

**2021**

**ENVIRONMENTAL,  
SOCIAL &  
GOVERNANCE**

**REPORT**



**FIRST INTERNET**  
BANCORP

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## DISTINCT VOICES

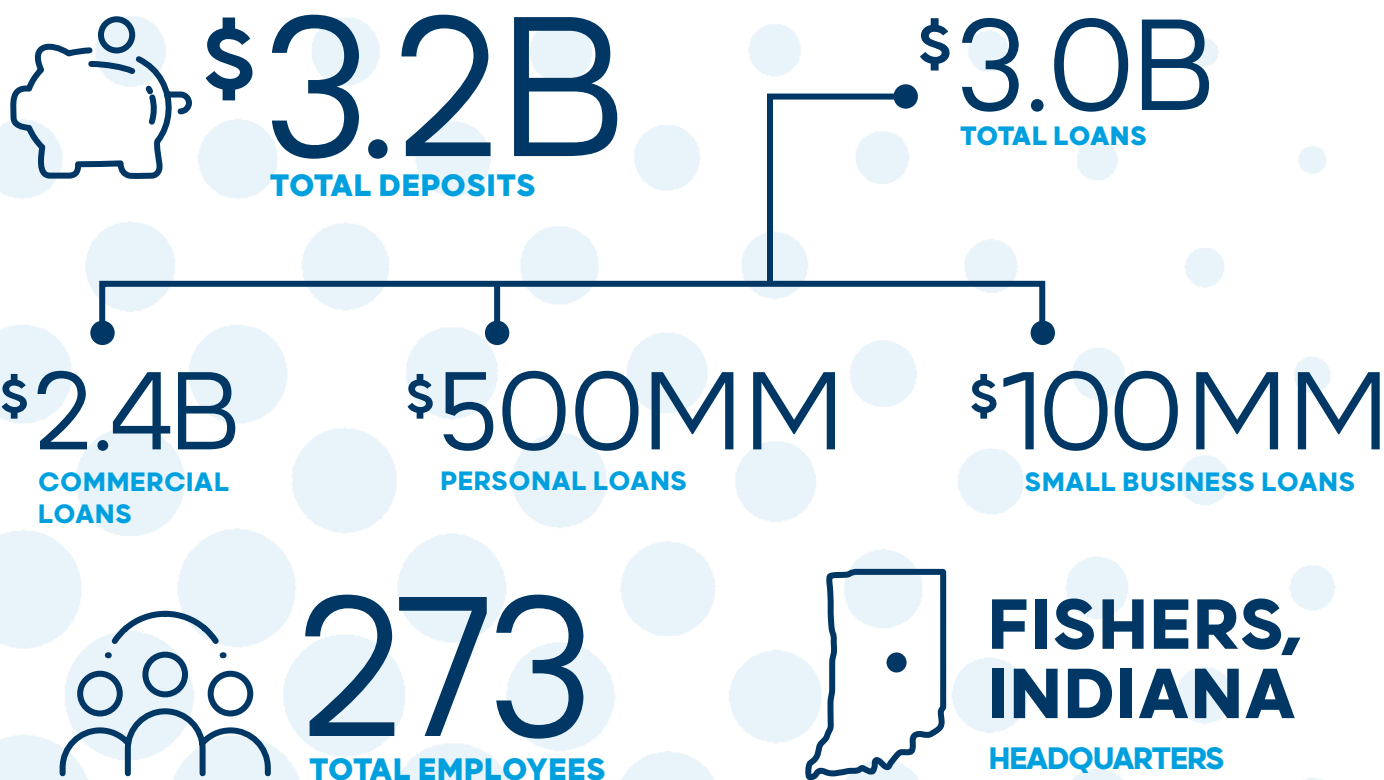
The diversity of our backgrounds, perspectives and talents makes us stronger. Therefore, First Internet Bank strives to maintain and increase diversity while fostering a greater sense of inclusion. This allows us to better support our team members and the communities we serve.



# A BANK THAT **IMAGINES MORE**

Since our beginnings, we have been driven by an entrepreneurial spirit to “Imagine More.” As the first state chartered, FDIC-insured institution to operate entirely online, we reconceived banking. While we continue to push forward, it is imperative that we challenge ourselves to do even more to ensure we continue to do things the right way.

## FIRST INTERNET BANK AT-A-GLANCE\*



\*AS OF JUNE 30, 2021

First Internet Bancorp (Nasdaq: INBK) is the parent company of First Internet Bank. We combine a nationwide consumer, small business and commercial deposit base with a diversified asset generation platform that provides exposure to several attractive commercial and consumer lending channels. Our highly scalable branchless banking model has a history of dynamic innovation and strong growth and our high-quality loan portfolio stems from a strong credit culture, conservative underwriting standards, disciplined risk management processes and a diverse national and local customer base.



# ABOUT THIS REPORT

We are pleased to publish our inaugural Environmental, Social and Governance (ESG) report highlighting our efforts and initiatives. In developing this report, we referenced the accounting standards published by the Sustainability Accounting Standards Board (SASB), incorporating the ESG factors that are most likely to impact our long-term financial and operational performance and are most relevant to our investors.

The report is divided into four main areas:



Governance  
and Leadership



Environmental  
Management



Human  
Capital



Social  
Responsibility

In this report, references to “First Internet Bank,” “the Bank,” “the Company,” “the organization,” “we,” “our” and similar terms refer to the consolidated entity of First Internet Bancorp and its subsidiary First Internet Bank.

# A WORD FROM OUR CHAIRMAN & CEO

A better way. First Internet Bank has always sought to find a better way of doing things, from providing innovative banking solutions to finding better ways to serve our customers.

Today it means that and so much more. We must challenge ourselves to be more and do more. Our aspirations must be committed to a tangible and measurable effort that holds us accountable to our constituencies. We must be thoughtful about our contributions to the communities we serve and disrupt conventional thought with new ideas.

By advancing our own ESG initiatives, we aim to more effectively manage risks and capitalize on opportunities that will result from this holistic approach. **While we recognize that we have more to do, we have made – and continue to make – significant progress, benefitting our shareholders, associates and customers:**



Our Board of Directors guides our ESG efforts, working with our leadership team to advance ideas that bring greater value to stakeholders.



We continue to invite and embrace a broader range of ideas. Our diversity, equity and inclusion initiatives encourage different perspectives that work toward positive customer outcomes.



To support our small business customers through the pandemic, we offered payment deferral options and assisted with securing Paycheck Protection Program efforts to help provide relief.



I am so proud of the many ways that First Internet Bank has been a model for corporate culture over the years. We have always believed in the power of personal connections - ones that are built on trust and understanding. This ESG report reflects the initiatives that represent the ways in which we consistently strive to achieve transparency and imagine more.

*David B. Becker*

**DAVID B. BECKER**  
Chairman and  
Chief Executive Officer

# GOVERNANCE AND LEADERSHIP

## GOVERNANCE OF ESG

Our Board of Directors provides ESG oversight in the development of the long-term strategic, financial and organizational goals of the Bank and the plans designed to achieve those goals. In addition, the Board reviews and approves standards and policies to ensure that the Bank achieves its objectives while maintaining the highest standards of responsible conduct and assuring that management carries out their usual operational duties in a competent and ethical manner.

The day-to-day business of First Internet Bank is carried out by its senior management and employees, under the direction of the CEO and the oversight of the Board, to enhance the long-term value of the Company for the benefit of its shareholders. The Board and management also recognize that creating long-term shareholder value is advanced by considering the interests and concerns of other stakeholders, including the Company's employees, customers and business partners, as well as the communities in which we operate.

## BOARD INDEPENDENCE AND DIVERSITY

Our Board possesses considerable knowledge of the challenges and opportunities that we face as a company. It is currently composed of directors with tenures of varying lengths, providing a healthy blend of experience, institutional knowledge and fresh perspectives. The Board has determined that seven of our eight directors are independent, as defined by the listing standards of The Nasdaq Stock Market LLC.

Two of our Board members, or 25% of the directors, are female, and two identify as ethnically diverse. Consistent with our Corporate Governance Principles, our Nominating and Corporate Governance Committee regularly assesses our directors' collective skills, experience, tenure and diversity in light of our long-term strategy and advises the Board of its determinations with respect to composition as well as director refreshment and succession planning. For more information, please see our statement for the [2021 Annual Meeting of Shareholders](#).



Board composition

**25%**

of Board members  
are female

**25%**

of Board members  
are ethnically  
diverse

**7** out  
of **8**

Board members  
are independent

## COMMITMENT TO ETHICS AND COMPLIANCE

We are fully committed to the highest ethical standards when conducting our business. We operate in accordance with all applicable laws, rules and regulations as well as our own internal policies and procedures.

### Business Ethics

Our Code of Business Conduct and Ethics (Code) governs our business decisions and actions. All employees, officers, independent contractors and agents of the Bank have a personal responsibility to apply the Code in good faith and with reasonable business judgment. The Code also provides guidelines concerning our commitments to employees, shareholders, regulators, competitors and communities. Violations of our Code may result in disciplinary action.

Our Financial Code of Ethics, included as an addendum to the Code, sets forth ethical principles for designated officers who hold an important role in maintaining our commitment to honest, ethical conduct, with full, fair, accurate, timely and understandable disclosure in the Bank's public communications and compliance with applicable governmental rules and regulations.

### Whistleblower Policy

We encourage all employees, shareholders and other stakeholders to report perceived ethical violations through our third-party hotline. This hotline is accessible by both employees and non-employees should the need arise, with complete anonymity and confidentiality. We prohibit retaliation against any individual who makes a good faith report of suspected discrimination, harassment and other violations of law or company policies. This also extends to anyone who participates in an investigation of such reports.

Human Resources, Internal Audit and the Audit Committee of the Board will receive and process complaints from the whistleblower channels.

### Compliance

Our structured compliance program, laid out in our Compliance Policy, assists management and the Board of Directors in identifying, measuring, monitoring and controlling compliance risk. Bank management and the Board of Directors recognize that noncompliance can expose us to substantial risks and penalties. We firmly believe that keeping our customers informed and treating them fairly is good business. We are committed to regular reviews of procedures and practices to ensure they conform to our Compliance Policies and meet regulatory requirements.



All employees, officers, independent contractors and agents of the company have the personal responsibility to apply the Code of Business Conduct and Ethics in good faith and with reasonable business judgment.



We encourage all employees, shareholders and other stakeholders to report perceived ethical violations through our third-party hotline.

# GOVERNANCE AND LEADERSHIP

The Vice President, Senior Manager Risk & Compliance oversees the compliance program in partnership with the Bank's Compliance Committee, which has representation from all applicable lines of business. At least quarterly, the Compliance Officer reports to the Audit Committee of the Board regarding the Bank's compliance risk management program and applicable regulatory matters.

Each year, we conduct a compliance training program for all employees, so they are familiar with the laws and regulations that pertain to their duties and responsibilities. Mandatory annual courses for all employees cover topics such as bank secrecy, regulatory compliance, preventing sexual harassment, reporting suspicious activities and cybersecurity. We provide additional specialized training for associates, based specifically on their departments and roles.

## Bank Secrecy Act and Anti-Money Laundering

Our Bank Secrecy Act (BSA) Compliance Policy addresses issues covered in the Federal Financial Institutions Examination Council (FFIEC) Bank Secrecy Act / Anti-Money Laundering Examination Manual, including the BSA, anti-money laundering provisions, the USA PATRIOT Act, and the Office of Foreign Asset Control (OFAC). The Internal Audit Program at First Internet Bank is responsible for independently testing compliance.

Our risk-based BSA Compliance Program endeavors to address all applicable regulatory requirements and includes a system of internal controls to ensure ongoing compliance. The program is independently tested and includes appropriate risk-based procedures for conducting ongoing customer due diligence.

Board of Directors and Senior Management are responsible for the general oversight of the Bank's BSA and OFAC Compliance Programs and is coordinated by our BSA officer. The BSA officer coordinates our compliance program, develops appropriate money-laundering prevention and detection procedures, and monitors daily management reports and banking activities for money laundering and suspicious activity.

The Bank's BSA and OFAC Compliance Program's educational curriculum are provided to all directors, officers and employees. Mandatory annual sessions are also provided to all directors, officers and employees. Supplemental training is provided to associates as needed.

## Legal & Regulatory Environment

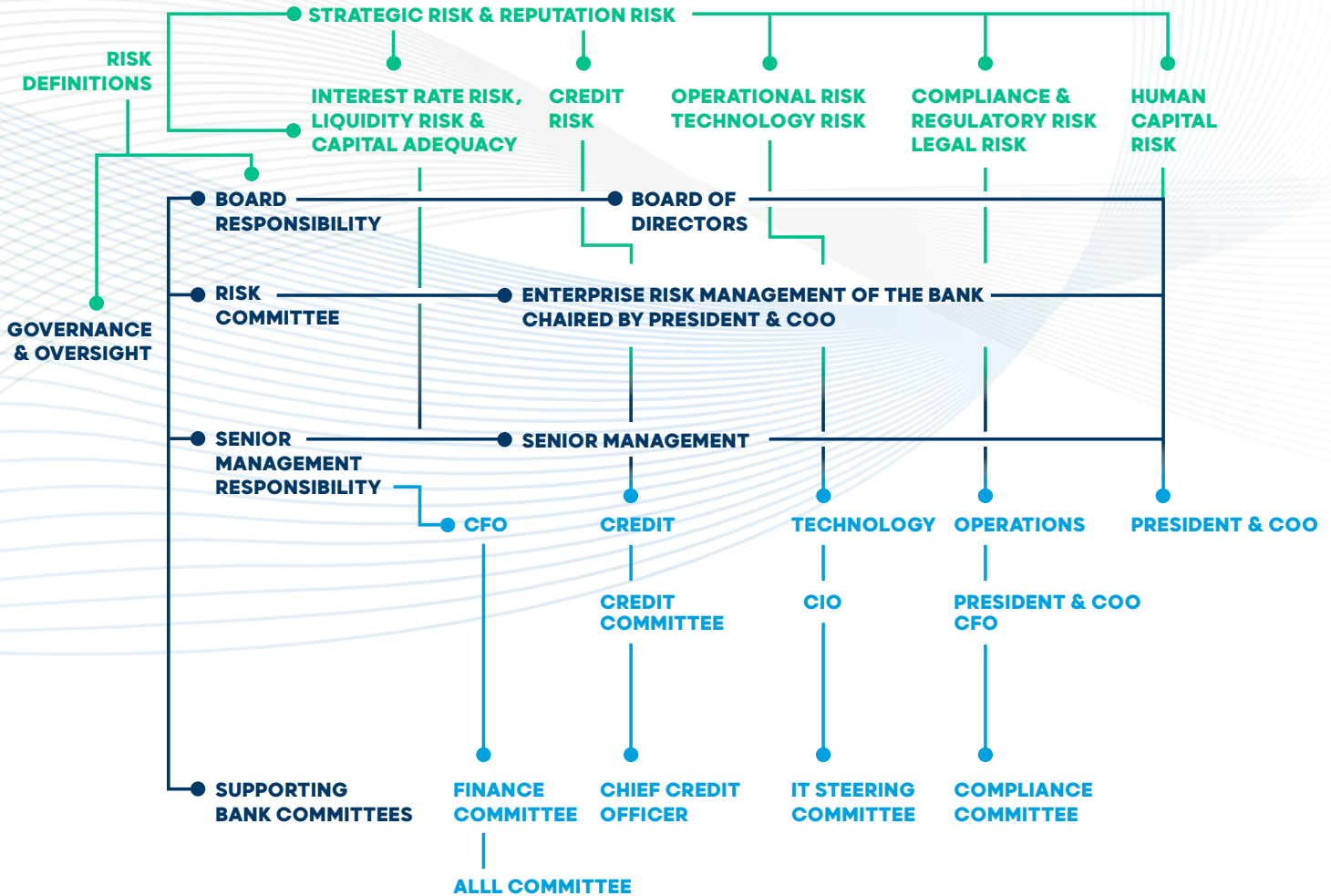
As a regulated financial institution, we acknowledge the vital role that the various regulatory agencies play in maintaining the soundness of our activities and safety of the banking system as a whole. We strive to maintain a cooperative, candid and transparent working relationship with representatives of the agencies responsible for overseeing our operations.



Our risk-based BSA Compliance Program, approved annually by our Board, endeavors to address all applicable regulatory requirements, and includes a system of internal controls to ensure ongoing compliance.



## ENTERPRISE RISK MANAGEMENT GOVERNANCE FRAMEWORK



### RISK MANAGEMENT AND BUSINESS CONTINUITY

Risk is an inherent component of our business activities. The ability to effectively identify, assess, measure, respond, monitor and report on risk in our business is critical to the achievement of our strategic objectives. Our Enterprise Risk Management (ERM) Policy is the framework designed to recognize possible outcomes, providing the Board and management with the capability to manage the full spectrum of risks inherent in the banking industry.

### Risk Management Governance Structure

Oversight of our ERM governance framework is provided by the Enterprise Risk Management Committee, which includes all members of executive management, with representation from key functional areas. The committee is chaired by the President and Chief Operating Officer (COO) and reports to the full Board.

Periodically, management will report to the Board of Directors the risk profile of the Bank, outlining the most significant and relevant risks faced by the enterprise. The report will provide a description of the risks and the key activities and controls to manage and mitigate these risks.

# GOVERNANCE AND LEADERSHIP

We have identified eight key categories to facilitate a portfolio view in the collection and reporting of risk:



Strategic



Reputational



Financial



Operational



Human  
Capital



Technology



Credit



Regulatory/  
Legal

They align with key business processes and committees by which the Bank operates its business. We assess our risk tolerance in each of these areas at least annually.

Overall, we aim to provide shareholders with a reasonable return and offer a reliable source of funding for borrowers, while remaining a safe, sound institution for our deposit customers.

Additionally, we have established a risk management program designed to identify, monitor and control the risks related to the use of third parties. The program follows regulatory guidance for third party risk management, with oversight and approval from the Board.

## Business Continuity

Overseen by the Business Continuity Coordinator and approved by the Board, our Business Continuity Plan (BCP) provides a structured response in the event of a planned or unplanned incident during which the use of any facility or information technology assets, as well as critical business processes, may be interrupted.



The BCP is comprised of:



A Disaster Recovery Plan, which identifies disaster declaration and emergency response procedures.



A Pandemic Plan, which outlines the Bank's preparedness for an infectious outbreak that would critically limit its workforce.



Business Resumption Plans (BR Plans), which identify critical business services, document their procedures and outline workarounds.

The Plan is designed to assist our teams in effectively dealing with emergencies that could significantly and negatively affect our operations. Ongoing testing, development and implementation of the Plan include active participation of each department within the Bank.

## DATA SECURITY AND CUSTOMER PRIVACY

We are committed to upholding the highest standards of information security and privacy for our customers, employees and communities.

### Data Security

Our framework includes specific policies on Information Security, Incident Response, Security Compliance and Record Retention. We established industry standards and guidelines to help us respond quickly, decisively and appropriately to limit the impact of an adverse event on Bank customers and information resources. Our incident response is also designed to meet the Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice, in addition to the Interagency Standards for Safeguarding Customer Information which implement the Gramm Leach-Bliley Act and the Federal Financial Institution Examination Council (FFIEC) Information Security Booklet.

### IT Steering

Our IT Steering Committee is a cross-functional team that provides oversight of IT activities and strategy. The Committee meets quarterly to discuss high-impact IT projects, planned system changes and future technology initiatives to support the bank's strategic growth. The Information Security Policy is maintained and upheld by the Bank's Information Security Officer (ISO); approval of the policy and our oversight of the security program lies with the Board.

# GOVERNANCE AND LEADERSHIP

Each employee is responsible for understanding and adhering to our information security program. Employees are the last line of defense when it comes to protecting our network and confidential data. The ISO is responsible for ensuring that associates receive training and updates on best practices, especially with regard to cybersecurity threats and network security. We periodically conduct testing of our employees to benchmark their awareness in these areas.

The Bank conducts an information security risk assessment and updates its information security program annually to assess any potential threats, implement controls and mitigate risk. The ISO addresses routine security issues and events on a regular basis.

We utilize several tools to detect, track, alert and log abnormal behavior regarding network traffic and servers. This includes a network intrusion detection/prevention system, anomaly detection and user behavior analysis. We also maintain server and workstation security, application access controls, log storage and protection plus system acquisition and maintenance.

Our email server provides a secure channel for the transmission of non-public information outside the Bank. A Virtual Private Network (VPN) connection ensures secure access for employees and vendors who connect to the First Internet Bank network from a remote location.

## Customer Privacy

Keeping the account and personal information of our customers safe is our top priority. We use the latest advanced network technology - firewalls, encryption and secure sessions to keep online transactions and personal information protected. Our systems are designed to guard against malicious activity, while providing uninterrupted service.

At our data center, we implement various mechanisms, including intrusion detection and anti-virus controls, which monitor for, and protect our systems from, malicious activity.

Our employees receive mandatory customer privacy training on an annual basis, including information security, along with the proper handling and safeguarding of requests for customer information. New employees receive one-on-one training on the Bank's information systems relevant to their job functions, and impacted staff also receive training on system changes and upgrades.

In the event of an incident, we take appropriate steps to contain and control it, preventing further unauthorized access to, or use of, customer information by monitoring, freezing or closing affected accounts and notifying customers when warranted.

For more information, please view our [Privacy & Security Notices](#).



Employees are the last line of defense when it comes to protecting the our network and confidential data. Each employee is responsible for understanding and adhering to our information security program.

## INCORPORATION OF ESG FACTORS IN CREDIT ANALYSIS

Part of ESG risk management at First Internet Bank involves considering the effects of environmental and social factors on our loan portfolio and how these factors are incorporated into our underwriting and portfolio management.

Our Environmental Lending Policy establishes safeguards and controls that limit our exposure to potential environmental liability associated with real property held as collateral or otherwise acquired. Our goal is to utilize prudent procedures in evaluating potential environmental risk and balance our financial interests by protecting ourselves from future liability. In determining the level of investigation needed, we consider such things as: history of ownership, prior uses, adjacent property threats, results of prior investigative reports/studies and the North American Industry Classification System (NAICS) code of environmentally-sensitive industries. Throughout the life of the loan, we continue to monitor the borrower and collateral for potential environmental threats.

We comply with flood regulations published by our federal regulator and the Federal Emergency Management Agency (FEMA). Prior to the closing or modification of any loan secured by improved real estate, we perform a flood hazard determination. If the property is located in a flood zone, the borrower must obtain flood insurance in an amount specified by law before the loan is closed. In addition, we have loan servicing procedures in place to ensure that flood insurance is maintained on the property for the term of our loan.

We offer a variety of lending and depository solutions for government entities and municipal utilities, including schools, hospitals, police and fire departments, development districts and public infrastructure projects. We also offer energy efficiency and renewable energy project financing, for which the contracted Energy Service Company (ESCO) tailors a comprehensive set of measures to fit the needs of a particular facility; these can include energy efficiency, renewable energy, distributed generation and water conservation plus sustainable materials and operations. The ESCO provides a guarantee that the savings produced by the project will be sufficient to cover the cost of financing for the life of the project. As of June 30, 2021, we have originated 38 loans totaling \$136.3 million to governmental entities to assist in the financing of energy efficiency and renewable energy projects.

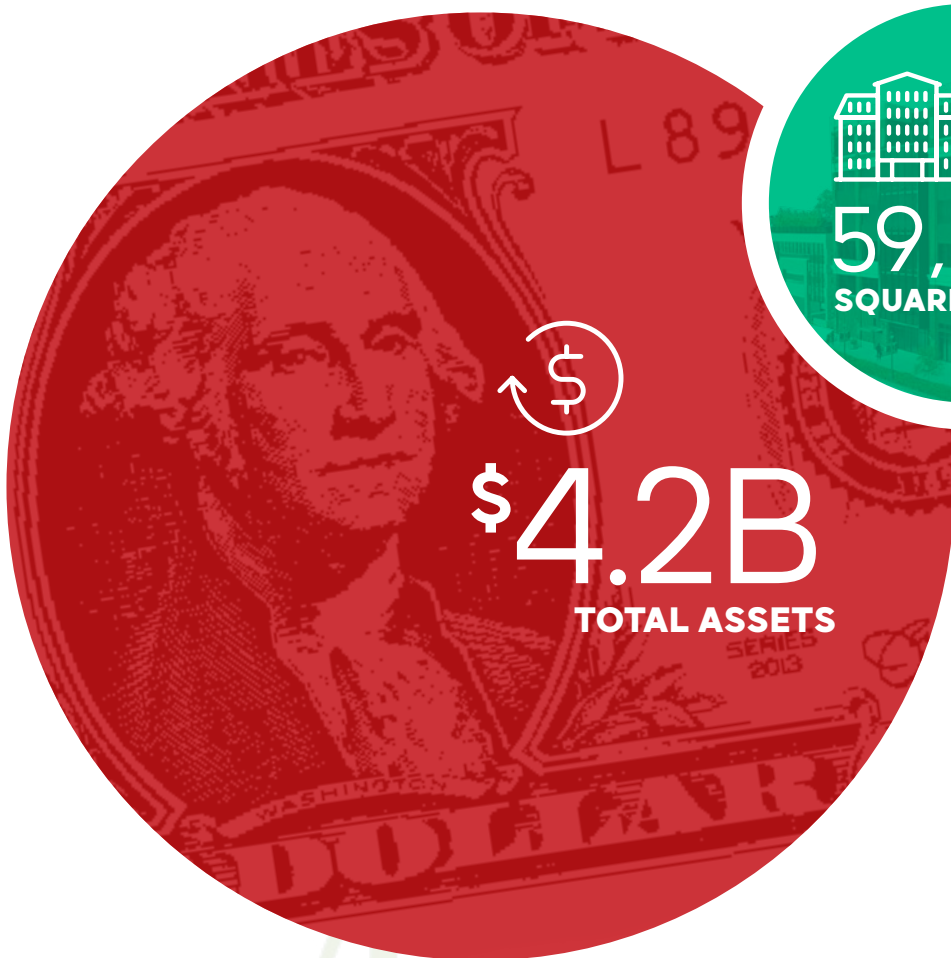


# ENVIRONMENTAL MANAGEMENT

We are committed to keeping our environmental impact to a minimum. Our online, branchless banking business model already supports this commitment. We, in fact, operate under a much smaller carbon footprint compared to traditional brick and mortar banks.

## ENERGY MANAGEMENT

Our teams work primarily from our company-owned headquarters (HQ) in Fishers, Indiana, located just outside Indianapolis, with two leased offices in Schaumburg, Illinois and Tempe, Arizona. We anticipate moving our HQ to a new company-owned building in late 2021, also located in Fishers. In our new facility, we have incorporated many eco-friendly features in the construction design to promote improved employee wellness and environmental sustainability. These include electric vehicle charging stations, low-flow toilets, LED motion-activated lighting, a high-efficiency HVAC system and a rooftop rainwater cistern used to repurpose rainwater for greenspace irrigation.



First Internet Bank's branchless banking model delivers our high asset to square footage ratio when compared to traditional banks.

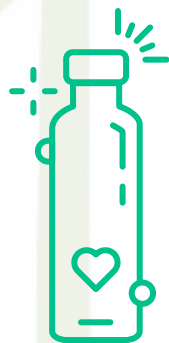
## PAPER AND WASTE MANAGEMENT

We have implemented “digital-first” processes, wherever possible, for internal banking documents. As an online bank, it’s only natural that we have developed processes to reduce paper, printing supplies and waste. Our customers access their banking services online, with a full range of services at their fingertips. We also provide simple, user-friendly electronic statements, digital deposits and online cash management solutions.

We continually look for ways to reduce waste from our offices by making solutions easily accessible to our team members. Over the past 3 years, due to the installation of water hydration stations, we have saved the equivalent of 33,000 plastic water bottles.



Our online mortgage application greatly reduces the amount of paper needed to process mortgage loan requests.



Over the past 3 years, due to the installation of water hydration stations, we have saved the equivalent of 33,000 plastic water bottles.



# HUMAN CAPITAL

At First Internet Bank, our employees are encouraged to “Imagine More.” We seek the game-changers, innovators and dreamers - those who are driven to find a better way of doing things for customers and for each other. Community involvement and opportunities that aid team members are always supported. We may be a digital bank, but we strongly believe in the power of personal connection and collaboration.

**We focus on four core competencies:**



**CUSTOMER FOCUS:** We are passionate about delivering customer-centered service and support to team members, customers, vendors and our partners. To stay ahead of the game, we are proactive in seeing and responding to customer needs to build strong, meaningful long-term relationships.



**TEAMWORK:** Better together. Whether that involves coworkers sharing best practices, challenging norms or creating connections with partners to increase productivity, we achieve more when we collaborate. Our teams - and teamwork - keep us moving forward.



**INITIATIVE:** We reward self-motivation and creativity in our colleagues and regularly encourage them to imagine more. We listen to and encourage their ideas. Employees willing to take the lead often bring new and better ways to help us serve our customers and one another.



**ADAPTABILITY:** Change is a constant. The ability to adapt to changes that improve our efficiency and performance is critical to continued success. It allows us to respond confidently to new ideas, invite different ways of thinking and understand that every team member brings something valuable to the table.



**Our Workplace:** The concept of imagining more extends to our offices. We foster a culture that encourages our associates to bring passion and creativity to every interaction with customers and each other. We believe that starts with a dynamic work environment that encourages collaboration and teamwork.

Our HQ offers a relaxed atmosphere and includes an on-site 24/7 fitness facility, ergonomic workspaces and an outdoor patio area with space for casual cookouts and recreation among team members. It is not uncommon to be invited to pitch-ins, impromptu basketball tournaments or other social events that provide opportunities to interact with colleagues, both in and outside the office.

Our “Team First” attitude and willingness to go above and beyond have created a customer-centric approach to banking that has resulted in continuous growth and recognition through a number of workplace awards:

**Best Banks to Work For:** We were recognized as one of the “Best Banks to Work For in 2020” in a nationwide ranking by *American Banker* and Best Companies Group. We have earned the distinction of being one of the best every year since the program began in 2013.

**Top Workplaces in Indianapolis:** For the eighth consecutive year, we were honored as one of the “Top Workplaces in Central Indiana”, placing third in 2021 among medium-sized companies.

**America’s Best Banks:** In its first-time ranking of financial institutions, *Newsweek* awarded First Internet Bank’s Small Business Checking account “best-in-class” for 2021.



# HUMAN CAPITAL

## DIVERSITY, EQUITY AND INCLUSION (DEI) AND EMPLOYEE ENGAGEMENT

First Internet Bancorp and its affiliates strive to maintain and increase diversity and to foster a sense of inclusion among our employees and our business partners. We believe these practices will enable us to better support our employees and to provide better outcomes for our external stakeholders including customers, shareholders and communities.

**We regard these five organizational pillars as foundational to the achievement of our DEI objectives:**

### People

First Internet Bancorp aspires to advance a culture where all individuals are valued, engaged and supported. Each of our team members contributes to our corporate culture through their identities - in their differences and similarities alike. We are committed to a nondiscriminatory approach to building a talent pipeline and team that, in its diversity, reflects the communities we serve.

Team members must be seen, heard and respected, regardless of their differences. Our recruiting, onboarding, professional development and advancement are continually assessed to ensure we are mindful of increasing representation.

We have a long-standing commitment to eliminate demographic bias and ensure fair treatment across pay, benefits and leadership opportunities through regular examination of performance. Managers review employee performance on an annual basis and work with each employee to identify development plans that speak to the employee's own aspirations and abilities.

### Partners

Organizations we employ in the delivery of goods and services should align with our values. Our partners should also reflect the diversity of our communities. By working with a wide range of suppliers, we are provided with high-quality products and services along with new perspectives and innovative ideas. This inclusive supplier approach is intended to help generate greater economic opportunities for disadvantaged communities, while promoting competition throughout our partner base. We are committed to leveraging supply chain opportunities with qualified minority- and women-owned businesses.





We have a long-standing commitment to eliminate demographic bias and ensure fair treatment across pay, benefits and leadership opportunities through regular examination of performance.

## Philanthropy

We support causes that increase opportunities, break down barriers and advance equity in our communities. We seek opportunities to help consumers and small businesses to thrive in underserved areas. We endeavor to promote economic development and enhance the community through community- or tribal-based child care; education; health and social services; workforce development; job training programs targeted to low- or moderate-income persons; affordable housing for low- or moderate-income individuals; and activities that revitalize or stabilize low- or moderate-income areas, designated disaster areas, or underserved or distressed nonmetropolitan middle-income geographies.

We also encourage our employees to engage in philanthropic endeavors that allow them to become involved in personal community interests. We support these interests with an unlimited paid time-off program for volunteer work. Through these efforts, we connect on more personal levels and provide greater access to resources that allow individuals and businesses to overcome economic barriers.

## Products

We leverage our role as a bank holding company to broaden access to financial products and services; through this effort, we allow consumers and businesses to improve their economic mobility. First Internet Bank strives to maximize accessibility for everyone by providing fair and unbiased financial products. We will continue to create products that effectively address our customers' needs, while also helping grow our business.

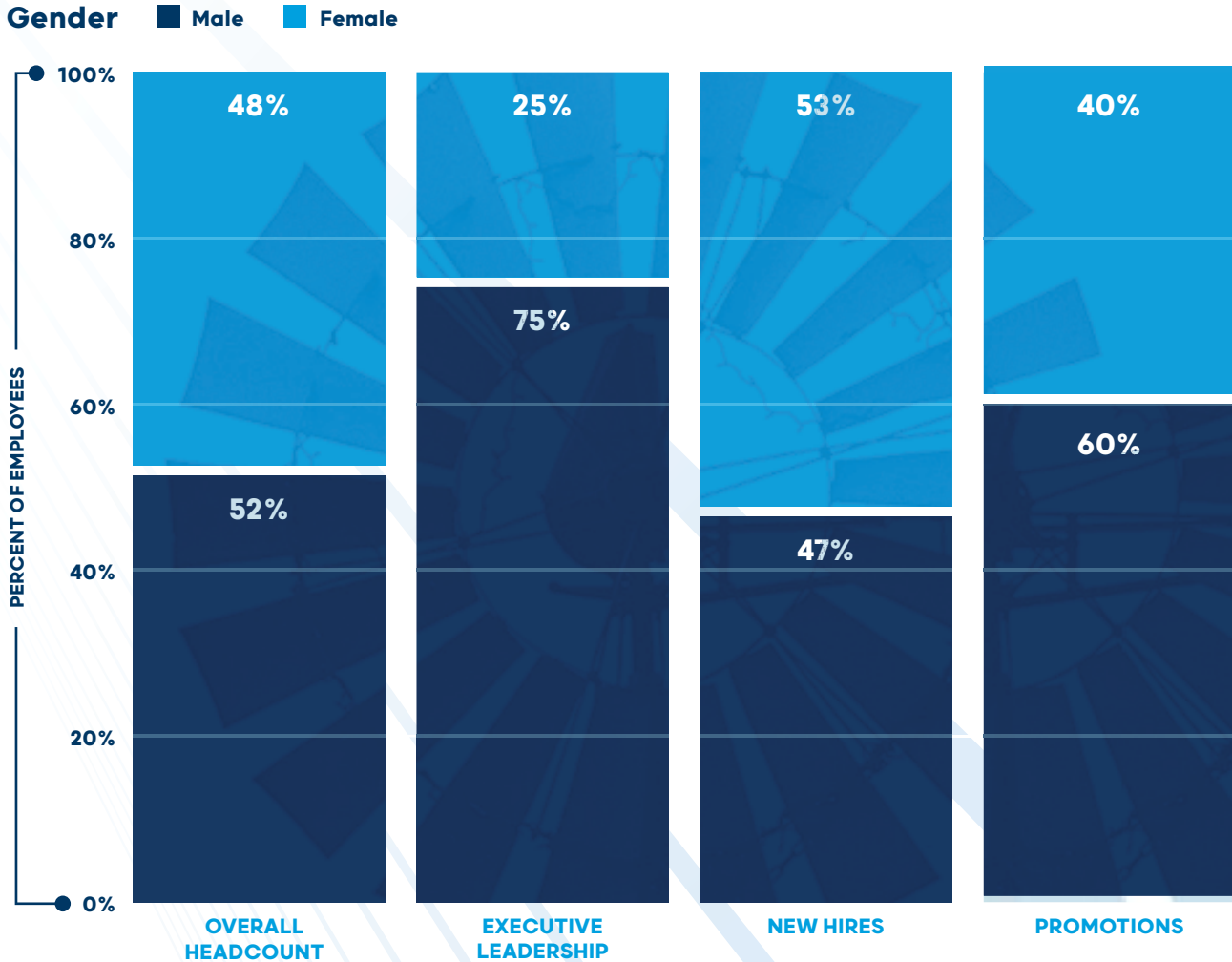
An inclusive lens must be applied for the continuous improvement of our product offerings. This involves a thorough examination of how pricing, marketing and cultural norms may differ, as well as identifying and addressing potential product inclusion issues. Through these steps, we can establish goals to ensure equity in our business planning.

## Process

We must continue to provide a distinct, customer-centric approach to processes that supports our internal and external efforts. Processes must provide for the fair and equitable delivery of products and services to address the current and future needs of our customers. Leveraging our team members' diverse perspectives, we will be thoughtful in the implementation and continuous improvement of processes to eradicate unintended biases.

# HUMAN CAPITAL

## FIRST INTERNET BANK DIVERSITY METRICS (As of June 30, 2021)



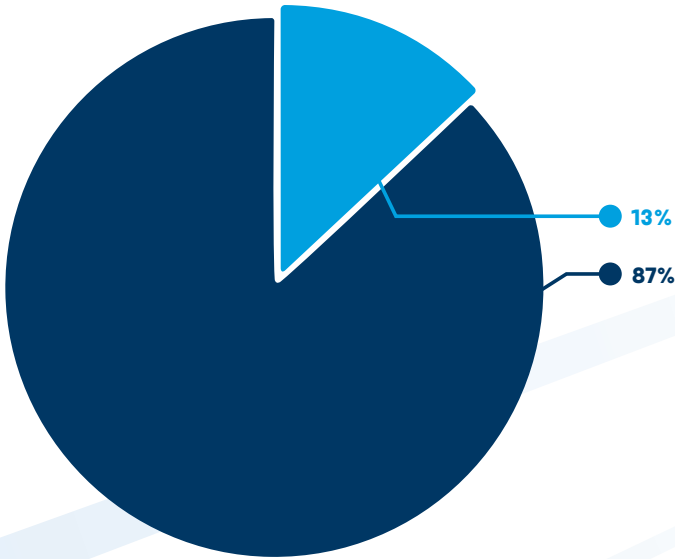
### Engagement

Employee engagement is a strategic priority for both the Board and senior leadership. We conduct annual employee engagement surveys to understand organizational strengths and assess areas for improvement. As a result, every year we identify two to three priority items advanced by employees through the surveys to address and improve upon. For example, after hearing from our employees, we recently implemented more manager feedback, additional one-on-one meetings and enhanced coaching.

In 2020, 77% of our employees participated in the survey, with 80% of respondents considered “engaged.” Engaged employees are defined as those who are fully absorbed by, and enthusiastic about, their work and take positive action to further the organization’s reputation and interests. Through survey responses, engaged employees indicated they felt motivated to give their best efforts and would recommend working at First Internet Bank to others.

Our Human Resources team also conducts periodic conversations with all employees throughout the first two years of employment to discuss their overall experience, answer questions and hear how we can improve the onboarding process.

**Ethnicity** ■ White ■ Racially Diverse



**Employee Resource Groups**

To foster a workplace environment where employees feel connected to one another, we support the creation of employee-led business resource groups. First Ladies is a group for those who identify as female at First Internet Bank to encourage, inspire, empower, mentor, celebrate and nurture the leadership potential of women in the workplace. LIFT (Leaders Impacting the Future Today) unites career-minded employees with opportunities to develop professionally, socially and within the community. An employee-led Events Committee creates monthly social events and fun competitions (like rock band t-shirt day, chili cook-offs, “Banksgiving” and our “First Fridays”) designed to increase employee engagement and interaction.



# HUMAN CAPITAL

## TRAINING AND DEVELOPMENT

Supporting and developing our people has been a key driver of ongoing success. Our ability to attract the best talent from a diverse range of sources allows us to effectively serve the changing needs of our business and customers.

Employees are encouraged to pursue their professional and career goals through continuous education and training. This enhances their personal development and their contributions to First Internet Bank. Educational opportunities include up to \$3,000 a year in tuition reimbursement and participation in relevant seminars, conferences, individual courses and degree programs. Employees regularly attend bank industry conferences and training related to their specific areas of expertise. Additionally, external training, consultants and personal coaches augment employee development.

## Performance Reviews and Merit Increases

Employees receive performance reviews from their managers, at least annually, to keep them informed of their progress. Performance reviews consider the quality and quantity of an employee's work, job knowledge, dependability, attitude, adaptability and other factors related to each position. Every employee is expected to meet or exceed standard job expectations and to suggest and implement ways to improve efficiencies. Based upon employee performance level, a discretionary pay increase may be awarded.

### Total Employee Turnover Rate:



\* Data based on U.S. Bureau of Labor Statistics

## EMPLOYEE HEALTH AND SAFETY

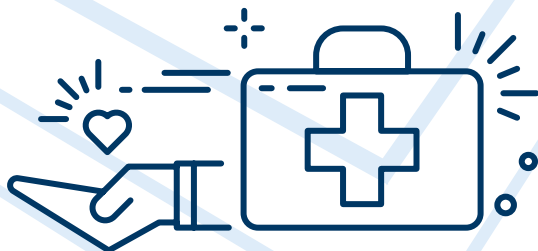
The heart and soul of the Bank are its employees, who share a passion for serving customers and each other. In addition to our notable culture and casual work environment, we are committed to ensuring the health, well-being and safety of our team members by offering attractive benefits that promote work-life balance and personal and professional growth. Full-time team members are eligible for market-competitive vacation time, insurance benefits, and generous company-match programs. We also offer tuition reimbursement, paid volunteer time off and an employee assistance program with five free counseling sessions annually. For more information about the benefits we offer our employees, please see our [Careers](#) page.

Our work environment is designed to be welcoming, accessible and safe for all. We adhere to Occupational Health and Safety Administration (OSHA), Centers for Disease Control (CDC) and all State/local safety requirements, including, but not limited to, Americans with Disabilities Act (ADA) wheelchair, restroom, countertop accessibility and handicapped electronic entry. We also regularly undergo updating and testing of fire/safety alarms and water systems.

Our Security Director oversees our Safety and Security program, which keeps our associates updated on best practices related to suspicious activity, crime prevention and emergency communication. All team members are required to complete on-site safety and security training when newly hired, and on an ongoing basis thereafter.

### Our Response to COVID-19

The COVID-19 pandemic presented extraordinary challenges throughout 2020 and 2021. From the constraints of isolation to the economic strain of business lockdowns, we witnessed remarkable resolve within our society. At First Internet Bank, our top priorities were caring for our communities, serving our clients and supporting our colleagues. For our communities we believe our branchless delivery model was safest during the pandemic. For our customers we prudently extended credit to commercial and consumer clients and offered loan payment deferrals for facing financial hardships. Additionally, we notified clients of heightened fraudulent online activity to protect their accounts. For our team, we stressed health and well-being, transitioning to 60% of our associates to work remotely from home, while increasing cleaning efforts at all company locations. Emergency sick pay was expanded to cover 100% of employees' regular rate of pay who were caring for children at home due to school closures. Associates scored our pandemic response very positively in employee surveys, with 94% affirming the statement "First Internet Bank demonstrates concern for the impact of COVID-19 on employees and their families" and 92% indicating "I feel well-informed about how First Internet Bank is responding to COVID-19."



The COVID-19 pandemic presented extraordinary challenges during the past year. We proactively implemented a business continuity plan with necessary initiatives, including workplace safety guidelines, adjusted banking center hours and remote workforce transition.

# SOCIAL RESPONSIBILITY

## SMALL BUSINESS, ACCESS AND COMMUNITY DEVELOPMENT

Small business and entrepreneurship are top of mind for us, largely due to our own corporate history. Long before founding First Internet Bank, our Chairman and CEO David Becker was a small business owner. His entrepreneurial spirit sparked our passion for supporting small businesses and the communities in which they operate.

### Small Business Administration (SBA)

First Internet Bank is committed to building better communities one small business at a time. That has led us to become one of the nation's fastest-growing Small Business Administration (SBA) preferred lenders. The SBA program was developed for small business owners who are not able to qualify for conventional financing. The government guarantees a portion of the principle, which reduces the risk to the lender, allowing us to provide access to capital. We help clients imagine more through a variety of SBA programs delivered with a streamlined loan process. For more details on our many lending options, please visit our [SBA lending website](#).

We provide access to banking to communities through digital services like:



24/7 Online Banking

Mobile App

Text Message Banking

Online Mortgage Application

Remote Deposit

Zelle®





# \$1MM

COMMITMENT TO  
SIXTY8 CAPITAL

Sixty8 Capital is a seed-stage fund for Black, Brown, women, and LGBTQ+ led startups, that recently announced the first close of its new \$20 million venture fund.

## Pandemic Financial Support

Small businesses were hit especially hard during the pandemic. First Internet Bank quickly instituted relief and deferral options, allowing those customers negatively impacted by the pandemic to preserve cash and liquidity. We also enrolled many small business clients in PPP, providing capital to weather the downturns caused by COVID-19. From applying e-signature technology that ensured transactions could be conducted remotely, to educating our customer-facing employees who were guiding our clients through a new process, we seamlessly delivered an effective digital experience under extraordinary time constraints and conditions. Since the start of the pandemic, we have processed over 700 PPP loans for existing business customers, infusing more than \$93 million in capital and liquidity into our local economies as of June 30, 2021, further strengthening our relationship-building culture. Half of these loans were forgiven, with the remainder of them in the forgiveness process.

## Community Development and Fair Lending

We are committed to supporting the economic stability of local communities, thereby enabling individuals and businesses to grow and prosper. Doing so is not only good business practice, but also at the core of our own long-term vitality. To fulfill this commitment, we comply with the Community Reinvestment Act (CRA). Our Vice President, Senior Manager Risk & Compliance, with oversight from the Board, is responsible for the coordination, execution and management of our community reinvestment initiatives. We believe that we have an obligation to help meet the credit needs of our entire community, including low- and moderate-income individuals and geographies, while practicing our safe, sound banking principles.

We comply with all applicable fair lending laws including, but not limited to, the CRA, Equal Opportunity Act and Fair Housing Act. Our Fair Lending Program, overseen by our Compliance Officer, includes policies and procedures for nondiscriminatory lending and marketing practices, a training program for employees involved in lending, annual review of the program and a process to evaluate compliance with and communication of regulatory requirements.

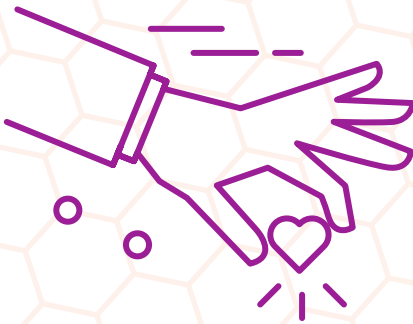
# SOCIAL RESPONSIBILITY

## PHILANTHROPY AND VOLUNTEERISM

At First Internet Bank, we are as passionate about our communities as we are about our customers, so we regularly use our time and talents to make a lasting impact. We believe in contributing to the success of the areas where we live and work.

Our philanthropic giving and volunteer efforts are sources of pride for our employees. Combatting systemic racism has been a focus of our recent efforts as we continue to advance our diversity, equity and inclusion efforts. For example, this year we contributed \$250,000 to the Hamilton County Community Foundation to fund initiative-based grants based on improving racial equity, mental health, and family and youth empowerment. We also work to support inclusive economic growth within the foundation's service area. Over the past year, team members also shared their financial skills by serving as non-profit board members, math mentors and volunteer tax preparers. For more information on latest our community involvement efforts, please visit our [website](#).

### Our recent efforts include:



**VOLUNTEERING AT  
GLEANERS FOOD BANK  
OF INDIANA**

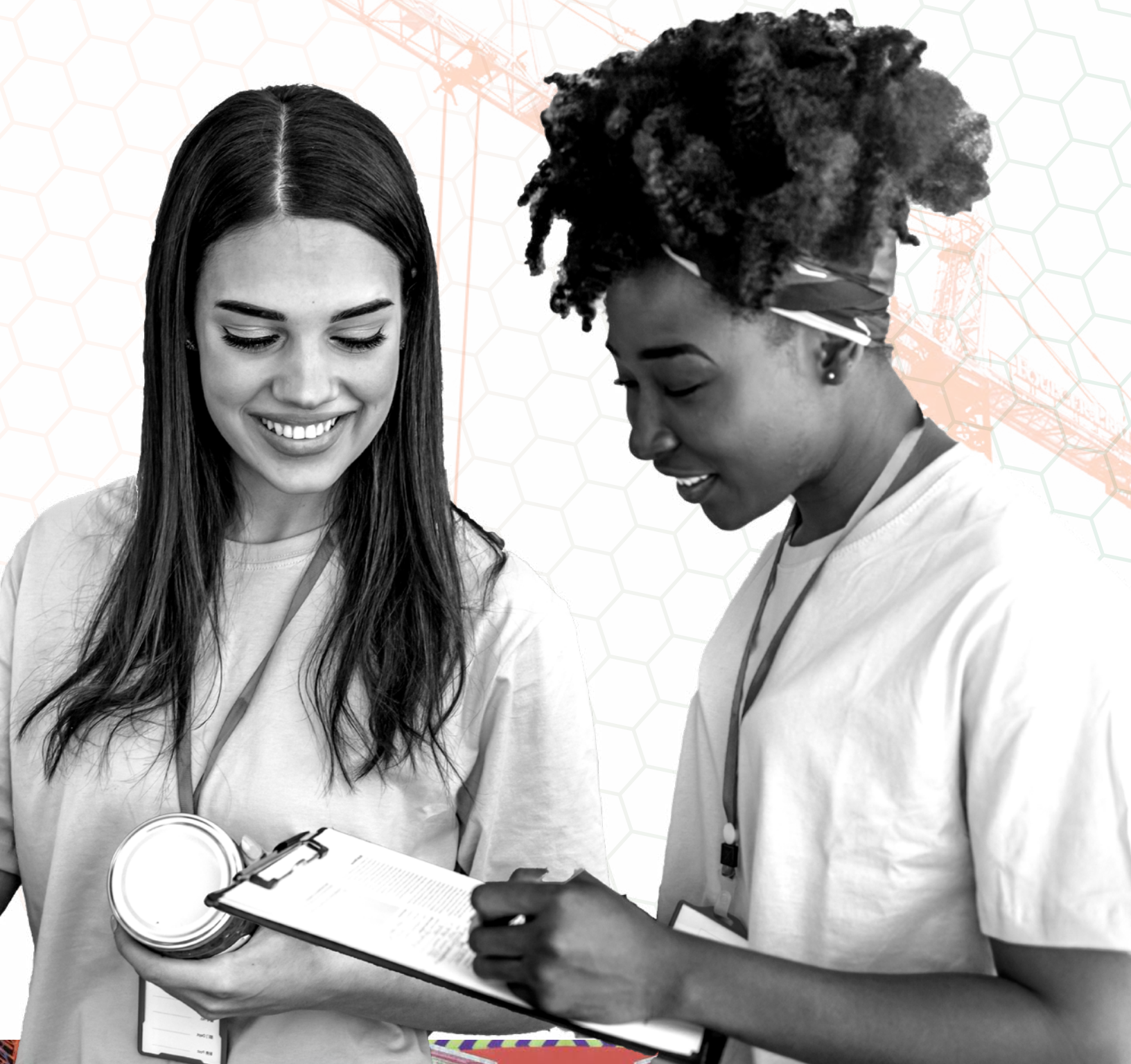
We believe in giving back to our communities. Recently, a group of our associates volunteered at Gleaners Food Bank of Indiana.

It is truly amazing what can be accomplished in a short period of time. In just three hours, our team helped distribute goods to more than 1,900 cars (individuals drive through the facility and, in a touchless delivery system, have their cars loaded with food). On a yearly basis, hundreds of thousands of hungry Hoosiers depend on critical grocery products provided by Gleaners.



**\$25K**  
**DONATION TO WORLD  
CENTRAL KITCHEN (WCK)**

WCK hired unemployed restaurant workers, due to the pandemic, to safely distribute individually packaged, fresh meals in communities that need support - for children and families to pick up and take home, as well as delivery to homebound seniors.



# FRAMEWORKS AND STANDARDS

This report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB) and broadly references the Global Reporting Initiative (GRI) to help us identify and understand financially relevant ESG topics. We have also identified United Nations Sustainable Development Goals (UN SDGs) that align with our mission and vision as a company.

## SASB

The table below incorporates accounting standards for the commercial banking industry from the SASB. It includes references to sections within this report where specific topics are discussed.

TOPIC	ACCOUNTING METRIC	SASB CODE	ESG REPORT REFERENCE
Data Security	(1) Number of data breaches, (2) percentage involving Personally Identifiable Information (PII), (3) number of account holders affected	FN-CB-230a.1	Data Security and Customer Privacy
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	
Financial Inclusion and Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Small Business, Access and Community Development
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Incorporation of ESG Factors in Credit Analysis
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	

TOPIC	ACCOUNTING METRIC	SASB CODE	ESG REPORT REFERENCE
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws and regulations	FN-CB-510a.1	Commitment to Ethics and Compliance
	Description of whistleblower policies and procedures	FN-CB-510a.2	
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Not applicable
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	Risk Management and Business Continuity

## UN SDGs

The UN SDGs were established in 2015 in an effort by world leaders to end poverty, protect the planet and seek to ensure prosperity for all. After an examination of the 17 goals and their relevance to our business, we have begun to align our ESG strategy to the following SDGs:



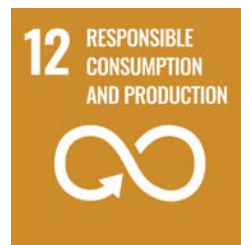
Ensure healthy lives and promote well-being for all at all ages



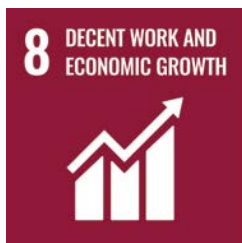
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



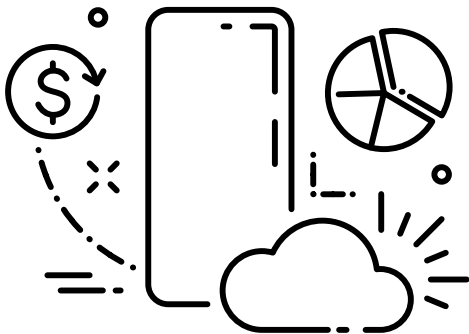
Ensure sustainable consumption and production patterns



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



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