

First Internet Bancorp  
Form 424B5  
September 19, 2016

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Filed pursuant to Rule 424(b)(5)  
Registration No. 333-208748

**The information contained in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been declared effective under the Securities Act of 1933, as amended, by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the Notes and are not soliciting an offer to buy the Notes in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED SEPTEMBER 19, 2016.**

**Preliminary Prospectus Supplement  
(To Prospectus dated January 4, 2016)**

\$

## **% Fixed-to-Floating Rate Subordinated Notes due 2026**

We are offering \$ aggregate principal amount of our % Fixed-to-Floating Rate Subordinated Notes due 2026 (which we refer to as the "Notes") pursuant to this prospectus supplement and the accompanying prospectus. The Notes will mature on , 2026. From and including , 2016 to but excluding , 2021, the Notes will bear interest at an initial rate of % per annum, payable semi-annually in arrears on each and , commencing , 2017. From and including , 2021 to but excluding the maturity date or the date of earlier redemption, the interest rate will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR rate plus %, payable quarterly in arrears on each , , , and . Notwithstanding the foregoing, if the three-month LIBOR is less than zero, three-month LIBOR will be deemed to be zero.

We may, beginning with the interest payment date of , 2021 and on any interest payment date thereafter, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to but excluding the date of redemption. The Notes will not otherwise be redeemable by us prior to maturity, unless certain events occur, as described under "Description of the Notes Redemption" in this prospectus supplement. Any early redemption of the Notes will be subject to the receipt of the approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve") to the extent then required under applicable laws or regulations, including capital regulations. The Notes will not be convertible or exchangeable.

The Notes will be unsecured subordinated obligations of First Internet Bancorp. There is no sinking fund for the Notes. The Notes will be subordinated in right of payment to the payment of our existing and future senior indebtedness, including all of our general creditors, and they will be structurally subordinated to all of our subsidiaries' existing and future indebtedness and other obligations. The Notes are obligations of First Internet Bancorp only and are not obligations of, and are not guaranteed by, any of our subsidiaries. The holders of the Notes may be fully subordinated to interests held by the U.S. government in the event that we enter into a receivership, insolvency, liquidation, or similar proceeding.

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Currently, there is no public trading market for the Notes. We do not intend to list the Notes on any securities exchange or to have the Notes quoted on a quotation system.

	Per Note	Total
Public offering price(1)	% \$	
Underwriting discounts	% \$	
Proceeds to us, before expenses	% \$	

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- (1) Plus accrued interest, if any, from the original issue date. The underwriter will also be reimbursed for certain expenses incurred in this offering. See "Underwriting" in this prospectus supplement.

**Investing in the Notes involves risks. Before investing in the Notes, potential purchasers of the Notes should consider the information set forth in the "Risk Factors" section beginning on page S-9 and in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q, which are incorporated herein by reference.**

**The Notes are not savings accounts, deposits or other obligations of our subsidiary bank, First Internet Bank, or any of our nonbank subsidiaries. The Notes are not insured or guaranteed by the Federal Deposit Insurance Corporation, or "FDIC," or any other governmental agency or instrumentality or public or private insurer.**

**None of the Securities and Exchange Commission ("SEC"), the FDIC, the Federal Reserve, the Office of the Comptroller of the Currency (the "OCC") or any state securities commission or any other bank regulatory agency has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The underwriter expects to deliver the Notes to purchasers in book-entry form through the facilities of The Depository Trust Company (which, along with its successors, we refer to as "DTC"), and its direct participants, against payment therefor in immediately available funds, on or about \_\_\_\_\_, 2016.

\_\_\_\_\_  
\_\_\_\_\_  
Prospectus Supplement dated \_\_\_\_\_, 2016

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We are offering to sell, and seeking offers to buy, Notes only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and accompanying prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters relating to us and our financial condition and adds to, updates and changes the information contained in the accompanying prospectus. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. To the extent information contained in this prospectus supplement and any free writing prospectus is inconsistent with information contained in the accompanying prospectus or any document incorporated by reference herein and therein, you should rely on the information in this prospectus supplement and any free writing prospectus. If any statement in one of these documents is inconsistent with a statement in another document having a later date, the statement in the document having the later date will apply and will supersede the earlier statement.

This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 (File No. 333-208748) that we filed with the Securities and Exchange Commission (the "SEC") utilizing a "shelf" registration process. Under the shelf registration process, we may, from time to time, sell the securities described in the accompanying prospectus in one or more offerings up to a total amount of \$100,000,000. The shelf registration statement became effective on January 4, 2016.

This prospectus supplement and the accompanying prospectus relate to the offering of Notes. Before buying any of the Notes offered hereby, we urge you to read carefully this prospectus supplement, any free writing prospectus and the accompanying prospectus, together with the information incorporated herein by reference as described below under the heading "Incorporation of Certain Information by Reference." This prospectus supplement contains information about the Notes offered hereby.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We are not, and the underwriter is not, making offers to sell or solicitations of offers to buy our Notes in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should assume that the information in this prospectus supplement, the accompanying prospectus and any free writing prospectus is accurate only as of the date on the front of the respective document and that any information that we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or the time of any sale of a security.

This prospectus supplement and the accompanying prospectus contain summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified by the actual text of the documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated herein by reference as exhibits to the registration statement, and you may obtain copies of those documents as described below under the section entitled "Where You Can Find More Information."

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made.

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Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

This prospectus supplement, the accompanying prospectus and any free writing prospectus may contain and incorporate by reference market data and industry statistics and forecasts that are based on independent industry publications and other publicly available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. Although we are not aware of any misstatements regarding the market and industry data that may be presented in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated herein by reference, these estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus supplement and the accompanying prospectus, and under similar headings in the other documents that are incorporated herein by reference. Accordingly, investors should not place undue reliance on this information.

When we refer to "First Internet Bancorp," the "Company," "we," "us" and "our" in this prospectus supplement, we mean First Internet Bancorp, an Indiana corporation, and its consolidated subsidiaries, unless the context indicates otherwise. References to "First Internet Bank" or the "Bank" refer to First Internet Bank of Indiana, an Indiana chartered bank and wholly owned subsidiary of the Company.

## **WHERE YOU CAN FIND MORE INFORMATION**

This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 we have filed with the SEC under the Securities Act of 1933, as amended, which we refer to as the "Securities Act," and do not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus supplement and the accompanying prospectus to any of our contracts, agreements or other documents, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement or the exhibits to the reports or other documents incorporated herein by reference for a copy of such contract, agreement or other document. Because we are subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act," we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room.

We also make available, free of charge, on or through our website (<http://www.firstinternetbancorp.com>) our annual, quarterly and current reports, proxy statements and other information we file or furnish pursuant the Exchange Act. Please note, however, that we have not incorporated herein any other information by reference from our website, other than the documents listed under the heading "Incorporation of Certain Information by Reference." In addition, you may request copies of these filings at no cost, by writing or telephoning us at the following address or telephone number:

Chief Financial Officer  
First Internet Bancorp  
11201 USA Parkway  
Fishers, Indiana 46037  
(317) 532-7900

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**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to "incorporate by reference" information from other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement. Information in this prospectus supplement supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus supplement, while information that we file later with the SEC will automatically update and supersede the information in this prospectus supplement. We incorporate by reference into this prospectus supplement, the accompanying prospectus and the registration statement of which this prospectus supplement and the accompanying prospectus are a part the information or documents listed below that we have filed with the SEC (Commission File No. 001-35750):

Our Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 10, 2016;

Our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2016, filed on May 4, 2016; and for the quarter ended June 30, 2016, filed on August 2, 2016;

Our Current Reports on Form 8-K filed on May 6, 2016, May 19, 2016, May 24, 2016, and September 19, 2016;

Portions of our proxy statement for the annual meeting of shareholders held on May 16, 2016 that have been incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2015; and

The description of our capital stock contained in our registration statement on Form 10 filed on November 30, 2012, including any subsequently filed amendment or report updating such description.

We also incorporate by reference any future filings (other than any filings or portions of such reports that are not deemed "filed" under the Exchange Act in accordance with the Exchange Act and applicable SEC rules, including current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, including those made after the date of the initial filing of the registration statement of which this prospectus supplement is a part, until we file a post-effective amendment that indicates the termination of the offering of the securities made by this prospectus supplement and will become a part of this prospectus supplement from the date that such documents are filed with the SEC. Information in such future filings updates and supplements the information provided in this prospectus supplement. Any statements in any such future filings will automatically be deemed to modify and supersede any information in any document we previously filed with the SEC that is incorporated or deemed to be incorporated herein by reference to the extent that statements in the later filed document modify or replace such earlier statements. To obtain copies of these filings, see "Where You Can Find More Information."

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

We are including the following discussion to inform our existing and potential security holders generally of some of the risks and uncertainties that can affect the Company and to take advantage of the "safe harbor" protection for forward-looking statements afforded by applicable federal securities laws.

All statements other than statements of historical fact included or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus authorized for use in connection with this offering, including any regarding our financial condition, results of operations, plans, objectives, future operations or performance, business strategy, and industry trends, are forward-looking statements. Forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "anticipate," "target," "plan," "intend," "seek," "goal," "will," "should," "contemplate," "continue," "may" or other words and similar expressions that convey the uncertainty of

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future events or outcomes. Items contemplating or making assumptions about actual or potential future income, market size, collaborations, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements. The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward-looking statements:

The use of proceeds from any sale of securities by us;

General economic conditions, whether national or regional, and conditions in the lending markets in which we participate that may have an adverse effect on the demand for our loans and other products, our credit quality and related levels of nonperforming assets and loan losses, and the value and salability of the real estate that we own or that is the collateral for our loans;

Failures of or interruptions in the communication and information systems on which we rely to conduct our business that could reduce our revenues, increase our costs or lead to disruptions in our business;

Our plans to grow our commercial real estate and commercial and industrial loan portfolios which may carry greater risks of non-payment or other unfavorable consequences;

Our dependence on capital distributions from First Internet Bank;

Results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our allowance for credit losses or to write-down assets;

Changing bank regulatory conditions, policies or programs, whether arising as new legislation or regulatory initiatives, that could lead to restrictions on activities of banks generally, or First Internet Bank in particular, more restrictive regulatory capital requirements, increased costs, including deposit insurance premiums, regulation or prohibition of certain income producing activities or changes in the secondary market for loans and other products;

Changes in market rates and prices that may adversely impact the value of securities, loans, deposits and other financial instruments and the interest rate sensitivity of our balance sheet;

Our liquidity requirements could be adversely affected by changes in our assets and liabilities;

The effect of legislative or regulatory developments, including changes in laws concerning taxes, banking, securities, insurance and other aspects of the financial services industry;

Competitive factors among financial services organizations, including product and pricing pressures and our ability to attract, develop and retain qualified banking professionals;

execution of future acquisition, reorganization or disposition transactions including without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings and other anticipated benefits from such transactions;

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The growth and profitability of noninterest or fee income being less than expected;

The loss of any key members of senior management;

The effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the SEC, the Public Company Accounting Oversight Board and other regulatory agencies;

The effect of fiscal and governmental policies of the U.S. federal government; and

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Other risk factors included under the heading "Risk Factors" beginning on page S-9 and appearing in our Annual Report on Form 10-K for the year ended December 31, 2015.

We have based any forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results, performance or achievements may differ materially from those expressed in or implied by these statements, and we caution you not to place undue reliance on our forward-looking information and statements. Forward-looking statements speak only as of the date they are made. You should consider carefully the statements under the heading "Risk Factors" in this prospectus supplement, the accompanying prospectus, any free writing prospectus that we authorize for use in connection with this offering, in our most recent Annual Report on Form 10-K and in other reports, filings or documents filed with the SEC and incorporated by reference into this prospectus supplement and the accompanying prospectus, which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements other than as may be required by applicable law or regulation.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information contained elsewhere in, or incorporated by reference into, this prospectus supplement or the accompanying prospectus, and does not contain all of the information that you need to consider in making your investment decision. Before you make an investment decision to purchase the Notes offered hereby, you should carefully read the entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, including the risks of investing in the Notes discussed under the headings "Risk Factors" in this prospectus supplement, in the accompanying prospectus, and under similar headings in the other documents that are incorporated by reference herein.*

**First Internet Bancorp**

**Overview**

First Internet Bancorp is a bank holding company that conducts its business activities through its wholly-owned subsidiary, First Internet Bank. The Bank was the first state-chartered, Federal Deposit Insurance Corporation ("FDIC") insured Internet bank. We offer a full complement of products and services on a nationwide basis. We conduct our deposit operations primarily over the Internet and have no traditional branch offices. We have diversified our operations by adding commercial real estate ("CRE") lending, including nationwide single tenant lease financing, and commercial and industrial ("C&I") lending, including business banking/treasury management services to meet the needs of high-quality commercial borrowers and depositors.

Our business model differs from that of a typical community bank. We do not have a conventional brick and mortar branch system, but instead operate through our scalable Internet banking platform. The market area for our residential real estate lending, consumer lending, and deposit gathering activities is the entire United States. We also offer single tenant lease financing on a nationwide basis. Our other commercial banking activities, including CRE and C&I loans, corporate credit cards, and corporate treasury management services, are offered by our commercial banking team to businesses primarily within Central Indiana, Phoenix, Arizona, and adjacent markets.

The Bank commenced banking operations in 1999 and grew organically in the consumer market in its early years by adding new customers, products and capabilities through its Internet-based platform. The Company was incorporated under the laws of the State of Indiana in 2005 for the purpose of becoming a holding company registered under the Bank Holding Company Act of 1956, as amended. In 2006, we acquired all of the outstanding shares of the Bank. In 2007, we acquired Indianapolis-based Landmark Financial Corporation and merged Landmark Savings Bank, FSB, into the Bank. The Landmark acquisition added a turnkey retail mortgage lending operation that we then expanded on a nationwide basis through our Internet platform.

At June 30, 2016, we had total consolidated assets of approximately \$1.7 billion, total liabilities of approximately \$1.6 billion, and shareholders' equity of approximately \$135.7 million. We employed 177 full-time equivalent employees at June 30, 2016.

Our principal executive offices are located at 11201 USA Parkway, Fishers, Indiana 46037, and our telephone number is (317) 532-7900. Our website is [www.firstinternetbancorp.com](http://www.firstinternetbancorp.com). The information on our website is not part of this prospectus supplement and the reference to our website address does not constitute incorporation by reference of any information on our website into this prospectus supplement or the accompanying prospectus.

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**SUMMARY HISTORICAL FINANCIAL DATA**

The following tables set forth selected consolidated historical financial and operating data for the periods ended and as of the dates indicated. The selected consolidated financial data presented for the fiscal years ended December 31, 2015, 2014, and 2013 is derived from our audited consolidated financial statements, which are incorporated by reference into this prospectus supplement and accompanying prospectus. The historical financial information for the years ended December 31, 2012, and 2011 is derived from our audited financial statements not included in this prospectus. The selected consolidated financial data presented for the six months ended June 30, 2016 and 2015 is derived from our unaudited interim consolidated financial statements, which are also incorporated by reference into this prospectus supplement and accompanying prospectus. See "Where You Can Find More Information" for more information on accessing the sources of the data set forth below.

The summary historical financial data should be read in conjunction with the section titled "Capitalization," set forth in this prospectus supplement, as well as our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016." The selected consolidated financial data presented six months ended June 30, 2016 was prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data for such periods. The results included here and elsewhere in this prospectus supplement are not necessarily indicative of performance for the full fiscal year or any future period. Average balances have been computed using daily averages.

We have presented certain information in the table below on a non-GAAP (as defined below) basis. We believe that these non-GAAP ratios, when taken together with the corresponding ratios calculated in

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accordance with GAAP, provide meaningful supplemental information regarding our performance for the periods presented. Reconciliations for the non-GAAP measures included in the table are provided below.

Amounts in thousands, except share and per share data and ratios	Six Months Ended June 30,			Fiscal Year Ended December 31,			
	2016	2015	2015	2014	2013	2012	2011
<b>Income Statement Summary:</b>							
Interest income	\$ 26,664	\$ 19,317	\$ 41,447	\$ 31,215	\$ 25,536	\$ 24,374	\$ 23,944
Interest expense	8,217	4,971	10,694	8,928	8,088	8,532	9,621
Net interest income	18,447	14,346	30,753	22,287	17,448	15,842	14,323
Provision for loan losses	1,870	746	1,946	349	324	2,852	2,440
Net interest income after provision for loan losses	16,577	13,600	28,807	21,938	17,124	12,990	11,883
Noninterest income	6,288	5,624	10,141	7,174	9,517	11,423	3,559
Noninterest expense	14,880	12,584	25,283	22,662	20,482	16,613	11,483
Income before income taxes	7,985	6,640	13,665	6,450	6,159	7,800	3,959
Income tax provision	2,719	2,312	4,736	2,126	1,566	2,194	773
Net income	\$ 5,266	\$ 4,328	\$ 8,929	\$ 4,324	\$ 4,593	\$ 5,606	\$ 3,186
<b>Per Share and Share Information:</b>							
Net income:							
Basic	\$ 1.11	\$ 0.96	\$ 1.97	\$ 0.96	\$ 1.51	\$ 1.95	\$ 1.11
Diluted	\$ 1.10	\$ 0.95	\$ 1.96	\$ 0.96	\$ 1.51	\$ 1.95	\$ 1.11
Tangible book value per common share(1)	\$ 23.67	\$ 21.23	\$ 22.24	\$ 20.74	\$ 19.38	\$ 20.13	\$ 18.07
Weighted average common shares outstanding:							
Basic	4,757,243	4,523,336	4,528,528	4,497,007	3,041,666	2,869,365	2,859,434
Diluted	4,782,700	4,536,736	4,554,219	4,507,995	3,050,001	2,869,365	2,859,434
Common shares outstanding at end of period	5,533,050	4,484,513	4,481,347	4,439,575	4,448,326	2,815,094	2,807,385
<b>Balance Sheet Data:</b>							
Total assets	\$ 1,702,468	\$ 1,104,645	\$ 1,269,870	\$ 970,503	\$ 802,342	\$ 636,367	\$ 585,440
Cash and cash equivalents	\$ 70,008	\$ 30,602	\$ 25,152	\$ 28,289	\$ 53,690	\$ 32,513	\$ 34,778
Net loans	\$ 1,101,606	\$ 807,170	\$ 945,508	\$ 726,626	\$ 495,727	\$ 352,328	\$ 329,570
Loans held-for-sale	\$ 44,503	\$ 29,872	\$ 36,518	\$ 34,671	\$ 28,610	\$ 63,234	\$ 45,091
Securities available for sale	\$ 433,806	\$ 190,767	\$ 213,698	\$ 137,518	\$ 181,409	\$ 156,693	\$ 149,270
Deposits	\$ 1,388,933	\$ 856,503	\$ 956,054	\$ 758,598	\$ 673,095	\$ 530,691	\$ 486,665
Tangible common equity(1)	\$ 130,992	\$ 95,221	\$ 99,643	\$ 92,098	\$ 86,221	\$ 56,663	\$ 50,736
Total shareholders' equity	\$ 135,679	\$ 99,908	\$ 104,330	\$ 96,785	\$ 90,908	\$ 61,350	\$ 55,423
<b>Performance Ratios:</b>							
Return on average assets	0.72%	0.84%	0.81%	0.50%	0.67%	0.91%	0.59%
Return on average shareholders' equity	9.45%	8.85%	8.89%	4.61%	7.10%	9.51%	6.09%
Net interest margin(2)	2.57%	2.86%	2.85%	2.65%	2.67%	2.67%	2.75%
Noninterest expense to average assets	2.03%	2.44%	2.28%	2.60%	2.99%	2.70%	2.12%
<b>Asset Quality Ratios:</b>							
Nonperforming loans to total loans	0.51%	0.02%	0.02%	0.04%	0.37%	1.23%	2.64%
Nonperforming assets to total assets	0.60%	0.43%	0.37%	0.50%	0.90%	1.62%	2.29%
Nonperforming assets (including troubled debt restructurings) to total assets	0.66%	0.54%	0.46%	0.62%	1.05%	1.84%	2.47%
Allowance for loan losses to total loans	0.90%	0.87%	0.88%	0.79%	1.09%	1.65%	1.70%
Net charge-offs (recoveries) to average loans	0.04%	(0.14)%	(0.07)%	0.00%	0.17%	0.69%	1.05%

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## Capital Ratios:(3)

Tangible common equity to tangible assets(1)	7.72%	8.66%	7.88%	9.54%	10.81%	8.97%	8.74%
Tier 1 leverage ratio	8.08%	8.93%	8.28%	9.87%	11.66%	8.89%	8.74%
Common equity tier 1 capital ratio(4)	10.66%	11.12%	10.11%	N/A	N/A	N/A	N/A
Tier 1 capital ratio	10.66%	11.12%	10.11%	12.55%	15.61%	12.20%	11.15%
Total risk-based capital ratio	12.54%	12.28%	12.25%	13.75%	17.09%	13.46%	12.40%

## Other Data:

Full-time equivalent employees	177	155	152	143	130	97	74
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(1)

Tangible common equity, tangible assets and tangible book value per share are financial measures not recognized by generally accepted accounting principles ("GAAP"). Our management, banking regulators, many financial analysts and other investors use these non-GAAP financial measures to compare the capital adequacy of banking organizations with significant amounts of preferred equity and/or goodwill or other intangible assets, which typically stem from the use of the purchase accounting method of accounting for mergers and acquisitions. Tangible common equity, tangible assets, tangible book value per share or related measures should not be considered as a substitute for total shareholders' equity, total assets, book value per share or any other measure calculated in accordance with GAAP. Moreover, the manner in which we calculate these measures may differ from those of other companies reporting measures with similar names. The following table reconciles these non-GAAP performance measures and a capital ratio using such measures to the most directly comparable GAAP measure or ratio.

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- (2) Net interest margin is net interest income divided by average earnings assets.
- (3) Capital ratios are calculated in accordance with regulatory guidelines specified by our primary federal banking regulatory authority.
- (4) Introduced as part of the final implementation of the "Basel III" regulatory capital reforms as of January 1, 2015. Not applicable to periods prior to 2015.

		Six Months Ended June 30,			Fiscal Year Ended December 31,				
Amounts in thousands, except share and per share data and ratios		2016	2015	2015	2014	2013	2012	2011	
Total equity	GAAP	\$ 135,679	\$ 99,908	\$ 104,330	\$ 96,785	\$ 90,908	\$ 61,350	\$ 55,423	
Less: goodwill		(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	
<b>Tangible common equity</b>		<b>\$ 130,992</b>	<b>\$ 95,221</b>	<b>\$ 99,643</b>	<b>\$ 92,098</b>	<b>\$ 86,221</b>	<b>\$ 56,663</b>	<b>\$ 50,736</b>	
Total assets	GAAP	\$ 1,702,468	\$ 1,104,645	\$ 1,269,870	\$ 970,503	\$ 802,342	\$ 636,367	\$ 585,440	
Less: goodwill		(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	(4,687)	
<b>Tangible assets</b>		<b>\$ 1,697,781</b>	<b>\$ 1,099,958</b>	<b>\$ 1,265,183</b>	<b>\$ 965,816</b>	<b>\$ 797,655</b>	<b>\$ 631,680</b>	<b>\$ 580,753</b>	
<b>Total common shares outstanding</b>		<b>5,533,050</b>	<b>4,484,513</b>	<b>4,481,347</b>	<b>4,439,575</b>	<b>4,448,326</b>	<b>2,815,094</b>	<b>2,807,385</b>	
Book value per share		\$ 24.52	\$ 22.28	\$ 23.28	\$ 21.80	\$ 20.44	\$ 21.79	\$ 19.74	
Effect of goodwill		(0.85)	(1.05)	(1.04)	(1.06)	(1.06)	(1.66)	(1.67)	
<b>Tangible book value per share</b>		<b>\$ 23.67</b>	<b>\$ 21.23</b>	<b>\$ 22.24</b>	<b>\$ 20.74</b>	<b>\$ 19.38</b>	<b>\$ 20.13</b>	<b>\$ 18.07</b>	
Total shareholders' equity to assets ratio		7.97%	9.04%	8.22%	9.97%	11.33%	9.64%	9.47%	
Effect of goodwill		(0.25)%	(0.38)%	(0.34)%	(0.43)%	(0.52)%	(0.67)%	(0.73)%	
<b>Tangible common equity to tangible assets ratio</b>		<b>7.72%</b>	<b>8.66%</b>	<b>7.88%</b>	<b>9.54%</b>	<b>10.81%</b>	<b>8.97%</b>	<b>8.74%</b>	

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**The Offering**

Issuer	First Internet Bancorp
Securities offered	% Fixed-to-Floating Rate Subordinated Notes due 2026
Aggregate principal amount	\$
Issue price	%
Maturity date	The Notes will mature on , 2026.
Interest Rate	From and including the issue date to but excluding , 2021, a fixed per annum rate of %.
	From and including , 2021 to but excluding the maturity date or the date of earlier redemption, a floating per annum rate equal to the then-current three-month LIBOR rate, determined on the determination date of the applicable interest period, plus %; however, if three-month LIBOR is less than zero, three-month LIBOR will be deemed to be zero. For any determination date, "LIBOR" means the rate as published by Reuters (or any successor service) at approximately 11:00 a.m., London time, two business days prior to the commencement of the relevant quarterly interest period, as the London interbank rate for U.S. dollars. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as provided in the Indenture (as defined in "Description of the Notes" in this prospectus supplement). The Company has appointed U.S. Bank National Association, as the calculation agent for purposes of determining three-month LIBOR for each floating rate interest period.
Interest Payment Dates	Until, but not including , 2021, we will pay interest on the Notes on and of each year, commencing , 2017.
	From and including , 2021 to , 2026 but excluding the maturity date or the date of earlier redemption, we will pay interest on the Notes on , , , and of each year.
Record Dates	The day of the month immediately before the month of the applicable interest payment date.
Day Count Convention	Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months to but excluding , 2021 and, thereafter, on the basis of the actual number of days in the relevant interest period divided by 360.
No Guarantees	The Notes are not guaranteed by any of our subsidiaries. As a result, the Notes will be structurally subordinated to the liabilities of our subsidiaries as discussed below under "Ranking."

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Ranking

The Notes offered by this prospectus supplement will be issued by First Internet under a Subordinated Indenture dated as of \_\_\_\_\_, 2016 between First Internet Bancorp and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture dated as of \_\_\_\_\_, 2016 between First Internet Bancorp and the Trustee. We refer to the Subordinated Indenture, as amended and supplemented by the First Supplemental Indenture, as the "Indenture."

The Notes will be our unsecured, subordinated obligations and:

will rank junior in right of payment and upon our liquidation to any of our existing and all future Senior Indebtedness (as defined in the Indenture), all as described under "Description of the Notes" in this prospectus supplement;

will rank junior in right of payment and upon our liquidation to any of our existing and all of our future general creditors other than our outstanding subordinated indebtedness, which ranks equal in right;

will rank equal in right of payment and upon our liquidation with any of our existing and all of our future indebtedness the terms of which provide that such indebtedness ranks equally with the Notes;

will rank senior in right of payment and upon our liquidation to any of our indebtedness the terms of which provide that such indebtedness ranks junior in right of payment to note indebtedness such as the Notes; and

will be effectively subordinated to our future secured indebtedness to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to the existing and future indebtedness of our subsidiaries, including without limitation the Bank's depositors, liabilities to general creditors and liabilities arising in the ordinary course of business or otherwise.

As of June 30, 2016, on a consolidated basis, the Company's total liabilities totaled approximately \$1.57 billion, which included approximately \$1.39 billion of deposit liabilities. As of June 30, 2016, we also had approximately \$12.8 million of outstanding subordinated indebtedness that ranks equal in right to the Notes.

The Indenture does not limit the amount of additional indebtedness we or our subsidiaries may incur.

Optional Redemption

We may, beginning with the interest payment date of \_\_\_\_\_, 2021, and on any interest payment date thereafter, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to but excluding the date of redemption.



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Special Redemption	We may also redeem the Notes at any time, including prior to , 2021, at our option, in whole but not in part, if: (a) a change or prospective change in law occurs that could prevent us from deducting interest payable on the Notes for U.S. federal income tax purposes; (b) a subsequent event occurs that could preclude the Notes from being recognized as Tier 2 capital for regulatory capital purposes; or (c) we are required to register as an investment company under the Investment Company Act of 1940, as amended; in each case, at a redemption price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest to but excluding the redemption date. For more information, see "Description of the Notes Redemption" in this prospectus supplement.
Sinking Fund	There is no sinking fund for the Notes.
Further Issuances	The Notes will initially be limited to an aggregate principal amount of \$ . We may from time to time, without notice to or consent of the holders, increase the aggregate principal amount of the Notes outstanding by issuing additional notes in the future with the same terms as the Notes, except for the issue date, the offering price and the first interest payment date, and such additional notes may be consolidated with the Notes issued in this offering and form a single series.
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and estimated expenses, will be approximately \$ . We intend to use these proceeds for general corporate purposes, which may include providing capital to support our growth organically or through strategic acquisitions, repaying indebtedness and financing investments and capital expenditures, and for investments in the Bank as regulatory capital. See "Use of Proceeds" in this prospectus supplement.
Form and Denomination	The Notes will be offered in book-entry form through the facilities of DTC in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.
Listing	The Notes will not be listed on any securities exchange or quoted on any quotation system. Currently, there is no market for the Notes, and there can be no assurances that any public market for the Notes will develop.
Governing Law	The Notes and the Indenture will be governed by the laws of the State of New York.
Trustee	U.S. Bank National Association.

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Risk Factors

An investment in the Notes involves risks. You should carefully consider the information contained under "Risk Factors" beginning on page S-9 in this prospectus supplement and Item 1A., Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

Ratios of Earnings to Fixed Charges

Please refer to the information contained under "Ratios of Earnings to Fixed Charges" in this prospectus supplement for a presentation of such ratios as of June 30, 2016 and 2015 and for each of the last five years.

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**RISK FACTORS**

*An investment in the Notes involves a number of risks. This prospectus supplement does not describe all of those risks. Before you decide whether an investment in the Notes is suitable for you, you should carefully consider the risks described below relating to the offering as well as the risk factors concerning our business included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, in addition to the other information in this prospectus supplement and the accompanying prospectus, including our other filings which are incorporated by reference into this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in this prospectus supplement and the accompanying prospectus for discussions of these other filings. The prospectus is qualified in its entirety by those risk factors.*

***Our obligations under the Notes will be unsecured and subordinated to any Senior Indebtedness.***

The Notes will be unsecured subordinated obligations of First Internet Bancorp. Accordingly, they will be junior in right of payment to any of our existing and future Senior Indebtedness (as defined in the Indenture). The Notes will rank equally with all of our other unsecured subordinated indebtedness issued in the future under the Indenture. In addition, the Notes will be structurally subordinated to all existing and future indebtedness, liabilities and other obligations, including deposits, of our current and future subsidiaries, including the Bank. As of June 30, 2016, on a consolidated basis, we had outstanding liabilities totaling approximately \$1.57 billion, which included approximately \$1.39 billion of deposit liabilities. As adjusted to give effect to the offering of the Notes, as if the offerings had been completed as of June 30, 2016, First Internet Bancorp, the Bank and our other subsidiaries had, on a consolidated basis, \$ million of indebtedness. As of June 30, 2016, we also had approximately \$12.8 million of outstanding subordinated indebtedness that ranks equal in right to the Notes.

In addition, the Notes will not be secured by any of our assets. As a result, the Notes will be effectively subordinated to all of our secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness. The Indenture does not limit the amount of Senior Indebtedness and other financial obligations or secured obligations that we or our subsidiaries may incur.

As a result of the subordination provisions described above and in the following paragraph, holders of Notes may not be fully repaid in the event of our bankruptcy, liquidation, or reorganization.

***The Notes are not obligations of, or guaranteed by, our subsidiaries and are structurally subordinated to all liabilities of our subsidiaries.***

The Notes will be obligations of First Internet Bancorp only and will not be guaranteed by any of our subsidiaries, including the Bank. The Notes will be structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries, which means that creditors of our subsidiaries (including, in the case of the Bank, its depositors) generally will be paid from those subsidiaries' assets before holders of the Notes would have any claims to those assets. Even if we become a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of that subsidiary and any debt of that subsidiary senior to that held by us, and our rights could otherwise be subordinated to the rights of other creditors and depositors of that subsidiary. Furthermore, none of our subsidiaries is under any obligation to make payments to us, and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations. Statutory, contractual, or other restrictions also limit our subsidiaries' ability to pay dividends or make distributions, loans or advances to us. For these reasons, we may not have access to any assets or cash flows of our subsidiaries to make interest and principal payments on the Notes.

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***We may incur a substantial level of debt that could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under the Notes.***

Neither we, nor any of our subsidiaries, are subject to any limitations under the terms of the Indenture from issuing, accepting or incurring any amount of additional debt, deposits or other liabilities, including Senior Indebtedness or other obligations ranking senior to or equally with the Notes. We and our subsidiaries are expected to incur additional debt and other liabilities from time to time, and our level of debt and the risks related thereto could increase.

A substantial level of debt could have important consequences to holders of the Notes, including the following:

making it more difficult for us to satisfy our obligations with respect to our debt, including the Notes;

requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for other purposes;

increasing our vulnerability to adverse economic and industry conditions, which could place us at a disadvantage compared to our competitors that have relatively less debt;

limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and

limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions and other corporate purposes.

In addition, a breach of any of the restrictions or covenants in our debt agreements could cause a cross-default under other debt agreements. A significant portion of our debt then may become immediately due and payable. We are not certain whether we would then have, or be able to obtain, sufficient funds to make these accelerated payments. If any of our debt is accelerated, our assets may not be sufficient to repay such debt in full.

***The Indenture has limited covenants and does not contain any limitations on our ability to grant or incur a lien on our assets, sell or otherwise dispose of assets, pay dividends, or repurchase our capital stock, which may not protect your investment.***

In addition to the absence of any restrictions on us or our subsidiaries on incurring any additional debt or other liabilities, we are not restricted under the Indenture from granting security interests over our assets, or from paying dividends or issuing or repurchasing our securities. Also, there are no covenants in the Indenture requiring us to achieve or maintain any minimum financial results relating to our financial position or results of operations. You are not protected under the Indenture in the event of a highly leveraged transaction, reorganization, a default under our existing indebtedness, restructuring, merger or similar transaction that may adversely affect our ability to make payments on the Notes when due.

***Our access to funds from First Internet Bank may become limited, thereby restricting our ability to make payments on our obligations.***

First Internet Bancorp is a separate and distinct legal entity from the Bank and our other subsidiaries. Our principal source of funds to make payments on the Notes and our other obligations is dividends, distributions and other payments from the Bank. The Bank is subject to laws that authorize regulatory bodies to block or reduce the flow of funds from the Bank to us, which could impede access to funds we need to make payments on our obligations, including interest and principal payments on the Notes. For example, under Indiana law an Indiana bank such as First Internet Bank is generally limited to paying dividends equal to its profits for that year, plus its retained net profits for the two preceding years, less any required transfers to surplus or to fund the retirement of preferred stock or debt, absent approval of the Indiana Department of Financial Institutions.

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In addition, effective January 1, 2016, banks and bank holding companies are required to maintain a capital conservation buffer on top of minimum risk-weighted asset ratios. This buffer is designed to absorb losses during periods of economic stress. When fully phased-in on January 1, 2019, the capital conservation buffer will be 2.5%. Banking institutions that do not maintain capital in excess of the capital conservation buffer will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall. Accordingly, if the Bank does not maintain capital in excess of the buffer, distributions to the Company may be prohibited or limited and we may not have funds to make principal and interest payments on the Notes.

For more information about these restrictions, see the information under the heading "Supervision and Regulation" in Item 1., Business, and the information under the headings "*We are subject to extensive government regulation, and such regulation could limit or restrict our activities and adversely affect our earnings.*" and "*Financial reform legislation enacted by Congress will, among other things, tighten capital standards and result in new laws and regulations that likely will increase our costs of operations.*" in Item 1A., Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

***We may not be able to generate sufficient cash to service all of our debt, including the Notes.***

Our ability to make scheduled payments of principal and interest, or to satisfy our obligations in respect of our debt or to refinance our debt, will depend on our future performance of our operating subsidiaries. Prevailing economic conditions (including interest rates), regulatory constraints, including, among other things, limiting distributions to us from the Bank and required capital levels with respect to the Bank and certain of our nonbank subsidiaries, and financial, business and other factors, many of which are beyond our control, will also affect our ability to meet these needs. Our subsidiaries may not be able to generate sufficient cash flows from operations, or we may be unable to obtain future borrowings in an amount sufficient to enable us to pay our debt, or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We may not be able to refinance any of our debt when needed on commercially reasonable terms or at all.

***Regulatory guidelines may restrict our ability to pay the principal of, and accrued and unpaid interest on, the Notes, regardless of whether we are the subject of an insolvency proceeding.***

As a bank holding company, our ability to pay the principal of, and interest on, the Notes is subject to the rules and guidelines of the Federal Reserve regarding capital adequacy. We intend to treat the Notes as "Tier 2 capital" under these rules and guidelines. The Federal Reserve guidelines generally require us to review the effects of the cash payment of Tier 2 capital instruments, such as the Notes, on our overall financial condition. The guidelines also require that we review our net income for the current and past four quarters, and the amounts we have paid on Tier 2 capital instruments for those periods, as well as our projected rate of earnings retention. Moreover, pursuant to federal law and the Federal Reserve regulations, as a bank holding company, we are required to act as a source of financial and managerial strength to the Bank and commit resources to its support, including the guarantee of capital plans of an undercapitalized bank subsidiary. Such support may be required at times when we may not otherwise be inclined or able to provide it. As a result of the foregoing, we may be unable to pay accrued interest on the Notes on one or more of the scheduled interest payment dates, or at any other time, or the principal of the Notes at the maturity of the Notes.

If we were to be the subject of a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code, the bankruptcy trustee would be deemed to have assumed, and would be required to cure, immediately any deficit under any commitment we have to any of the federal banking agencies to maintain the capital of the Bank, and any other insured depository institution for which we have such a responsibility, and any claim for breach of such obligation would generally have priority over most other unsecured claims.

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***Holders of the Notes will have limited rights, including limited rights of acceleration, if there is an event of default.***

Payment of principal on the Notes may be accelerated only in the case of certain events of bankruptcy or insolvency involving us or First Internet Bank. There is no automatic acceleration, or right of acceleration, in the case of default in the payment of principal of or interest on the Notes, or in the performance of any of our other obligations under the Notes or the Indenture. Our regulators can, in the event we become subject to an enforcement action, require our subsidiary bank to not pay dividends to us, and to prevent payment of interest or principal on the Notes and any dividends on our capital stock, but such limits will not permit acceleration of the Notes.

***Your ability to transfer the Notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Notes.***

The Notes are a new issue of securities for which there is no established trading market, and we do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on a quotation system. The underwriter has advised us that it intends to make a market in the Notes, as permitted by applicable laws and regulations; however, neither underwriter is obligated to make a market in the Notes and may discontinue its market-making activities at any time without notice. In addition, the liquidity of the trading market for the Notes, if any, will depend upon, among other things, the number of holders of the Notes, our performance and prospects, the market for similar securities, the interest of securities dealers in making a market in the Notes and other factors. As a result, we cannot provide you with any assurance regarding whether a trading market for the Notes will develop or the ability of holders of the Notes to sell their Notes.

***The market value of the Notes may be less than the principal amount of the Notes.***

If a market develops for the Notes, the prices at which holders may be able to sell their Notes may be affected, potentially adversely, by a number of factors. These factors include: the method of calculating the principal, premium, if any, interest or other amounts payable, if any, on the Notes; the time remaining to maturity of the Notes; the aggregate amount outstanding of the Notes; any redemption or repayment features of the Notes; the level, direction, and volatility of market interest rates generally; general economic conditions of the capital markets in the United States; geopolitical conditions and other financial, political, regulatory, and judicial events that affect the capital markets generally; the extent of any market-making activities with respect to the Notes; and the operating performance of the Bank. Often, the only way to liquidate your investment in the Notes prior to maturity will be to sell the Notes. At that time, there may be a very illiquid market for the Notes or no market at all.

***Because the Notes may be redeemed at our option under certain circumstances prior to their maturity, you may be subject to reinvestment risk.***

Subject to the prior approval of the Federal Reserve, to the extent that such approval is then required, we may redeem all or a portion of the Notes on , 2021 and on any interest payment date thereafter prior to their stated maturity date. In addition, at any time at which any Notes remain outstanding, subject to the prior approval of the Federal Reserve, to the extent that such approval is then required, we may redeem the Notes in whole but not in part upon the occurrence of (i) a "Tax Event," (ii) a "Tier 2 Capital Event" or (iii) a "1940 Act Event." In the event that we redeem the Notes, holders of the Notes will receive only the principal amount of the Notes plus any accrued and unpaid interest to but excluding such earlier redemption date. If any redemption occurs, holders of the Notes will not have the opportunity to continue to accrue and be paid interest to the stated maturity date. Any such redemption may have the effect of reducing the income or return that you may receive on an investment in the Notes by reducing the term of the investment. If this occurs, you may not be able to reinvest the proceeds at an interest rate comparable to the rate paid on the Notes. See "Description of the Notes Redemption" in this prospectus supplement.

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Investors should not expect us to redeem the Notes on or after the date on which they become redeemable at our option. Under Federal Reserve regulations, unless the Federal Reserve authorizes us in writing to do otherwise, we may not redeem the Notes unless they are replaced with other Tier 2 capital instruments or unless we can demonstrate to the satisfaction of the Federal Reserve that, following redemption, we will continue to hold capital commensurate with our risk.

***The amount of interest payable on the Notes will vary on and after , 2021.***

As the interest rate of the Notes will be calculated based on LIBOR from , 2021 to but excluding the maturity date or earlier redemption date and LIBOR is a floating rate, the interest rate on the Notes will vary on and after , 2021. During this period, the Notes will bear a floating interest rate set each quarterly interest period at a per annum rate equal to the then-current three-month LIBOR rate plus %; provided, that in the event three-month LIBOR is less than zero, three-month LIBOR shall be deemed to be zero. The per annum interest rate that is determined on the relevant determination date will apply to the entire quarterly interest period following such determination date even if LIBOR increases during that period.

Floating rate notes bear additional significant risks not associated with fixed rate debt securities. These risks include fluctuation of the interest rates and the possibility that you will receive an amount of interest that is lower than expected. We have no control over a number of matters, including economic, financial, and political events, that are important in determining the existence, magnitude, and longevity of market volatility and other risks and their impact on the value of, or payments made on, the floating rate Notes. In recent years, interest rates have been volatile, and that volatility may be expected in the future.

***The level of LIBOR may affect our decision to redeem the Notes.***

We are more likely to redeem the Notes on or after , 2021 if the interest rate on them is higher than that which would be payable on one or more other forms of borrowing. If we redeem the Notes prior to their maturity date, holders may not be able to invest in other securities that yield as much interest as the Notes.

***Holders of the Notes will have no rights against the publishers of LIBOR.***

Holders of the Notes will have no rights against the publishers of LIBOR, even though the amount they receive on each interest payment date on and after , 2021 will depend upon the level of LIBOR. The publishers of LIBOR are not in any way involved in this offering and have no obligations relating to the Notes or the holders of the Notes.

***The Notes are not insured or guaranteed by the Federal Deposit Insurance Corporation.***

The Notes are not savings accounts, deposits or other obligations of our bank subsidiary or any of our nonbank subsidiaries. The Notes are not insured by the FDIC or any other governmental agency or public or private insurer. The Notes are ineligible and may not be used as collateral for a loan by us or our bank subsidiary.

***Our credit ratings may not reflect all risks of an investment in the Notes, and changes in our credit ratings may adversely affect your investment in the Notes.***

The credit ratings of our indebtedness are an assessment by rating agencies of our ability to pay our debts when due. These ratings are not recommendations to purchase, hold or sell the Notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor, are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the view of each rating agency at the time the rating is issued. The ratings are based on current and historical information furnished to the ratings agencies by us and information obtained by the ratings agencies from other sources. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time, or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant.

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**USE OF PROCEEDS**

We estimate that the net proceeds to us from this offering, after underwriting discounts and estimated expenses, will be approximately \$        million. We intend to use the net proceeds to support the Bank's organic growth, the pursuit of strategic acquisition opportunities and other general corporate purposes, which may include, among other things, contributing capital to the Bank, reducing or redeeming existing debt, funding loans and purchasing investment securities through the Bank. We do not have any immediate plans, arrangements or understandings relating to any material acquisition.

As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds we will have upon completion of this offering. Accordingly, our management will have broad discretion in the application of net proceeds.

Pending the uses described above, we plan to invest the net proceeds from this offering in cash or cash equivalents. Investing the offering proceeds in securities until we are able to deploy the proceeds will provide lower yields than we generally earn on loans, potentially adversely affecting our net interest yield and our net interest margin.



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# CAPITALIZATION

The following table sets forth our capitalization, including regulatory capital ratios, on a consolidated basis, as of June 30, 2016:

on an actual basis, and

on an as adjusted basis to give effect to the sale of the Notes offered hereby.

This information should be read together with the financial and other data in this prospectus supplement as well as the unaudited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Conditions and Results of Operations in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which is incorporated by reference into this prospectus supplement.

	As of June 30, 2016	
	Actual	As Adjusted
	(dollars in thousands)	
<b>Liabilities:</b>		
Total Deposits	\$ 1,388,933	\$
Advances from Federal Home Loan Bank	147,974	
Outstanding subordinated debt	12,778	
Notes offered hereby		(1)
Accrued interest payable	138	
Accrued expenses and other liabilities	16,966	
<b>Total Liabilities</b>	<b>1,566,789</b>	
<b>Shareholders' equity:</b>		
Preferred stock, no par value; 4,913,779 shares authorized; issued and outstanding none	\$	\$
Voting common stock, no par value; 45,000,000 shares authorized; 5,533,050 shares issued and outstanding	95,642	
Nonvoting common stock, no par value; 86,221 shares authorized; issued and outstanding none		
Retained earnings	37,630	
Accumulated other comprehensive income (loss)	2,407	
<b>Total shareholders' equity</b>	<b>\$ 135,679</b>	<b>\$</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,702,468</b>	<b>\$</b>
<b>Capital Ratios(2):</b>		
Common equity tier 1 to risk-weighted assets	10.66%	%
Tier 1 capital to risk-weighted assets	10.66%	%
Total capital to risk-weighted assets	12.54%	
Tier 1 leverage to average assets(3)	8.08%	%

- (1) Represents the aggregate principal amount of the Notes, reduced by the underwriting discount (\$ ) and our estimated offering expenses (\$ ).
- (2) The as adjusted calculations for the risk-based capital ratios assume that the net proceeds from the sale of the Notes are invested in assets that carry a 0% risk weighting as of June 30, 2016.
- (3)

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Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets for the quarter ended June 30, 2016. The as adjusted calculations assume that the proceeds from the sale of the Notes would have been received on June 30, 2016.

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The following table sets forth our consolidated ratio of earnings to fixed charges and our consolidated ratio of earnings to combined fixed charges and preferred stock dividends on a historical basis for the periods indicated. For purposes of computing these ratios, earnings represent income before taxes and fixed charges. Fixed charges, excluding interest on deposits, consist of interest expense, excluding interest on deposits, and one-third of rental expense for all operating leases, which we believe to be representative of the interest portion of rent expense. Fixed charges, including interest on deposits, consist of interest expense, one-third of rental expense and interest on deposits. The term "preferred stock dividends" is the amount of pre-tax earnings that is required to pay dividends on First Internet Bancorp's issued and outstanding preferred stock. As of the date of this prospectus supplement, we had no preferred stock outstanding.

	Six months ended June 30,			Year ended December 31,			
	2016	2015	2015	2014	2013	2012	2011
<b>Consolidated ratio of earnings to fixed charges:</b>							
Excluding interest on deposits	6.17x	7.82x	7.45x	5.43x	5.42x	6.32x	3.66x
Including interest on deposits	1.96x	2.31x	2.26x	1.71x	1.75x	1.90x	1.41x
<b>Consolidated ratio of earnings to combined fixed charges and preferred stock dividends:</b>							
Excluding interest on deposits	6.17x	7.82x	7.45x	5.43x	5.42x	6.32x	3.66x
Including interest on deposits	1.96x	2.31x	2.26x	1.71x	1.75x	1.90x	1.41x

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**DESCRIPTION OF THE NOTES**

The Notes offered by this prospectus supplement will be issued by First Internet Bancorp pursuant to a Subordinated Indenture dated as of \_\_\_\_\_, 2016 between First Internet Bancorp and the Trustee, as amended and supplemented by a First Supplemental Indenture dated as of \_\_\_\_\_, 2016 between First Internet Bancorp and the Trustee. We refer to the Subordinated Indenture, as amended and supplemented by the First Supplemental Indenture, as the "Indenture." You may request a copy of the Indenture from us as described under "Where You Can Find More Information." We have summarized the material terms of the Indenture and the Notes below, but the summary does not purport to be complete and is subject to and qualified in its entirety by reference to all of the provisions of the Indenture and the Notes. The following description of the particular terms of the Indenture and the Notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of subordinated debt in the accompanying prospectus, to which description we refer you.

You should read the Indenture and the Notes because they, and not this description, define your rights as holders of the Notes.

**General**

The Notes issued in this offering will initially be limited to \$ \_\_\_\_\_ aggregate principal amount. Under the Indenture, the aggregate principal amount of Notes which may be sold and delivered in other offerings is unlimited. The Notes may be sold in one or more series with the same or various maturities, at par, at a premium, or at a discount.

The maturity of the Notes may not be accelerated in the absence of certain events of default (as such term is defined in the Indenture). There is no right to accelerate the maturity of the Notes if we fail to pay interest or principal on the Notes or any Additional Amounts (as defined below) with respect thereto or default in the performance or breach any covenant or warranty under any Note or in the Indenture " Events of Default; Acceleration of Payment; Limitation on Suits."

The Notes will mature on \_\_\_\_\_, 2026 (the "maturity date"). The Notes are not convertible into, or exchangeable for, equity securities, other securities or assets of First Internet Bancorp or First Internet Bank. There is no sinking fund for the Notes.

As a bank holding company, our ability to make payments on the Notes will depend primarily on the receipt of dividends and other distributions from our subsidiary First Internet Bank. There are various regulatory restrictions on the ability of First Internet Bank to pay dividends or make other distributions to us. See "Risk Factors Payments on the Notes will depend on receipt of dividends and distributions from our subsidiaries" and "Regulatory guidelines may restrict our ability to pay the principal of, and accrued and unpaid interest on, the Notes, regardless of whether we are the subject of an insolvency proceeding" in this prospectus supplement.

Delivery of reports, information and documents (including, without limitation, reports contemplated in this section) to the Trustee is for information purposes only, and the Trustee's receipt thereof shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including First Internet Bancorp's compliance with covenants under the Indenture, Notes, and guarantees (if any), as to which the Trustee is entitled to rely exclusively on officers' certificates.

The Notes are not savings account