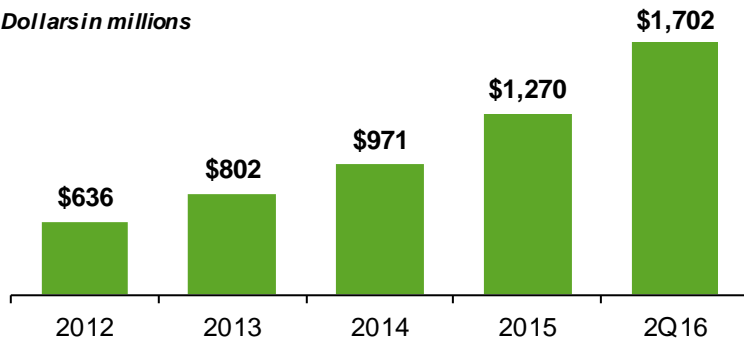
FIRST INTERNET
BANCORP

Consistent Balance Sheet Growth

Execution of the business strategy is driving consistent and sustained balance sheet growth

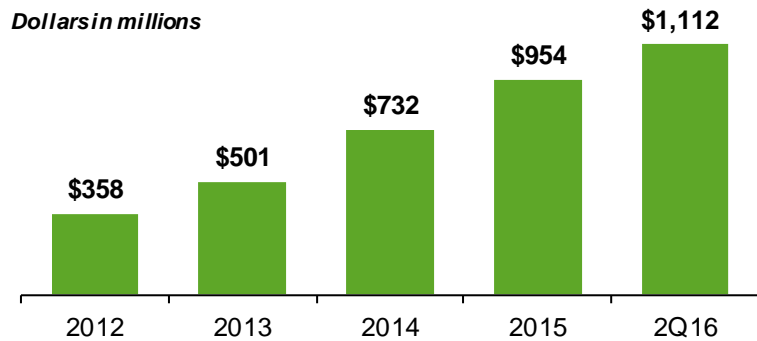
Total Assets

Dollars in millions



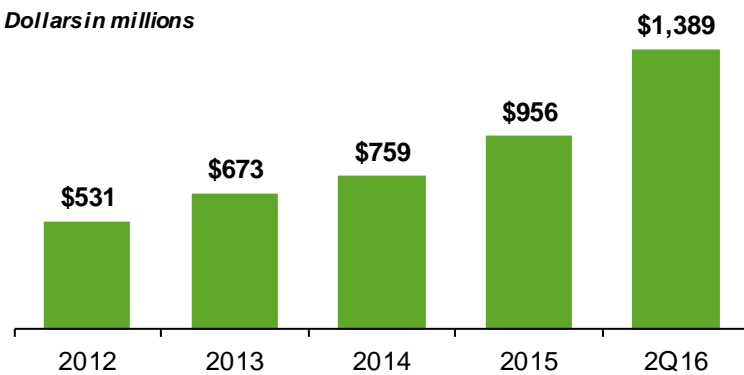
Total Loans

Dollars in millions

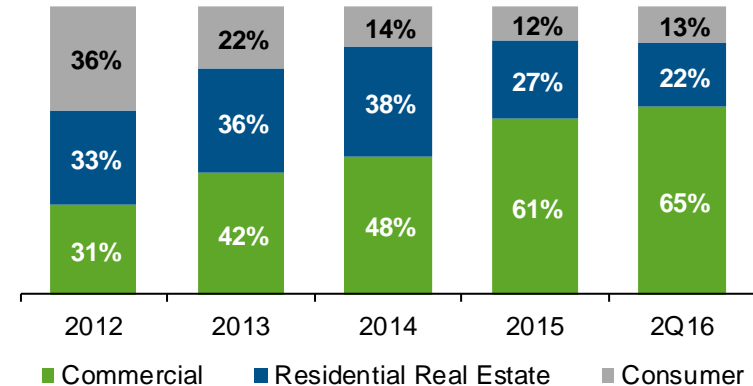


Total Deposits

Dollars in millions



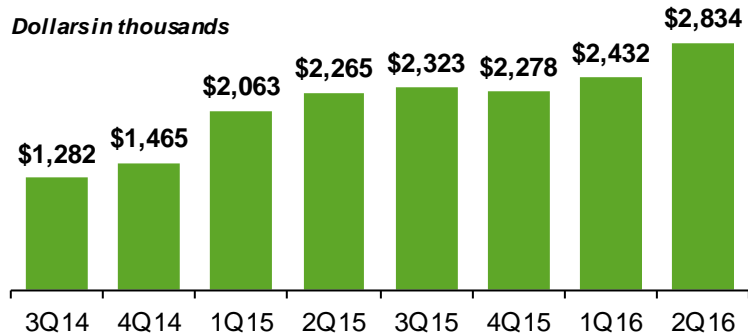
Loan Composition



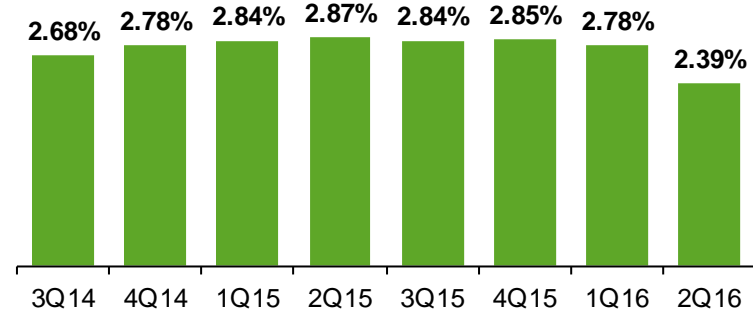
Earnings and Profitability

The Company remains focused on driving earnings growth and improving profitability

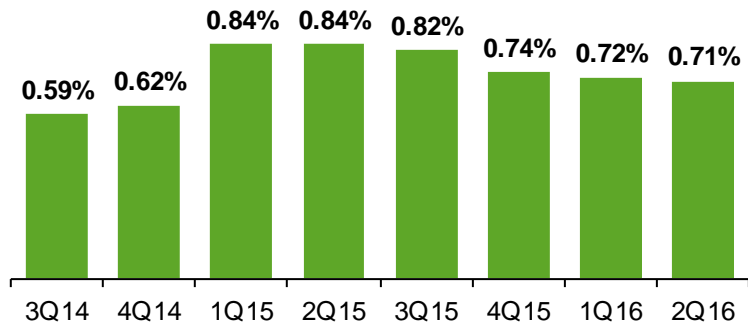
Net Income



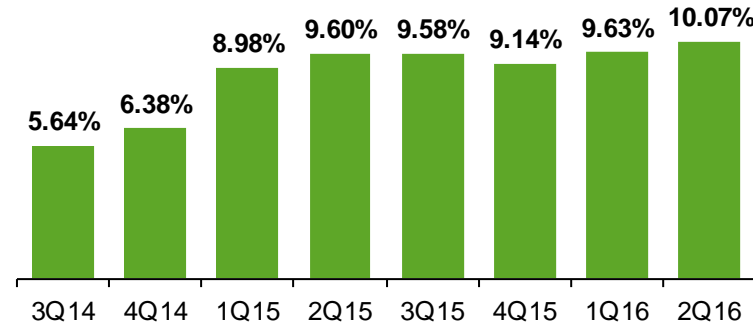
Net Interest Margin



Return on Average Assets



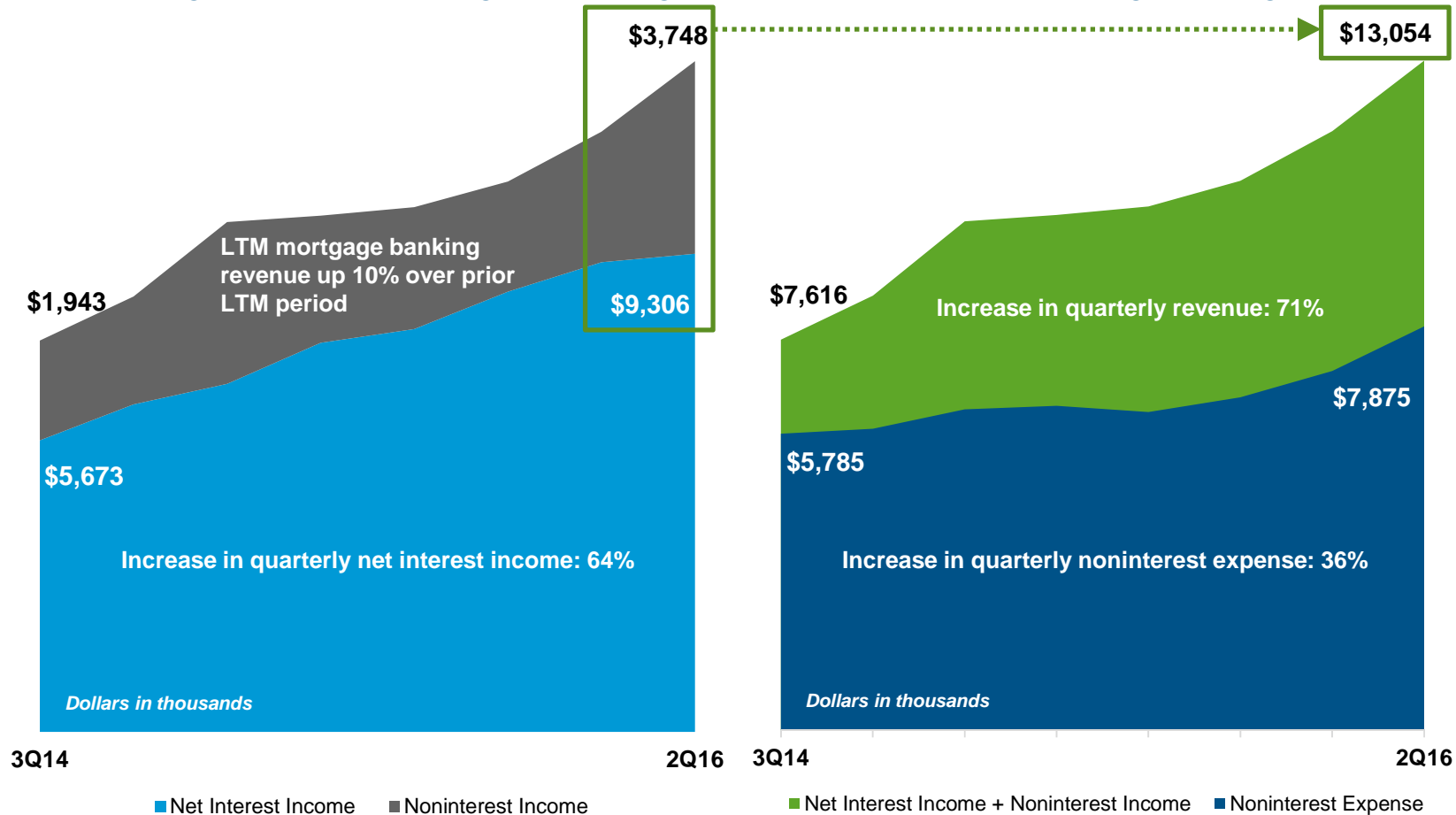
Return on Average Tangible Common Equity¹



¹ See Appendix for reconciliation of non-GAAP and GAAP measures

Strong Revenue and Earnings Growth

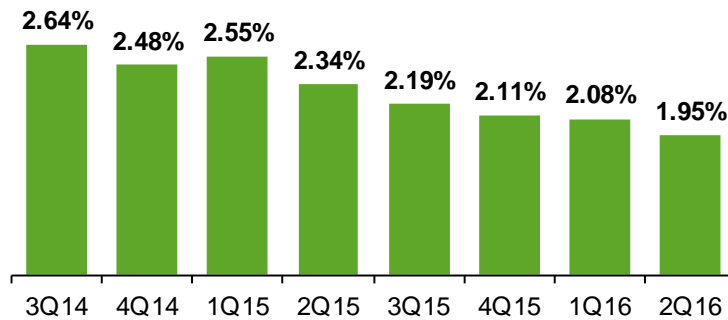
Strong asset generation and re-focused mortgage banking activities combined with disciplined expense management are driving revenue growth and positive operating leverage



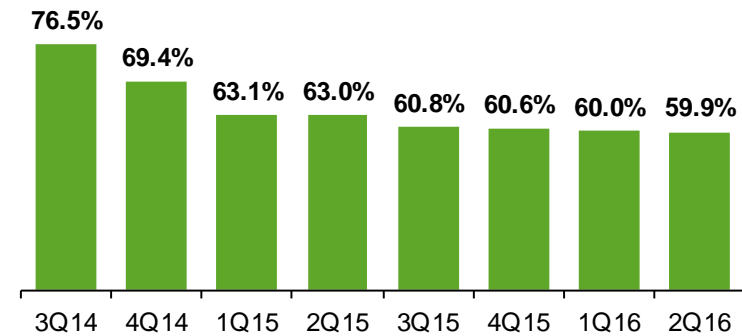
Increasing Economies of Scale

Scalable, technology-driven model delivers increasing efficiency and is a key component driving improved operating leverage

Noninterest Expense / Average Assets ^{1,2}

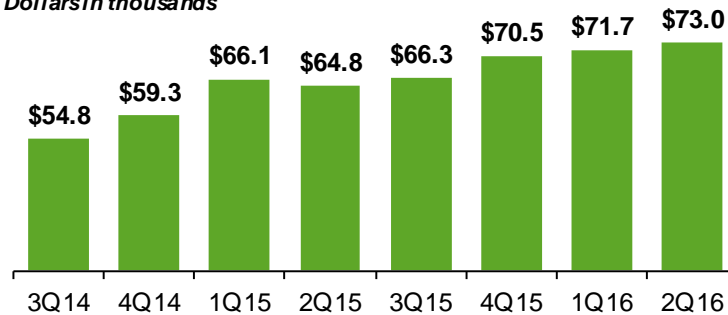


Efficiency Ratio ²



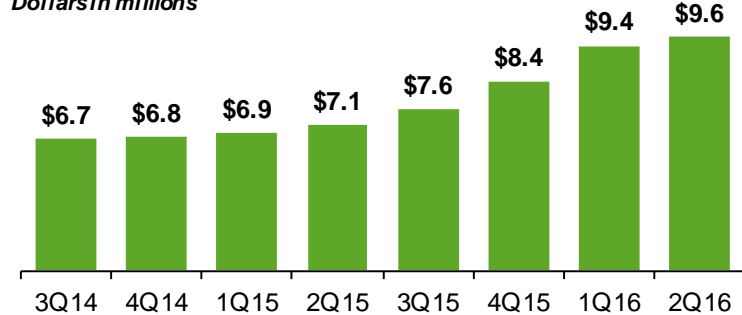
Total Revenue Per FTE

Dollars in thousands



Total Assets Per FTE

Dollars in millions



¹ Annualized

² 2Q16 excludes \$130,000 of noninterest expense related to a lease impairment and a loss of \$45,000 related to fixed assets associated with exiting the former HQ location

Loan Product Offering

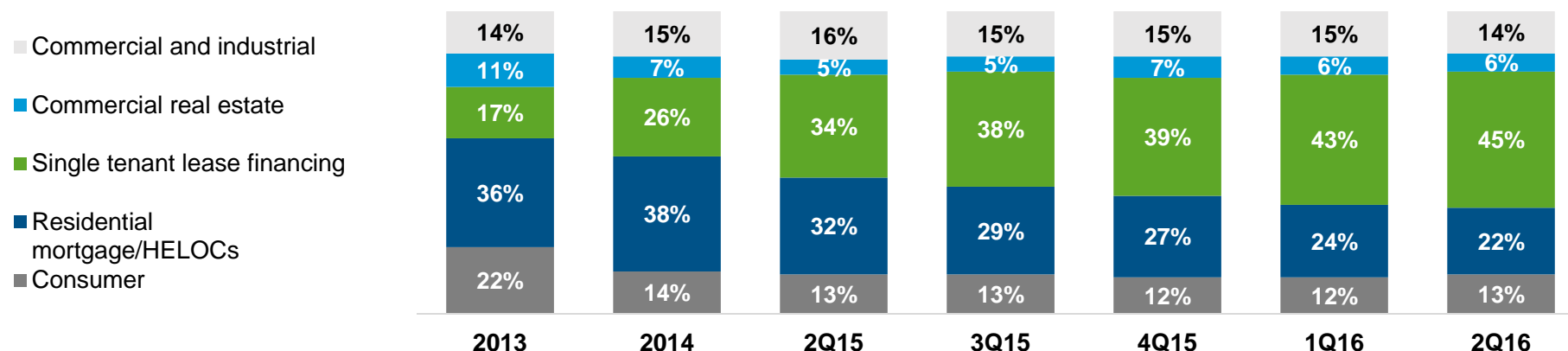
Product Offering / Expertise

Business Line	Commercial & Industrial ¹	Commercial Real Estate	Single Tenant Lease Financing ("STL")	Residential Mortgage/ HELOCs	Consumer Lending
Overview	<ul style="list-style-type: none"> Launched in 2011 Focused on serving the needs of small and middle-market businesses in Central-Indiana and ancillary Midwestern markets and the greater Phoenix, Arizona market with local decision-making Credit products include term loans, lines of credit, owner-occupied real estate loans, commercial credit cards and SBA financing Treasury management services include business online and mobile banking, remote capture, wire / ACU services and merchant services 	<ul style="list-style-type: none"> Launched in 2010 Investor commercial real estate loans secured by office, retail, industrial and multi-family properties located primarily in Indiana Construction financing for local developers related to commercial properties and single family residential property developments located primarily in Indiana 	<ul style="list-style-type: none"> Nationwide lending for real estate subject to long-term leases with single tenant operators Properties are typically operated by regionally, nationally or globally branded tenants Average LTV of approximately 53% as of 2Q16 Strong relationships with national correspondent network Tenant lessors include well-known brands such as Red Lobster, CVS, Walgreens, Rite Aid and Wendy's 	<ul style="list-style-type: none"> Award winning national online platform for origination Traditional 1-4 family mortgages <ul style="list-style-type: none"> Fixed rate loans are generally sold into secondary market Majority of retained portfolio is adjustable rate Central-Indiana based construction loan initiative Variable rate home equity lines of credit 	<ul style="list-style-type: none"> Specialized niche lending in recreational vehicles ("RV") & horse-trailers Nationwide indirect and direct origination channels Entered home improvement lending in 2016 Focused on high quality customers - average YTD 2016 FICO scores at time of origination: <ul style="list-style-type: none"> Horse Trailers: 773 RVs: 788 Home improvement: 766 2Q16 YTD net charge offs of 0.12% as a percentage of average consumer loans (annualized)
6/30/16 Balance	\$157,673	\$66,344	\$500,937	\$241,088	\$141,756
6/30/16 YTD Yield	4.43%	4.69%	4.58%	3.22%	5.44%
6/30/16 WART (Yrs)	3.8	1.8	7.9	23.8	8.9

Dollars in thousands

¹ Includes Owner-Occupied Commercial Real Estate

Loan Portfolio Overview



<i>Dollars in thousands</i>	2013	2014	2Q15	3Q15	4Q15	1Q16	2Q16
Commercial loans							
Commercial and industrial	\$ 55,168	\$ 77,232	\$ 89,316	\$ 89,762	\$ 102,000	\$ 106,431	\$ 111,130
Owner-occupied commercial real estate	18,165	34,295	39,405	42,117	44,462	47,010	46,543
Investor commercial real estate	26,574	22,069	20,163	17,483	16,184	14,756	12,976
Construction	28,200	24,883	20,155	30,196	45,898	52,591	53,368
Single tenant lease financing	84,173	192,608	279,891	329,149	374,344	445,534	500,937
Total commercial loans	212,280	351,087	448,930	508,707	582,888	666,322	724,954
Consumer loans							
Residential mortgage	138,418	220,612	207,703	209,507	214,559	208,636	202,107
Home equity	37,906	58,434	49,662	47,319	43,279	40,000	38,981
Trailers	68,991	63,288	66,080	66,749	67,326	69,845	74,777
Recreational vehicles	34,738	30,605	34,366	36,800	38,597	41,227	44,387
Other consumer loans	3,833	3,201	2,711	2,638	2,389	10,251	22,592
Total consumer loans	283,886	376,140	360,522	363,013	366,150	369,959	382,844
Net def. loan fees, prem. and disc.	4,987	5,199	4,791	4,858	4,821	4,402	3,824
Total loans	\$ 501,153	\$ 732,426	\$ 814,243	\$ 876,578	\$ 953,859	\$ 1,040,683	\$ 1,111,622

Commercial Real Estate

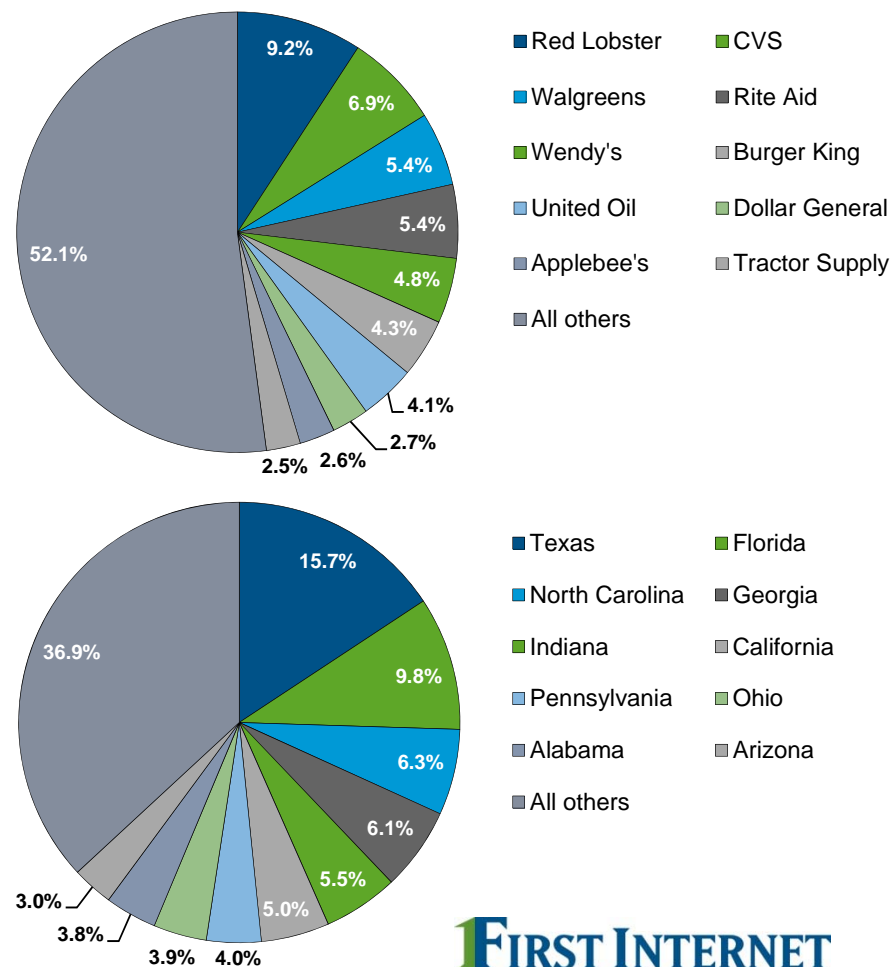
Commercial real estate balances increased \$247.0 million, or 77.1%, since 2Q15

	As of June 30, 2016	% of total
<i>Dollars in millions</i>		
Single tenant lease financing	\$500.9	88.3%
Construction	53.4	9.4%
Investor commercial real estate	13.0	2.3%
Total commercial real estate	\$567.3	100.0%

Single tenant lease financing overview:

- Long term lease financing of single tenant properties occupied by financially strong lessees
- Originations / commitments over the past twelve months exceeded \$258 million
- Nationwide platform provides ability to capitalize on national correspondent network
- Expertise in asset class with streamlined execution and credit process
- No delinquencies or net charge-offs to date
- Average LTV of approximately 53%
- Average loan balance of \$1.5 million

Single Tenant Lease Financing Portfolio Diversity



Commercial Real Estate Concentration

<i>Dollars in thousands</i>	2Q15	3Q15	4Q15	1Q16	2Q16	Pro Forma 2Q16 ¹
Total real estate construction loans ²	\$51,490	\$57,098	\$66,974	\$72,034	\$76,838	\$76,838
Total other commercial real estate loans ²	324,076	381,505	437,342	510,919	562,475	562,475
Total commercial real estate loans - bank level	375,566	438,604	504,315	582,953	639,313	639,313
Less: loan to holding company	4,000	4,000	4,000	4,000	4,000	4,000
Total commercial real estate loans - consolidated	\$371,566	\$434,604	\$500,315	\$578,953	\$635,313	\$635,313
Total risk-based capital - consolidated	\$106,522	\$109,376	\$122,190	\$125,125	\$151,385	\$175,610
CRE / total risk-based capital - consolidated	349%	397%	409%	463%	420%	362%
Total risk-based capital - bank level	\$95,904	\$99,259	\$112,785	\$116,693	\$139,449	\$159,449
CRE / total risk-based capital - bank level	392%	442%	447%	500%	458%	401%
Total commercial real estate loans less STL	\$113,886	\$119,745	\$130,236	\$140,922	\$142,506	\$142,506
CRE less STL / total risk-based capital - consolidated	107%	109%	107%	113%	94%	81%
CRE less STL / total risk-based capital - bank level	119%	121%	115%	121%	102%	89%
Total real estate construction loans	\$51,490	\$57,098	\$66,974	\$72,034	\$76,838	\$76,838
RE construction loans / total risk-based capital - consolidated	48%	52%	55%	58%	51%	44%
RE construction loans / total risk-based capital - bank level	54%	58%	59%	62%	55%	48%

¹ Assumes offering amount of \$25 million less issuance costs with \$20 million of net proceeds downstreamed to the Bank

² Amounts based on regulatory call report classifications

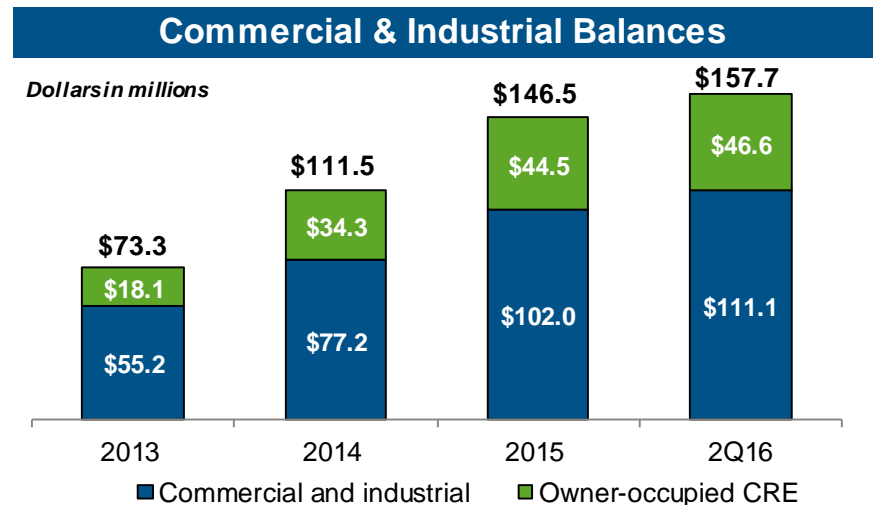
Commercial and Industrial

Commercial and industrial overview:

- Originations / commitments exceeded \$77 million over the past twelve months
- Primarily serves the borrowing and treasury management needs of small and middle-market businesses
- Seasoned banking team leverages market knowledge and experience to serve clients in a relationship-based approach
- Business line built organically, adding select personnel with specialized product or market expertise
 - Indiana team focuses on central Indiana and ancillary Midwestern markets
 - Added to Arizona team to further enhance origination efforts
- Strong credit performance to date
- Average loan balance of \$407,000

Commercial and industrial balances increased \$29.0 million, or 22.5%, since 2Q15

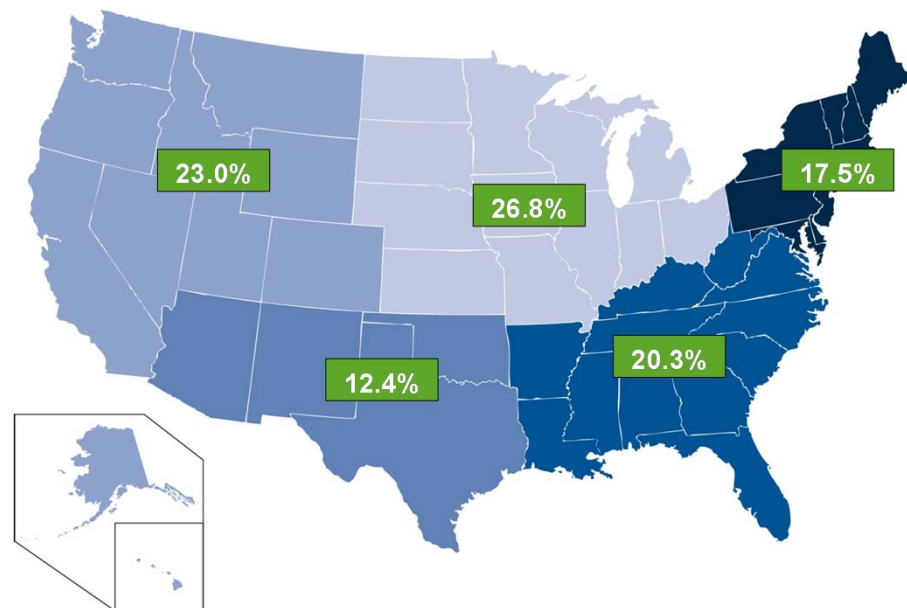
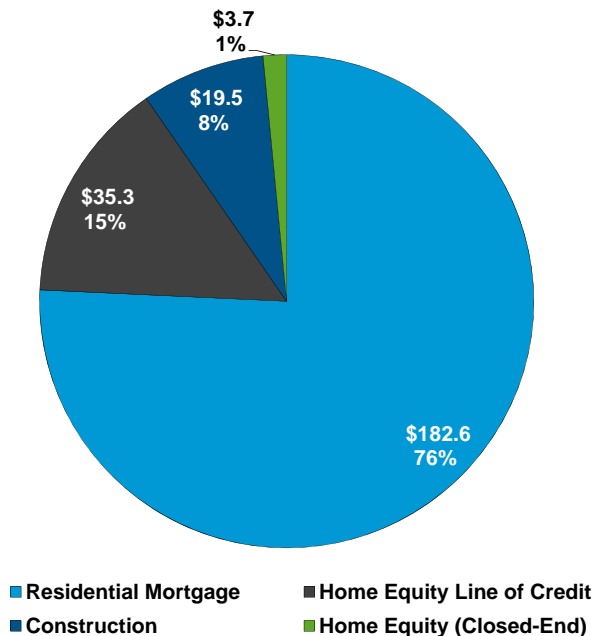
<i>Dollars in millions</i>	As of June 30, 2016	% of total
Commercial and industrial	\$111.1	70.5%
Owner-occupied CRE	46.6	29.5%
Total commercial and ind.	\$157.7	100.0%



Residential Mortgages Held for Investment

- High quality borrowers with a weighted average FICO score of 761 at origination
- 81% of mortgages are variable rate or in fixed state of ARM at June 30, 2016
- YTD June 2016 net charge-offs to average loans of 11 bps

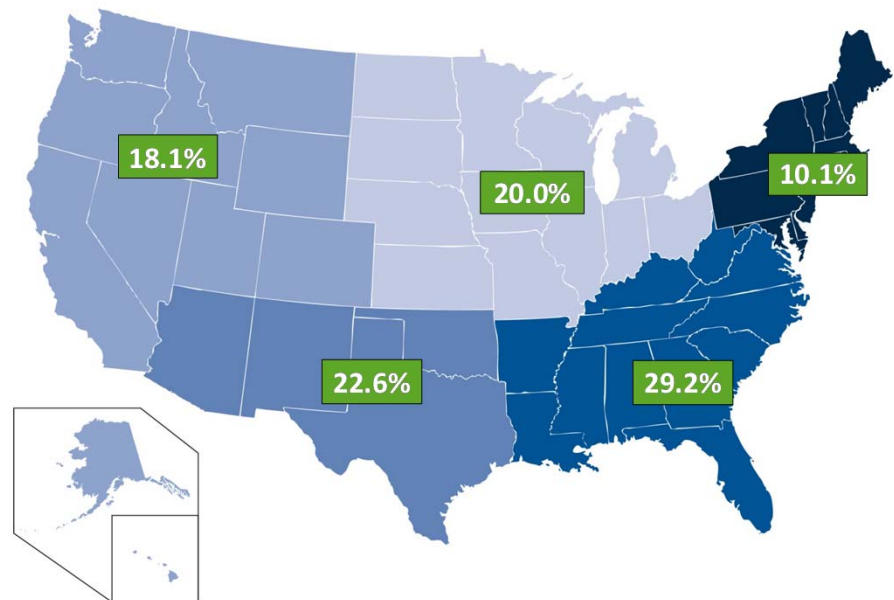
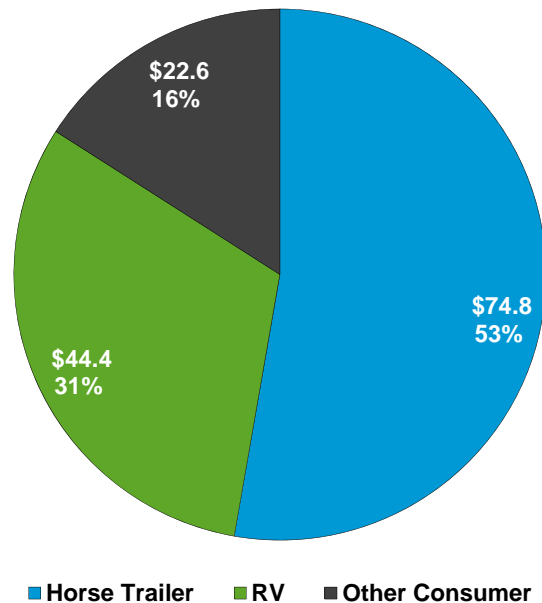
Total Residential Mortgages Held for Investment - \$241.1 Million As of June 30, 2016



Consumer Lending

- High quality borrowers with a weighted average FICO score of 762 at origination
- Strong credit quality with YTD net charge-offs to average loans of 12 bps
- Geographic diversity achieved through nationwide operation

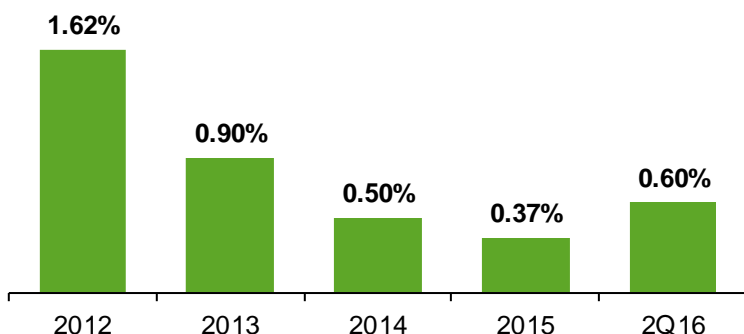
Total Consumer Loans - \$141.8 Million As of June 30, 2016



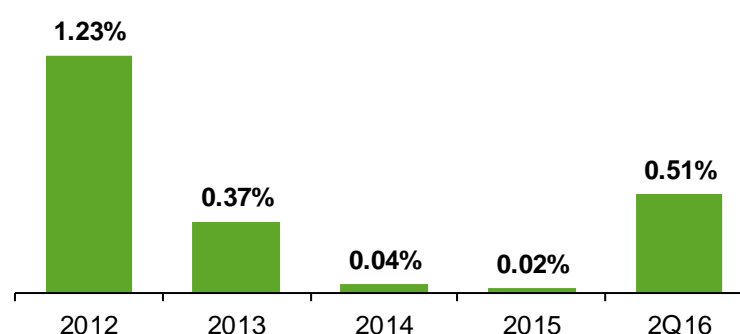
Asset Quality

Asset quality remains stable while balance sheet growth has continued on a strong upward trend

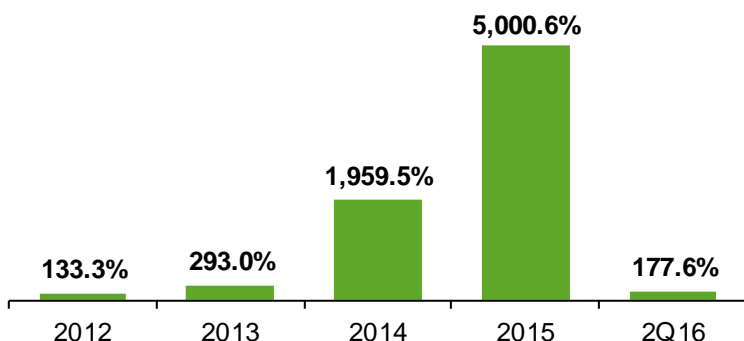
NPAs / Total Assets



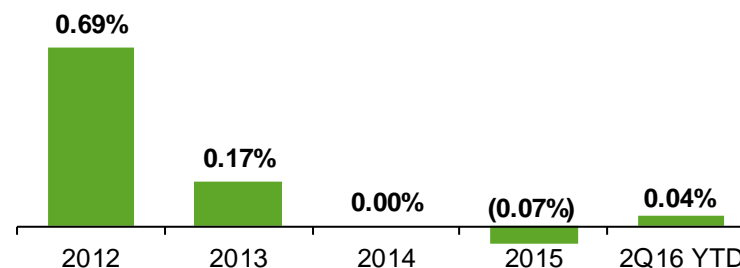
NPLs / Total Loans



Allowance for Loan Losses / NPLs



Net Charge-Offs (Recoveries) / Average Loans

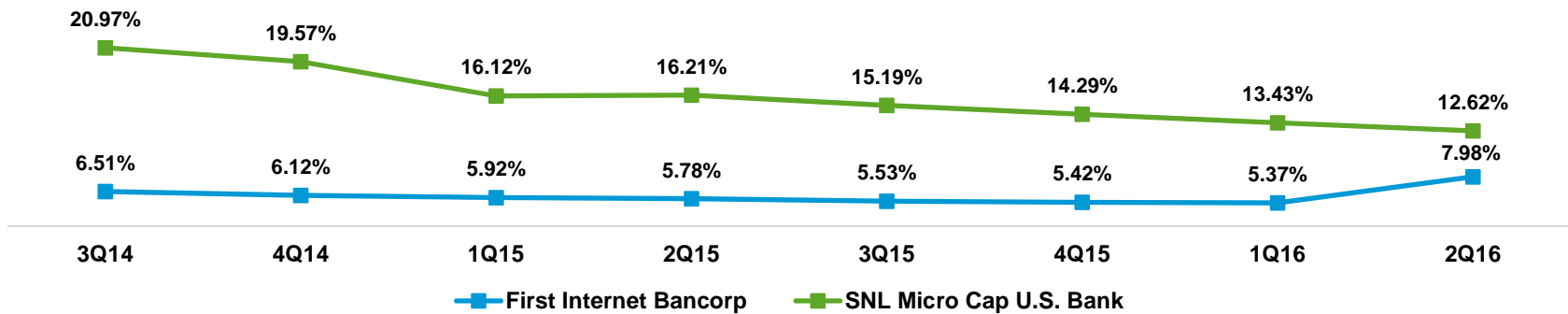


Credit Quality Summary

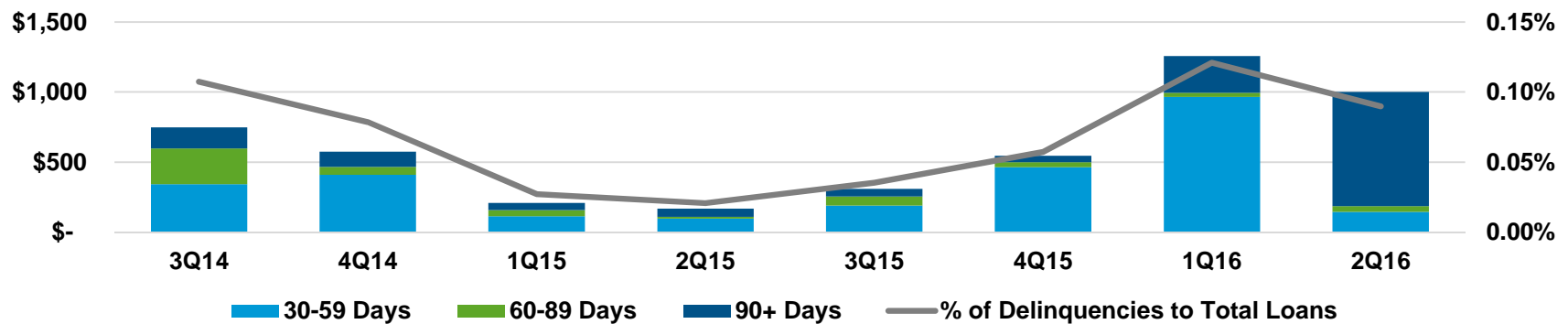
<i>Dollars in thousands</i>	2Q15	3Q15	4Q15	1Q16	2Q16					
Total nonperforming loans	\$188	\$206	\$167	\$367	\$5,639					
Total nonperforming assets	\$4,765	\$4,724	\$4,740	\$4,930	\$10,173					
Allowance for loan losses	\$7,073	\$7,671	\$8,351	\$9,220	\$10,016					
Credit quality ratios										
ALLL/Nonaccrual loans	3,762.2%	3,913.8%	5,000.6%	5,360.5%	177.8%					
ALLL/Nonperforming loans	3,762.2%	3,723.8%	5,000.6%	2,512.3%	177.6%					
ALLL/Total ending loans	0.87%	0.88%	0.88%	0.89%	0.90%					
Nonperforming loans to total loans	0.02%	0.02%	0.02%	0.04%	0.51%					
Nonperforming assets to:										
Ending loans plus OREO	0.58%	0.54%	0.49%	0.47%	0.91%					
Total assets	0.43%	0.41%	0.37%	0.32%	0.60%					
Total net charge-offs (recoveries) to average loans	(0.20%)	(0.07%)	0.03%	0.03%	0.05%					
Loan Mix by Grade										
Commercial Loans										
Pass Grade	\$443,023	98.7%	\$500,282	98.3%	\$574,191	98.5%	\$654,821	98.3%	\$718,360	99.1%
Special Mention	\$2,432	0.5%	\$2,629	0.5%	\$2,840	0.5%	\$6,535	1.0%	\$1,295	0.2%
Classified	\$3,475	0.8%	\$5,796	1.2%	\$5,857	1.0%	\$4,966	0.7%	\$5,299	0.7%
Total Commercial Loans	<u>\$448,930</u>	<u>100.0%</u>	<u>\$508,707</u>	<u>100.0%</u>	<u>\$582,888</u>	<u>100.0%</u>	<u>\$666,322</u>	<u>100.0%</u>	<u>\$724,954</u>	<u>100.0%</u>
Consumer Loans										
Performing	\$360,334	99.9%	\$362,817	99.9%	\$365,983	100.0%	\$369,787	100.0%	\$381,926	99.8%
Non-accrual	188	0.1%	196	0.1%	167	0.0%	172	0.0%	918	0.2%
Total Consumer Loans	<u>\$360,522</u>	<u>100.0%</u>	<u>\$363,013</u>	<u>100.0%</u>	<u>\$366,150</u>	<u>100.0%</u>	<u>\$369,959</u>	<u>100.0%</u>	<u>\$382,844</u>	<u>100.0%</u>

Credit Quality Summary

Texas Ratio ¹



Delinquencies



Dollars presented in thousands

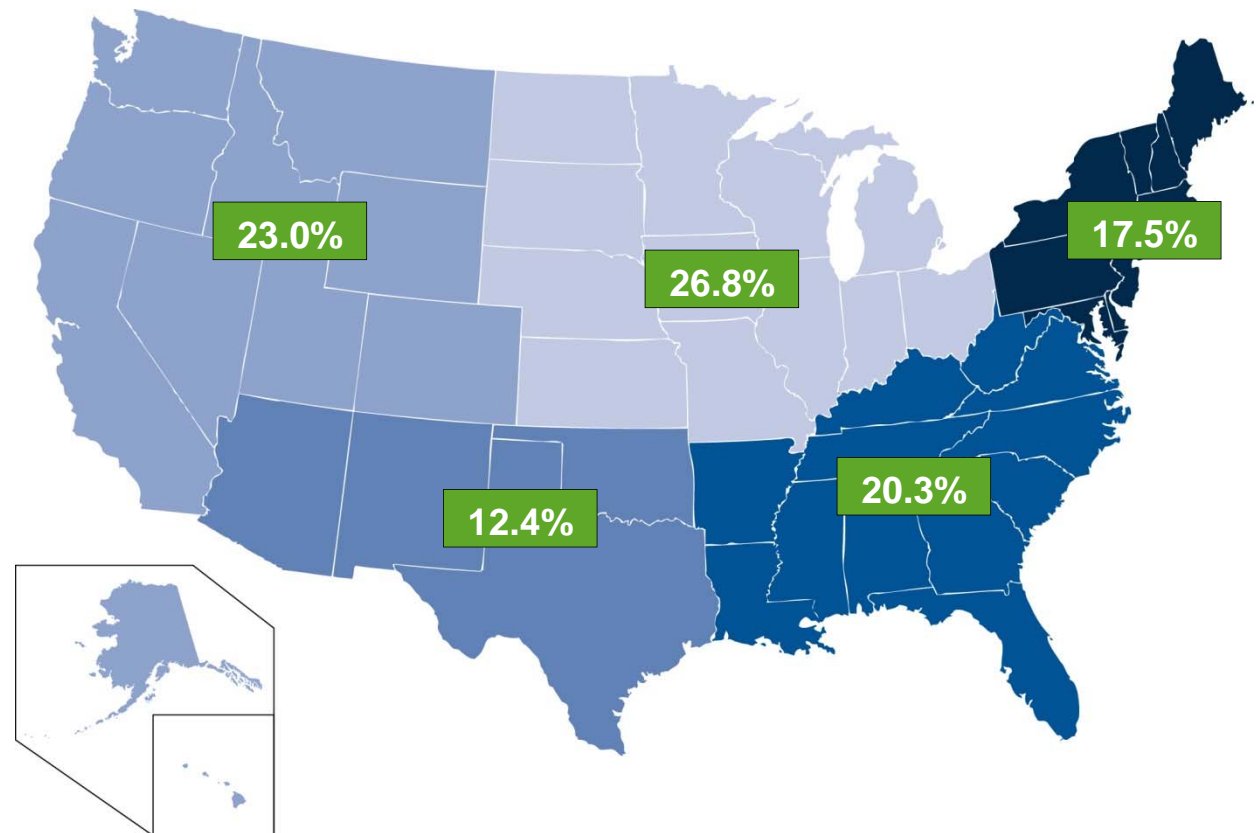
¹ (Nonperforming assets + performing TDR) / (Tangible Common Equity² + ALLL)

² See Appendix for reconciliation of non-GAAP and GAAP measures.

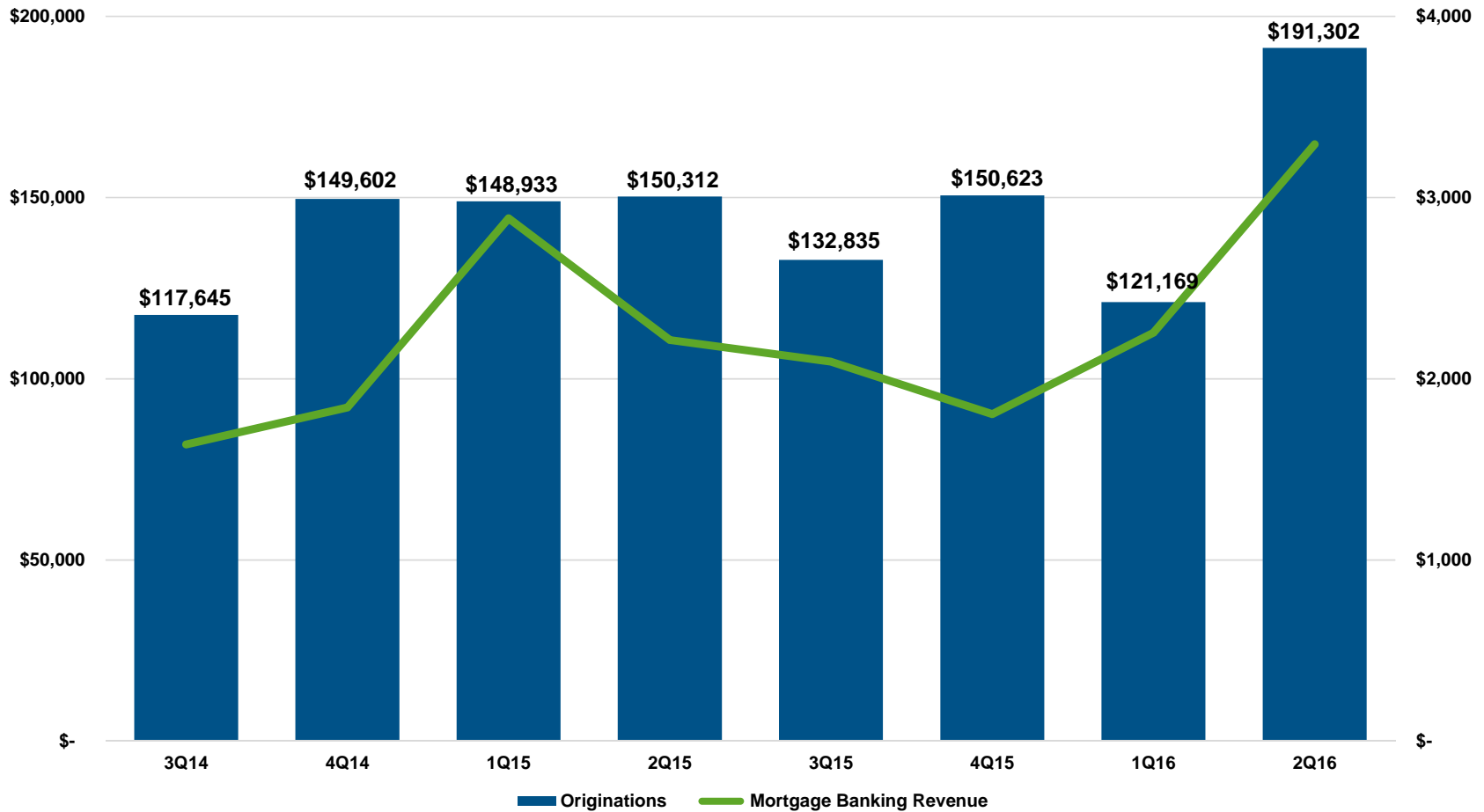
Residential Mortgage

- Award-winning national online origination platform
- Highly efficient application and underwriting process
- Sales and marketing efforts re-focused on purchase mortgage business
- Full range of residential mortgage and home equity products
- Launched central-Indiana based construction loan program

Last 12 Months of Mortgage Originations – Regional Distribution



Residential Mortgage Origination Volumes



Dollars in thousands
Includes mortgages originated for sale and construction / construction-perm loans

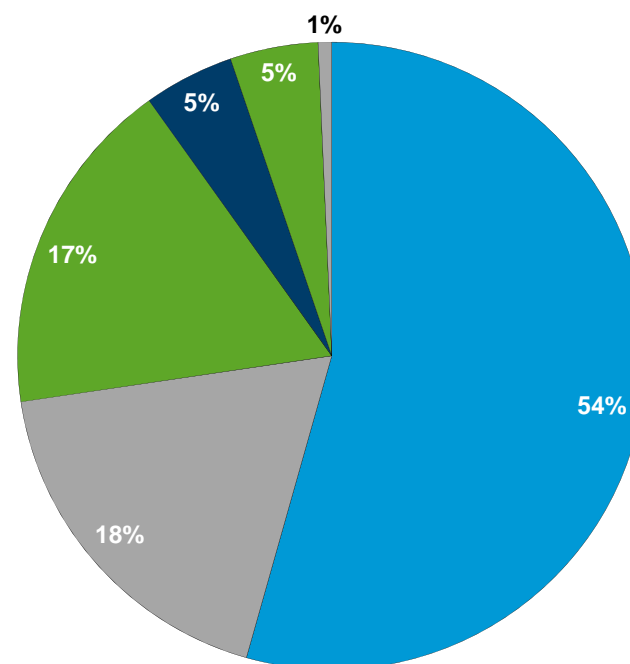
Investment Portfolio Summary

<i>Dollars in thousands</i>	As of June 30, 2016			
	Book Value	% of Portfolio	Market Value	Unrealized Gain/(Loss)
Mortgage-backed securities	\$233,886	54.4%	\$235,911	\$2,025
Municipal securities	\$78,594	18.3%	\$80,798	\$2,204
U.S. Government-sponsored agencies	\$75,133	17.5%	\$75,678	\$545
Corporate securities	\$20,000	4.6%	\$19,074	(\$926)
Asset-backed securities	\$19,457	4.5%	\$19,332	(\$125)
Other securities	\$3,000	0.7%	\$3,013	\$13
Total	\$430,070	100.0%	\$433,806	\$3,736

Portfolio Characteristics

Book Yield	2.49%
Effective Duration (years)	3.51

Portfolio Composition

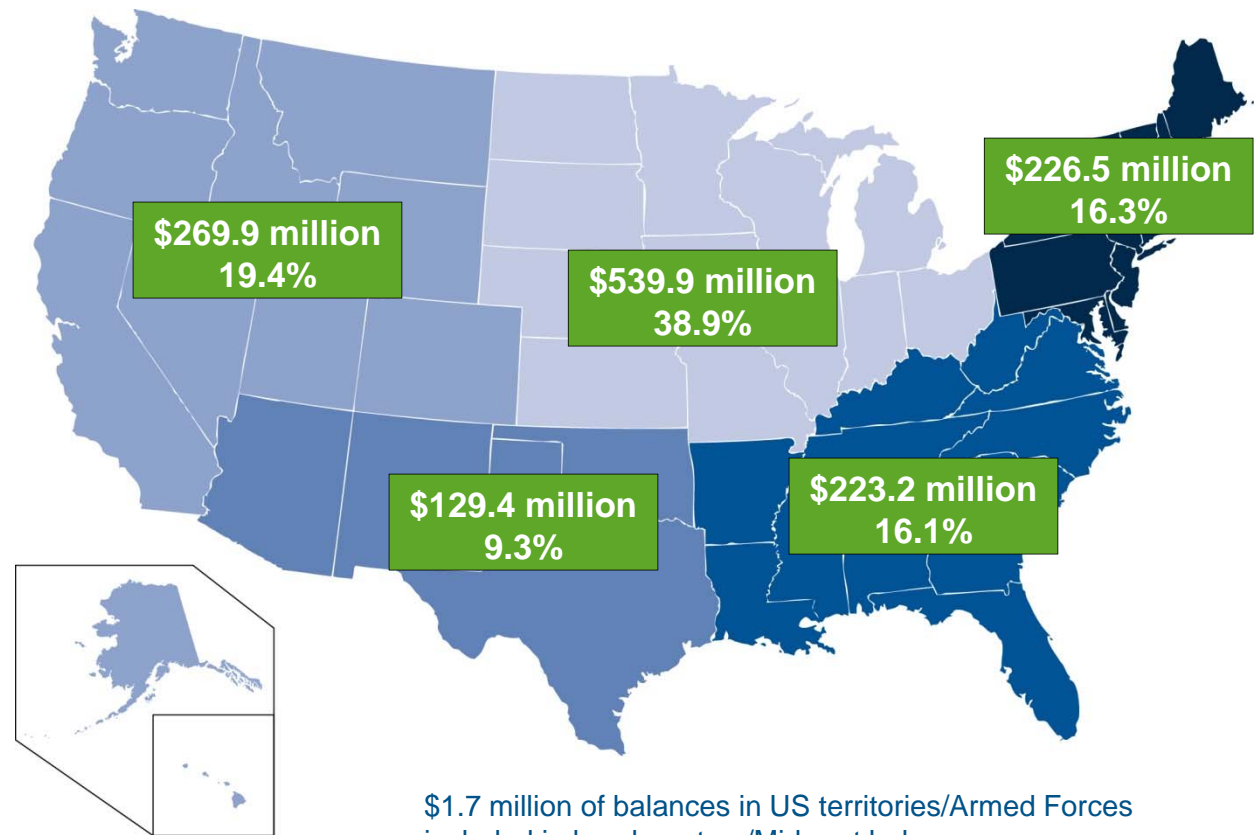


- Mortgage-backed securities
- U.S. Government-sponsored agencies
- Asset-backed securities
- Municipal securities
- Corporate securities
- Other securities

Nationwide Branchless Deposit Franchise

- Nationwide consumer, small business and commercial deposit base
- Scalable technology and customer convenience supported by exceptional service
- Deposit relationships in all 50 states, including desirable metropolitan markets
- Average consumer interest checking account balance of \$14,900 far exceeds the national average

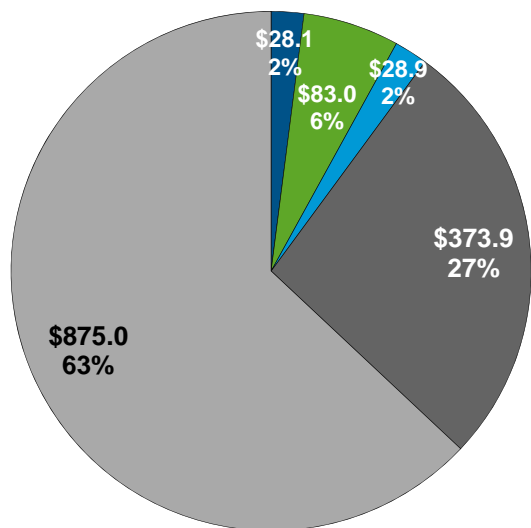
Total Deposits – \$1.4 Billion – Regional Distribution As of June 30, 2016



Deposit Composition

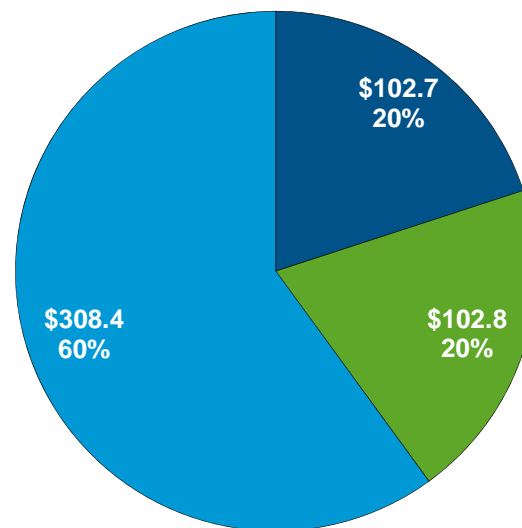
- Total deposits increased \$532.4 million, or 62.2%, since 2Q15
- Treasury management and small business deposits provide a significant opportunity for increasing lower-cost core deposits

Total Deposits - \$1,388.9 Million
As of June 30, 2016



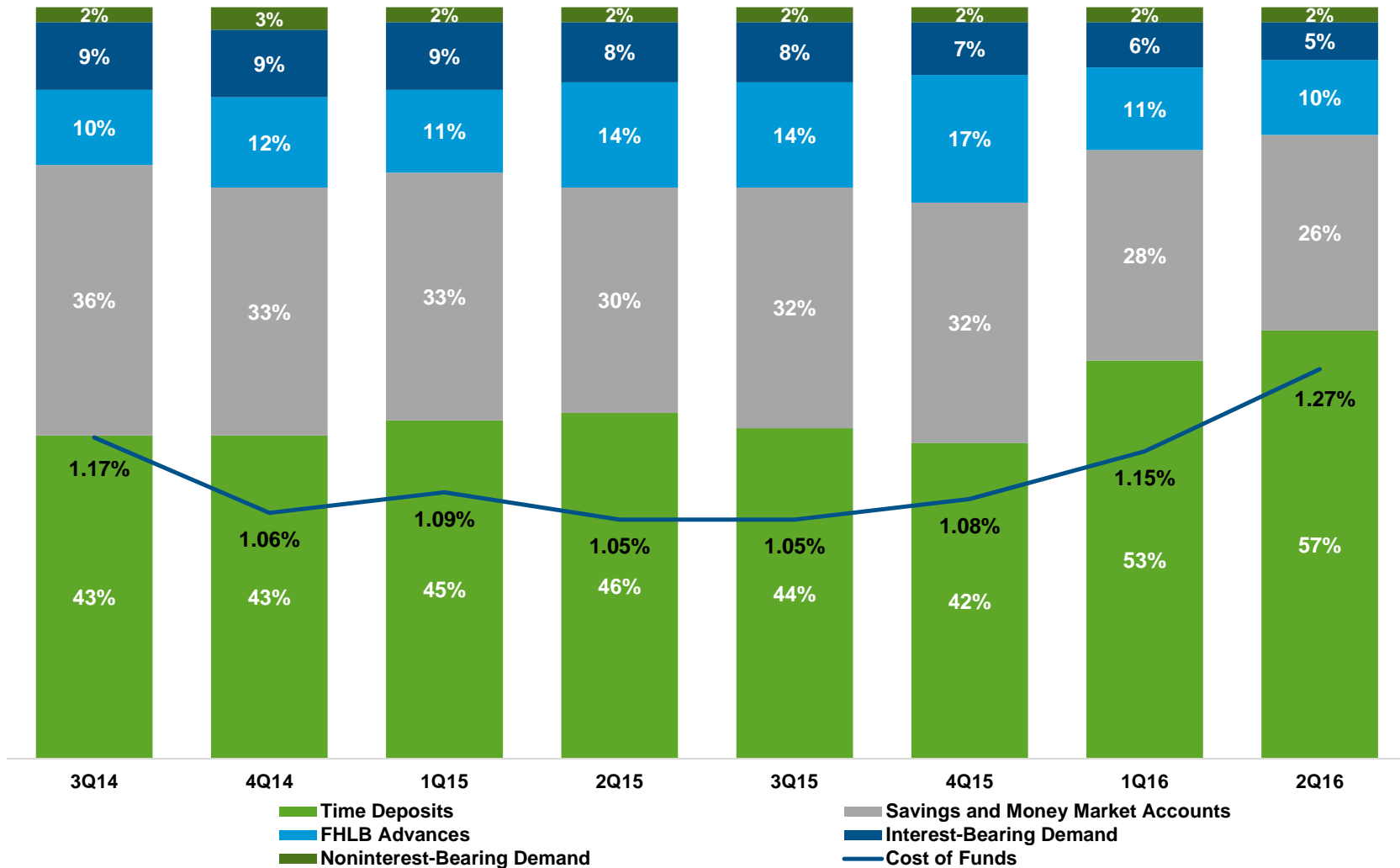
- Noninterest-bearing deposits
- Interest-bearing demand deposits
- Savings accounts
- Money market accounts
- Time deposits

Total Non-Time Deposits - \$513.9 Million
As of June 30, 2016



- Treasury management
- Small business
- Consumer

Funding Composition Trend

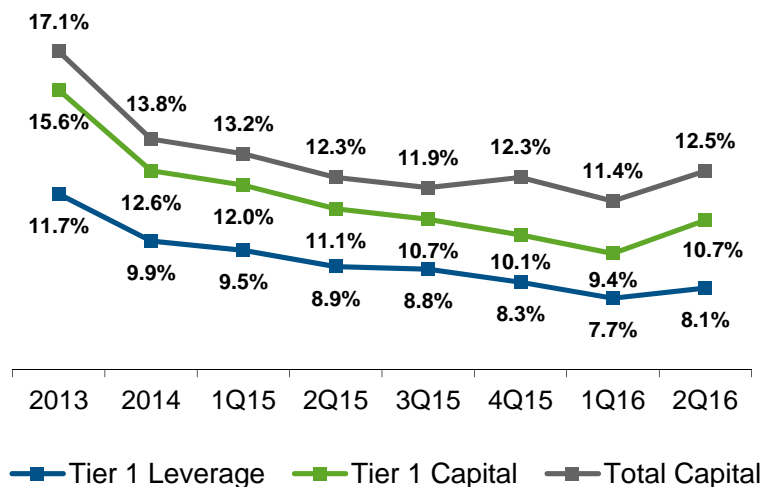


Note: Cost of funds is defined as total interest expense divided by the sum of average interest-bearing liabilities and noninterest-bearing deposits

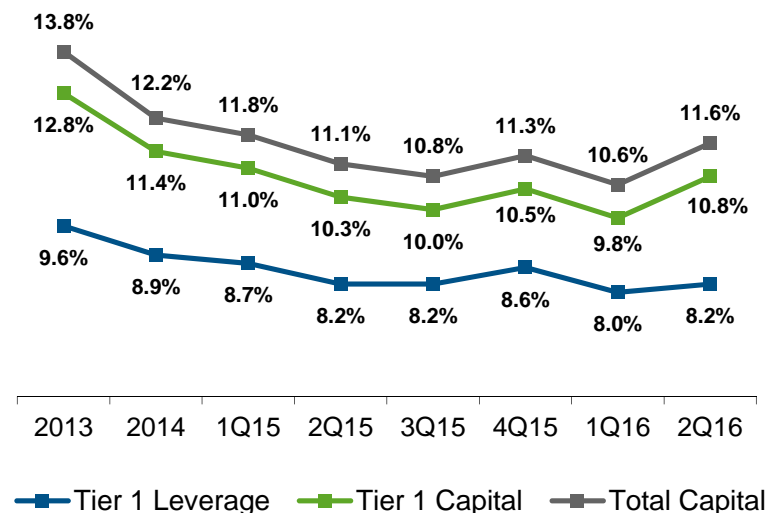
Capital

- Following the initial public offering in late 2013, the Company deployed capital to fund commercial loan growth, driving revenue growth and improved profitability
- In 2Q16, the Company raised \$22.8 million of common equity, \$18.5 million of which was downstreamed to the Bank to further support its growth
- During 4Q15, the Company issued \$10.0 million in subordinated notes (tier 2 capital) to supplement regulatory capital, all of which was downstreamed to the Bank

Consolidated Regulatory Capital Ratios



Bank Regulatory Capital Ratios



Interest Coverage

<i>Dollars in thousands</i>	For the year ended December 31,					Pro Forma	
	2011	2012	2013	2014	2015	2Q16	2Q16
Total shareholders' equity - bank level	\$54,144	\$60,542	\$74,789	\$87,929	\$107,925	\$136,521	
Total shareholders' equity - consolidated	55,423	61,350	90,908	96,785	104,330	135,679	
Double leverage ratio	97.7%	98.7%	82.3%	90.8%	103.4%	100.6%	
Illustrative downstream of offering							\$20,000
Total shareholders' equity - bank level							156,521
Total shareholders' equity - consolidated							135,679
Double leverage ratio							115.4%
Interest expense:							
Deposits	\$8,266	\$7,172	\$6,861	\$7,653	\$8,755	\$3,930	\$3,930
Other borrowed funds ¹	1,355	1,360	1,227	1,275	1,939	735	735
Proposed subordinated debt	-	-	-	-	-	-	373
Total interest expense	\$9,621	\$8,532	\$8,088	\$8,928	\$10,694	\$4,665	\$5,038
Pre-tax income	\$3,959	\$7,800	\$6,159	\$6,450	\$13,665	\$4,255	\$3,882
Interest coverage ratio (including deposit expense)	1.41x	1.91x	1.76x	1.72x	2.28x	1.91x	1.77x
Interest coverage ratio (excluding deposit expense)	3.92x	6.74x	6.02x	6.06x	8.05x	6.79x	4.50x

Note: Assumes offering amount of \$25 million and interest rate of 6.00% for illustrative purposes

¹ Includes FHLB advances and existing subordinated debt

Pro Forma Capital Ratios

<i>Dollars in thousands</i>	As of June 30, 2016	Offering Adjustments	Pro Forma June 30, 2016
Consolidated			
Total assets	\$1,702,468	\$24,225	\$1,726,693
Intangible assets	4,687	-	4,687
Total shareholders' equity	135,679	-	135,679
Total assets for leverage ratio ¹	1,591,584	24,225	1,615,809
Total risk-weighted assets ²	1,206,753	9,600	1,216,353
Common equity tier 1 capital	128,585	-	128,585
Tier 1 capital	128,585	-	128,585
Tier 2 capital	22,800	24,225	47,025
Total capital	151,385	24,225	175,610
Tangible common equity / tangible assets	7.72%		7.61%
Tier 1 leverage ratio	8.08%		7.96%
Common equity tier 1 capital ratio	10.66%		10.57%
Tier 1 capital ratio	10.66%		10.57%
Total capital ratio	12.54%		14.44%
Bank Level			
Total assets	\$1,699,713	\$24,225	\$1,723,938
Intangible assets	4,687	-	4,687
Total shareholders' equity	136,521	20,000	156,521
Total assets for leverage ratio ¹	1,588,944	24,225	1,613,169
Total risk-weighted assets ²	1,203,998	9,600	1,213,598
Common equity tier 1 capital	129,427	20,000	149,427
Tier 1 capital	129,427	20,000	149,427
Tier 2 capital	10,022	-	10,022
Total capital	139,449	20,000	159,449
Tangible common equity / tangible assets	7.78%		8.83%
Tier 1 leverage ratio	8.15%		9.26%
Common equity tier 1 capital ratio	10.75%		12.31%
Tier 1 capital ratio	10.75%		12.31%
Total capital ratio	11.58%		13.14%

Note: Assumes offering amount of \$25 million and downstream investment in bank subsidiary of \$20 million for illustrative purposes

¹ Adjustments represent net proceeds received at beginning of quarter

² Adjustments assumed net proceeds are deployed into assets with a weighted average risk of 40%

Investment Summary

- Strong earnings growth and improving profitability
- Demonstrated track record of deploying capital to fuel loan growth while maintaining strong asset quality
- Investments in commercial lending platform are producing results
- Broad geographic and credit product mix provide ability to generate sustained balance sheet growth with greater risk diversification than a traditional community bank
- Consumer banking platform well-positioned to capitalize on changing consumer preferences
- Full service, technology-driven model has delivered increased efficiency
- Experienced management team committed to building shareholder value

Reconciliation of Non-GAAP Financial Measures

<i>Dollars in thousands</i>	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Total equity - GAAP	\$94,774	\$96,785	\$99,362	\$99,908	\$102,912	\$104,330	\$107,830	\$135,679
Adjustments:								
Goodwill	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)
Tangible common equity	<u>\$90,087</u>	<u>\$92,098</u>	<u>\$94,675</u>	<u>\$95,221</u>	<u>\$98,225</u>	<u>\$99,643</u>	<u>\$103,143</u>	<u>\$130,992</u>
Total assets - GAAP	\$ 926,883	\$ 970,503	\$ 1,035,677	\$ 1,104,645	\$ 1,166,170	\$ 1,269,870	\$ 1,527,719	\$ 1,702,468
Adjustments:								
Goodwill	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)
Tangible assets	<u>\$ 922,196</u>	<u>\$ 965,816</u>	<u>\$ 1,030,990</u>	<u>\$ 1,099,958</u>	<u>\$ 1,161,483</u>	<u>\$ 1,265,183</u>	<u>\$ 1,523,032</u>	<u>\$ 1,697,781</u>
Common shares outstanding	4,439,575	4,439,575	4,484,513	4,484,513	4,484,513	4,481,347	4,497,284	5,533,050
Book value per common share	\$21.35	\$21.80	\$22.16	\$22.28	\$22.95	\$23.28	\$23.98	\$24.52
Effect of goodwill	(1.06)	(1.06)	(1.05)	(1.05)	(1.05)	(1.04)	(1.05)	(0.85)
Tangible book value per common share	<u>\$20.29</u>	<u>\$20.74</u>	<u>\$21.11</u>	<u>\$21.23</u>	<u>\$21.90</u>	<u>\$22.24</u>	<u>\$22.93</u>	<u>\$23.67</u>
Total shareholders' equity to assets ratio	10.23%	9.97%	9.59%	9.04%	8.82%	8.22%	7.06%	7.97%
Effect of goodwill	(0.46%)	(0.43%)	(0.41%)	(0.38%)	(0.36%)	(0.34%)	(0.29%)	(0.25%)
Tangible common equity to tangible assets ratio	<u>9.77%</u>	<u>9.54%</u>	<u>9.18%</u>	<u>8.66%</u>	<u>8.46%</u>	<u>7.88%</u>	<u>6.77%</u>	<u>7.72%</u>
Total average equity - GAAP	\$94,840	\$95,832	\$97,844	\$99,333	\$100,885	\$103,583	\$106,278	\$117,913
Adjustments:								
Average goodwill	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)
Average tangible common equity	<u>\$90,153</u>	<u>\$91,145</u>	<u>\$93,157</u>	<u>\$94,646</u>	<u>\$96,198</u>	<u>\$98,896</u>	<u>\$101,591</u>	<u>\$113,226</u>
Return on average shareholders' equity	5.36%	6.07%	8.55%	9.15%	9.14%	8.73%	9.20%	9.67%
Effect of goodwill	0.28%	0.31%	0.43%	0.45%	0.44%	0.41%	0.43%	0.40%
Return on average tangible common equity	<u>5.64%</u>	<u>6.38%</u>	<u>8.98%</u>	<u>9.60%</u>	<u>9.58%</u>	<u>9.14%</u>	<u>9.63%</u>	<u>10.07%</u>

First Internet Bancorp

NASDAQ: INBK

Subordinated Notes Offering

September 2016

