



# First Internet Bank of Indiana Special Meeting of Shareholders

March 17, 2006

# Mission

Our Mission Statement remains unchanged:

First IB will deliver banking products and services to a national customer base through innovative channels in order to offer an extraordinary banking experience while maximizing shareholder value.

A holding company structure allows us the flexibility to further our mission

First IB will deliver banking products and services to a national customer base through innovative channels in order to offer an extraordinary banking experience while maximizing shareholder value.

1. A holding company gives First IB the ability to acquire or otherwise invest in businesses or activities that are closely related to the business of banking

A holding company structure allows us the flexibility to further our mission

First IB will deliver banking products and services to a national customer base through innovative channels in order to offer an extraordinary banking experience while maximizing shareholder value.

2. Gives First IB the ability to issue trust preferred securities to fund future growth without further dilution to existing shareholders

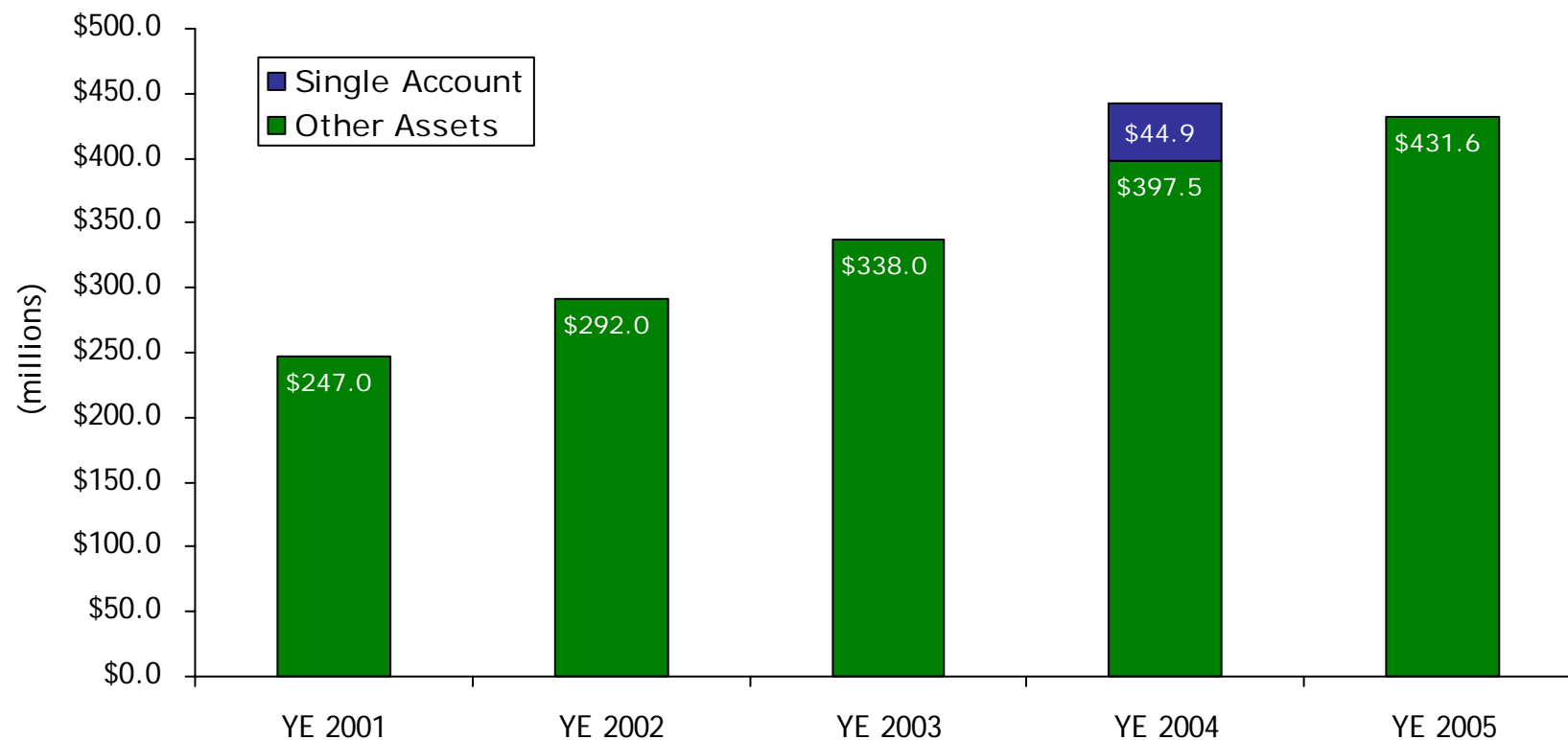
A holding company structure allows us the flexibility to further our mission

First IB will deliver banking products and services to a national customer base through innovative channels in order to offer an extraordinary banking experience while maximizing shareholder value.

3. Allows for the repurchase of outstanding shares without requiring consent of regulators as long as the holding company remains “well-capitalized”

# Growth

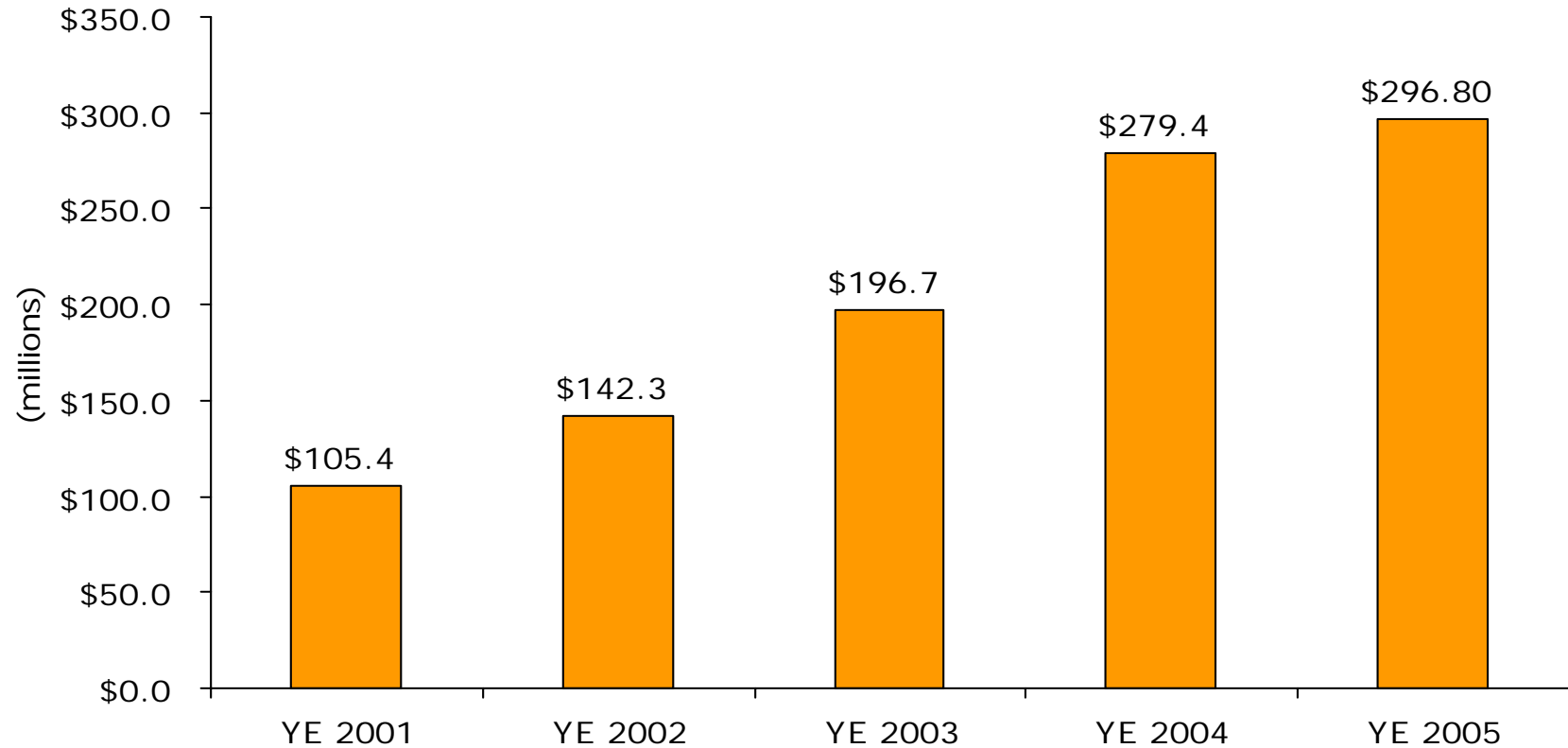
## Total Assets



Source: First IB

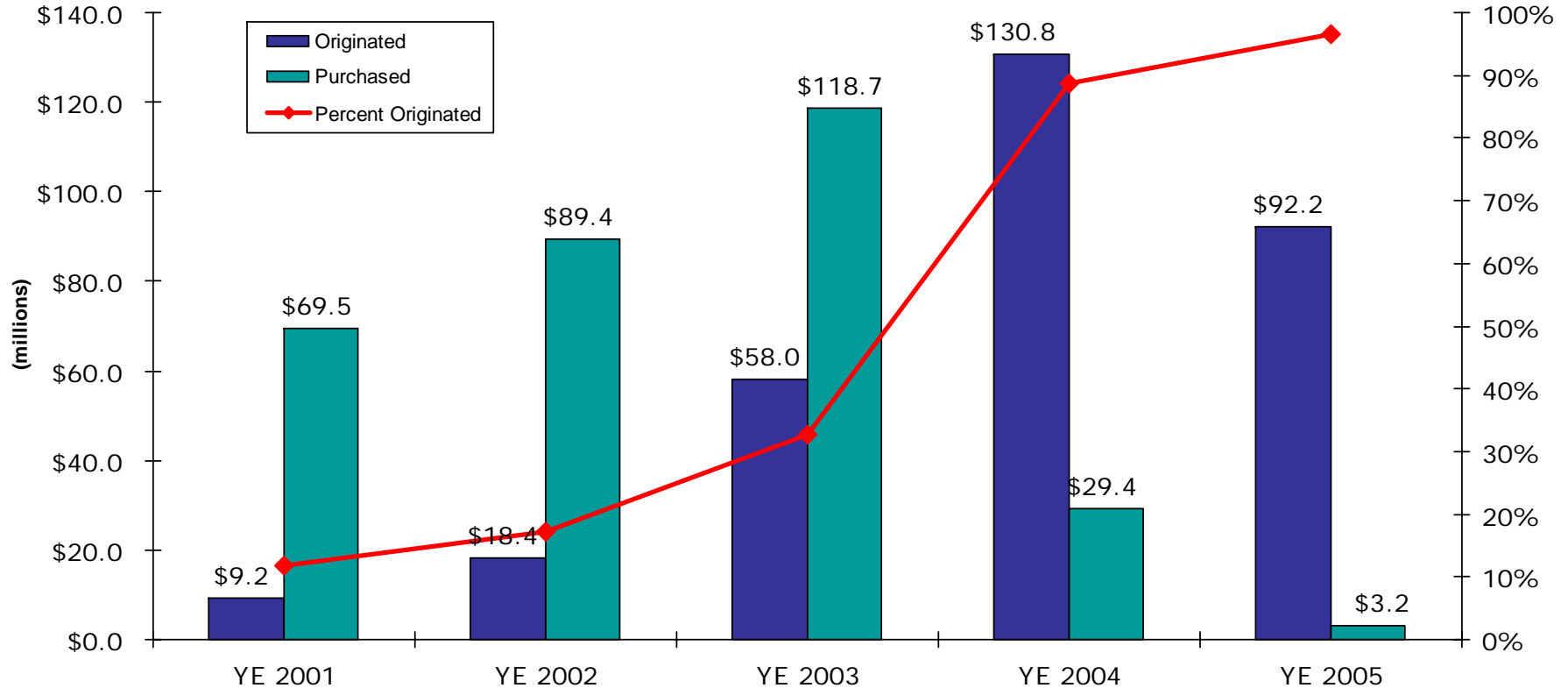


## Loans, net of reserve



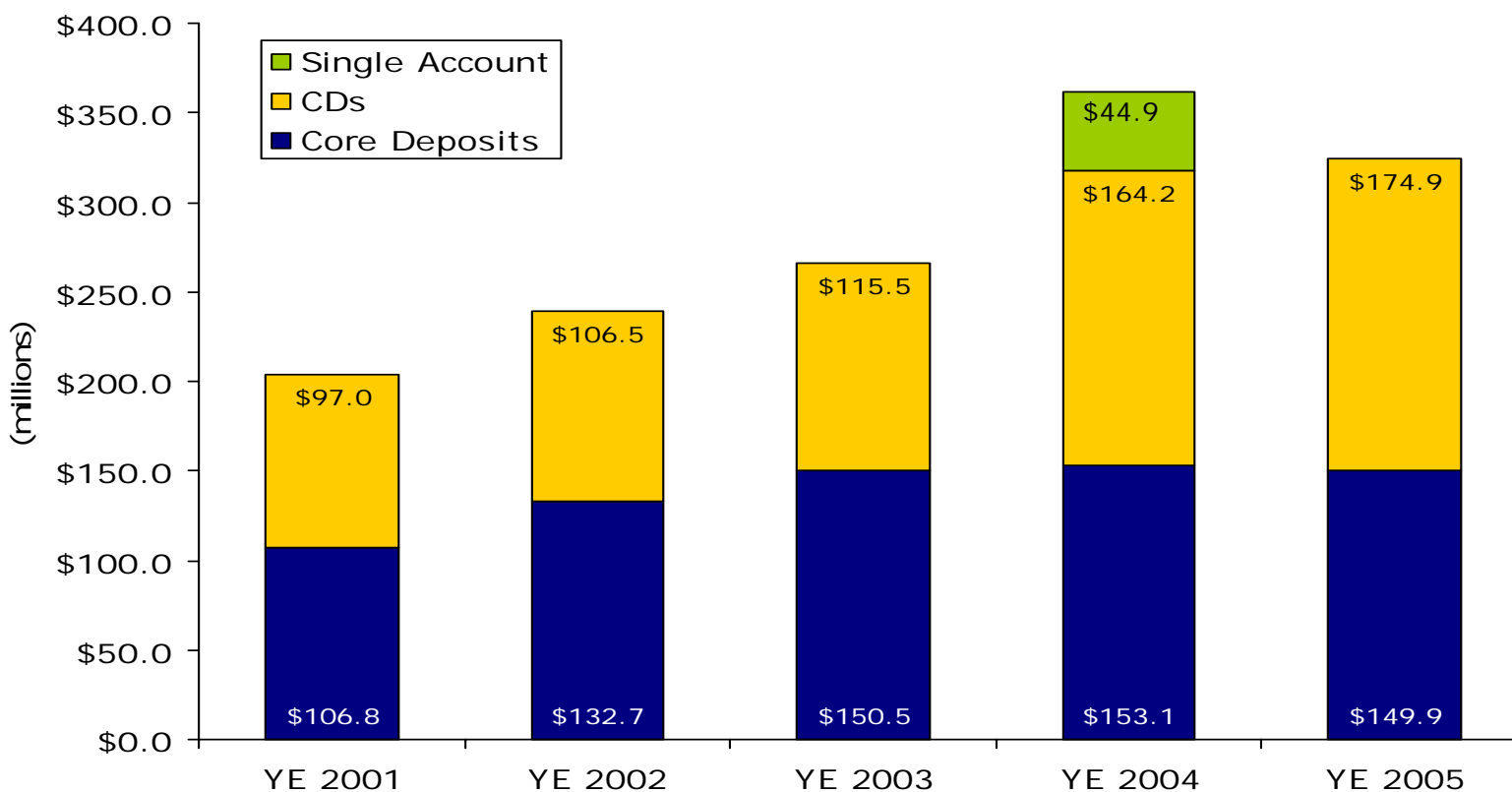
Source: First IB

## Loan Production



Source: First IB

## Deposit Trends



Source: First IB

## Deposits per Employee

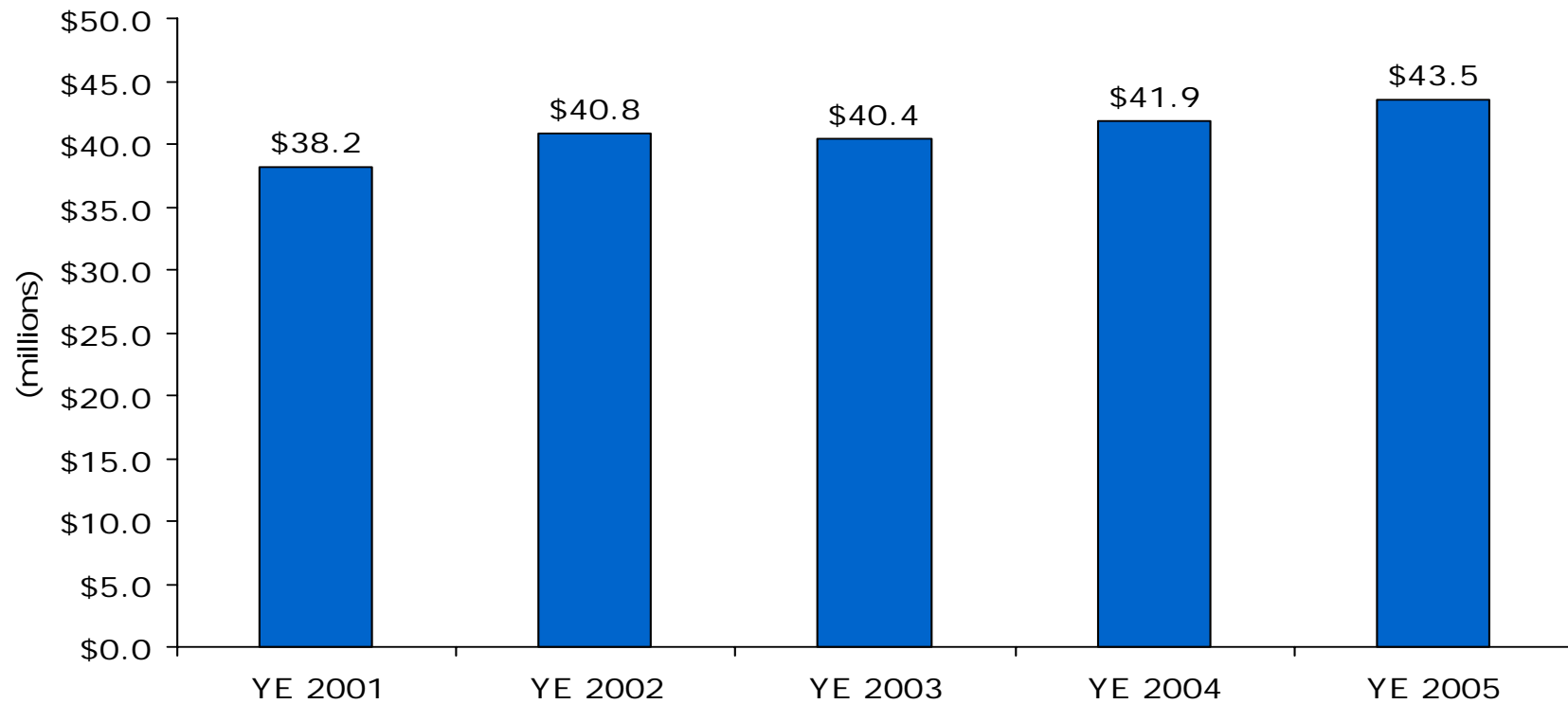


Source: First IB (YE 2004 excludes single account noted on previous slide)

# Results

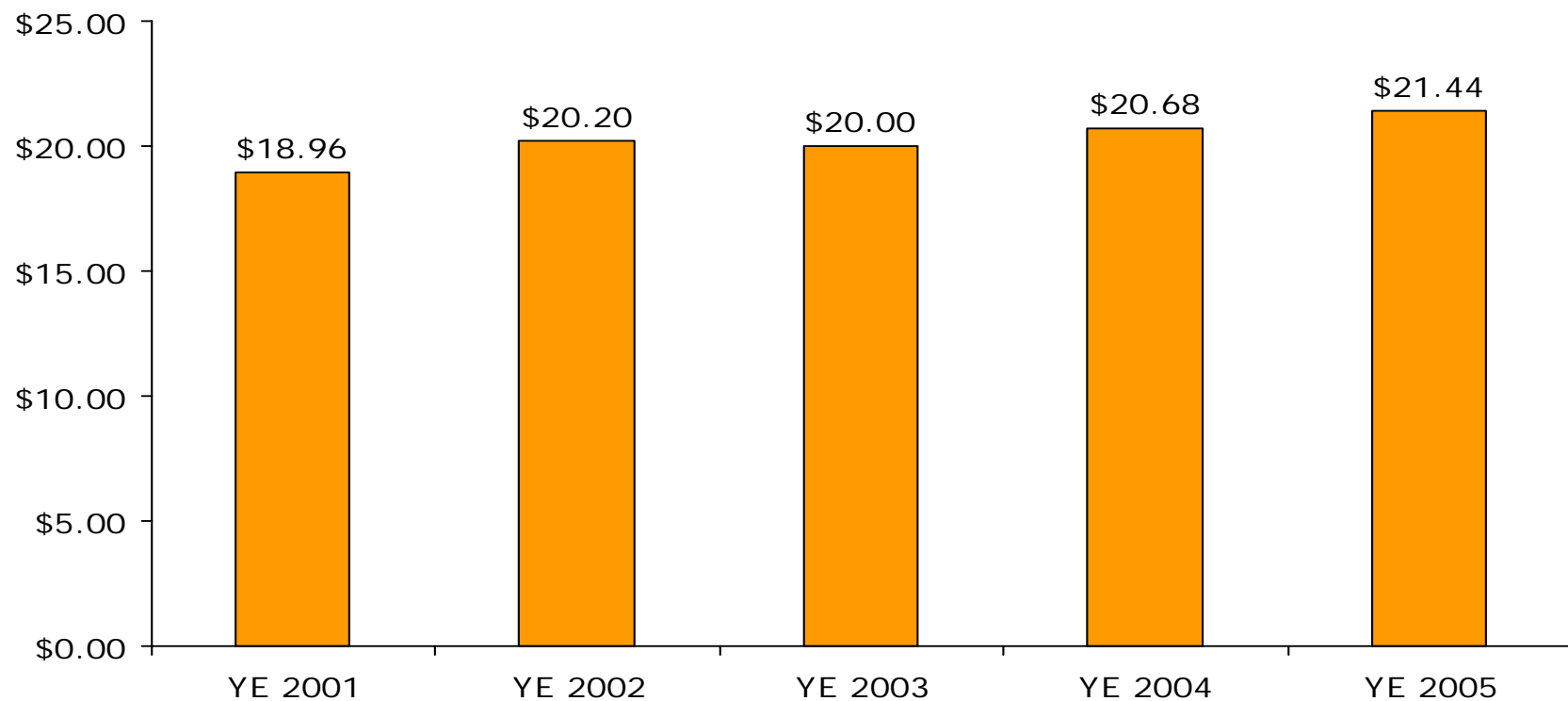
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## Equity



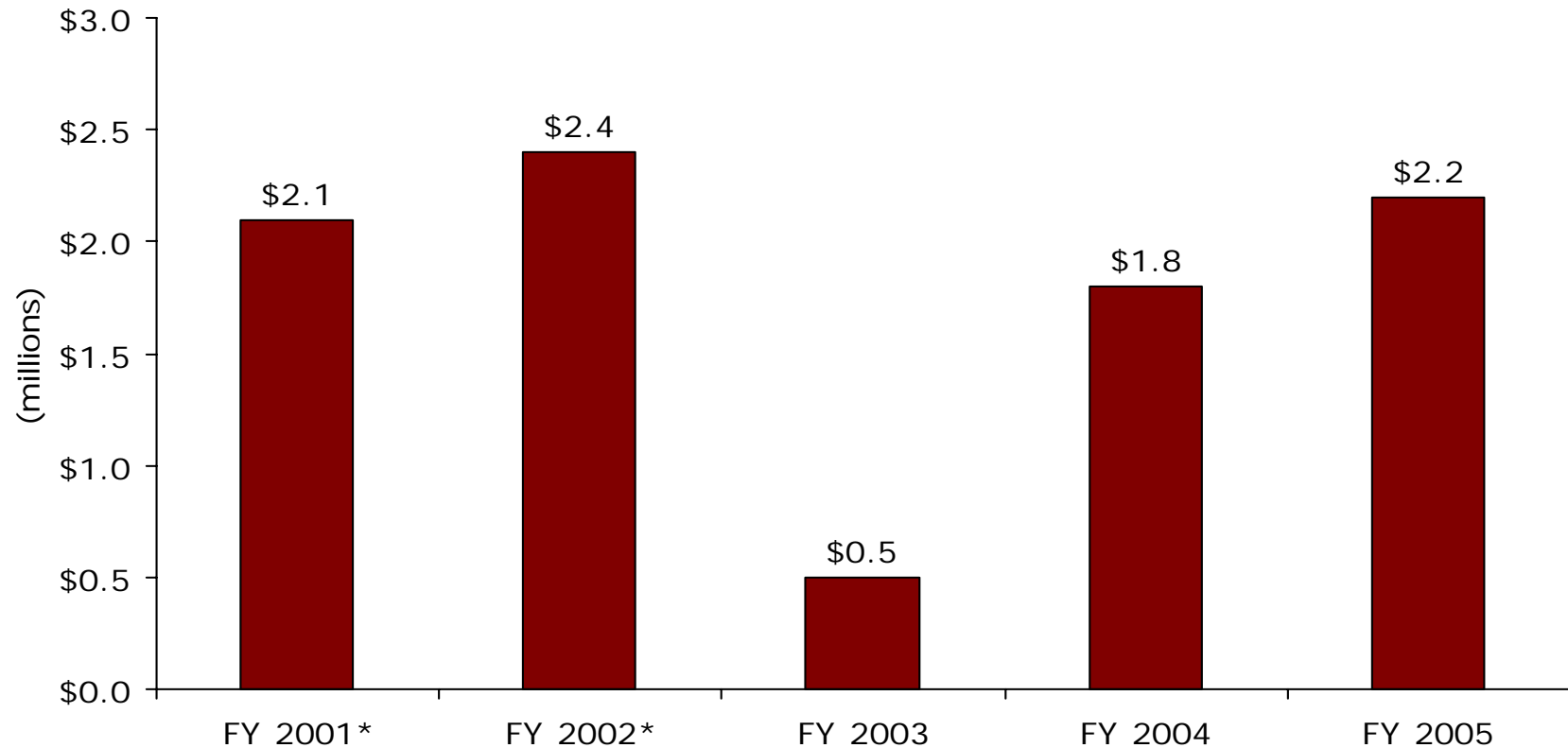
Source: First IB

## Book Value per Share (diluted)



Source: First IB

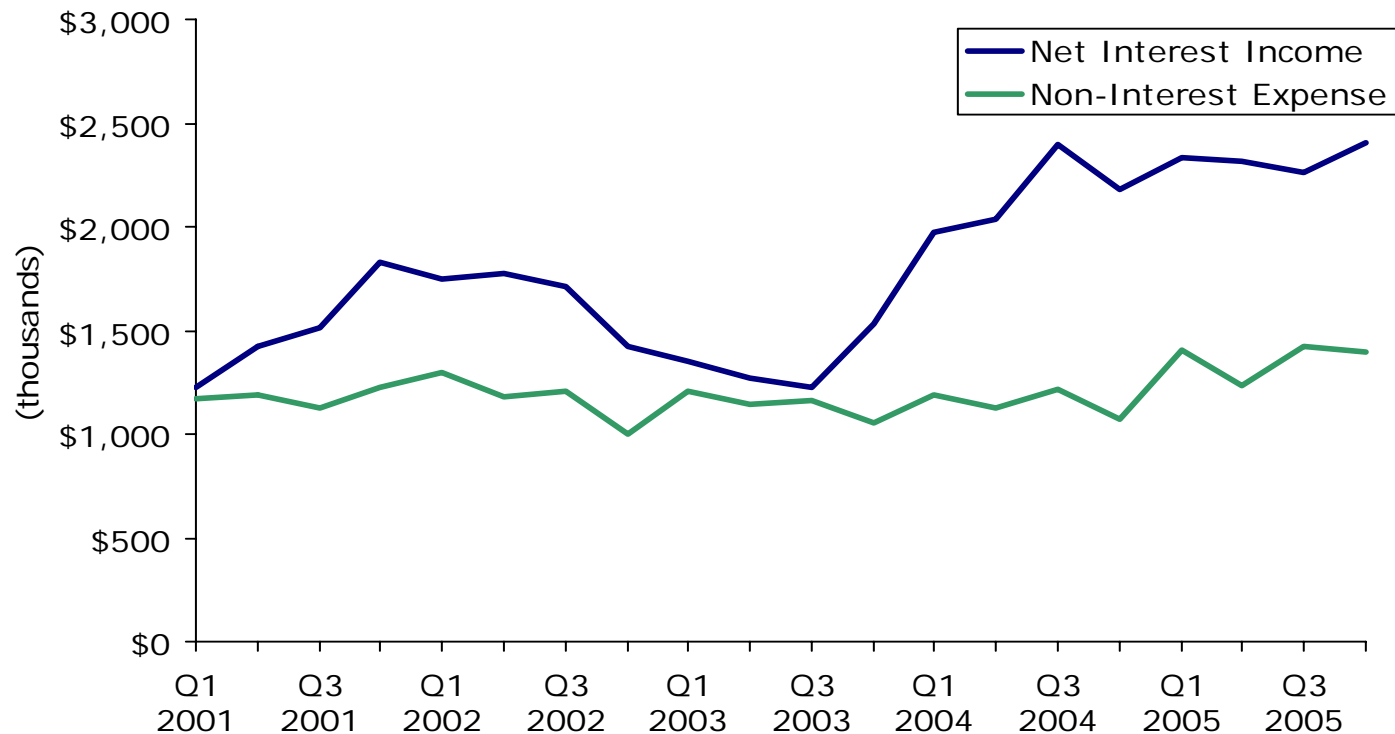
## Net Income



Source: First IB (FY 2001 and 2002 include tax benefits)



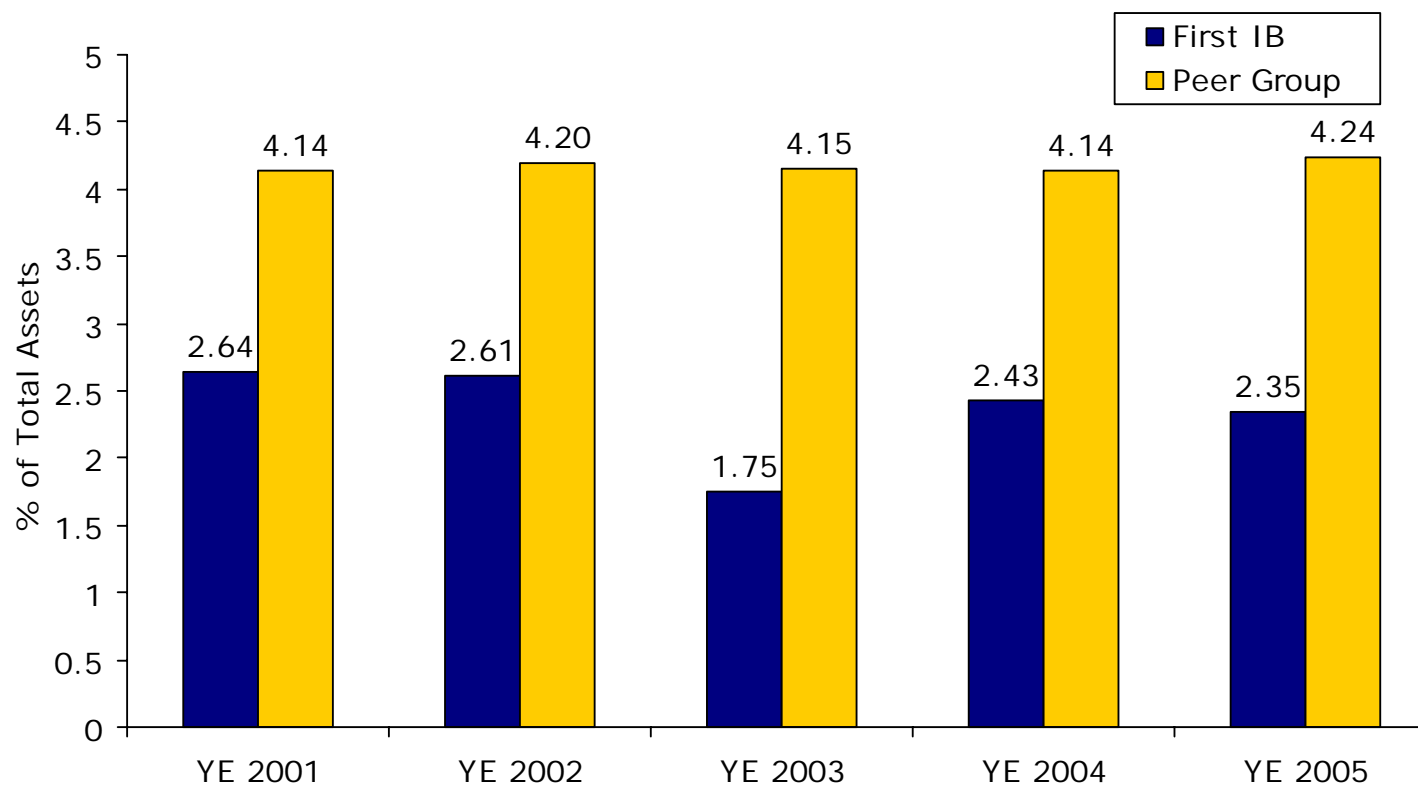
## Net Interest Income vs. Non-Interest Expense



Source: First IB

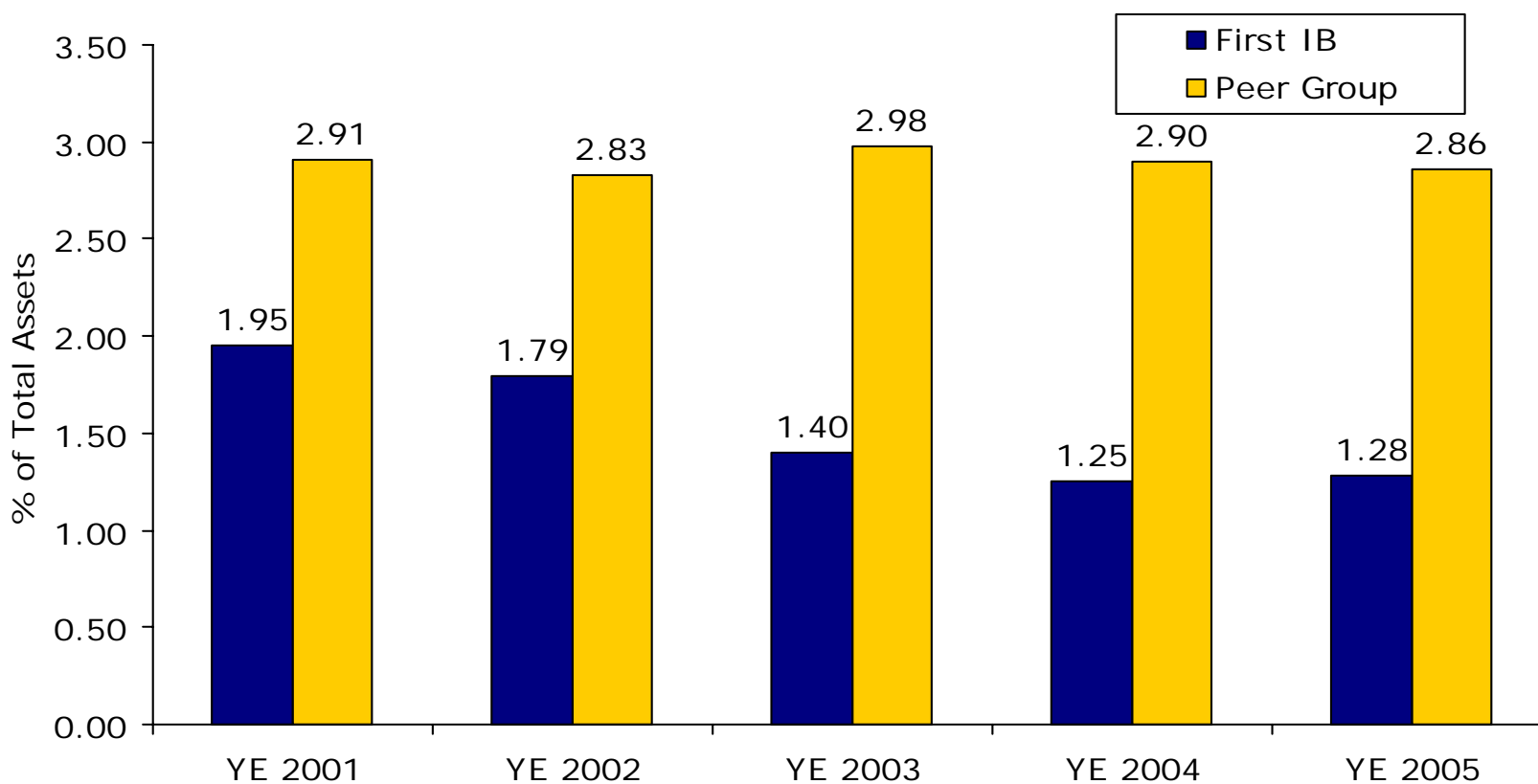
# Our Model

## Net Interest Margin



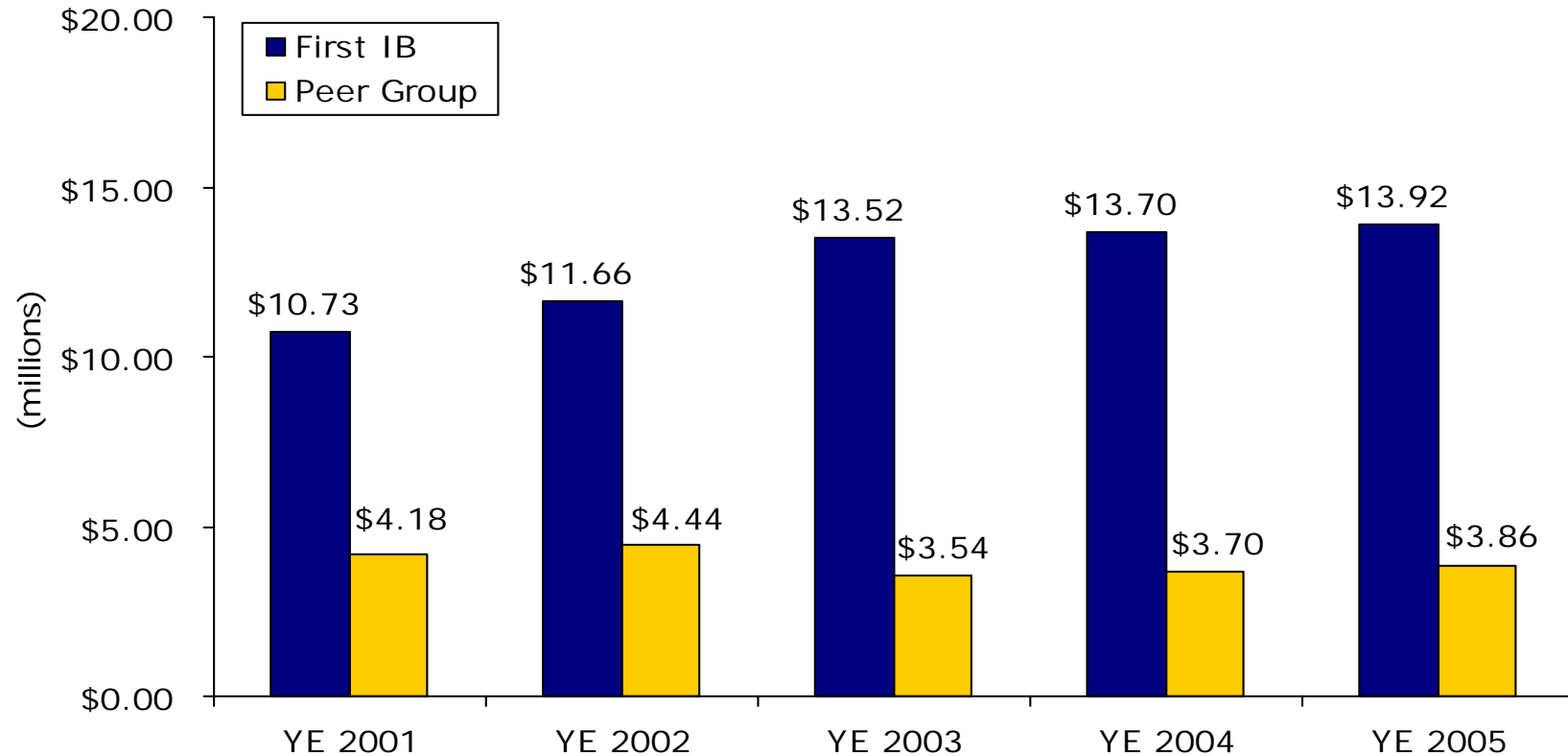
Source: FFIEC Uniform Bank Performance Reports

## Non Interest Expense



Source: FFIEC Uniform Bank Performance Reports

## Assets per Employee



Source: FFIEC Uniform Bank Performance Reports (YE 2004 excludes single account noted previously)

# Initiatives Recap



# Initiatives

Last year, we told you we would...

Since that time, we...

Eliminate retained deficit

Reported accumulated earnings of \$340,988 as of 12/31/2005

Achieve modest balance sheet growth

Increased earning assets (loans and investment securities) by approximately \$20 million

Diversify the balance sheet through loan participations

Entered into relationships that have resulted in 6 booked loans, \$2.3 million

See no growth to a slight improvement in net income over 2004

Increased net income \$350,000 - or 19% over 2004

Enhance funds transfer capabilities for customers

Launched an automated funds transfer service, completing over 10,000 transactions, \$21.5 million in the second half of 2005

## 2006 Initiatives

- Core processor evaluation (ongoing from 2005)
  - Affords more flexible and broader product offering
  - Possible in-house migration to reduce per-account costs, facilitating future growth
  - Contract not yet signed
- Continued asset diversification
  - Loan participations
  - Strategic alliances and/or acquisitions



## 2006 Projections

- Modest overall balance sheet growth
  - Consumer loan demand remains uncertain with many economic factors pointing to projected reduced consumer spending
- Net Income flat to slight increase over 2005
  - Narrower net interest margins due to volatile short term interest rates, inverted yield curve, and competitive reactions
- Factors affecting these predictions
  - FOMC movement of short term interest rates and competitive reaction to these movements
  - Acquisitions or strategic alliances



Thank you for joining us today!