

First Internet Bancorp Annual Meeting of Shareholders

May 23, 2012

Safe Harbor Statement

Statements in this presentation which express “belief,” “intention,” “expectation,” and similar expressions, identify forward-looking statements. Such forward-looking statements are based on the beliefs of First Internet Bancorp management, as well as assumptions made by, and information currently available to, such management. Such statements are inherently uncertain and there can be no assurance that the underlying assumptions will prove to be accurate. Actual results could differ materially from those contemplated by the forward-looking statements. Any forward-looking statements in this presentation are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Who We Are

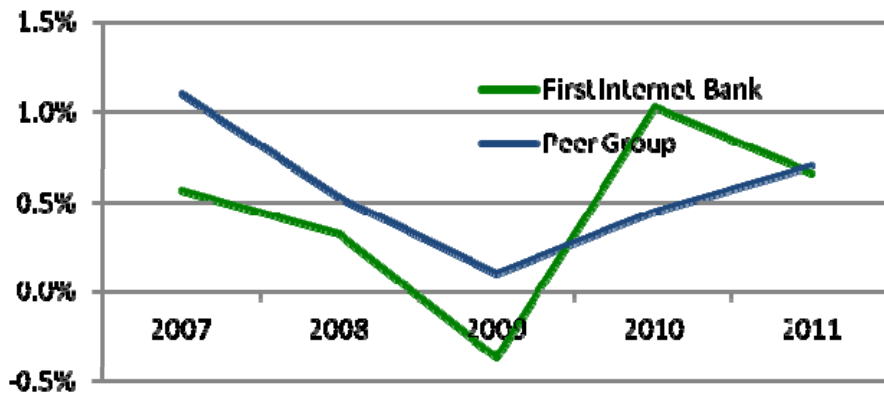
- Single-bank holding company
 - First Internet Bank launched 1999
 - The first state-chartered, FDIC-insured Internet bank
- National consumer market served from a single location in Indianapolis
 - Proven online retail banking and lending platform using best-of-breed technology backed by exceptional service
 - Unparalleled financial management tools and customer convenience
- Local and regional commercial market
- Low cost delivery channel translates to customer value
 - Competitive deposit rates
 - Lower loan fees and rates

How We Compare

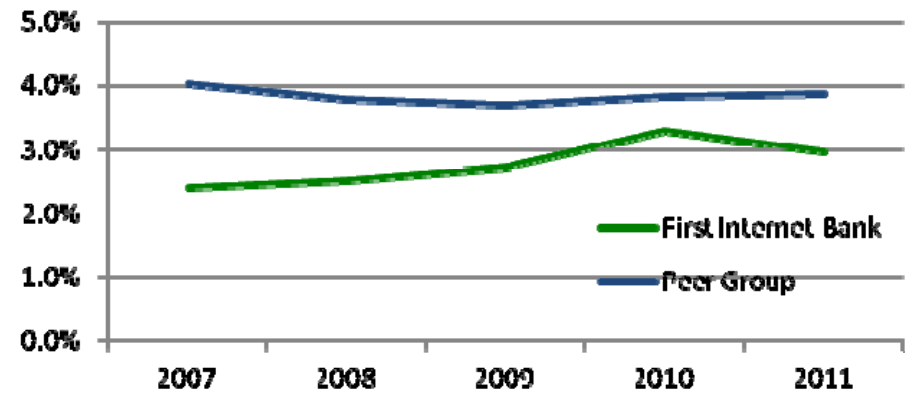
- Non-traditional model
- Key results snapshot for last five years
 - Return on Average Assets (ROAA)
 - Return on Average Equity (ROAE)
 - Net Interest Margin (NIM)
 - Texas Ratio

First Internet Bank Performance Trends

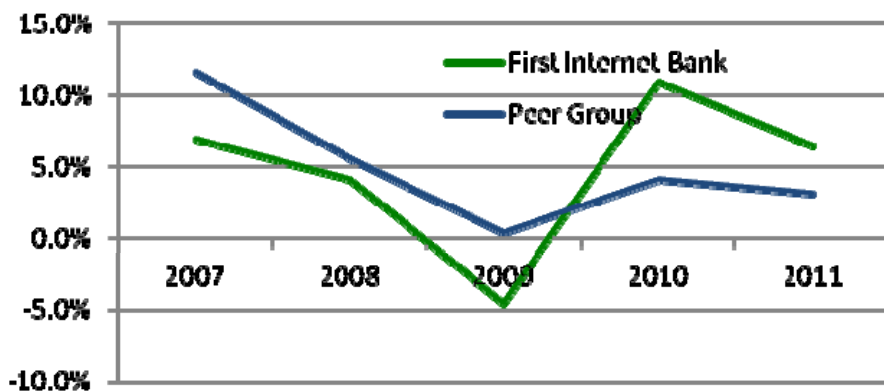
ROAA



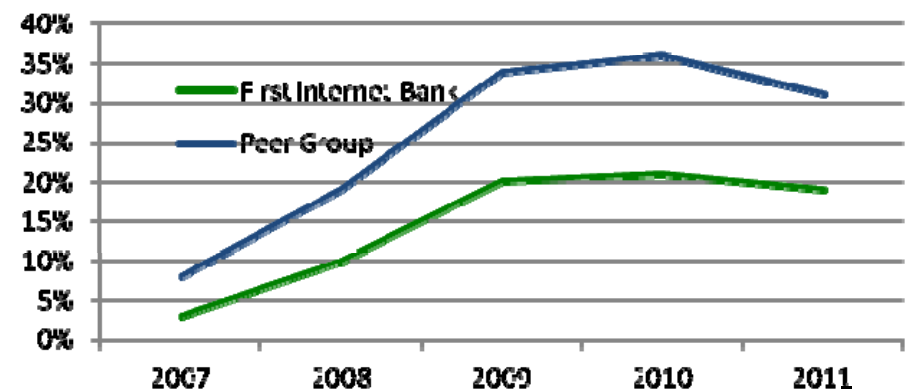
NIM



ROAE



Texas Ratio



Source: FFIEC Uniform Bank Performance Reports



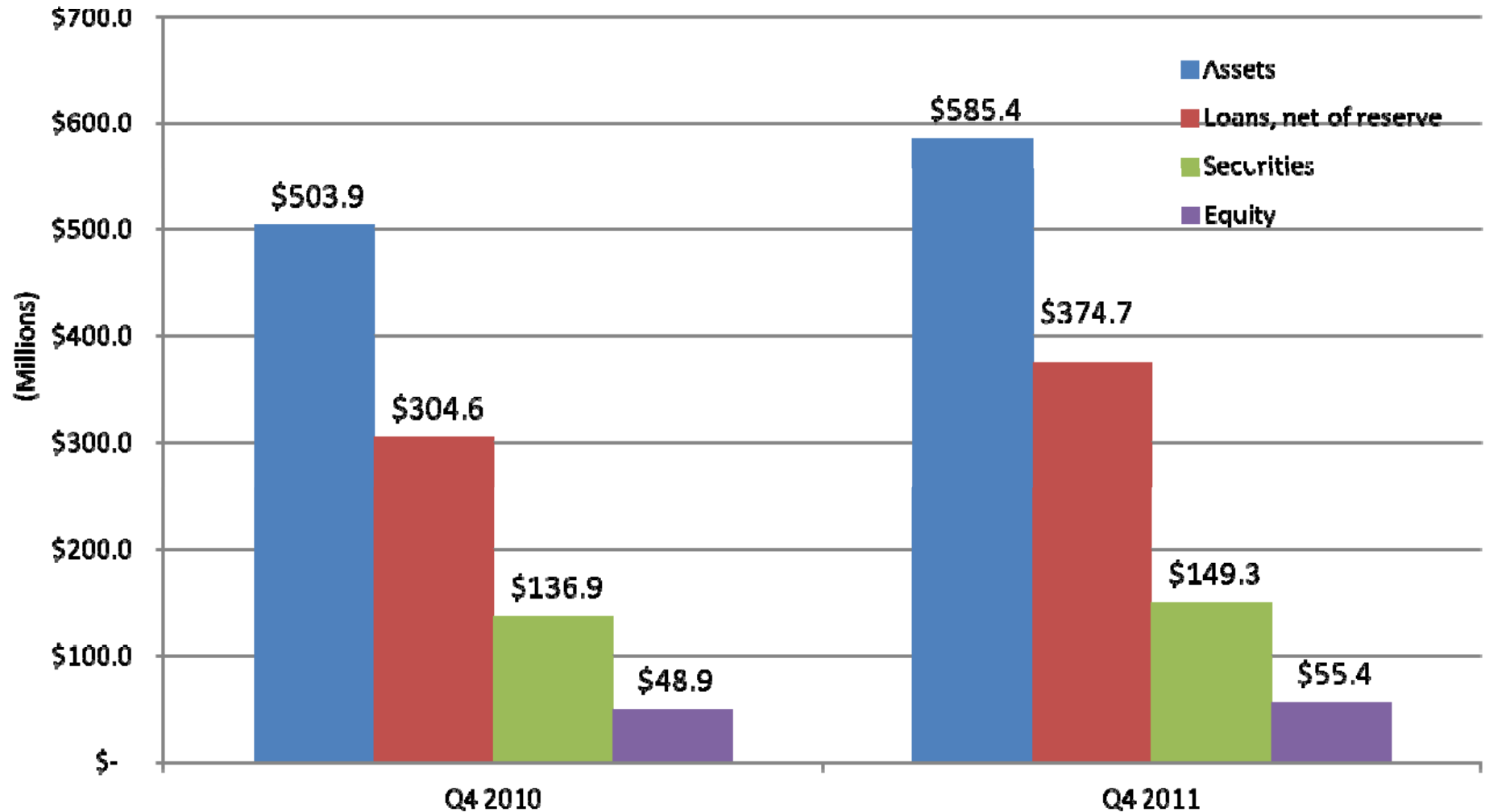
2011 in Review and First Quarter 2012

OUR RECENT PERFORMANCE

2011 Highlights

- Achieved record assets
- Grew loans as well as deposits
- Added people and capabilities to generate growth and diversify our portfolios
- Closed 38% more mortgage loans than prior year
- Asset quality remained high

First Internet Bancorp Balance Sheet



Source: First Internet Bancorp



Q1 Financial Results

	Q1 2011		Q1 2012
Net Income	\$532,000 or \$0.28 per diluted share		\$1.15 million or \$0.60 per diluted share
Total Assets	\$535.69 million		\$611.84 million
Non-interest Income	\$320,000		\$2.04 million
Tangible Book Value	\$23.81		\$27.30

Capital, Credit, and Management

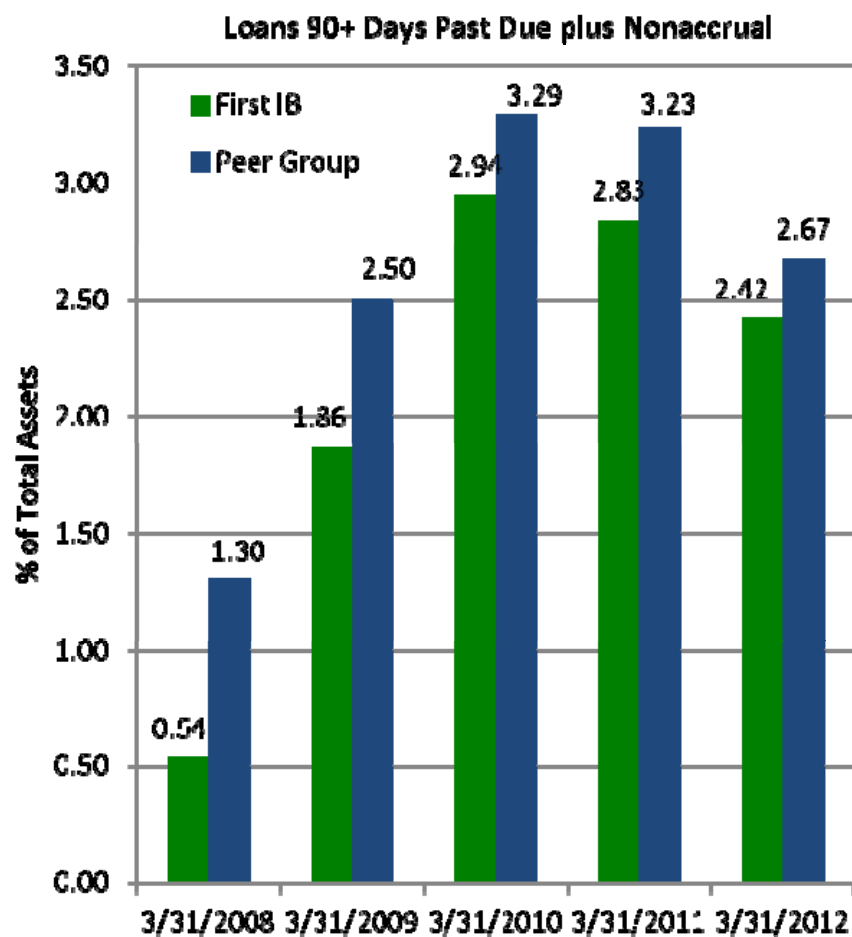
OUR STRENGTHS

First Internet Bancorp Capital

	12/31/2008	12/31/2009	12/31/2010	12/31/2011	3/31/2012
Tier One Capital Leverage Ratio	8.17	7.72	9.41	8.74	8.65
Tier One Capital to Risk-Weighted Assets	11.99	9.77	10.91	11.15	11.22
Total Risk-Based Capital to Risk-Weighted Assets	13.24	11.04	12.16	12.40	12.47

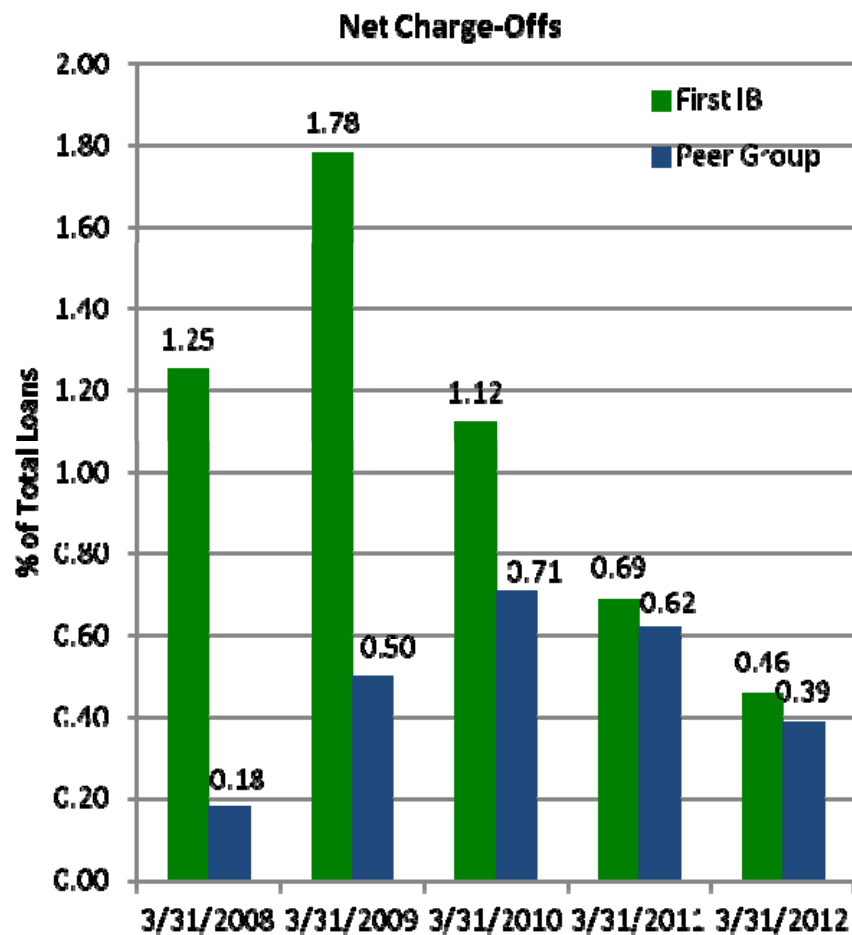
Source: First Internet Bancorp

Managing Portfolio Loan Delinquency



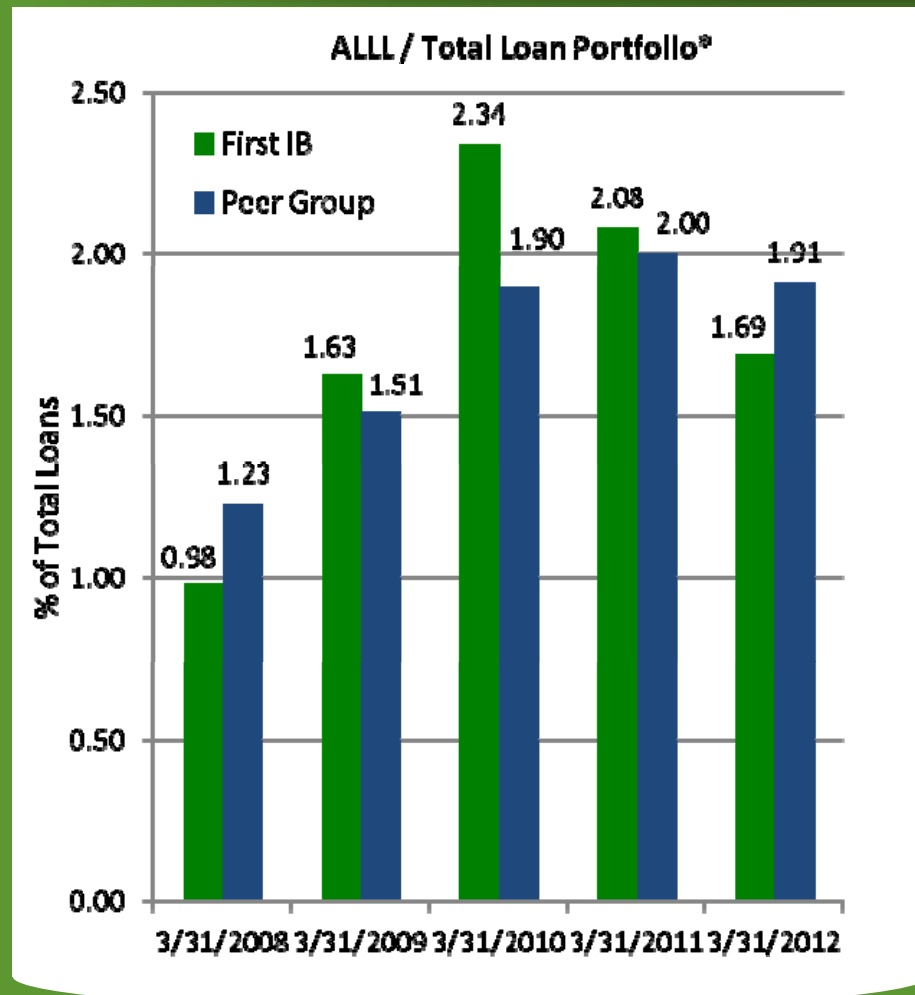
- Delinquency peaked in 2010, improved throughout 2011 and into 2012
- First IB loan portfolio delinquency remained less than peers' during the Great Recession

Reducing Charge-Offs



- After highs in 2009, First IB loan charge-offs improved significantly
- First IB trending with peers last two years
- Persistent collection efforts and enhanced credit standards

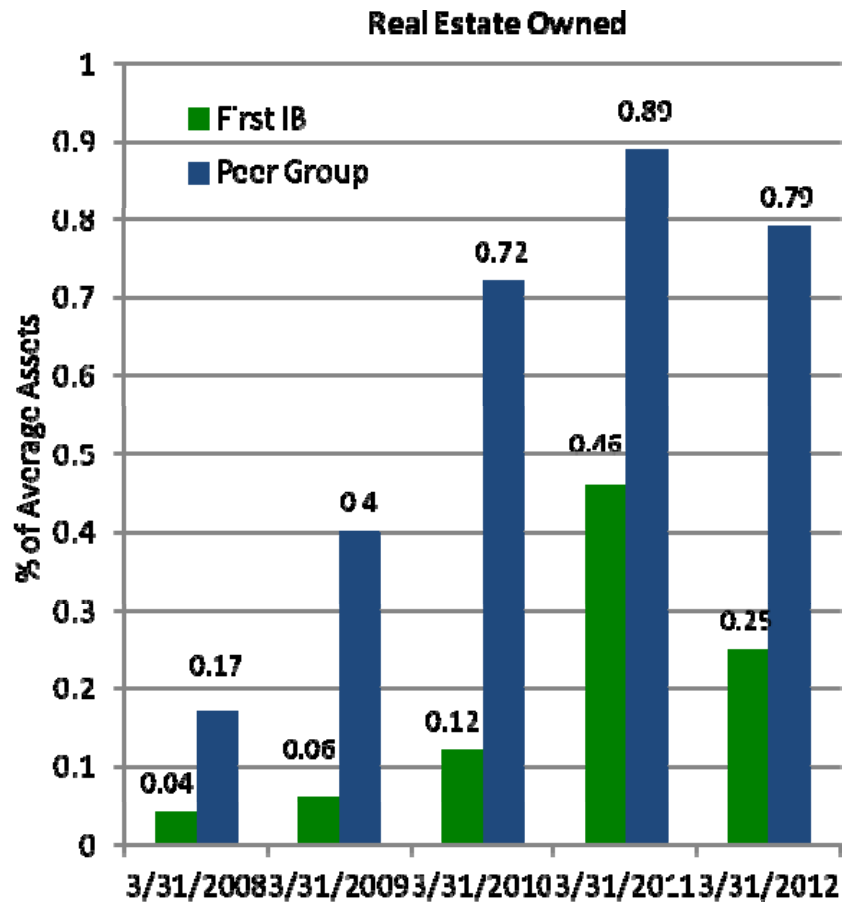
Controlling Allowance



- Improving delinquency and charge-off levels leads to 2011 and 2012 decreases

Source: FFIEC Uniform Bank Performance Reports
*Excludes Mortgages Held for Sale

Managing Real Estate Owned



- REO assets remain well below peers'
- First IB write-downs result in expense at time of reclassification and are representative of fair value
- REO not expected to be a source of material future losses

Employment Growth

- Added SVP C&I Lending
 - Experienced team includes 4 loan officers and 1 operations/support member
- Consumer Mortgages
 - 14 sales staff, 2 sales managers
 - 17 support staff, 3 managers
- Added a total of 22 full-time employees (42% increase) between 12/31/2010 and 12/31/2011 to support asset and income growth

Retail Banking & Retail Lending

NATIONAL MARKET

Retail Banking

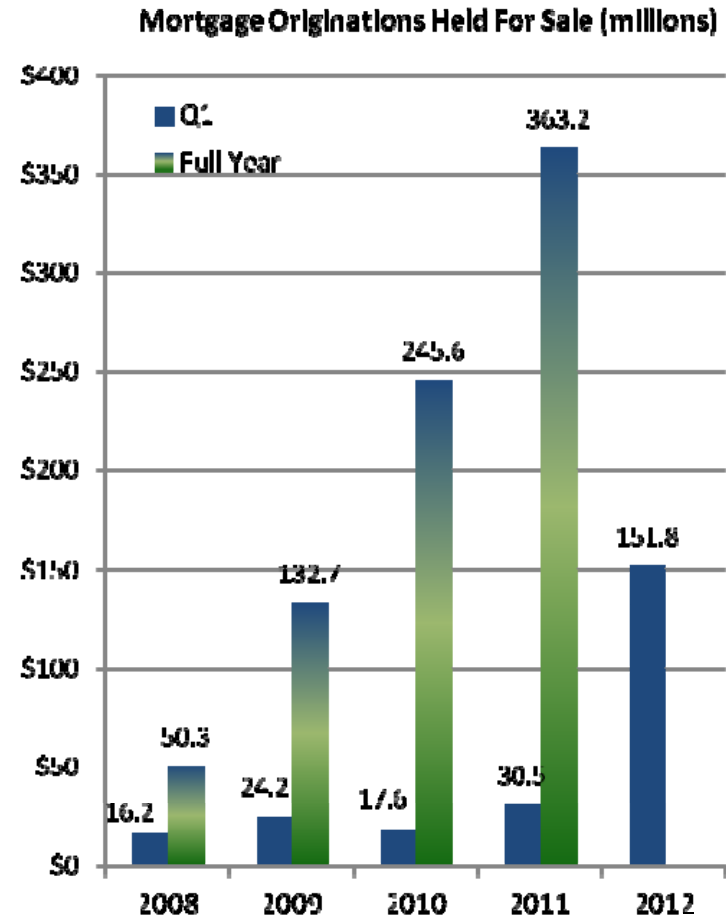
- Cost-effective, robust offering well positioned to attract consumers as other banks increase fees to replace lost income sources
 - Q3 2011 survey shows more than 9 out of 10 customers would recommend First Internet Bank
 - Enhanced personalization options to online banking Q4 2011
- Added iPhone, iPad, and Android apps early 2012 to enhance existing mobile banking options
- Expanded availability of desktop (scanned) deposits, planning to introduce mobile deposits in 2012
- New deposit account origination system expected to launch Q2 2012 to improve productivity and highlight cross-selling opportunities

Mortgage Lending

- Continued investment in online mortgage platform
 - Increased marketing efforts and lead sources in 2011
 - Launched enhanced mortgage website Q3 2011 to promote customer self-service
 - New loan origination system live Q3 2011 to enhance integration and improve productivity
 - Doubled loan officer/sales staff with experienced professionals

Online Mortgage Originations

- Dramatic increase in 2011 mortgage loan originations possible because of online platform and favorable interest rate environment for refinance activity
- First quarter mortgage loan originations reflect seasonality, second and third quarters tend to be strongest
- Currently mortgage originations are sold in the secondary market for an immediate gain on sale; alternatively in the right interest rate environment this loan production can add to portfolio loans and future interest income



Consumer Lending

- A redefined strategy for profitable portfolio loan growth
 - Began expansion of recreational product dealer network in April 2011
 - Implemented a new loan origination system Q1 2012 for improved customer experience and document tracking
 - Maintaining high credit standards while making rate more competitive on select product offerings
 - Projecting ROA of 1.60% on new loan volumes

Commercial Real Estate Lending

REGIONAL MARKET

Commercial Real Estate

- Majority of Commercial Real Estate (“CRE”) efforts are in office, retail, industrial and multifamily loans in the region
- Absence of significant CRE problem loan exposure allows for loan portfolio growth opportunity
 - New CRE loan commitments closed during 2011 totaled \$49.8MM, first full year
 - Purchased \$8.9MM in loan commitments Q1 2012
 - Targeting \$42.0MM of 2012 commitment originations
 - Increasing loan demand resulting in significant opportunities
 - Indexed loan rates with floors
 - Maintaining high credit standards and diligence in execution
- Current balance sheet capacity of \$100MM reasonable with existing systems and staff

Commercial Real Estate

- Commercial loan team comprised primarily of seasoned CRE lenders with large regional bank experience
 - Team lead has experience with previous successful start-up effort
 - Lending team experience exceeds 100 years with strong regional ties
 - Previous employers include Chase (Bank One), Huntington, BMO Harris (M&I/First Indiana)

Commercial Banking
LOCAL MARKET

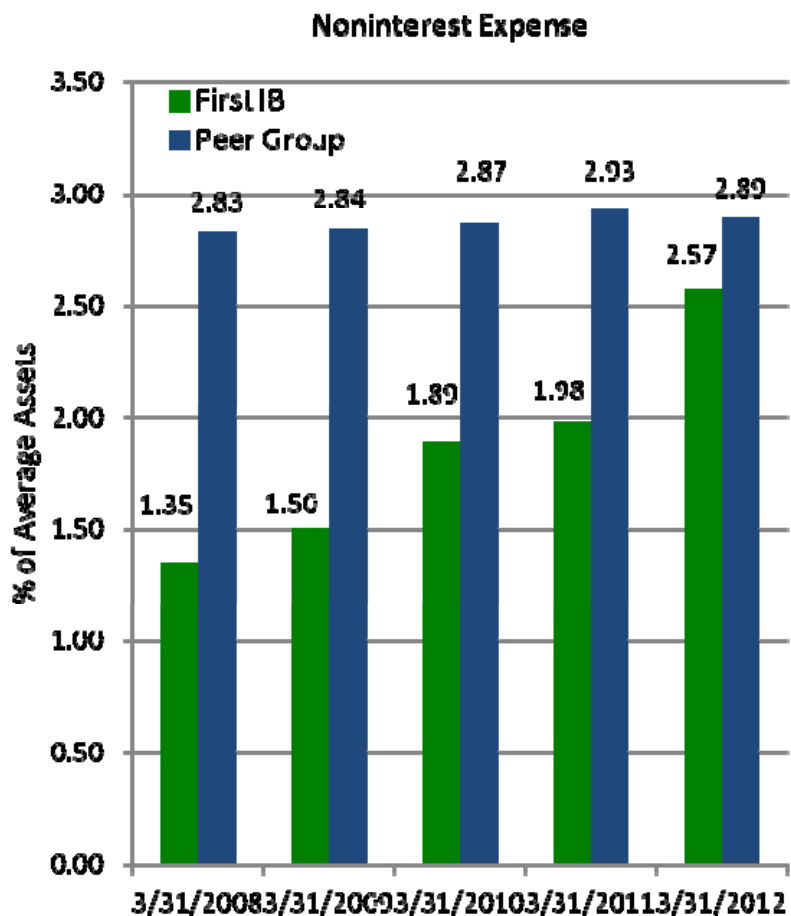
Commercial Banking

- Commercial loan team comprised primarily of seasoned lenders with large regional bank experience and strong local relationships
- Generating C&I loans in the Indianapolis market
- Will introduce online account & treasury management capabilities Q3 2012

Enhancing Shareholder Value

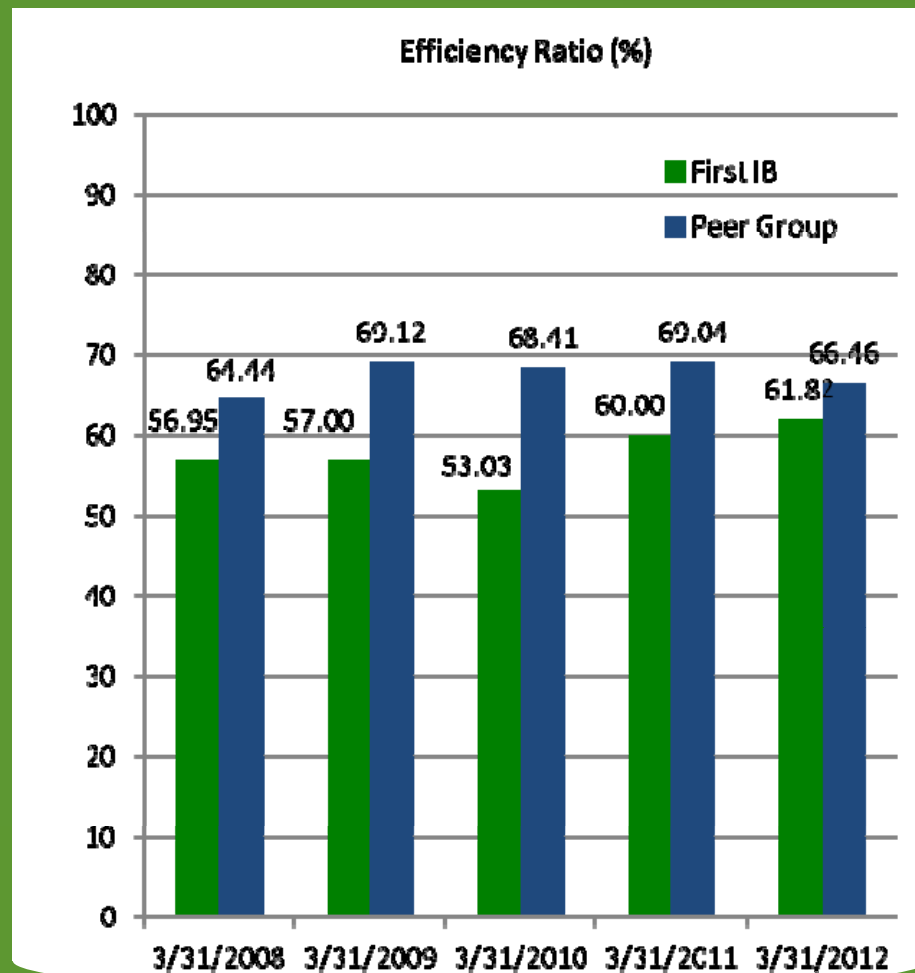
OUR POTENTIAL

Continue to Leverage Operating Model



- First IB continues to enjoy favorable operating costs (noninterest expense) relative to its peers
- “Big ticket” expenditures (data processing, management additions) locked in for doubling asset size
- Overhead/asset ratio will trend down with expected growth

Reaping Rewards of Low Efficiency Ratio

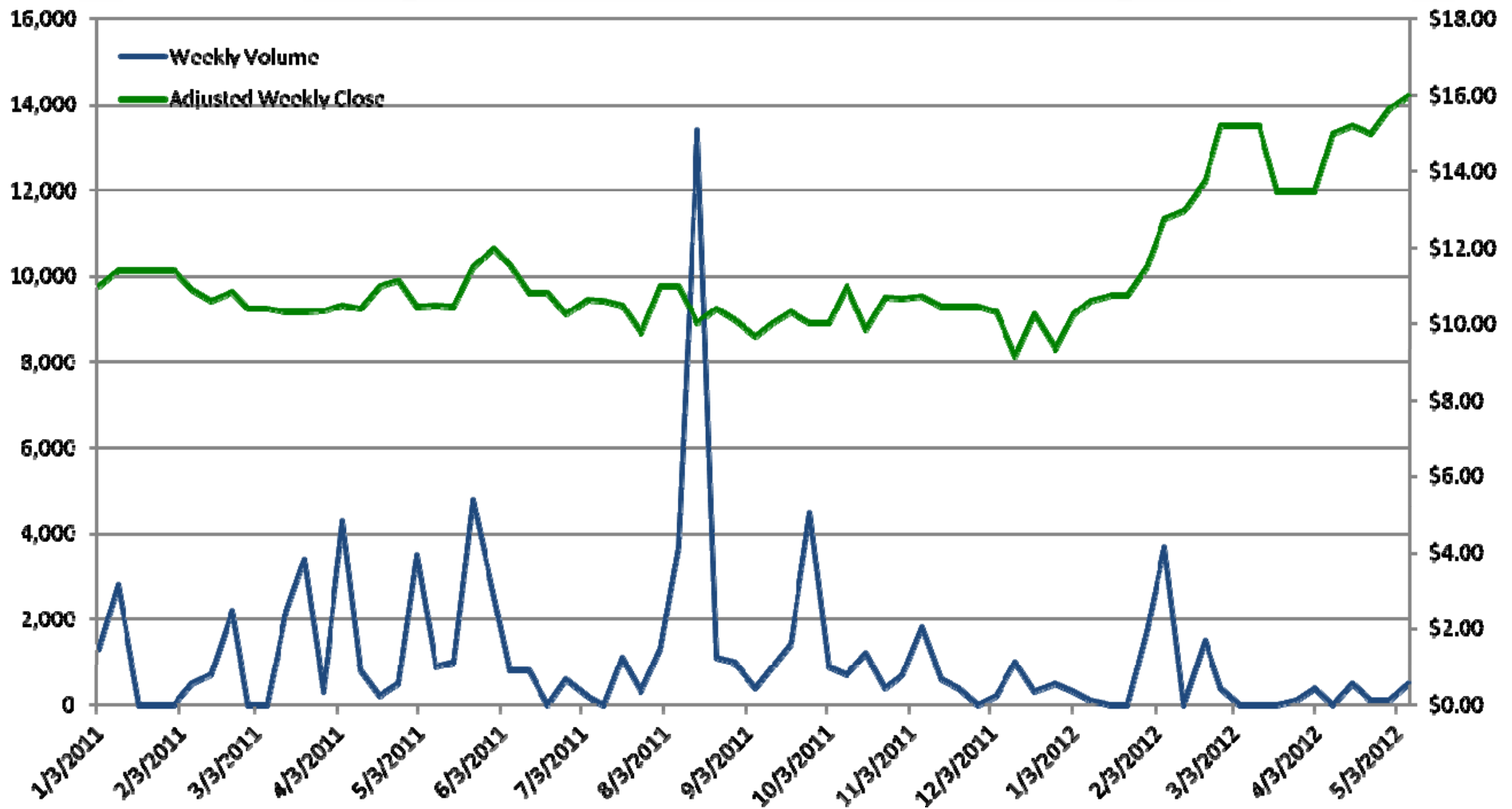


- First IB continues to be more efficient than peers
- Expect future improvement in First IB ratio as new revenue sources commence, i.e. commercial lending

FIBP Share Price Upside Potential

- FIBP trading at 49.5% to tangible book value as of March 31, 2012
- Stock performance inconsistent with financial performance, capital levels, credit quality and management capability
- Possible reasons:
 - Limited shareholder liquidity with bulletin board trading
 - Net interest margin lower than peers
 - Banks as an investment choice

Share Price and Trading Volume



Source: Yahoo! Finance



Share Price Compared to Market



Source: Yahoo! Finance

Enhancing Share Value: Balance Sheet Growth

- Balance sheet growth initiated with lending efforts
 - As of March 31, 2012, the Bank had grown to \$610.5MM while maintaining a Tier 1 Capital ratio above 8%
 - In addition to increasing total assets, the Bank has room to reposition the balance sheet due to significant amounts of cash and investment securities on hand and available to fund loan originations as opportunities are identified
 - Goal of \$1 Billion in assets by year end 2015

Enhancing Share Value: New Revenue Channels

- Leverage existing strengths such as online mortgage origination platform for unrelated third parties
- Grow low-cost commercial deposits
- Continue to explore opportunities, e.g. SBA Lending, Student Loans, Mortgage Servicing

Enhancing Share Value: Potential Acquisitions

- Increased costs of compliance affecting smaller institutions and highlighting the benefits of economies of scale
- TARP costs force small community banks to consider mergers
- Focus on asset originations and either add-on or diversification opportunities with limited physical infrastructure

Our focus in 2012 and beyond: GROWTH

- Maintaining strong capital position
- Generating high quality assets
- Improving efficiencies
- Enhancing share value

Shareholder Communication

- Please sign up for alerts to receive an email when First Internet Bancorp posts news:
<http://www.firstinternetbancorp.com/news.html>
- First Internet Bancorp > News

Thank you for your continued
support!