

## Risk Factors Comparison 2024-03-13 to 2023-03-14 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Risk factors which could cause actual results to differ from our expectations and which could negatively impact our financial condition and results of operations are discussed below and elsewhere in this report. Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial condition and results of operations. If any of the risks or uncertainties described below or any additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected. Business, Strategic, and Reputational Risks A failure of, or interruption in, the communications and information systems on which we rely to conduct our business could adversely affect our revenues and profitability. We rely heavily upon communications and information systems to conduct our business. Although we have built a level of redundancy into our information technology infrastructure and update our business continuity plan annually, any failure or interruption of our information systems, or the third- party information systems on which we rely, as a result of inadequate or failed processes or systems, human errors or external events, could adversely affect our digital- based operations and slow or temporarily halt the processing of applications, loan servicing, deposit- related transactions, and our general banking operations. In addition, our communication and information systems may present security risks and could be susceptible to hacking or other unauthorized access. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations. Economic conditions have affected and could continue to adversely affect our revenues and profits. Our success depends, to a certain extent, upon favorable economic and political conditions, local and national, as well as governmental monetary policies. Conditions such as recession, unemployment, changes in interest rates, inflation, money supply, and other factors beyond the Company’ s control may adversely affect deposit levels, costs, loan demand and / or asset quality and, therefore, our earnings. Further, any economic downturn could result in financial stress on our borrowers that would adversely affect consumer confidence, a reduction in general business activity and increased market volatility. The resulting economic pressure on consumers and businesses and the lack of confidence in the financial markets could adversely affect our business, financial condition, results of operations and stock price. Our ability to properly assess the creditworthiness of our customers and to estimate the losses inherent in our credit exposure would be made more complex by difficult or rapidly changing market and economic conditions. Accordingly, if market conditions worsen, we may experience increases in foreclosures, delinquencies, **write-net charge** - offs and customer bankruptcies, as well as more restricted access to funds. The competitive nature of the banking and financial services industry could negatively affect our ability to increase or maintain our market share and retain long- term profitability. Competition in the banking and financial services industry is strong. We compete with commercial banks, savings institutions, ~~mortgage brokerage firms,~~ credit unions, finance companies, fintechs, mutual funds, insurance companies and securities brokerage and investment banking firms operating locally and nationwide, and may soon compete with entities that granted “ special purpose national bank ” (“ SPNB ”) charters by the Office of the Comptroller of the Currency. Some of our competitors have greater name **financial resources,** recognition and market presence than we do and offer certain services that we do not or cannot provide. In addition, larger competitors may be able to price loans and deposits more aggressively than we do, which could affect our ability to increase our market share and remain profitable on a long- term basis. **Negative developments in the banking industry could adversely affect our current and future business operations and financial condition. Bank failures and related negative media attention have caused significant market trading volatility among publicly traded banks and financial holding companies, particularly for regional and community banks. These developments have negatively impacted customer confidence in smaller banks, which could prompt customers to move their deposits to larger financial institutions. Further, competition for and costs of deposits has similarly increased, putting pressure on net interest margin. While we have taken actions to minimize the increase in our costs of funds, there is no guarantee that such actions will be successful or sufficient in the current or future market. We also anticipate increased regulatory scrutiny – in the course of routine examinations and otherwise – and new regulations directed towards banks of similar size to the Bank designed to respond to recent negative developments in the banking industry and / or changing regulatory focus, all of which may increase our costs of doing business and reduce our profitability. Among other things, there may be increased focus by both regulators and investors on deposit composition, the level of uninsured deposits, brokered deposits, unrealized losses in securities portfolios, liquidity, CRE composition and concentration, capital, third party risk management and general oversight and control of the foregoing. The Bank could face increased scrutiny or be viewed as higher risk by regulators and / or the investor community due to changing regulatory focus and / or the failures of other financial institutions, which could negatively affect our future results of operations and financial condition** . Reputational risk and social factors may negatively affect us. Our ability to attract and retain customers is highly dependent upon other external perceptions of our business practices and financial condition. Adverse perceptions could damage our reputation to a level that could lead to difficulties in generating and maintaining lending and deposit relationships and accessing equity or credit markets, as well as increased regulatory scrutiny of our business. Adverse developments or perceptions regarding the business practices or financial condition of our competitors, or our industry as a whole, may also indirectly adversely affect our reputation. In addition, adverse reputational developments with respect to third parties with whom we have important relationships may negatively affect our reputation. All of the above factors may result in greater regulatory and / or legislative scrutiny, which may lead to laws or regulations that may change or constrain the manner in which we engage with our customers and the products we offer and may also increase our litigation risk. If these risks were to materialize, they could negatively affect our business, financial condition and results of operations. New lines of business, and new products and services, may result in exposure to new risks, and the value and earnings related to existing lines of business are subject to market conditions. The Bank has introduced, and in the future, may introduce new

products and services to differing markets either alone or in conjunction with third parties, including programs and products introduced as part of our fintech partnership initiatives. New lines of business, products or services could have a significant impact on the effectiveness of our system of internal controls or the controls of third parties and could reduce our revenues and potentially generate losses. There are material inherent risks and uncertainties associated with offering new products and services, especially when new markets are not fully developed or when the laws and regulations regarding a new product are not mature. New products and services, or entrance into new markets, **are carefully scrutinized by regulatory agencies and** may require substantial time, resources and capital, and profitability targets may not be achieved. Factors outside of our control, such as developing laws and regulations, regulatory orders, competitive product offerings and changes in commercial and consumer demand for products or services may also materially impact the successful launch and implementation of new products or services. Failure to manage these risks, or failure of any product or service offerings to be successful and profitable, could have a material adverse effect on our financial condition and results of operations. ~~The wind-down of our consumer mortgage operations may take longer than expected and may cost more than anticipated. Due to the steep decline in consumer mortgage volumes and the negative outlook for consumer mortgage lending over the next several years, the Company decided to exit the consumer mortgage business during the first quarter of 2023. We have incurred and expect to incur a number of costs associated with the wind-down of the consumer mortgage business through at least the end of the second quarter of 2023. Our management made accounting judgments and estimates related to the wind-down of the consumer mortgage business. Our operating results could be adversely impacted in future periods if the accounting judgments and estimates prove to be inaccurate, if the wind-down takes significantly longer than anticipated, if we incur additional, unanticipated costs, or if we face litigation related to the exit.~~ Significant external events, including continued **the** spread of the COVID-19 pandemic or outbreak of a highly contagious disease, could adversely affect our business and results of operations. We could experience other external events such as severe weather, natural disasters, acts of war, ~~such as the current conflict in Ukraine~~, terrorism or widespread public health issues, such as the COVID-19 pandemic or another highly contagious or infectious disease, that could impair the ability of our customers to repay outstanding loans; impair the value of collateral, if any, securing outstanding loans; negatively impact our deposit base, loan originations or general demand for our services; cause significant property damage; result in loss of revenue or cause us to incur additional expenses or losses. We could also be adversely affected if key personnel or a significant number of employees were to become unavailable due to external events affecting the places they live. Although we have business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will completely mitigate the adverse impacts of any significant external event. The occurrence or continuation of any such event could materially adversely impact our business, our ability to provide our services, demand for our services, asset quality, financial condition and results of operations. Anti-takeover provisions could negatively impact our shareholders. Provisions of Indiana law and provisions of our articles of incorporation could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. We are subject to certain anti-takeover provisions under the Indiana Business Corporation Law. Additionally, our articles of incorporation authorize our Board of Directors to issue one or more classes or series of preferred stock without shareholder approval and such preferred stock could be issued as a defensive measure in response to a takeover proposal. Although these provisions do not preclude a takeover, they may have the effect of discouraging, delaying or deferring a tender offer or takeover attempt that a shareholder might consider in his or her best interest, including those attempts that might result in a premium over the market price of our common stock. Such provisions will also render the removal of the Board of Directors and of management more difficult and, therefore, may serve to perpetuate current management. These provisions could potentially adversely affect the market price of our common stock. Credit Risks Our commercial loan portfolio exposes us to higher credit risks than residential real estate loans, including risks relating to the success of the underlying business and conditions in the market or the economy and concentrations in our commercial loan portfolio. Our commercial loans totaled \$ ~~2.3~~ **7.0** billion, or ~~77~~ **78** ~~.73~~ **73** % of our total loan portfolio as of December 31, ~~2022~~ **2023**. These loans generally involve higher credit risks than residential real estate loans and are dependent upon our lenders **and service providers** maintaining close relationships with the borrowers. Payments on these loans are often dependent upon the successful operation and management of the underlying business or assets, and repayment of such loans may be influenced to a great extent by conditions in the market or the economy. Commercial loans typically involve larger loan balances than residential real estate loans and could lead to concentration risks within our commercial loan portfolio. In addition, our C & I, healthcare finance, franchise finance and small business loans have primarily been extended to small ~~to~~ **to** medium ~~to~~ **to** sized businesses that generally have fewer financial resources in terms of capital or borrowing capacity than larger entities. Our failure to manage this commercial loan growth and the related risks could have a material adverse effect on our business, financial condition and results of operations. In addition, with respect to CRE, federal and state banking regulators are examining CRE lending activity with heightened scrutiny and may require banks with higher levels of CRE loans to implement more stringent underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for **credit** losses and capital levels as a result of CRE lending growth and exposures. ~~If we were~~ **Because a significant portion of our loan portfolio is comprised of CRE loans, our banking regulators may require** ~~required us~~ **required us** to maintain higher levels of capital than we would otherwise be expected to maintain, ~~which could limit~~ **may be limited,** and **could** have a material adverse effect on our business, financial condition, results of operations and prospects. Portions of our commercial lending activities are geographically concentrated in Central Indiana and adjacent markets, and changes in local economic conditions may impact their performance. We offer our consumer lending as well as public finance, healthcare finance, franchise finance, small business lending and single tenant financing products and services throughout the United States. However, we serve CRE and C & I borrowers primarily in Central Indiana and adjacent markets. Accordingly, the performance of our CRE and C & I lending depends upon demographic and economic conditions in those regions. The profitability of our CRE and C & I loan portfolio may be impacted by changes in those conditions. Additionally, unfavorable local economic conditions could reduce or limit the growth rate of our CRE and C & I loan portfolios for a significant period of time, or otherwise decrease the ability of those borrowers to repay their loans, which could have a material adverse effect on our business, financial condition and results of operations. We are subject

to risks arising from conditions in the real estate market, as a significant portion of our loans are secured by real estate. At December 31, 2022-2023, approximately 48-45, 2-6% of our loans held for investment portfolio was comprised of **commercial, residential mortgage and home equity** loans with real estate as the primary component of collateral. Our real estate lending activities, and our exposure to fluctuations in real estate collateral values, are significant and may increase as our assets increase. The market value of real estate can fluctuate significantly in a relatively short period of time as a result of market conditions in the geographic area in which the real estate is located; in response to factors such as economic downturns; and changes in the economic health of industries heavily concentrated in a particular area; and in response to changes in market interest rates, which influence capitalization rates used to value revenue-generating commercial real estate. If the value of real estate serving as collateral for our loans declines materially, a significant part of our loan portfolio could become under-collateralized and losses incurred upon borrower defaults would increase. Conditions in certain segments of the real estate industry, including homebuilding, lot development and mortgage lending, may have an effect on values of real estate pledged as collateral for our loans. The inability of purchasers of real estate, including residential real estate, to obtain financing may weaken the financial condition of our borrowers who are dependent on the sale or refinancing of property to repay their loans. Changes in the economic health of certain industries can have a significant impact on other sectors or industries which are directly or indirectly associated with those industries, and may impact the value of real estate in areas where such industries are concentrated. **If our allowance for credit losses is not sufficient to cover actual credit losses, our earnings could decrease. We maintain an allowance for credit losses (“ACL”) on loans and held-to-maturity debt securities. The ACL represents implementation of CECL, including the design and maintenance Bank’s best estimate of probable losses within the existing portfolio of loans and held-to-maturity debt securities. Additionally, related to off-balance-sheet credit exposures, we maintain a liability reserve account reported as an other liability in our balance sheet. The amount of each allowance account represents management’s best estimate of current expected credit losses on these financial instruments considering available information, from internal controls and external sources, relevant to assessing exposure to credit loss over financial reporting the contractual term of the instrument. Relevant available information includes historical credit loss experience, current conditions and reasonable and supportable forecasts. As a result, the determination of the appropriate level of the ACL inherently involves a high degree of subjectivity and requires us to make significant estimates related to current and expected future credit risks and trends, all of which may undergo material changes. Continuing deterioration in economic conditions affecting borrowers; new information regarding existing loans and loan commitments; and identification of additional problem loans, ratings downgrades and other factors, both within and outside of our control, may require an increase in the ACL. In addition, if any charge-offs related to loans or off-balance sheet credit exposures in future periods exceed our ACL or reserve for off-balance sheet credit exposures, we will require a significant amount of time need to recognize additional provision for credit losses. Material additions to the ACL would decrease our net income and resources which may have a material adverse effect impact on our results of operations. A new accounting standard adopted by FASB, referred to as Current Expected Credit Loss, or (“CECL”), will require financial institutions, like the Bank, to determine periodic estimates of lifetime expected credit losses on loans, and recognize the expected credit losses as allowances for loan and lease losses beginning with our fiscal year ending December 31, 2023. Current GAAP requires an incurred loss methodology for recognizing credit losses that delays recognition until it is probable a loss has been incurred. CECL will represent a significant change in methodology and may greatly increase the types of data we will need to collect and review to determine the appropriate level of the allowance for loan and lease losses. We are in the process of evaluating the impact of the adoption of this guidance on our financial condition statements. However, results the allowance for loan and lease losses may increase upon the adoption of CECL operations and any such increased allowance level would decrease shareholders’ equity and the Company’s and Bank’s regulatory capital ratios. A significant amount of time and resources may be needed to implement CECL effectively, including the implementation of adequate internal controls, which may adversely affect our results of operations. If we are unable to maintain effective internal control over financial reporting relating to CECL, or otherwise, our ability to report our financial condition and results of operations accurately and on a timely basis could also be adversely affected.** Market, Interest Rate, and Liquidity Risks The market value of some of our investments could decline and adversely affect our financial position. In assessing the impairment of investment securities, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuers, whether the market decline was affected by macroeconomic conditions and whether we have the intent to sell the security or will be required to sell the security before its anticipated recovery. We also use economic models to assist in the valuation of some of our investment securities. If our investment securities experience a decline in value, we would need to determine whether the decline represented an other-than-temporary impairment, in which case we would be required to record a write-down of the investment and a corresponding charge to our earnings. Changes in interest rates could adversely affect the Company’s results of operations and financial condition. The Company’s earnings depend substantially on the Company’s interest rate spread, which is the difference between (i) the rates the Bank earns on loans, securities, and other earning assets and (ii) the interest rates the Bank pays on deposits and other borrowings, and its costs of capital. These rates are highly sensitive to many factors beyond the Company’s control, including general economic conditions and the policies of various governmental and regulatory authorities. If market interest rates continue to rise, especially at the pace they did in 2022 and 2023, the Company will have continue to face competitive pressure to increase the rates the Bank pays on deposits, which could negatively affect net interest margin. In addition, the interest rate on the Company’s 6.0% Fixed-to-Floating Rate Subordinated Notes due 2029 (the “2029 Notes”) will change from 6.0% to three-month term SOFR plus 4.376% on June 30, 2024 (a total interest rate of 9.74% based on three-month term SOFR as of January 31, 2024), and the interest rates on the Company’s other subordinated notes are scheduled to change in 2025 and 2026, respectively. These changes could result in a decrease of net interest income. If market interest rates decline, the Bank could experience fixed-rate loan prepayments and higher investment portfolio cash flows, resulting in a lower yield on earning assets. Earnings can also be impacted by the spread between short-term and long-term market interest rates. The replacement of the London Inter-bank Offered Rate (“LIBOR”) may with a benchmark rate that is higher or

more volatile than LIBOR, could increase our cost of borrowing and could adversely impact our business, financial condition and results of operations. In 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "Authority") announced that the Authority intended to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the ICE Benchmark Administration Limited (together with any successor, "IBA"), as administrator of LIBOR. In response to concerns regarding the future of LIBOR, Federal Reserve and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee ("ARRC") to identify alternatives to LIBOR. The ARRC first recommended a benchmark replacement waterfall that facilitated continued linkage to LIBOR while recognizing that the discontinuation of LIBOR would eventually occur. The initial steps in the ARRC's recommended waterfall referenced variations of the Secured Overnight Financing Rate ("SOFR"), and the ARRC has since recommended SOFR as the replacement rate for U. S. dollar denominated LIBOR. While market participants were warned that LIBOR may cease to exist after 2021, the IBA announced in early 2021 that it would continue to publish the most widely used tenors of U. S. dollar denominated LIBOR (such as one-month and three-month LIBOR) until June 30, 2023. While the IBA's announcement extended LIBOR's phase-out, there is no current expectation that LIBOR will continue beyond mid-2023, and U. S. banking regulators have issued guidance encouraging banking organizations to cease using U. S. dollar denominated LIBOR as a reference rate in new contracts. At this time, it is not possible to predict whether SOFR will attain market acceptance as the standard replacement for LIBOR, whether alternative reference rates other than SOFR (such as Ameribor) will gain market traction or whether additional reforms to LIBOR may be enacted. Further, other central banks and regulators have convened working groups to evaluate other interest rate benchmarks (such as EURIBOR), and it is possible that a transition away from certain of these interest rate benchmarks will occur leading to the establishment of new market accepted reference rates. Uncertainty regarding the market standard replacement for LIBOR, and floating rate benchmarks generally, could have adverse impacts on floating-rate obligations, loans, deposits, derivatives and other financial instruments that currently use LIBOR as a benchmark rate and adversely affect the Company's business, financial condition or results of operations. **The** Additionally, the floating rate features of our outstanding **2029 6.0% Fixed-to-Floating Rate Subordinated Notes** due **were** 2029 (the "2029 Notes") are based on LIBOR, while the floating rate features of our **other 3.75% Fixed-to-Floating Rate Subordinated** **subordinated** notes due 2031 (the "2031 Notes") are based on SOFR. In anticipation of LIBOR's phase out, and the uncertainty of SOFR as a LIBOR replacement, the terms of our 2029 Notes and 2031 Notes provide for a benchmark replacement rate for LIBOR or SOFR, as applicable, with such benchmark replacement rate to be determined by the Company or an independent financial advisor appointed by the Company, as applicable, in each case in accordance with terms of the 2029 Notes and 2031 Notes, respectively. ~~There can be no assurance that any replacement benchmark rate for our 2029 Notes or 2031 Notes will be determined or agreed upon, as applicable, before experiencing adverse effects due to changes in interest rates, if at all. We will continue to monitor the situation and address the potential reference rate changes in future debt obligations that we may incur.~~ Accordingly, the potential effect of the phase-out of LIBOR **and**, or the unavailability of any other interest rate benchmarks such as SOFR or EURIBOR, on our cost of capital cannot yet be determined. Further, the use of an alternative base rate or a benchmark replacement rate as a basis for calculating interest with respect to any outstanding variable rate indebtedness could lead to an increase in the interest we pay and a corresponding increase in our costs of capital or otherwise have a material adverse impact on our business, financial condition or results of operations. The Bank may not be able to pay us dividends. The ability of the Bank to pay dividends to us is limited by state and federal law and depends generally on the Bank's ability to generate net income. If we are unable to comply with applicable provisions of these statutes and regulations, the Bank may not be able to pay dividends to us, we may not be able to pay dividends on our outstanding common stock and our ability to service our debt may be materially impaired. We may need additional funding resources in the future, and these funding resources may not be available when needed or at all, without which our financial condition, results of operations and prospects could be materially impaired. As a part of our liquidity management, we use a number of funding sources in addition to core deposit growth and repayments and maturities of loans and investments. These sources include brokered deposits and **FHLB advances** ~~federal funds purchased~~. Further, in ~~recent years~~ **the past**, we have raised additional capital in the public debt and equity markets to support balance sheet growth, refinance existing debt obligations, or explore strategic alternatives which may include additional asset, deposit or revenue generation channels. Our ability to source deposits and raise future capital, if needed, will depend upon our financial performance and conditions in the capital markets, as well as economic conditions generally. Accordingly, such financing may not be available to us on acceptable terms or at all. If we cannot raise additional capital when needed, it could have a material adverse effect on our business, financial condition and results of operations. The Company's stock price can be volatile. The Company's stock price can fluctuate widely in response to a variety of factors, including without limitation: actual or anticipated variations in the Company's quarterly operating results; recommendations by securities analysts; significant acquisitions or business combinations; strategic partnerships, joint ventures or capital commitments; operating and stock price performance of other companies that investors deem comparable to the Company; new technology used or services offered by the Company's competitors; news reports relating to trends, concerns and other issues in the banking and financial services industry; ~~;~~ and changes in government regulations. General market fluctuations, industry factors and general economic and political conditions and events, including terrorist attacks, increased inflation, economic slowdowns or recessions, interest rate changes, credit loss trends or currency fluctuations, could also cause the Company's stock price to decrease, regardless of the Company's operating results. Operational Risks Because our business is highly dependent on technology that is subject to rapid change and transformation, we are subject to risks of obsolescence. The Bank conducts its deposit gathering activities and a ~~significant~~ portion of its lending activities through digital channels. The financial services industry is undergoing rapid technological change, and we face constant evolution of customer demand for technology-driven financial and banking products and services. Many of our competitors have substantially greater resources to invest in technological improvement and product development, marketing and implementation. Any failure to successfully keep pace with and fund technological innovation in the markets in which we compete could have a material adverse effect on our business, financial condition and results of operations. We rely on our management team and could be adversely affected by the unexpected loss of key officers. Our future success and profitability are substantially dependent upon our management and the abilities of our senior executives. We believe

that our future results will also depend in part upon our ability to attract and retain highly skilled and qualified management. Competition for senior personnel is intense, and we may not be successful in attracting and retaining such personnel. Changes in key personnel and their responsibilities may be disruptive to our business and could have a material adverse effect on our business, financial condition and results of operations. In particular, the loss of our chief executive officer could have a material adverse effect on our business, financial condition and results of operations. A failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors and other service providers, including as a result of cyber-attacks, could disrupt our business and lead to unauthorized disclosure of customers' personal information, theft or misuse of confidential or proprietary information, damage to our reputation, and increases in our costs or financial losses. We depend upon our ability to process, record and monitor our client transactions on a continuous basis. As customer, public and regulatory expectations regarding data privacy and information security have increased, our operational systems and infrastructure must continue to be safeguarded and monitored for potential failures, disruptions and breakdowns. Our business, financial, accounting and data processing systems, or other operating systems and facilities, may stop operating properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control. For example, there could be electrical or telecommunications outages; natural disasters such as earthquakes, tornadoes and hurricanes; ~~disease~~ pandemics; events arising from local or larger-scale political or social matters, including terrorist acts; and, as described below, cyber-attacks. Although we have business continuity plans and other safeguards in place, our business operations may be adversely affected by significant and widespread disruption to our physical infrastructure or operating systems that support our business. Information security risks for financial institutions such as ours have generally increased in recent years in part because of the proliferation of new technologies, the use of digital technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, activists and other external parties. As noted above, our operations rely on the secure processing, transmission and storage of confidential information in our computer systems and networks. Our business relies on our digital technologies, computer and email systems, software and networks to conduct its operations. In addition, to access our products and services, our customers may use smartphones, tablets, personal computers and other mobile devices that are beyond our control systems. Although we have information security procedures and controls in place, our technologies, systems, networks and our customers' devices may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information, or otherwise disrupt our or our customers' or other third parties' business operations. Third parties with whom we do business or that facilitate our business activities, including financial intermediaries or vendors that provide services or security solutions for our operations, could also be sources of operational and information security risk to us, including from breakdowns or failures of their own systems or capacity constraints. Although to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, like other companies, we and our vendors face a wide range of ongoing cyber threats that include phishing emails and social engineering schemes, ransomware threats, and criminal re-use of credentials sold on the dark web. ~~Therefore, there~~ **There** can be no assurance that we will not suffer such material losses in the future. Our risk and exposure to these matters remains heightened because of the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems, computers, software, company data, networks, and customer information from attack, damage or unauthorized access remain a focus for us. As threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate information security vulnerabilities. Disruptions or failures in the physical infrastructure or operating systems that support our business and clients, or cyber-attacks or security breaches of the networks, systems or devices that our clients use to access our products and services, could result in client attrition, regulatory fines, penalties or intervention, breach investigation and notification expenses, reputational damage, claims or litigation, reimbursement or other compensation costs and / or additional compliance costs, any of which could materially and adversely affect our business, financial condition and results of operations. Legal and Regulatory Risks We operate in a highly regulated environment, which could restrain our growth and profitability. We are subject to extensive laws and regulations that govern almost all aspects of our operations. These laws and regulations, and the supervisory framework that oversees the administration of these laws and regulations, are primarily intended to protect depositors, the DIF, **the government** and the banking system as a whole, and not shareholders. These laws and regulations, among other matters, affect our lending practices, capital structure, investment practices, dividend policy, operations and growth. Compliance with the myriad laws and regulations applicable to our organization can be difficult and costly. In addition, these laws, regulations and policies are subject to continual review by governmental authorities, and changes to these laws, regulations and policies, including changes in interpretation ~~or~~, implementation, **or priorities in enforcement** of these laws, regulations and policies, could affect us in substantial and unpredictable ways and often impose additional compliance costs. Further, any new laws, rules and regulations could make compliance more difficult or expensive. All of these laws and regulations, and the supervisory framework applicable to our industry, could have a material adverse effect on our business, financial condition and results of operations. Federal and state regulators periodically examine our business and we may be required to remediate adverse examination findings. The Federal Reserve, the FDIC and the DFI periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, a federal or state banking agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, it may take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin "unsafe or unsound" practices, to require action to correct any conditions resulting from any violation or practice, to **commence a formal or informal enforcement action or** issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil monetary penalties against our officers or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance and place us into receivership or conservatorship. Any regulatory action against us could have a material adverse effect on our business, financial

condition and results of operations. Our FDIC deposit insurance premiums and assessments may increase, which would reduce our profitability. The deposits of the Bank are insured by the FDIC up to legal limits and, accordingly, subject to the payment of FDIC deposit insurance assessments. The Bank's regular assessments are determined by its risk classification, which is based on a number of factors, including regulatory capital levels, asset growth and asset quality. High levels of bank failures during and following the financial crisis and increases in the statutory deposit insurance limits have increased resolution costs to the FDIC and put significant pressure on the DIF. In order to maintain a strong funding position and restore the reserve ratios of the DIF, the FDIC may increase deposit insurance assessment rates and may charge a special assessment to all FDIC-insured financial institutions. Further increases in assessment rates or special assessments may occur in the future, especially if there are significant additional financial institution failures. Any future special assessments, increases in assessment rates or required prepayments in FDIC insurance premiums could reduce our profitability or limit our ability to pursue certain business opportunities, which could have a material adverse effect on our business, financial condition and results of operations. The long-term impact of regulatory capital rules is uncertain and a significant increase in our capital requirements could have an adverse effect on our business and profitability. In order to remain "well-capitalized", the Basel III Capital Rules require the Company and the Bank to maintain: (i) a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 4.5%, plus a 2.5% "capital conservation buffer" (resulting in a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 7.0%); (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, plus the capital conservation buffer (resulting in a minimum Tier 1 capital ratio of 8.5%); (iii) a minimum ratio of Total capital to risk-weighted assets of 8.0%, plus the capital conservation buffer (resulting in a minimum Total capital ratio of 10.5%); and (iv) a minimum Leverage Ratio of 4.0%. The application of more stringent capital requirements for both the Company and the Bank could, among other things, result in lower returns on equity, require the raising of additional capital, and result in regulatory actions constraining us from paying dividends or repurchasing shares if we were to be unable to comply with such requirements, any of which could have a material adverse effect on our business and profitability. We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions. The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. The Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution's performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, restrictions on expansion and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations. We are subject to evolving and expensive regulations and requirements. Our failure to adhere to these requirements or the failure or circumvention of our controls and procedures could seriously harm our business. We are subject to extensive regulation as a financial institution and are also required to follow the corporate governance and financial reporting practices and policies required of a company whose stock is registered under the Exchange Act and listed on the Nasdaq Global Select Market. Compliance with these requirements means we incur significant legal, accounting and other expenses. Compliance also requires a significant diversion of management time and attention, particularly with regard to disclosure controls and procedures and internal control over financial reporting. Although we have reviewed, and will continue to review, our disclosure controls and procedures in order to determine whether they are effective, our controls and procedures may not be able to prevent errors or frauds in the future. Faulty judgments, simple errors or mistakes, or the failure of our personnel to adhere to established controls and procedures may make it difficult for us to ensure that the objectives of the control system will be met. A failure of our controls and procedures to detect other than inconsequential errors or fraud could seriously harm our business and results of operations. We face risk under the BSA and other anti-money laundering statutes and regulations, as well as general fund transfer and payments-related risk. The BSA, the USA PATRIOT Act and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti-money laundering program and file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of those requirements and has engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U. S. Department of Justice, Drug Enforcement Administration and Internal Revenue Service. We are also subject to increased scrutiny of compliance with the rules enforced by the OFAC. If our policies, procedures and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan, including our acquisition plans. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could have a material adverse effect on our business, financial condition and results of operations. In addition, financial institutions, including ourselves, bear fund transfer risks of different types which result from large transaction volumes and large dollar amounts of incoming and outgoing money transfers. Loss exposure may result if money is transferred from the Bank before it is received, or legal rights to reclaim monies transferred are asserted. Such exposure results from payments which are made to merchants for payment clearing, while customers have statutory periods to reverse their payments. It also results from funds transfers made prior to receipt of offsetting funds, as accommodations to customers. Transfers could also be made in error. Additionally, as with other financial institutions, we may incur legal liability or reputational risk, if we unknowingly process payments for companies in violation of money laundering laws or regulations or immoral activities. Our introduction of new products and programs in partnership with fintechs ~~has is expected to increase~~ **increased** account and transaction volume at the Bank and thereby ~~increase~~ **increased** the foregoing risks, the results of which could have a material adverse effect on our business, financial condition and results of operations. We may be subject to potential liability and business risk from actions by our regulators related to supervision of third parties. Our regulators or auditors ~~may have require~~ **required** us to increase the level and manner of our oversight of the third parties which provide marketing and other services through which we offer products and services, whether in connection with our

introduction of new programs and products, or otherwise. Although we have significant compliance staff and have used outside consultants, our internal and external compliance examiners continually evaluate our practices and must be satisfied with the results of our third-party oversight activities. We cannot assure you that we will satisfy all related requirements. Not maintaining a compliance management system which is deemed adequate could result in sanctions **or other action** against the Bank. Our ongoing review and analysis of our compliance management system and implementation of any changes resulting from that review and analysis will likely result in increased non-interest expense. Federal banking laws limit the acquisition, ownership and repurchase of our common stock. Because we are a bank holding company, any purchaser of certain specified amounts of our common stock may be required to file a notice with or obtain the approval of the Federal Reserve under the BHCA, as amended, and the Change in Bank Control Act of 1978, as amended. Specifically, under regulations adopted by the Federal Reserve, (1) any other bank holding company may be required to obtain the approval of the Federal Reserve before acquiring 5% or more of our common stock and (2) any person may be required to file a notice with and not be disapproved by the Federal Reserve to acquire 10% or more of our common stock and will be required to file a notice with and not be disapproved by the Federal Reserve to acquire 25% or more of our common stock. Further, recently enacted laws impose an excise tax on a public company's repurchase of its own stock. There are discussions and proposed legislation to increase that excise tax. Increases in the excise tax on stock repurchases could negatively affect our current stock repurchase program and our ability to repurchase common stock in the future.

Item 1B. Unresolved Staff Comments None. Item 2-**IC. Properties In March 2013, Cybersecurity We believe that cybersecurity and the Company borrowed \$ 4.0 million from the Bank protection of data and customer information in our possession, custody for- or the purchase-control is of paramount importance to our business. We have therefore designed and implemented a framework of policies, programs and procedures (the " Information Security Program ") intended to protect the confidentiality, integrity, and availability of our critical systems and information, including customer information. The Information Security Program is informed by interagency guidance issued by banking regulators as well as the FFIEC Information Security Booklet and Cybersecurity Assessment Tool. This does not imply that we meet any particular technical standards, specifications, or requirements, but rather that we use the guidance to help us identify, assess, and manage cybersecurity risks relevant to our business. Cybersecurity Risk Management and Strategy Our Information Security Program is aligned to the Company's business strategy principal executive offices. On February 16-It shares common methodologies, reporting channels 2021, the Company entered into an and agreement-governance processes that apply to sell-other areas of enterprise risk, including legal, compliance, strategic, operational, and financial risk. Key elements of our Information Security Program include: • risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment; • internal testing of our security controls and our response to cybersecurity incidents; • the use of external service providers, to assess, test or otherwise assist with aspects of our security controls; • training and awareness programs for all employees that include periodic and ongoing assessments to drive adoption and awareness of cybersecurity processes and controls; • a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; • maintenance and regular testing of a Business Continuity Plan that includes redundant back-up systems for all critical functions; • a physical security program that its- is principal executive offices tested regularly; • obtaining and maintaining appropriate insurance and indemnification for cybersecurity incidents; including insurance to cover cybersecurity incidents affecting third party vendors and service providers: and • a third - party risk management program. The sale was completed on April 16, 2021 and as a part of the sale agreement, the buyer leased the office building back to the Company through December 31, 2021. We vacated the office building at the end of the lease, on or for service providers prior to December 31, suppliers 2021. Additionally, and vendors, that provides for the remaining principal balance-assessment, monitoring and management of cybersecurity risk presented by the Company's loan-use of such third parties. In the last three fiscal years, the Company has not experienced any material cybersecurity incidents, and expenses incurred from the Bank-cybersecurity incidents were immaterial. For a discussion of whether and how any risks from cybersecurity threats, including was- as a result of any previous cybersecurity incidents paid-in-full. During 2019-, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition, refer to Item 1A. Cybersecurity Governance Our Board of Directors keeps apprised of and oversees technology risk and cybersecurity of the Bank's Company, and receives updates from the Company's Information Security Officer (" ISO ") subsidiary, SPF15, Inc., acquired several parcels of real estate located in Fishers, Indiana. Site demolition was completed on the properties in early 2020 and construction of a multi-quarterly basis. However, the Board has delegated certain specific responsibility for overseeing cybersecurity threats, among other things, to its Audit and Risk Committee. Our ISO and Chief Risk Officer provide the Audit and Risk Committee and the Company's internal Enterprise Risk Management Committee periodic reports on our cybersecurity risks and cybersecurity incidents, if any. The Board, and the Audit and Risk Committee, have appropriate expertise in planning for and dealing with cybersecurity threats. Specifically, and without limitation, David Becker, Ann Dee and Justin Christian all possess specific expertise in this area. The Audit and Risk Committee and the entire Board review and approve the Company's Information Security Policy, Incident Response Policy, Third Party Risk Management Policy, Risk Appetite Statement and other relevant policies on at least an annual basis. Our ISO, who has over twenty - use development-five years of experience in the system, network, and cybersecurity space, is responsible for implementing the Information Security Program alongside our Chief Information Officer. The ISO and Chief Information Officer both serve on the Enterprise Risk Management Committee, which included the future headquarters-is chaired by our Chief Risk Officer. They are supported by our team of the Company-technology professionals, who are responsible for information technology security monitoring and for managing the Bank-began shortly thereafter-controls designed to identify, detect, protect against, respond to and recover from cybersecurity threats and cybersecurity incidents. The Company engages in a continuous risk monitoring process that seeks to identify the likelihood and impact of internal and external threats to our information security systems and data, and assesses the sufficiency of the controls in place to mitigate these threats to acceptable levels**

on a risk-based basis. Incidents are reported to and handled under our Incident Response Policy, which designates an incident response team and includes procedures and processes to identify, assess, respond to, mitigate and report on cybersecurity incidents. Item 2. Properties The Company and the Bank are now fully occupy the new headquarters headquartered in a 172, which is 630 square foot mixed-use building located at 8701 East 116th Street, Fishers, IN 46038. The Bank's wholly-owned subsidiary, SPF15, Inc., owns the building and property. Item 3. Legal Proceedings Neither we nor any of our subsidiaries are party to any material legal proceedings. From time to time, the Bank is a party to legal actions arising from its normal business activities. Item 4. Mine Safety Disclosures PART II Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Market Information The Company's common stock trades on the Nasdaq Global Select Market under the symbol "INBK." As of March 10-8, 2023-2024, the Company had 8, 949 655, 423-854 shares of common stock issued and outstanding, and there were 98-97 holders of record of common stock. Dividends Total cash dividends declared by the Company in 2022-2023 were \$ 0. 24 per share. The Company expects to continue to pay cash dividends on a quarterly basis; however, the declaration and amount of any future cash dividends will be subject to the sole discretion of the Board of Directors and will depend upon many factors, including our results of operations, financial condition, capital requirements, regulatory and contractual restrictions (including with respect to the Company's outstanding subordinated debt), business strategy and other factors deemed relevant by the Board of Directors. Because the Company is a holding company and does not engage directly in business activities of a material nature, its ability to pay dividends to shareholders may depend, in large part, upon the receipt of distributions from the Bank, which is also subject to numerous limitations on the payment of dividends under federal and state banking laws, regulations and policies. The present and future ability of the Bank to distribute funds to the Company are subject to the discretion of the Board of the Directors of the Bank and the Bank is not obligated to pay any distributions to the Company. In October 2021, the Company's Board of Directors approved a stock repurchase program authorizing the repurchase of up to \$ 30. 0 million, which was subsequently increased to \$ 35. 0 million, of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization was scheduled to expire on December 31, 2022. Under this program, the Company repurchased 855, 956 shares of common stock through December 19, 2022, at an average price of \$ 36. 31, for a total investment of \$ 31. 1 million. This stock repurchase authorization expired on December 31, 2022. In December 2022, the Company's Board of Directors approved a new stock repurchase program authorizing the repurchase of up to \$ 25. 0 million of the Company's outstanding stock from time to time on the open market or in privately negotiated transactions. The stock repurchase program is scheduled to expire on December 31, 2023 2024, and replaced the stock repurchase program mentioned above. Under this program, the Company repurchased 178-559, 188-522 shares of common stock through March 10-8, 2023-2024, at an average price of \$ 25-19, 46-06, for a total investment of \$ 4 10. 5-7 million. The following table presents information with respect to purchases of the Company's common stock made during the fourth quarter of 2022-2023 by or on behalf of the Company or any "affiliated purchaser," as defined in Rule 10b- 18 (a) (3). (dollars in thousands, except per share data) Total Number of Shares Purchased Average Price Paid Per Share Total Number of Shares Purchased As Part of Publicly Announced Programs Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Programs October 1, 2022-2023 - October 31, 2022 42-203 233, 000 \$ 24-16, 53-42-51 23, 000 \$ 8-14, 907-988 November 1, 2022-2023 - November 30, 2022 21-203 37, 077-25-000 18, 37-121-90 7, 077-5-000 14, 835 December-856 December 1, 2022-2023 - December 31, 2022 21-203 310, 000 209-25-17 121, 209-23, 92 10, 864-000 14, 617 Total 242- Total 40, 286-242-000 40, 286-000

Stock Performance Graph The following graph and table compares the five-year cumulative total return to shareholders of First Internet Bancorp common stock with that of the Nasdaq Composite Index and the S & P U. S. BMI Banks Index. The following assumes \$ 100 invested on December 31, 2017-2018 in First Internet Bancorp, the Nasdaq Composite Index and the S & P U. S. BMI Banks Index, and assumes that dividends are reinvested. The historical stock price performance for our common stock is not necessarily indicative of future stock performance. December 31, Index 2017 2018 2019 2020 2021 2022 First --- Index 2018 2019 2020 2021 2022 2023 First Internet Bancorp \$ 100. 00 \$ 54-117, 03-34 \$ 63-144, 40-17 \$ 237. 61 \$ 123. 53 \$ 124. 77 -90 \$ 128. 38 \$ 66. 74 Nasdaq Composite Index 100. 00 97-16-136 132- 81-192-69 198, 47-235 10 242, 45-158-03 163, 65-28 236. 17 S & P U. S. BMI Banks Index 100. 00 137. 36 119. 83 162, 54-114-92 135, 74 100-10-136- 13 147, 41 10-112-89

Item 6. [ RESERVED ] Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this report. The following discussion, analysis and comparisons generally focus on the operating results for the years ended December 31, 2023 and 2022 and 2021. Discussion, analysis and comparisons of the years ended December 31, 2022 and 2021 and 2020 that are not included in this Annual Report on Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021-2022. This discussion and analysis includes certain forward-looking statements that involve risks, uncertainties and assumptions. You should review the "Risk Factors" section of this report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by such forward-looking statements. See also the "Cautionary Note Regarding Forward-Looking Statements" at the beginning of this report. Costs Associated with Exit Activities Due to the steep decline in consumer mortgage volumes and the negative outlook for consumer mortgage lending over the next several years, the Company decided to exit its consumer mortgage business during the first quarter of 2023. This includes included its nationwide digital direct-to-consumer mortgage platform that originates-originated residential loans for sale in the secondary market, as well as its local traditional consumer mortgage and construction-to-permanent business. The Company's commercial construction and land development business will was not be affected by this the decision and will remain remains an important part of the Company's lending strategy. This action is expected to reduce total annual noninterest expense by approximately \$ 6. 8 million and increase annualized pre-tax income by approximately \$ 2. 7 million, with 80 % of the benefit realized in 2023 and 100 % thereafter. The Company estimates that it will incur incurred total pre-tax expense of approximately \$ 3. 3-1 million in the first and second quarters of 2023 associated with exiting this line of the consumer mortgage origination business. During the twelve months



ended December 31, 2022-2023, net income was \$ 35.8, 5.4 million, or \$ 3.0, 70.95 per diluted share, compared to net income of \$ 48.35, 1.5 million, or \$ 4.3, 82.70 per diluted share, for the twelve months ended December 31, 2021-2022 and net income of \$ 29.48, 5.1 million, or \$ 2.4, 99.82 per diluted share, for the twelve months ended December 31, 2020-2021. The \$ 12.27, 6.1 million decrease in net income for the twelve months ended December 31, 2022-2023 compared to the twelve months ended December 31, 2021-2022 was due primarily to a decrease of \$ 22.2 million, or 22.9 %, in net interest income, an increase of \$ 11.7 million, or 234.6 %, in provision for credit losses and an increase of \$ 6.2 million decrease in noninterest income, or 8 an \$ 11.5 million increase 4 %, in noninterest expense and a \$ 3.9 million increase in provision for loan losses, partially offset by a decrease of \$ 10.8, 5.0 million, or 176, increase in net interest income and a \$ 3 %, -9 million decrease in income tax expense and an increase of \$ 4.9 million, or 22.9 %, in noninterest income. The Company recognized \$ 3.1 million of mortgage operations and exit costs during the first quarter 2023, which contributed to the increase in noninterest expense compared to net income of \$ 18.7 million for the twelve months ended December 31, 2021-2022 compared to. The Company also recognized only \$ 0.1 million of mortgage banking revenue during the twelve months ended December 31, 2020-2023 was due primarily to a \$ 22.0 million increase in net interest income and an \$ 8.3 million decrease in provision for loan losses, down from partially offset by a \$ 5.4.1 million increase in noninterest expense, a \$ 4.0 million increase in income tax expense and a \$ 3.5 million decrease in noninterest income. During during the twelve months ended December 31, 2022, return on average assets was as 0.85 %, compared it immediately began winding down its existing pipeline following the decision to exit the business. 14 % for. Additionally, during the twelve months ended December 31, 2021-2023, the Company recognized a \$ 6. During 9 million partial charge-off related to a commercial and industrial participation loan with a balance of \$ 9.8 million. This action contributed to the increase in the provision for credit losses as compared to the twelve months ended December 31, 2022 ; return on average shareholders' equity was 9.53 %, compared to 13. The Company received payment for the remaining balance of the participation loan during 2023. 44 % The decrease in net income of \$ 12.6 million for the twelve months ended December 31, 2021-2022 compared to. Additionally, for the twelve months ended December 31, 2022-2021 was due primarily to an \$ 11.6 million decrease in noninterest income, an \$ 11.5 million increase in noninterest expense and a \$ 3.9 million increase in provision for loan losses, partially offset by a \$ 10.5 million increase in net interest income and \$ 3.9 million decrease in income tax expense. During the twelve months ended December 31, 2023, return on average assets (" ROAA "), return on average equity (" ROAE ") and return on average tangible common equity was 9 (" ROATCE ") were 0.65-17 %, 2 compared to 13.61-35 % and 2.38 %. Excluding the impact of exiting consumer mortgage and the partial charge-off, adjusted net income for the twelve months ended December 31, 2021-2023, was \$ 16. These profitability ratios declined 2 million, and adjusted diluted earnings per share was \$ 1.83. Additionally, for the twelve months ended December 31, 2023, adjusted ROAA, adjusted ROAE and adjusted ROATCE were 0.33 %, 4.54 % and 4.60 %, respectively. during During the twelve months ended December 31, 2022 due primarily, ROAA, ROAE and ROATCE were 0.85 %, 9.53 % and 9.65 %, respectively. The Company recognized a nonrecurring consulting fee associated with a special project of \$ 0.9 million, paid a \$ 0.5 million discretionary inflation bonus to certain employees, recognized accelerated equity compensation expense of \$ 0.3 million related to several retirements, incurred acquisition-related expenses of \$ 0.3 million and recognized a \$ 0.1 million write-down of software. Excluding these decrease in items, adjusted net income for the twelve months ended December 31, 2022 was \$ 37.2 million and adjusted diluted earnings per share was \$ 3.86. Additionally, for the twelve months ended December 31, 2022, adjusted ROAA, adjusted ROAE and adjusted ROATCE were 0.90 %, 9.98 % and 10.10 %, respectively. Refer to the " Reconciliation of Non- GAAP Financial Measures " section of Item 7 of Part II of this report, Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information. Consolidated Average Balance Sheets and Net Interest Income Analyses For the periods presented, the following tables- table provide provides the average balances of interest- earning assets and interest- bearing liabilities and the related yields and cost of funds. The tables- table do does not reflect any effect of income taxes. Balances are based on the average of daily balances. Nonaccrual loans are included in average loan balances. Twelve Months Ended December 31, 2023 December 31, 2022 December 31, 2021 December 31, 2020-2021 (dollars in thousands) Average Balance Interest / Dividends Yield / Cost Average Balance Interest / Dividends Yield / Cost Average Balance Interest / Dividends Yield / Cost Assets Interest- earning assets Loans, including loans held- for- sale \$ 3, 685, 729 \$ 192, 337 5.22 % \$ 3, 142, 166 \$ 140, 600 4.47 % \$ 2, 999, 232 \$ 123, 467 4.12 % \$ Securities- taxable 551, 479 17, 189 3.02 %, 025, 989 \$ 120- 12, 628 3.99 % 537 Securities- taxable 537, 921 10, 711 1.99 % 544, 613 7, 970 1.46 % 530 Securities- non-taxable 72, 849 11 571 3.42, 2- 532 4.40 87 % 75 Securities- non- taxable 75-, 382 1, 767 2.34 % 84, 482 1, 017 1.20 % 95, 173 1, 728 1.82 % Other earning assets 278 assets 500, 061 26, 384 5.28 % 278, 073 3, 830 1.38 % 466, 608 1, 429 0.31 % 523, 788 3, 380 0.65 % Total interest- earning assets 4, 809, 840 239, 442 4.98 % 4, 033, 542 156, 908 3.89 % 4, 094, 935 133, 883 3.27 % 4, 175, 799 136, 859 3.28 % Allowance for loan- credit losses ( 36, 038 ) ( 29, 143 ) ( 24, 660 ) Noninterest earning- assets 166 assets 194, 712 166, 127 140, 059 112, 659 Total assets \$ 4, 968, 514 \$ 4, 170, 526 \$ 4, 205, 926 \$ 4, 263, 798 Liabilities Interest- bearing liabilities Interest- bearing demand deposits \$ 366, 082 \$ 6, 186 1.69 % \$ 333, 737 \$ 2, 056 0.62 % \$ 195, 699 \$ 583 0.30 % \$ 145 Savings accounts 29, 200 249 207 \$ 840 0.85 % 58 % Savings accounts 58-, 156 336 0.58 % 56, 967 203 0.36 % 40, 593 303 0.75 % Money market accounts 1, 276, 602 49, 890 3.91 % 1, 423, 185 18, 513 1.30 % 1, 434, 829 5, 892 0.41 % BaaS- brokered deposits 33, 039 1, 402 4 156, 084 11, 381 0.98 24 % 60 BaaS- brokered deposits 60-, 699 1, 033 1.70 % — 0.00 % — 0.00 % Certificates and brokered deposits 1 deposits 2, 040, 041 85, 636 4.20 % 1, 147, 017 19, 894 1.73 % 1, 411, 211 23, 144 1.64 % Total interest- bearing deposits 3, 744, 964 143, 363 3.83 % 3, 022, 794 41, 832 1.38 % 3, 882 098, 773 43 706 29, 452 822 0.96 % Other borrowed funds 719, 617 21, 175 2.31 94 % 638, 526 17, 983 2.82 % 600, 035 17, 505 2.92 % 586, 372 16, 342 2.79 % Total interest- bearing liabilities 3, 661, 320 59, 815 1.63 % 3, 698, 741 47, 327 1.28 % 3, 811, 029 72, 318 1.90 % Noninterest- bearing deposits 120 deposits 125, 816 120, 325 101, 825 74, 277 Other noninterest- bearing liabilities 16 liabilities 20, 317 16, 037 47, 255 64, 729 Total liabilities 3 liabilities 4, 610, 714 3, 797, 682 3, 847, 821 3, 950, 035 Shareholders' equity 372-

equity 357,800 372,844 358,105 313,763 Total liabilities and shareholders' equity \$ 4,968,514 \$ 4,170,526 \$ 4,205,926 \$ 4,263,798 Net interest income \$ 74,904 \$ 97,093 \$ 86,556 \$ 64,541 Interest rate spread 12 spread 11 . 29 % 2. 26 % 1. 99 % 1. 38 % Net interest margin 22 margin 21 . 56 % 2. 41 % 2. 11 % 1. 55 % Net interest margin - FTE 32 FTE 31 . 67 % 2. 54 % 2. 25 % 1. 68 % 1 Yield on total interest-earning assets minus cost of total interest-bearing liabilities 2 Net interest income divided by average interest-earning assets 3 On a fully-taxable equivalent ("FTE") basis assuming a 21% tax rate. Refer to the "Reconciliation of Non-GAAP Financial Measures" section of Item 7 of Part II of this report, Management's Discussion and Analysis of Financial Condition and Results of Operations Rate / Volume Analysis The following table illustrates the impact of changes in the volume of interest-earning assets and interest-bearing liabilities and interest rates on net interest income for the periods indicated. The change in interest not due solely to volume or rate has been allocated in proportion to the absolute dollar amounts of the change in each. Rate / Volume Analysis of Net Interest Income Twelve Months Ended December 31, 2022-2023 vs. December 31, 2021-2022 Due to Changes in Twelve Months Ended December 31, 2021-2022 vs. December 31, 2020-2021 Due to Changes in (amounts in thousands) Volume Rate Net Volume Rate Net Interest income Loans, including loans held-for-sale \$ 26,264 \$ 25,473 \$ 51,737 \$ 6,157 \$ 10,976 \$ 17,133 \$ (1,074) \$ 3,913 \$ 2,839 Securities - taxable taxable 275 6, 203 6, 478 (100) 2, 841 2, 741 285 (3, 438) (3, 153) Securities - non-taxable (69) 1, 834 1, 765 (120) 870 750 (177) (534) (711) Other earning assets assets 4, 967 17, 587 22, 554 (794) 3, 195 2, 401 Total 31 (337) (1, 437) 614 (1, 951) 51 Total 5, 097 82, 534 5, 143 17, 882 23, 025 (1, 303) (1, 673) (2, 976) Interest expense Interest-bearing deposits deposits 12, 042 89, 489 101, 531 (744) 12, 754 12, 010 (2, 097) (24, 057) (26, 154) Other borrowed funds 1 funds 2, 391 801 3, 192 1, 094 (616) 478 Total 14 388 775 1, 163 Total 350 433 90, 290 104, 723 350 12, 138 12, 488 (1, 709) (23, 282) (24, 991) Increase / (decrease) in net interest income \$ 17,004 \$ (39,193) \$ (22,189) \$ 4,793 \$ 5,744 \$ 10,537 \$ 406 \$ 21,609 \$ 22,015 Net interest income for the twelve months ended December 31, 2022-2023 was \$ 74.9 million, a decrease of \$ 22.2 million, or 22.9%, compared to \$ 97.1 million, an increase of \$ 10.5 million, or 12.2%, compared to \$ 86.6 million for the twelve months ended December 31, 2021-2022. The increase-decrease in net interest income was the result of a \$ 23-104.0 million, or +7-175.2-1%, increase in total interest income expense to \$ 156-164.9-5 million for the twelve months ended December 31, 2022-2023 compared to \$ 133-59.9-8 million for the twelve months ended December 31, 2021-2022. This-The increase in total interest income expense was partially offset by a-an \$ 12-82.5 million, or 26-52.4-6%, increase in total interest expense-income to \$ 59-239.8-4 million for the twelve months ended December 31, 2022-2023 compared to \$ 47-156.3-9 million for the twelve months ended December 31, 2021-2022. The increase-growth in total interest income was due primarily to an-increases-increase in interest earned on loans resulting from an increase of 75 bps in the yield earned on loans, as well as an increase of \$ 543.6 million, or 17.3%, in the average balance of loans, including loans held-for-sale. Furthermore, securities and the yield on other earning assets increased 390 bps and the average balance of other earning assets increased \$ 222. Interest income-0 million, or 79.8%. Additionally, the average balance of securities increased \$ 10.7 million, or 1.8%, and the yield earned on the securities portfolio increased 129 bps. The increase in the yields earned on loans, including loans held-other earning assets and securities was due to the continued rise in interest rates during the fourth quarter 2022 and into 2023. As a result of the higher interest rate environment, the yield on funded portfolio originations was 8.41% for-sale-the twelve months ended December 31, 2023, an increased-increase by-of 302 bps compared to the twelve months ended December 31, 2022. The increase in total interest expense was due primarily to increases of \$ 17-65.7 million, or 330.5%, in interest expense associated with certificates and brokered deposits, \$ 31.4 million, or 169.5%, in interest expense associated with money market accounts, \$ 4.1 million, or 200.9%, in interest expense associated with interest-bearing demand deposits and \$ 3.2 million, or 17.8%, in interest expense associated with other borrowed funds. The increase in interest expense related to certificates and brokered deposits as was driven a result of the yield on the loan portfolio increasing by 35-an increase of 247 bps in the cost of these deposits, as well as an increase of \$ 893.0 million, or 77.9%, in the average balance of these deposits loans increasing by \$ 142.9 million, or 4.8%. The increase in the average loan-balancees-balance of these deposits was due driven by strong consumer and small business demand for certificates of deposits in 2023, as well as the funding of brokered deposits during the fourth quarter 2022 and earlier in 2023 to supplement on-balance sheet liquidity. The increase in interest expense related to money market accounts was driven primarily by to increases in both the commercial (with the exception of healthcare finance) and consumer loan portfolios. Interest income earned on securities increased \$ 3.5 million, or 38.8%, due to an increase of 60-261 bps in the yield-earned-on securities cost of these deposits, partially offset by a decrease of \$ 15-146.8-6 million, or 2-10.5-3%, in the average balance of securities these deposits. The Interest income earned on other earning assets increased \$ 2.4 million, or 168.0%, due to an increase of 107 bps in interest expense related to interest-the yield earned on these assets, partially offset by a decrease of \$ 188.5 million, or 40.4%, in the average balance of other-earning-bearing demand deposits assets. The decrease in the average balance of other-earning-assets was due primarily to lower cash-a 107 bp increase in the cost of these deposits, as well as an increase of \$ 32.3 million, or 9.7%, in the average balancees-balance of these deposits. The increase in interest expense related to the yields earned on loans, securities and other earning assets borrowed funds was due primarily to the rise additional long-term FHLB advances in interest the second half of 2022 at rates throughout 2022 lower than market deposit costs, as the cost of the borrowed funds increased only 12 bps while the average balance increased 12.7%. The increase in the overall cost of total interest expense was driven primarily by increases in interest expense related to money market accounts, interest-bearing demand deposits and BaaS-brokered deposits, but partially offset by a decrease in interest expense related to certificates and brokered deposits. The increase in interest expense related to money market accounts of \$ 12.6 million, or 214.2%, was driven by an increase of 89 bps in the cost of these deposits, partially offset by a decrease of \$ 11.6 million, or 0.8%, in the average balance of these deposits. The increase in interest expense related to interest-bearing demand deposits of \$ 1.5 million, or 252.7%, was due primarily to an increase of \$ 138.0 million, or 70.5%, in the average balance of these--the continued rise deposits and an increase of 32 bps in the cost of these deposits. The increase in BaaS-brokered deposit expense was due to a \$ 60.7 million increase in the average balance of deposits. The decrease in interest expense in certificates and brokered deposits of \$ 3.3 million, or 14.0%, was due primarily to a \$ 264.2 million, or 18.7%, decrease in the average balance of these deposits, partially

offset by an increase of 9 bps in the cost of these deposits. The decrease in certificates and brokered deposit balances was driven by our pricing strategy to reduce the level of these higher cost deposits. The increase in the cost of total interest-bearing deposits, reflects the increase in interest rates throughout during the fourth quarter 2022 and into 2023. However, as the Federal Reserve's last rate increase was in July 2023, the pace of increase in deposit costs during the third and fourth quarters of 2023 was considerably slower than that experienced during 2022 and the first half of 2023. Net interest margin ("NIM") was 2.14% for the twelve months ended December 31, 2022 compared to 2.11% for the twelve months ended December 31, 2021. On a fully-taxable equivalent ("FTE") basis, NIM was 2.54% for the twelve months ended December 31, 2022 compared to 2.25% for the twelve months ended December 31, 2021. The increase in NIM and FTE NIM compared to the twelve months ended December 31, 2021 reflects the increase in the cost of interest-bearing liabilities. The increase in the yield on interest-earning assets and cost of interest-bearing deposits was driven primarily by the increase in interest rates throughout 2022. Noninterest Income The following table presents noninterest income for the three most recent years. Twelve Months Ended December 31, (amounts in thousands)

	2023	2022	2021
Service charges and fees	\$ 851	\$ 1,071	\$ 1,114
Loan servicing revenue	\$ 833	\$ 2,573	\$ 1,934
Loan servicing asset revaluation	(1,463)	(1,639)	(1,069)
Mortgage banking activities	\$ 765	\$ 464	\$ 1,050
Gain on sale of loans	\$ 2,526	\$ 1,372	\$ 1,598
Gain on sale of securities	\$ 139	\$ 2,523	\$ —
Gain on sale of premises and equipment	\$ —	\$ 2,416	\$ 1,694
Other	\$ 2	\$ 302	\$ 416
Total noninterest income	\$ 26.1	\$ 32.8	\$ 36.3

During the twelve months ended December 31, 2022-2023, noninterest income totaled \$ 26.1 million, representing an increase of \$ 4.9 million, or 22.9%, compared to \$ 21.3 million, representing a decrease of \$ 11.6 million, or 35.3%, compared to \$ 32.8 million for the twelve months ended December 31, 2021-2022. The decrease in noninterest income was driven primarily by increases in gain on sale of loans and net loan servicing revenue, partially offset by a decrease in revenue from mortgage banking activities. Due to growth in the Company's small business lending line of business, the amount of SBA 7 (a) loan sales increased 110.4% during 2023 to \$ 281.1 million from sales of \$ 133.6 million during 2022. As a result, gain on sale of loans increased \$ 0.9 million and premises and equipment in 2022 and a \$ 0.6 million decrease in loan servicing asset revaluation, or 80% which was partially offset by an increase in other noninterest income of 5%. The decrease in mortgage banking revenue was due mainly to decreases in interest rate locks, sold loan volumes and gain on sale margins driven by the increase in interest rates throughout 2022-2023 compared to the prior year. The increase in net other noninterest income was due primarily to distributions received on certain Small Business Investment Company and venture capital fund investments. Net loan servicing revenue was due to relatively stable as growth in the balance of the Company's SBA 7 (a) servicing portfolio, was as well as slower offset by the negative impact of prepayment speeds on in 2023. The decrease in mortgage banking activities was due to the servicing asset revaluation Company's exit from the mortgage business in the first quarter 2023. Noninterest Expense The following table presents noninterest expense for the three most recent years. Twelve Months Ended December 31, (amounts in thousands)

	2023	2022	2021
Salaries and employee benefits	\$ 45,322	\$ 41,553	\$ 38,223
Marketing, advertising and promotion	\$ 3,342	\$ 3,082	\$ 4,826
Data processing	\$ 3,824	\$ 3,511	\$ 3,989
Loan expenses	\$ 756	\$ 435	\$ 2,112
Premises and equipment	\$ 10,599	\$ 10,688	\$ 7,063
Deposit insurance premium	\$ 3,880	\$ 1,152	\$ 1,213
Write-down of other real estate owned	\$ —	\$ 2,065	\$ —
Other	\$ 5,076	\$ 4,223	\$ 4,423
Total noninterest expense	\$ 79.4	\$ 73.3	\$ 61.8

Noninterest expense for the twelve months ended December 31, 2022-2023 was \$ 79.4 million, compared to \$ 73.3 million, compared to \$ 61.8 million for the twelve months ended December 31, 2021-2022. The increase of \$ 11.6 million, or 18.8%, compared to the twelve months ended December 31, 2021-2022 was due primarily to increases of \$ 3.6 million in premises salaries and equipment employee benefits, \$ 3.2 million in deposit insurance premium and \$ 1.3 million in loan expenses, partially offset by decreases of \$ 1.7 million in consulting and professional fees and \$ 1.0 million in marketing, advertising and promotion. The increase in salaries and employee benefits was due primarily to mortgage exit costs, as well as \$ 2.3 million in loan expenses, \$ 0.9 million in other noninterest expense and an increase \$ 0.8 million in consulting headcount and professional fees higher incentive compensation in small business and construction lending. The increase in premises and equipment deposit insurance premium was due mainly to year-over-year asset growth costs associated with the Company's new corporate headquarters, as well as the investments in technology, software maintenance and a write-down of software. The higher salaries and employee benefits expense was due mainly to increased headcount, higher medical claims expense, a \$ 0.5 million discretionary inflation bonus paid to certain employees and \$ 0.3 million of accelerated equity compensation composition of loans and deposits related to employees who retired during the year. The increase in loan expenses was due primarily to mortgage exit costs and accrued contract expenses, as well as higher third-party loan servicing fees related to tax refund advance loans and franchise finance loans other miscellaneous lending costs. The increase in other was due to several items, none of which were individually significant. The increase in consulting and professional fees was due primarily to a \$ 0.9 million consulting fee fees associated with related to a special project that occurred in the first quarter 2022, as well as lower legal fees in 2023. The decrease in marketing, advertising and promotion expense was due primarily to cost savings from the Company's exit from the mortgage business in the first quarter 2023. Income Taxes The following table reconciles reported income tax expense (benefit) provision to that computed at the statutory federal tax rate for the three most recent years. Twelve Months Ended December 31, (amounts in thousands)

	2023	2022	2021
Statutory rate times pre-tax income	\$ 1,037	\$ 8,421	\$ 11,880
(Subtract) add the tax effect of:			
Income from tax-exempt securities and loans	(3,951)	(4,190)	(4,217)
State income taxes, net of federal tax effects	(592)	(865)	(1,765)
Bank-owned life insurance	(215)	(201)	(199)
Tax credits	(168)	(143)	(175)
Other differences	(80)	(304)	(403)
Income tax expense (benefit) provision	\$ (3,477)	\$ 4,559	\$ 8,458

We recognized an income tax expense benefit of \$ 3.5 million in 2023, compared to an income tax provision of \$ 4.6 million and in 2022, resulting in an effective tax rate of 11.4%

compared to \$ 8. 5 million and an effective tax rate of 15. 0 % in 2021. Our federal statutory tax rate was 21 % in 2023 and 2022. In both 2023 and 2022, the variance from the federal statutory rate was due primarily to tax- exempt income, partially offset by state income taxes. Interest income on certain loans or securities issued by governmental, municipal and not- for- profit entities, and earnings from bank- owned life insurance were the primary components of tax- exempt income. The decrease in the effective tax rate and income tax expense was due primarily to the decrease in pre- tax earnings driven by a lower proportion of taxable revenue, including decreased mortgage banking activities and no gain on sale of premises and equipment in 2022. The following table presents summary balance sheet data as of the end of the last two years. (amounts in thousands)

December 31, 2022	December 31, 2021
Total assets	\$ 5, 167, 572
Loans	\$ 4, 543, 104
Loans held- for- sale	\$ 4, 210, 994
Securities	\$ 702, 008
Loans held- for- sale	\$ 21, 511
Noninterest- bearing deposits	\$ 175, 464
Interest- bearing deposits	\$ 315, 117
Total deposits	\$ 490, 581
Advances from Federal Home Loan Bank	\$ 928, 514
Total shareholders' equity	\$ 364, 362
Total assets increased	\$ 332, 624
million, or	13. 7 %
to \$ 5. 2 billion as of December 31, 2023 compared	to \$ 4. 5 billion as of December 31, 2022
compared to \$ 4. 2 billion as of December 31, 2021. The increase in total assets was driven primarily by an increase in deposits of \$ 625. 7 million, or 18. 2 %. A portion of the increase in deposits was used to fund loan growth as loan balances increased \$ 340. 8 million, partially offset by decreases in or 9. 7 %. However, as deposit growth outpaced loan growth, balance sheet liquidity increased as the combined balance of cash and securities increased \$ 271. As 8 million, or 32. 5 %, and the percentage of loans to deposits declined to 94. 4 % as of December 31, 2023, compared to 101. 7 % as of December 31, 2022. As of December 31, 2023, total shareholders' equity was \$ 365. 362. 08 million, a decrease of \$ 15. 2. 42 million, or 4. 0. 6 %, compared to December 31, 2021. The decrease in shareholders' equity was due primarily to stock repurchase activity and an increase in accumulated other- the day 1 CECL adjustment, comprehensive loss resulting from a decline in the value of the available- for- sale securities portfolio caused mainly by the continued rise in interest rates during the year. This was partially offset by the net income earned during the period year and an increase in the value of interest rate swaps classified as cash flow hedges. Tangible common equity totaled \$ 360. 358. 31 million as of December 31, 2022. 2023, representing a decrease of \$ 15. 2. 42 million, or 4. 0. 6 %, compared to December 31, 2021. The ratio of total shareholders' equity to total assets decreased to 7. 02 % as of December 31, 2023 from 8. 03 % as of December 31, 2022 from 9. 03 % as of December 31, 2021 and the ratio of tangible common equity to tangible assets decreased to 7. 6. 94 % as of December 31, 2022- 2023 from 8. 7. 93- 94 % as of December 31, 2021- 2022. The decrease in both shareholders' equity to total assets and tangible common equity to tangible assets is due primarily to the stock repurchase activity and day 1 CECL adjustment mentioned above, as well as an increase in total assets, partially offset by net income earned during the period. Book value per common share increased 3. 4. 3. 2 % to \$ 41. 97 as of December 31, 2023 from \$ 40. 26 as of December 30. 31, 2022 from \$ 38. 99 as of December 31, 2021. Tangible book value per share increased 3. 4. 2 % to \$ 41. 43 as of December 31, 2023 from \$ 39. 74 as of December 31, 2022 from \$ 38. 51 as of December 31, 2021. The growth increase in both book value per common share and tangible book value per share reflects net income earned during the year and the effect of stock repurchase activity throughout the year, partially offset by the increase declines in accumulated other comprehensive loss total shareholders' equity and tangible common equity. Refer to the " Reconciliation of Non- GAAP Financial Measures " section of Item 7 of Part II of this report, Management' s Discussion and Analysis of Financial Condition and Results of Operations for additional information.	

**Loan Portfolio Analysis** The following table provides information regarding our loan portfolio as of the end of the last two years. December 31, (dollars in thousands)

December 31, 2022	December 31, 2021
Commercial loans	\$ 129, 349
Commercial and industrial	\$ 3. 4 %
Owner- occupied commercial real estate	\$ 96, 008
Investor commercial real estate	\$ 93, 121
Construction	\$ 261, 019
Public finance	\$ 521, 854
Healthcare finance	\$ 222, 793
Small business lending	\$ 218, 506
Franchise finance	\$ 525, 666
Consumer loans	\$ 383, 948
Home equity	\$ 23, 770
Other consumer	\$ 324, 598
Total commercial and consumer loans	\$ 802, 855
Net deferred loan origination costs, premiums and discounts on purchased loans and other	\$ 137, 365
Total loans	\$ 939, 212
Allowance for loan credit losses	\$ 146, 46
Net loans	\$ 801, 446
Includes carrying value adjustments of	\$ 27. 8 million and \$ 32. 5 million and \$ 37. 5 million related to terminated interest rate swaps associated with public finance loans as of December 31, 2022- 2023 and December 31, 2021- 2022, respectively. Total loans were \$ 3. 58 billion as of December 31, 2022- 2023, an increase of \$ 611. 340. 8 million, or 9. 7 million, or 21. 2 %, compared to December 31, 2021- 2022. Total commercial loan balances were \$ 2. 3. 70 billion, as of December 31, 2022- 2023, up \$ 355. 286. 6 million, or 10. 5 million, or 15. 0 %, from December 31, 2021- 2022. Total consumer loan balances were \$ 733. 796. 39 million as of December 30. 31, 2022- 2023, an increase of \$ 263. 63. 37 million, or 56. 8. 07 %, compared to December 31, 2021- 2022. The increase in commercial loan balances was driven primarily by growth in the franchise finance, small business lending single tenant lease financing, construction and investor commercial real estate portfolios, construction, commercial and industrial, public finance and small business lending balances. These increases were partially offset by net payoffs a decrease in the fixed- rate public finance portfolio, as well as continued runoff in the healthcare finance and owner portfolio. During 2023, the Company continued to execute on its strategy of redeploying cash flows from longer- occupied commercial real estate duration fixed rate portfolios to variable rate and higher yielding loans- loan types in order to improve net

**interest margin and mitigate long- term interest rate risk**. The increase in consumer **loan-loans** balances was due primarily to higher balances in the **residential mortgage**, recreational vehicles and trailers loan portfolios, **in addition to funded residential mortgages and draws on construction / perm loans that were in the pipeline prior to exiting the business**. Loan Maturities and Rate Sensitivity The following table shows the contractual maturity distribution intervals (without regard to repayment **or repricing** schedules) of the outstanding loans in our portfolio as of December 31, 2022-2023. (amounts in thousands) Within 1 Year- 5 Years5- 15 YearsBeyond 15 YearsTotalCommercial loans Commercial and industrial \$ 30 36, 741 461 \$ 68 58, 563 856 \$ 26 34, 795 023 \$ 9 \$ 126 129, 108 349 Owner- occupied commercial real estate1- estate6, 836 546 19, 26 260 31, 480 249 33, 751 61 57, 836 286 Investor commercial real estate13- estate61, 571 76 012 68, 774 360 2, 776 705 93 132, 121 077 Construction63- Construction83, 699 118 560 176, 993 1 069 198 181, 966 197 261, 750 Single tenant lease financing16 financing35, 708 400 083 383, 089 522 420 518, 443 113 939 936, 240 616 Public finance49- finance33, 267 056 118, 646 64 453, 720 372 330 621, 032 050 51, 727 521, 764 Healthcare finance5- finance 27 21, 234 245 333 201, 460 222 272, 461 793 Small business lending798 5- lending45 1, 274 78 884 170, 386 39 448 46, 292 123 129 218, 750 506 Franchise finance2- finance 910 47, 703 249, 222 299 40, 835 831 484, 952 525, 783 Total commercial loans179- loans255, 324 888 974 835, 601 657 1, 612 816, 123 39 428 97, 301 2 865 3, 719 005, 349 924 Consumer loansResidential mortgage306 --- mortgage 1 400 15, 279 30 573 379, 352 352 675 395, 648 011 383, 948 Home equity1, 759 356 239 278 5, 695 973 16, 902 24 179 23, 712 669 Other consumer1, 250 264 18, 576 30 307, 835 292 663 50, 111 377 513 324, 598 614 Total consumer loans3- loans2, 315 503 19, 254 32 329, 470 328 209 445, 560 368 965 796, 931 913 733, 258 Total commercial and consumer loans \$ 182 258, 639 477 \$ 921 854, 071 911 \$ 1 2, 940 145, 683 637 \$ 408 543, 214 830 \$ 3, 452 802, 607 855 The following table shows the rate sensitivity of the outstanding loans in our portfolio by the contractual maturity distribution intervals as of December 31, 2022-2023. (amounts in thousands) Within 1 Year- 5 Years5- 15 YearsBeyond 15 YearsTotalFixed rate \$ 73 76, 869 393 \$ 681 594, 066 012 \$ 1, 820 945, 170 \$ 429 \$ 304, 928 865 \$ 2 3, 880 045, 292 440 Variable rate108- rate182, 770 240 084 260, 005 120 899 200, 254 103 467 113, 286 572 965 757, 315 415 Total commercial and consumer loans \$ 182 258, 639 477 \$ 921 854, 071 911 \$ 1 2, 940 145, 683 637 \$ 408 543, 214 830 \$ 3, 452 802, 607 855 Loan Approval Procedures and Authority Our lending activities follow written, non- discriminatory policies with loan approval limits approved by the Board of Directors of the Bank. Loan officers have underwriting and approval authorization of varying amounts based on their lending experience and product type. Additionally, based on the amount of the loan, multiple approvals may be required. Based on the Bank's legal lending limit, the maximum it could lend to any one borrower at December 31, 2022-2023 was \$ 74 75, 7 6 million. Our goal is to have a well- diversified and balanced loan portfolio. In order to manage our loan portfolio risk, we establish concentration limits by borrower, product type, industry and geography. To supplement our internal loan review resources, we have engaged independent third- party loan review groups, which are a key component of our overall risk management process related to credit administration. Asset QualityDecember 31, (dollars in thousands) 20222021Nonaccrual --- 20232022Nonaccrual loansCommercial loans: Commercial and industrial \$ --- \$ 51 \$ 674 Owner- occupied commercial real estate1- estate --- 1, 570 3, 419 Single tenant lease financing --- 1, 100 Small business lending4- lending6, 824 4, 764 959 Franchise finance303 --- Total commercial loans6- loans7, 127 6, 385 6, 152 Consumer loans: Residential mortgage1, 911 1, 048 1, 226 Home equity --- 14 Other consumer17- consumer86 9 17 Total consumer loans1, 997 1, 065 1, 249 Total nonaccrual loans7- loans9, 124 7, 450 7, 401 Past Due 90 days and accruing loansConsumer loans: Residential mortgage79- mortgage838 --- 79 Total consumer loans79 --- loans838 79 Total past due 90 days and accruing loans79 --- loans838 79 Total nonperforming loans7- loans9, 962 7, 529 7, 401 Other real estate ownedResidential mortgage375 ownedSingle tenant lease financing --- 1, 188 Total other real estate owned- owned375 --- 1, 188 Other nonperforming assets42- assets17 29 42 Total nonperforming assets \$ 10, 354 \$ 7, 571 \$ 8, 618 Total nonperforming loans to total loans0. 22 26 % 0. 26 22 % Total nonperforming assets to total assets0. 17 20 % 0. 20 17 % Allowance for loan credit losses - loans to total loans0- loans1, 91 01 % 0. 96 91 % Nonaccrual loans to total loans0. 22 24 % 0. 26 21 % Allowance for loan credit losses - loans to nonaccrual loans426- loans425, 0 % 376 426, 2 0 % A loan is **individually evaluated** designated as **impaired**, in accordance with the impairment accounting guidance when, based on current information or events, it is probable that we will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Payments with delays generally not exceeding 90 days outstanding are not **considered impaired** **individually evaluated**. Certain nonaccrual and substantially all delinquent loans more than 90 days past due may be **individually evaluated** **considered to be impaired**. Generally, loans are placed on nonaccrual status at 90 days past due and accrued interest is reversed against earnings, unless the loan is well secured and in the process of collection. The accrual of interest on **individually evaluated** **impaired and nonaccrual** loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. **Impaired** **Individually evaluated** loans include nonperforming loans and also include loans **modified in troubled debt restructurings** ("TDRs") where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection. Nonperforming loans are comprised of total nonaccrual loans and loans 90 days past due and accruing. Nonperforming assets include nonperforming loans, other real estate owned ("**OREO**") and other nonperforming assets, which consist of repossessed assets. Nonperforming assets **can could** also include **investments that were classified individual securities for which a credit loss as has been recognized** other than temporarily impaired; however, we did not own any **investments securities** classified as such during the two- year period ended December 31, 2022-2023. Total The increase in nonperforming loans of **increased \$ 2. 4 million, or 32. 3 %, to \$ 10. 0 1 million as of December 31, 2023 compared** or 1. 7 %, to \$ 7. 5 million as of December 31, 2022 compared to \$ 7. 4 million as of December 31, 2021 was due primarily to **SBA increases in nonperforming** loans placed on nonaccrual **related to the small business lending and residential mortgage portfolios**, partially offset by **upgrades and an payoffs in owner- occupied commercial real estate and single tenant lease financing loan that was returned to accrual status** during 2022- the year. Total nonperforming assets **increased** declined by \$ 1 2, 0 8 million, or 1 2 36, 2 8 %, to \$ 10. 4 million as of December 31, 2022-2023, compared to \$ 7. 6 million as of December 31, 2021-2022, due primarily to the **upgrades increases of nonperforming loans related to small business lending** and payoffs discussed **residential**

mortgage portfolios mentioned above, as well as increases the decline in other real estate owned ("OREO") and accruing discussed below. The ratio of nonperforming loans to total past due 90 days or more, partially offset by the owner-occupied commercial real estate loans — loan mentioned above decreased to 0.22% as of December 31, 2022 compared, the Company had to two residential mortgage properties in OREO with a carrying value of \$ 0.26% as of December 31, 2021 and the ratio of nonperforming assets to total assets decreased to 0.17% as of December 31, 2022, the Company did not own any OREO compared to 0.20% as of December 31, 2021. Troubled Debt Restructurings December 31, (amounts in thousands) 2022 2021 Troubled debt restructurings — nonaccrual \$ 2 With the adoption ASU 2022- 02 , effective January 864 \$ 2, 492 Troubled debt restructurings — performing 2, 658 1, 693 Total 2023, troubled debt restructurings \$ 5, 522 \$ 4, 185 ("TDRs") accounting was eliminated. Total TDRs as of December 31, 2022 were \$ 5.5 million, up \$ 1.3 million from December 31, 2021. There were increase was driven by two portfolio residential mortgage loans and one small business lending loan classified as new TDRs during the twelve months ended December 31, 2022, with pre- modification and post- modification balances totaling \$ 1.6 million. As The following table provides a summary of troubled debt restructurings. December 31, (amounts in thousands) 2022 2021 Troubled debt restructurings — nonaccrual \$ 1. — \$ 2 million. During 2022, 864 Troubled debt restructurings — performing — the Company reached a settlement agreement with the guarantor, which resulted in the Company recovering \$ 1.2, 658 Total troubled debt restructurings \$ — \$ 5, 522 Allowance million in excess of the carrying value of OREO. Non-TDR Loan Modifications due to COVID-19 The "Interagency Statement on Loan Modifications and Reporting for Credit Losses Financial Institutions Working with Customers Affected by the Coronavirus" was issued by our banking regulators on March 22, 2020. This guidance encourages financial institutions to work prudently with borrowers who are or may be unable to meet their contractual payment obligations due to the effects of COVID-19. Additionally, Section 4013 of the CARES Act further provided that loan modifications due to the impact of COVID-19 that would otherwise be classified as TDRs under GAAP will not be so classified. Modifications within the scope of this relief were in effect from the period beginning March 1, 2020 until January 1, 2022. In accordance with this guidance, we offered modifications to borrowers who were both impacted by COVID-19 and current on all principal and interest payments. As of December 31, 2022, the Company had no loans Loans as non-TDR loan modifications due to COVID-19. U. S. Small Business Administration Paycheck Protection Program Section 1102 of the CARES Act created the Paycheck Protection Program ("PPP"), which is jointly administered by the SBA and the Department of the Treasury. The PPP is designed to provide a direct incentive to small businesses to retain employees on their payroll during COVID-19 as well as to help cover certain utility costs and rent payments. These loans may be forgiven if certain conditions are satisfied and are fully guaranteed by the SBA. In 2020, as a preferred SBA lender, we assisted our clients in participating in the PPP to help them maintain their workforce in an uncertain and challenging environment. The loans originated in 2020 bear an interest rate of 1.00%, and we received gross origination fees of approximately \$ 2.3 million. The Company received this fee revenue from the SBA in late June 2020, and it was deferred over the life of the PPP loans and recognized as interest income. The Company began processing applications for forgiveness from this round beginning in December 2020 and 100% of loan balances had been forgiven as of December 31, 2021. On December 27, 2020, \$ 285 billion in additional funding was allocated to the PPP through the passage of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act. The Company began offering PPP loans again in 2021 and continued until the program's funds were depleted. These loans may be forgiven if certain conditions are satisfied and are fully guaranteed by the SBA. The loans originated during 2021 bear an interest rate of 1.00% and the Company received gross origination fees of approximately \$ 1.3 million. The Company received this fee revenue from the SBA during 2021, and it was deferred over the life of the PPP loans and recognized as interest income. The Company began processing applications for forgiveness from this round beginning in May 2021 and 100% of loan balances had been forgiven as of December 31, 2022. The following table provides a rollforward of the activity of PPP loans through December 31, 2022. Number of Loans Principal Balance Net Deferred Fees Originated 447 \$ 58, 336 \$ 1, 851 Principal repaid (71) (7, 184) Net deferred fees recognized (1, 253) Balance, December 31, 2020 376 51, 152 Originated 281 27, 377 1, 125 Principal repaid (634) (75, 377) Net deferred fees recognized (1, 624) Balance, December 31, 2021 23 3, 152 99 Originated Principal repaid (23) (3, 152) Net deferred fees recognized (99) Balance, December 31, 2022 — \$ — \$ — Allowance for Loan Losses The following table provides a rollforward of the allowance for loan credit losses for the twelve months ended December 31, 2023 and 2022 and 2021. December 31, (amounts in thousands) 2022 2021 Balance 2023 2022 Balance, beginning of period \$ 31, 737 \$ 27, 841 \$ 29 Adoption of ASU 2016- 13 (CECL) 2, 484 962 — Balance, beginning of period 34, 699 27, 841 Provision charged to expense 4 expense 15, 454 4, 977 1, 030 Losses charged off Commercial and industrial — (287, 049) — Investor commercial real estate (591) — Healthcare finance (605) — Small business lending (2, 586) (402) Franchise finance (331) Residential mortgage (140) — Other consumer (582) (2, 358) Total losses charged off (11, 884) (2, 760) Recoveries Commercial and industrial 243 5 Single tenant lease financing — 1 (2, 231 391) Small business lending — lending 77 29 (402) (222) Residential mortgage mortgage 5 4 — (6) Home equity equity 6 139 — (51) Other consumer consumer 174 271 (2, 358) (529) Total losses charged off (2, 760) (3, 227) Recoveries Commercial and industrial 5 89 Single tenant lease financing 1, 231 — Small business lending 29 80 Residential mortgage 4 63 Home equity 139 7 Other consumer 271 315 Total recoveries 1 recoveries 505 1, 679 554 Balance, end of period \$ 38, 774 \$ 31, 737 \$ 27, 841 Net charge- offs \$ 11, 379 \$ 1, 081 \$ 2, 673 Net charge- offs (recoveries) to average loans (annualized) Commercial and industrial industrial 6.87% (0.01)% (0.08) Investor commercial real estate 0.47% — % Single tenant lease financing — % (0.14)% (0) Healthcare finance 0.26 25% — % Small business lending 0 lending 1.34% 0.32% 0 Franchise Finance 0.11 08% — % Total commercial net charge- offs (recoveries) (0.38% (0.03)% (0) Residential mortgage 0.10 03% Residential mortgage — % (0.03)% Home equity (0.02%) (0.68%) Other consumer 0.21% 0.24% Other consumer 0.43% 0.29% Total consumer net charge- offs (recoveries) 0.32 07% 0.04 32% Net charge- offs to average loans 0.03 31% 0.09 03% The determination of the allowance for loan credit losses ("ACL") and the related provision for loan credit losses are components of our significant accounting policies as discussed within Note 1 to our consolidated financial statements. The adequacy of the allowance for loan credit losses and the provision are based on the review and evaluation of the

loan portfolio and reflect management's assessment of the risks and potential losses within the portfolio. This evaluation considers **uses a discounted cash flow analysis based on** historical loss experience **data, reasonable and supportable forecasts and prepayment rates**, as well as qualitative factors such as economic and business conditions, portfolio growth, concentrations of credit in the portfolio, trends in risk grades, delinquencies within the portfolio and changes in our lending policies and practices. Management actively monitors asset quality and, when appropriate, charges off loans against the allowance for **loan-credit** losses. Although management believes it uses the best information available to make determinations with respect to the allowance for **loan-credit** losses, future adjustments may be necessary if economic conditions differ substantially from those in the assumptions used to determine the size of the allowance for **loan-credit** losses. The **ACL allowance for loan losses** was **\$ 38.8 million as of December 31, 2023, compared to an ALLL of \$ 31.7 million** as of December 31, 2022, compared to \$ 27.8 million as of December 31, 2021. The increase in the allowance for **loan-ACL reflects the day one current expected credit** losses compared to December 31 ("CECL") **adjustment of \$ 3.0 million**, overall 2021 was due primarily to the growth in the overall loan portfolio, **changes partially offset by a reduction in certain economic forecasts that impacted quantitative loss rates, adjustments to qualitative factors for certain portfolios and specific reserves placed**. The decrease in the specific reserves was due to positive developments on certain monitored loans. The **ACL allowance for loan losses** as a percentage of total loans; including and excluding PPP loans, was **1.01 % as of December 31, 2023, compared to 0.91 %** at as of December 31, 2022; compared to 0.96 % and 0.97 %, respectively, as of December 31, 2021. The **ACL allowance for loan losses** as a percentage of nonperforming loans **increased-decreased to 389.2 % as of December 31, 2023, compared to 421.5 %** as of December 31, 2022; up from to 376.2 % as of December 31, 2021. The provision for **credit losses- loans losses** was **\$ 15.5 -0 million** for the twelve months ended December 31, 2022-2023 compared to **\$ 1-5.0 million** for the twelve months ended December 31, 2021-2022. The increase in the provision for **loan-credit losses - loans for the twelve months ended December 31, 2023** was due **driven** primarily **by to the increase-increases** in loan balances during the year. During 2022, we recorded net charge-offs of \$ 1.1 million, **which included the aforementioned partial** compared to \$ 2.7 million during 2021. The decrease in net charge-offs- **off of** was due primarily to charge-offs that occurred during 2021 related to single tenant lease financing loans and a commercial and industrial relationship **participation loan and increased charge-offs in small business lending. Also impacting the increase in the provision for credit losses- loans were additional specific reserves related to small business lending, partially offset by the positive impact of economic forecasts on certain portfolios**. Investment Securities Portfolio In managing our investment securities portfolio, management focuses on providing an adequate level of liquidity and managing long-term interest rate risk, while earning an adequate level of investment income without taking undue risk. Investment securities that are acquired and held principally for the purpose of selling them in the near term with the objective of generating economic profits on short-term differences in market characteristics are classified as "trading securities." We did not classify any securities as trading securities as of December 31, **2023 and 2022 and 2021**. Securities that we intend to hold until maturity are classified as "held-to-maturity" securities, and all other investment securities are classified as "available-for-sale." The carrying values of available-for-sale investment securities are adjusted for unrealized gains or losses as a valuation allowance and any gain or loss is reported on an after-tax basis as a component of other comprehensive income (loss). We periodically evaluate each security in an unrealized loss position to determine if **the-there is an** impairment **is temporary or other-than-temporary**. As of December 31, **2022-2023**, the unrealized losses in our investment securities portfolio were due primarily to interest rate changes. We have the ability and intent to hold all investment securities in an unrealized loss position resulting from interest rate changes to the earlier of the forecasted recovery or the maturity of the underlying investment security. As of December 31, **2022-2023**, we did not have any investment securities of a single issuer that exceeded 10 % of shareholders' equity. The term "issuer" excludes the U. S. Government and its sponsored agencies and corporations. The following tables present the amortized cost and approximate fair value of our investment securities portfolio by security type as of the end of the last two years. (amounts in thousands) December 31, Amortized Cost **2022-2021 Securities-Cost 2023 2022 Securities** available-for-sale U. S. Government-sponsored agencies \$ **96,404** \$ **35,606** \$ **50,013** Municipal securities **68 securities 69,494 68**, 958 75,158 Agency mortgage-backed securities- residential **252 residential 237,798 252**, 066 377,928 Agency mortgage-backed securities- commercial **17 commercial 40,215 17**, 142 36,024 Private label mortgage-backed securities- residential **11 residential 21,742 11**, 777 15,902 Asset-backed securities **5 securities 8**, 000 **071** 5,000 Corporate securities **45 securities 39,591 45**, 634 46,482 Total securities available-for-sale **436 sale 513,315 436**, 183 606,507 Securities held-to-maturity Municipal securities **13, 889 13**, 946 **13, 992** Agency mortgage-backed securities- residential **121 residential 166,750 121**, 853 — Agency mortgage-backed securities- commercial **5, 767 5**, 818 — Corporate securities **47 securities 40,747 47**, 551 **45 Total held-to-maturity**, **573 net 227,153 189,168** Total securities **\$ 740 held-to-maturity 189,468 168 59,565 Total securities** \$ 625,351 \$ 666,072 December 31, Approximate Fair Value **2022 2021 Securities Value 2023 2022 Securities** available-for-sale U. S. Government-sponsored agencies \$ **95,177** \$ **33,809** \$ **49,040** Municipal securities **67 securities 68,446 67**, 276 77,033 Agency mortgage-backed securities- residential **215 residential 206,649 215**, 092 373,236 Agency mortgage-backed securities- commercial **15 commercial 38,885 15**, 840 36,326 Private label mortgage-backed securities- residential **10 residential 20,779 10**, 455 16,021 Asset-backed securities **4 securities 8,081 4**, 960 5,004 Corporate securities **42 securities 36,838 42**, 952 46,384 Total securities available-for-sale **390 sale 474,855 390**, 384 603,044 Securities held-to-maturity Municipal securities **12 securities 13,040 12**, 832 **14,709** Agency mortgage-backed securities- residential **106 residential 152,642 106**, 741 — Agency mortgage-backed securities- commercial **4, 521 4, 552** — Corporate securities **44 securities 37,369 44**, 358 **46 Total held-to-maturity 207,759 572 168,483** Total securities **\$ 682 held-to-maturity 168,427 483 61,468 Total securities** \$ 558,867 \$ 664,512 The approximate fair value of investment securities available-for-sale decreased **increased \$ 212 84**, 7-5 million, or 35-21.3-6 %, **to \$ 474.9 million as of December 31, 2023 compared to \$ 390.4 million** as of December 31, 2022 compared to \$ 603.0 million as of December 31, 2021. The decrease **increase** was due primarily to **increases** a decrease of \$ 158-61.41 million in agency mortgage-backed securities- residential, \$ 20.5 million in agency mortgage-backed securities- commercial, \$ 15.2 million in U. S. Government-sponsored agencies securities, \$ 9-23.8-0 million in municipal agency mortgage-backed securities, **commercial** and \$ 5-10.6-3 million in private label mortgage-backed

securities- residential -The, partially offset by decrease decreases of \$ 8.4 million in agency mortgage- backed securities- residential and \$ 6.1 million in corporate securities. During 2023, the Company's strategy for purchasing available- for- sale securities included a focus on variable rate agency and high- quality short duration private label mortgage- backed securities in order to minimize price risk regardless of the interest rate environment. As of December 31, 2023, the Company had securities with an amortized cost basis of \$ 207.6 million designated as held - commercial to- maturity compared to \$ 168.5 million as of December 31, 2022. The increase was due primarily to the transfer CRA- eligible purchases of agency mortgage- backed \$ 96.2 million of these securities from available- residential for- sale to held- to- maturity in the first quarter 2022, a decline in fair value resulting from the continued rise in interest rates, as well as net paydown activity. The decreases in other securities types were also driven by a decline in value resulting from the continued rise in interest rates, as well as net paydown activity. Investment Maturities The following table summarizes the contractual maturity schedule (without regard to repricing schedules) of our investment securities at their amortized cost and their weighted average yields at December 31, 2022-2023. 1 year or less More than 1 year to 5 years More than 5 years to 10 years More than 10 years Total (dollars in thousands)

Amortized Cost	Wtd. Avg. Yield	Amortized Cost	Wtd. Avg. Yield	Amortized Cost	Wtd. Avg. Yield	Amortized Cost	Wtd. Avg. Yield
Yield	Amortized Cost	Wtd. Avg. Yield	Securities: U. S. Government- sponsored agencies	\$ —	0.250	2.00	84 %
\$ 1,996	4.38	6—	86	2.63	%	\$ 20	39, 543
2.39	1.5	98	61	%	\$ 13	54, 677	2.76
7.5	39	58	%	\$ 35	96, 606	2.40	5.74
57	%	Municipal securities	—	0	1,295	2.00	35 %
9	11	522	987	2.90	89	%	13
16	2,90	938	2.78	71	%	60	53, 092
163	2.68	71	%	82	83, 904	383	2.72
73	%	Agency mortgage- backed securities- residential	—	0.00	%	—	0.56
1.00	68	%	5.4	273	558	2.70	06
368	399	646	1	422	2.82	45	%
373	404	919	1	548	2.83	45	%
Agency mortgage- backed securities- commercial	—	0.00	%	4,950	769	2.39	24
2	705	4.49	17,305	2.23	%	22,960	1
158	6.46	17	19,055	2.84	%	45,982	4.40
4.40	%	Private- label mortgage- backed securities- residential	—	0.00	%	—	0.00
11	21	777	3	742	4.14	68	%
11	21	777	3	742	4.14	68	%
14	68	%	Asset- backed securities	—	0.00	%	—
5	8	000	071	6.21	94	%	8
8	000	071	6.21	94	%	8	000
071	6.21	94	%	8	000	071	6.21
94	%	Corporate securities	—	0.00	%	35	23, 066
5.39	78	%	58	56, 119	792	4.51	64
%	—	0.00	%	93	80, 185	338	4.84
98	%	Total securities	\$ —	0	1,545	2.00	43 %
\$ 42,866	4.50	%	\$ 139,924	837	4.54	84	%
\$ 102,556	930	220	2.95	%	\$ 740,468	3.39	97
\$ 471,497	1.99	%	\$ 625,351	2.49	%	Accrued Income and Other Assets	Accrued income and other assets decreased

increased \$ 6.2 million, or 4.13. 2.8 %, to \$ 51.1 million at December 31, 2023 compared to \$ 44.9 million at December 31, 2022 compared to \$ 46.9 million. The increase was due primarily to increases of \$ 3.0 million at December 31, 2021 in deferred tax assets and \$ 3.4 million in fund investments. Deposits The following table presents the composition of our deposit base as of the end of the last two years. December 31, (dollars in thousands) 2022 2021 Noninterest- bearing deposits \$ 123,464 3.0 % \$ 175,315 5.1 % \$ 117,531 3.7 % Interest- bearing demand deposits 335 deposits 402,976 9.9 % 335 611 9.8 % 247,967 7.8 % Savings accounts 44 accounts 21,364 0.5 % 44 819 1.3 % 59,998 1.9 % Money market accounts 1,248,319 30.8 % 1,418,599 41.2 % BaaS- brokered deposits 74,401 1.483,936 46.7 % 13 13 BaaS- brokered deposits 13,607 0.4 %

Certificates of deposits 1,605,156 39.5 % 874 874 Certificates of deposits 874,490 25.4 % 970 970 Brokered deposits 591,107 30.293 14.5 % 578 578 Brokered deposits 578,804 16.8 % Total \$ 299,420 9.4 % Total \$ 3,441,066,245 973 100.0 % \$ 3,178 441,959 245 100.0 % Total deposits increased \$ 262.625. 3.7 million, or 8.18. 3.2 %, to \$ 4.1 billion as of December 31, 2023 compared to \$ 3.4 billion as of December 31, 2022 compared to \$ 3.2 billion as of December 31, 2021. This increase was due primarily to increases of \$ 279.730.7 million, or 83.6 %, in certificates of deposits, \$ 67.4 million, or 93.20. 13 %, in brokered deposits, \$ 87.6 million, or 35.3 %, in interest- bearing demand deposits, \$ 57.60. 8 million, or 49.446. 8 %, in BaaS- brokered deposits and \$ 12.5 million, 2.2 %, in noninterest- bearing deposits and \$ 13.6 million in BaaS- brokered deposits, partially offset by decreases a decline of \$ 170.95.6 million, or 9.9 % in certificates of deposits, \$ 65.3 million, or 4.12. 40 %, in money market accounts, and \$ 15.51. 2.9 million, or 25.29. 6 %, in noninterest- bearing deposits, and \$ 23.5 million, or 52.3 %, in savings accounts. The increase in certificates of deposits and brokered deposits was due primarily to strong consumer accessing certain deposit channels during the third and fourth quarters- small business demand in 2022-2023 to support balance sheet liquidity and manage interest rate risk. The increase in the balance of interest- bearing demand deposits was due primarily to growth a new customer relationship with approximately \$ 100.0 million in fintech partnership deposits with a contractual term of five years and a fixed rate of 1.15 %. The increase in BaaS the balance of noninterest- brokered bearing demand deposits was driven primarily by deposits associated higher payments volume with one of our fintech partners. The commercial real estate construction and development lending, as well as an increase in non- brokered BaaS deposits. BaaS- brokered deposits increased due to certain fintech relationships being on- boarded during the fourth quarter 2022, which resulted in deposit inflows of \$ 13.6 million at year end 2022. The decrease in the balance of certificates of deposits was due to the maturity issuance of higher long- term brokered certificates cost balances and reduced pricing strategies designed to limit the volume of new production deposits to manage long- term interest rate risk and take advantage of the inverted yield curve. The decrease in money market accounts was due primarily to certain customer activity that can be periodically volatile, as well as certain higher- cost relationships that were exited during 2023. The decline in noninterest- bearing deposits was due primarily to drawdowns from commercial real estate development and construction clients contributing equity to projects the Company is financing. The decrease in savings accounts was due primarily to customer withdrawal activity. Uninsured deposit balances represented 25 % of total deposits at December 31, 2023, down from 33 % at December 31, 2022. These balances include Indiana- based municipal deposits, which are insured by the Indiana Board for Depositories, as well as larger balance accounts under contractual agreements that only allow withdrawal under certain conditions. After subtracting these types of deposits, the adjusted uninsured deposit balance decreased to 19 % as of December 31 2023, down from 24 % as of December 31, 2022. The following tables present contractual interest rates paid on time deposits, their scheduled maturities, and the scheduled maturities for time deposits greater than \$ 250,000. Time Deposit Maturities at December 31, 2022-2023 Period to Maturity Percentage of Total Certificate Accounts (dollars in thousands) Less than 1 year > 1 year to 2 years > 2 years to 3 years More than 3 years Total Interest Rate: < 1.00 % \$ 217.64, 897.307 \$ 73.91, 320.103 \$ 96.47, 589.939 \$ 92.53, 519.638 \$ 480.256, 325.42.987 13.5.8 % 1.00 % - 1.99 % 89.14, 076.668 7,643 254 628 23, 19.193, 076.10, 559.1, 323.120, 034.10.6.2 %



2.00% – 2.99% 144,777, 606,802, 576, 122,721, 711,488, 875,400, 471,280, 610,126, 910,249, 959,698% 3.00% – 3.99% 99,280, 011,210, 030,200, 034,898, 826,277, 695,155, 140,115, 723,130, 057,191, 053,108, 82% 4.00% – 4.99% 1,142,207,500, 88,088,200, 411,432,856, 031,136,092, 771,826,654,677, 27% 5.00% – 5.99% 5,955,213,6,168,033% Total \$ 639,001 \$ 197,912 \$ 123,842 \$ 169,008 \$ 1,129,332, 763,424 \$ 175,877 \$ 98,749 \$ 265,964 \$ 1,873,014 100.0% Time Deposit Maturities Greater than \$ 250,000 (dollars in thousands) December 31, 2022 Maturity 2023 Maturity Period: 3 months or less \$ 37,157, 873,414 Over 3 through 6 months 64 months 112, 277,044 Over 6 through 12 months 105 months 160, 853,658 Over 12 months 276 months 273, 697,719 Total \$ 484,703, 700,835 Federal Home Loan Bank Advances Although deposits are the primary source of funds for our lending and investment activities and for general business purposes, we may use short-term advances from the Federal Home Loan Bank of Indianapolis (the “FHLB”) to manage liquidity needs and longer-term advances to supplement deposit growth and manage interest rate risk. The following table is a summary of FHLB borrowings for the periods indicated. At or For The Twelve Months Ended December 31, (dollars in thousands) 2022 2021 2020 Balance 2023 2022 Balance outstanding at end of period \$ 614,934 \$ 614,928 \$ 514,922 \$ 514,916 Average amount outstanding during period 534 period 614,931 534, 144 514,617 514,913 Maximum outstanding at any month end during period 615 period 614,934 615, 928 514,922 514,916 Weighted average interest rate at end of period 12 period 13.04% 2.82% 1.65% 1.30% Weighted average interest rate during period 12 period 13.00% 2.15% 1.68% 1.78% Excludes the impact of interest rate swaps. Refer to Note 18 to our consolidated financial statements for additional information about derivative financial instruments. Accrued Expenses and Other Liabilities Accrued expenses and other liabilities were decreased \$ 0.3 million, or 2.3%, to \$ 14.2 million at December 31, 2023, compared to \$ 14.5 million at December 31, 2022, compared to \$ 30.5 million at December 31, 2021. The decrease in accrued expenses and other liabilities was due primarily to decreases of \$ 2.9 million in other liabilities, \$ 1.6 million in accrued taxes, \$ 0.2 million in accrued salary and benefits and \$ 0.4 million in accrued property taxes, partially offset by increases of \$ 3.7 million in the reserve for unfunded commitments as a result of the adoption of CECL in 2023, as well as new origination activity, and an increase of \$ 140.37 million decrease in derivative liabilities liability due to changes in fair value. Liquidity and Capital Resources Liquidity management is the process used by the Company to manage the continuing flow of funds necessary to meet its financial commitments on a timely basis and at a reasonable cost while also maintaining safe and sound operations. Liquidity, represented by cash and investment securities, is a product of the Company’s operating, investing and financing activities. The primary sources of funds are deposits, principal and interest payments on loans and investment securities, maturing loans and investment securities, access to wholesale funding sources and collateralized borrowings. While scheduled payments and maturities of loans and investment securities are relatively predictable sources of funds, deposit flows are greatly influenced by interest rates, general economic conditions and competition. Therefore, the Company supplements deposit growth and enhances interest rate risk management through borrowings and wholesale funding, which are generally advances from the Federal Home Loan Bank and brokered deposits. The Company holds cash and investment securities that qualify as liquid assets to maintain adequate liquidity to ensure safe and sound operations and meet its financial commitments. At December 31, 2022-2023, on a consolidated basis, the Company had \$ 0.69 billion in cash and cash equivalents and investment securities available-for-sale, and \$ 21.22.51 million in loans held-for-sale that were generally available for our cash needs. The Company can also generate funds from wholesale funding sources and collateralized borrowings. At December 31, 2022-2023, the Bank had the ability to borrow an additional \$ 473.1.92 million billion from the FHLB, the Federal Reserve and correspondent bank Fed Funds lines of credit. The Company is a separate legal entity from the Bank and must provide for its own liquidity. In addition to its operating expenses, the Company is responsible for paying any dividends declared to its common shareholders and interest and principal on outstanding debt. The Company’s primary sources of funds are cash maintained at the holding company level and dividends from the Bank, the payment of which is subject to regulatory limits. At December 31, 2022-2023, the Company, on an unconsolidated basis, had \$ 22.11.36 million in cash generally available for its cash needs, which is in excess of its current annual regular shareholder dividend and operating expenses. The Company uses its sources of funds primarily to meet ongoing financial commitments, including withdrawals by depositors, credit commitments to borrowers, operating expenses and capital expenditures. At December 31, 2022-2023, approved outstanding loan commitments, including unused lines of credit and standby letters of credit, amounted to \$ 485.755.4 million. Certificates of deposits and brokered certificates of deposits scheduled to mature in one year or less at December 31, 2022-2023 totaled \$ 639.1.03 million billion. Management is not aware of any other events or regulatory requirements that, if implemented, are likely to have a material effect on either the Company’s or the Bank’s liquidity. The following table presents the Company’s significant contractual obligations as of December 31, 2022-2023. Payments Due In (dollars in thousands) Note Reference Less than 1 year 1- 3 years 3- 5 years More than 5 years Total Deposits years Total Premises and equipment 5 \$ 4,200 \$ — \$ — \$ 4,200 Deposits and brokered deposits without stated maturity 1 82,311,193, 482,959 — — — 2,311,193, 482,959 Certificates of deposits and brokered deposits 1 deposits 181, 28639,332, 002,321,424,274, 754,169,626, 259,007,564,6,400, 1,129,873, 763,014 FHLB advances 1, 29145,29255,003,100, 000,135,235,009,110, 000,124,919,931, 614,928,934 Subordinated debt 110 — — — 107,000,107,000 Total contractual obligations \$ 3,099,781, 684,386 \$ 556,374, 763,626 \$ 279,394, 007,564 \$ 231,238, 919,331 \$ 4,167,788, 373,907 1 Amounts do not include associated interest payments. 2 Amounts do not include the effect of interest rate swaps used to convert short-term advances into long-term funding. In October 2021, the Company’s Board of Directors approved a stock repurchase program authorizing the repurchase of up to \$ 30.0 million of the Company’s outstanding common stock from time to time on the open market or in privately negotiated transactions. In October 2022, the Company’s Board of Directors increased the authorization to \$ 35.0 million. Under this program, The Company repurchased a total of 855,956 shares at an average price of \$ 36.31 per share under the program through December 19, 2022. On December 19, 2022, the Company’s Board of Directors approved a new stock repurchase program to replace the prior program. The new program authorizing authorized the repurchase of up to \$ 25.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization replaced the Company’s previously announced stock repurchase program and is scheduled to expire on December 31, 2024. Under this program, the Company repurchased 502,525 shares of common stock at an average price of \$ 18.40 per share, during 2023 and 46,497

shares of common stock at an average price of \$ 24. 42 per share, during 2022. As of December 31, 2023, the Company had \$ 14. 6 million of remaining authority under the program. Various factors determine the amount and timing of our share repurchases, including our capital requirements, organic growth and other strategic opportunities, economic and market conditions (including the trading price of our stock), and regulatory and legal considerations. See Part II, Item 5, of this report for information regarding recent repurchase activity and our remaining authority under the program. This Management's Discussion and Analysis contains financial information determined by methods other than in accordance with GAAP. Non- GAAP financial measures, specifically tangible common equity, tangible assets, tangible book value per common share, tangible common equity to tangible assets, average tangible common equity, return on average tangible common equity, total interest income- FTE, net interest income- FTE and, net interest margin- FTE, adjusted total revenue, adjusted noninterest income, adjusted noninterest expense, adjusted income before income taxes, adjusted income tax provision, adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, adjusted return on average shareholders' equity and adjusted return on average tangible common equity are used by the Company's management to measure the strength of its capital and analyze profitability, including its ability to generate earnings on tangible capital invested by its shareholders. The Company also believes that it is standard practice in the banking industry to present total interest income, net interest income and net interest margin on a fully- taxable equivalent basis, as those measures provide useful information for peer comparisons. Although the Company believes these non- GAAP financial measures provide a greater understanding of its business, they should not be considered a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non- GAAP financial measures that may be presented by other companies. Reconciliations of these non- GAAP financial measures to the most directly comparable GAAP financial measures are included in the following table tables for the last three completed fiscal years ended on December 31. (dollars in thousands, except share and per share data) At or For The Twelve Months Ended December 31, 2022 2021 2020 Total

	2023	2022	2021	Total
equity- GAAP	\$ 362, 795	\$ 364, 974	\$ 380, 338	\$ 330, 944
Adjustments: Goodwill	(4, 687)	(4, 687)	(4, 687)	(4, 687)
Tangible common equity	\$ 358, 108	\$ 360, 287	\$ 375, 651	\$ 326, 257
Total assets- GAAP	\$ 5, 167, 572	\$ 4, 543, 104	\$ 4, 210, 994	\$ 4, 246, 156
Adjustments: Goodwill	(4, 687)	(4, 687)	(4, 687)	(4, 687)
Tangible assets	\$ 5, 162, 885	\$ 4, 538, 417	\$ 4, 206, 307	\$ 4, 241, 469
Total common shares outstanding	8, 644, 451	9, 065, 883	9, 754, 455	9, 800, 569
Book value per common share	\$ 41. 97	\$ 40. 26	\$ 38. 99	\$ 33. 77
Effect of goodwill	(0. 54)	(0. 52)	(0. 48)	(0. 48)
Tangible book value per common share	\$ 41. 43	\$ 39. 74	\$ 38. 51	\$ 33. 29
Total shareholders' equity to assets	7. 02 %	8. 03 %	9. 03 %	7. 94 %
Effect of goodwill	(0. 79)	(0. 08)	(0. 09)	(0. 10)
Tangible common equity to tangible assets	6. 94 %	7. 94 %	8. 93 %	7. 69 %
Total average equity- GAAP	\$ 357, 800	\$ 372, 844	\$ 358, 105	\$ 313, 763
Adjustments: Average goodwill	(4, 687)	(4, 687)	(4, 687)	(4, 687)
Average tangible common equity	\$ 353, 113	\$ 368, 157	\$ 353, 418	\$ 309, 076
Return on average shareholders' equity	2. 35 %	2. 53 %	13. 44 %	9. 53 %
Effect of goodwill	0. 39	0. 03	0. 00	0. 12
Return on average tangible common equity	2. 38 %	2. 53 %	13. 61 %	9. 53 %
Total interest income	\$ 239, 442	\$ 156, 908	\$ 133, 883	\$ 136, 859
Adjustments: Fully- taxable equivalent adjustments	15, 233	5, 355	5, 453	5, 796
Total interest income- FTE	\$ 244, 675	\$ 162, 263	\$ 139, 336	\$ 142, 655
Net interest income	\$ 74, 904	\$ 97, 093	\$ 86, 556	\$ 64, 541
Adjustments: Fully- taxable equivalent adjustments	15, 233	5, 355	5, 453	5, 796
Net interest income- FTE	\$ 80, 137	\$ 102, 448	\$ 92, 009	\$ 70, 337
Net interest margin	2. 56 %	2. 41 %	2. 11 %	1. 55 %
Effect of fully- taxable equivalent adjustments	0. 11	0. 13	0. 14	0. 13
Net interest margin- FTE	2. 67 %	2. 54 %	2. 25 %	1. 68 %

(dollars in thousands, except share and per share data) At or For The Twelve Months Ended December 31, 2023 2022 2021 Total Revenue- GAAP \$ 101, 029 \$ 118, 350 \$ 119, 400 Adjustments: Mortgage- related revenue (65) — — Gain on sale of premises and equipment — — (2, 523) Subordinated debt redemption cost — — 810 Adjusted total revenue \$ 100, 964 \$ 118, 350 \$ 117, 687 Noninterest income- GAAP \$ 26, 125 \$ 21, 257 \$ 32, 844 Adjustments: Mortgage- related revenue (65) — — Gain on sale of premises and equipment — — (2, 523) Adjusted noninterest income \$ 26, 060 \$ 21, 257 \$ 30, 321 Noninterest expense- GAAP \$ 79, 436 \$ 73, 273 \$ 61, 798 Adjustments: Mortgage- related costs (3, 052) — — Acquisition- related expenses — (273) (163) IT Termination fee — (475) Nonrecurring consulting fee — (875) — Write- down of Software — (125) — Discretionary inflation bonus — (531) — Accelerated equity compensation — (289) — Adjusted noninterest expense \$ 76, 384 \$ 71, 180 \$ 61, 160 Income before income taxes- GAAP \$ 4, 940 \$ 40, 100 \$ 56, 572 Adjustments: 1 Mortgage- related revenue (65) — — Mortgage- related costs 3, 052 — — Gain on sale of premises and equipment — — (2, 523) Partial charge- off of C & I participation loan 6, 914 — — Acquisition- related expenses — 273 163 IT Termination fee — 475 Nonrecurring consulting fee — 875 — Write- down of Software — 125 — Subordinated debt redemption cost — — 810 Discretionary inflation bonus — 531 — Accelerated equity compensation — 289 — Adjusted income before income taxes \$ 14, 841 \$ 42, 193 \$ 55, 497 Income tax provision- GAAP \$ (3, 477) \$ 4, 559 \$ 8, 458 Adjustments: 1 Mortgage- related revenue (14) — — Mortgage- related costs 641 — — Gain on sale of premises and equipment — — (530) Partial charge- off of C & I participation loan 1, 452 — — Acquisition- related expenses — 57 34 IT Termination fee — 100 Nonrecurring consulting fee — 184 — Write- down of Software — 26 — Subordinated debt redemption cost — — 170 Discretionary inflation bonus — 112 — Accelerated equity compensation — 61 — Adjusted income tax provision \$ (1, 398) \$ 4, 999 \$ 8, 232 1 Assuming a 21 % tax rate (dollars in thousands, except share and per share data) At or For The Twelve Months Ended December 31, 2023 2022 2021 Net income- GAAP \$ 8, 417 \$ 35, 541 \$ 48, 114 Adjustments: Mortgage- related revenue (51) — — Mortgage- related costs 2, 411 — — Partial charge- off of C & I participation loan 5, 462 — — Gain on sale of premises and equipment — — (1, 993) IT Termination fee — — 375 Acquisition- related expenses — 216 129 Nonrecurring consulting fee — 691 — Write- down of Software — 99 — Subordinated debt redemption cost — — 640 Discretionary inflation bonus — 419 — Accelerated equity compensation — 228 — Adjusted net income \$ 16, 239 \$ 37, 194 \$ 47, 265 Diluted average common shares outstanding 8, 858, 890 9, 595, 115 9, 976, 261 Diluted earnings per share- GAAP \$ 0. 95 \$ 3. 70 \$ 4. 82 Adjustments: Mortgage- related revenue (0. 01) — — Mortgage- related costs 0. 27 — — Effect of gain on sale of premises and equipment — — (0. 19) Effect of partial charge- off of C & I participation loan 0. 62 — — Effect of acquisition- related expenses — 0. 02 0. 01 Effect of IT termination fee — —

0.04 Effect of nonrecurring consulting fee — 0.07 — Effect of write-down of software — 0.01 — Effect of subordinated debt redemption cost — — 0.06 Effect of discretionary inflation bonus — 0.04 — Effect of accelerated equity compensation — 0.02 — Adjusted diluted earnings per share \$ 1.83 \$ 3.86 \$ 4.74 Return on average assets0.17 % 0.85 % 1.14 % Effect of mortgage-related revenue0.00 % 0.00 % 0.00 % Effect of mortgage-related costs0.05 % 0.00 % 0.00 % Effect of gain on sale of premises and equipment0.00 % 0.00 % (0.05 %) Effect of partial charge-off of C & I participation loan0.11 % 0.00 % 0.00 % Effect of acquisition-related expenses0.00 % 0.01 % 0.00 % Effect of IT termination fee0.00 % 0.00 % 0.01 % Effect of nonrecurring consulting fee0.00 % 0.02 % 0.00 % Effect of write-down of software0.00 % 0.00 % 0.00 % Effect of subordinated debt redemption cost0.00 % 0.00 % 0.02 % Effect of discretionary inflation bonus0.00 % 0.01 % 0.00 % Effect of accelerated equity compensation0.00 % 0.01 % 0.00 % Adjusted return on average assets0.33 % 0.90 % 1.12 % (dollars in thousands, except share and per share data) At or For The Twelve Months Ended December 31, 202320222021Return on average shareholders' equity2.35 % 9.53 % 13.44 % Effect of mortgage-related revenue (0.01) % 0.00 % 0.00 % Effect of mortgage-related costs0.67 % 0.00 % 0.00 % Effect of gain on sale of premises and equipment 0.00 % 0.00 % (0.56 %) Effect of partial charge-off of C & I participation loan1.53 % 0.00 % 0.00 % Effect of acquisition-related expenses0.00 % 0.06 % 0.04 % Effect of IT termination fee0.00 % 0.00 % 0.10 % Effect of nonrecurring consulting fee0.00 % 0.19 % 0.00 % Effect of write-down of software0.00 % 0.03 % 0.00 % Effect of subordinated debt redemption cost 0.00 % 0.00 % 0.18 % Effect of discretionary inflation bonus0.00 % 0.11 % 0.00 % Effect of accelerated equity compensation0.00 % 0.06 % 0.00 % Adjusted return on average tangible common equity4.54 % 9.98 % 13.20 % Return on average tangible common equity2.38 % 9.65 % 13.61 % Effect of mortgage-related revenue (0.01) % 0.00 % 0.00 % Effect of mortgage-related costs0.68 % 0.00 % 0.00 % Effect of partial charge-off of C & I participation loan1.55 % 0.00 % 0.00 % Effect of gain on sale of premises and equipment0.00 % 0.00 % (0.56 %) Effect of acquisition-related expenses0.00 % 0.06 % 0.04 % Effect of IT termination fee0.00 % 0.00 % 0.10 % Effect of nonrecurring consulting fee0.00 % 0.19 % 0.00 % Effect of write-down of software0.00 % 0.03 % 0.00 % Effect of subordinated debt redemption cost0.00 % 0.00 % 0.18 % Effect of discretionary inflation bonus0.00 % 0.11 % 0.00 % Effect of accelerated equity compensation0.00 % 0.06 % 0.00 % Adjusted return on average tangible common equity4.60 % 10.10 % 13.37 %

**Critical Accounting Policies and Estimates**

**Allowance-Adoption of new accounting standards ASU 2016- 13** On January 1, 2023, the Company adopted ASU 2016- 03 **Financial Instruments- Credit losses (“ASC 326”): Measurement of Credit Losses on Financial Instruments**, as amended, which replaces the incurred loss methodology with an expected credit loss (“CECL”) methodology. The CECL estimate is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures, including loan commitments, standby letters of credit, financial guarantees and other similar instruments. Additionally, ASC 326 resulted in changes to the accounting for Loan Losses available-for-sale and held-to-maturity debt securities. We believe The Company adopted ASC 326 for all financial assets measured at amortized cost, available-for-sale securities and off-balance sheet credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326, while prior period amounts continue to be reported in accordance with previously applicable U. S. GAAP. The Company recorded a net decrease to retained earnings of \$ 4.5 million as of January 1, 2023 for the cumulative effect of adopting ASC 326. The net adjustment to allowance for credit losses (“ACL”) includes \$ 2.3 million related to loans, \$ 1.9 million related to off-balance sheet credit exposures and \$ 0.3 million related to held-to-maturity debt securities. **ACL- Loans** The ACL for loans represents management's estimate of all expected credit losses over the expected life of the Company's existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. When the Company is unable to forecast future economic events, management may revert to historical information. Accrued interest receivable on loans totaled \$ 20.9 million as of December 31, 2023 and is excluded from the estimate of credit losses. The Company made the critical accounting policy election to not measure that requires the most significant judgments and an assumptions used in the preparation **ACL for accrued interest receivable. Accrued interest deemed uncollectible will be written off through interest income** our consolidated financial statements. **ACL- Loans- Collectively Evaluated** The ACL is measured on a collective pool basis when similar risk characteristics exist. The Company utilized a discounted cash flow (“DCF”) method to estimate of potential losses inherent in the loan quantitative portfolio -- portion of the is determined and an allowance for those credit losses is established by considering factors including historical for loans evaluated on a collective pooled basis. For each segment, a loss rates, expected-driver analysis was performed in order to identify loss drivers and create a regression model for use in forecasting cash flows. In creating the DCF model, the Company has established a one-year reasonable and supportable forecast period with a one-year straight line reversion to the long-term historical average. Due to its minimal loss history, the Company elected to use peer data for a more reasonable calculation. Key inputs into the DCF model include loan-level detail, including the amortized cost basis of individual loans, payment structure, loss history, and forecasted loss drivers. The Company utilizes a third party to provide economic forecasts under various scenarios, which are assessed quarterly considering the scenarios in the context of the current economic environment and loss risk. Expected credit losses are estimated over the contractual term of the loans and adjusted for prepayments when appropriate. The contractual term excludes extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company. Additional key assumptions in the DCF model include the probability of default (“PD”), loss given default (“LGD”), and prepayment / curtailment rates. The Company utilizes the model-driven PD and a LGD derived from a method referred to as Frye Jacobs. The Frye Jacobs method is a mathematical formula that traces the relationship between LGD and PD over time and projects the LGD based on the level of PD forecasted. In all cases, the Frye Jacobs method is utilized to calculate LGDs during the forecast period, reversion

period and long-term historical average. Prepayment and curtailment rates were calculated through third party analysis of the Company's own data. Qualitative factors for the DCF and weighted-average remaining maturity methodologies include the following: • Changes in lending policies and procedures, including changes in underwriting standards and collections, charge-offs and recovery practices • Changes in international, national, regional and local conditions • Changes in the nature and volume of the portfolio and terms of loans • Changes in the experience, depth and ability of lending management • Changes in the volume and severity of past due loans and other similar conditions • Changes in the quality of the organization's loan review system • Changes in the value of underlying collateral values, for collateral dependent loans • The existence and effect of any concentrations of credit and changes in the levels of such concentrations • The effect of other qualitative-external factors (i. e. competition, legal and regulatory requirements) on the level of estimated credit losses

**ACL- Loans- Individually Evaluated Loans** that do not share risk characteristics are evaluated on an individual basis and are excluded from the collective evaluation. The allowance Company has determined that any loans which have been placed on nonaccrual status will be individually evaluated. Individual analysis will establish a specific reserve for loan losses represents, if necessary. Specific reserves on nonaccrual loans are typically based on management's best estimate of the fair value of collateral securing these loans, adjusted for selling costs as necessary.

**ACL- Off- Balance Sheet Credit Exposures** The Company estimates expected credit losses over inherent in the existing loan portfolio contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for loan losses on off-balance sheet credit exposure is increased by the recorded as a liability and adjusted as a provision for loan credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected charged to expense and reduced by loans charged-off, net of recoveries. Management evaluates the allowance for loan losses quarterly. If the underlying assumptions later prove to be funded over inaccurate based on subsequent loss evaluations, the allowance for loan losses is its adjusted. Management estimates estimated life the appropriate level of allowance for loan losses by separately evaluating impaired and non-impaired loans.

**Funding** A specific allowance is assigned to an impaired loan when expected cash flows or collateral do not justify the carrying amount of the loan. The methodology used to assign an allowance to a non-impaired loan is more subjective. Generally, the allowance assigned to non-impaired loans is determined by applying historical loss rates to existing loans with similar risk characteristics, adjusted for qualitative factors including changes in economic and business conditions, unemployment rates, concentrations of credit, changes in the nature and volume of the portfolio, terms of loans, risk grades, trends in charge-offs and recoveries, trends in delinquencies, nonaccrual loans, and impaired loans, and changes in lending policies and procedures. Because the economic and business climate in any given industry or market, and its impact on any given borrower, can change rapidly, the risk profile of the loan portfolio is periodically assessed and adjusted when appropriate. Notwithstanding these procedures, there still exists the possibility that the assessment could prove to be significantly incorrect and that an immediate adjustment to the allowance for loan losses would be required.

**Investments in Debt and Equity Securities.** We classify investments in debt and equity securities as available-for-sale in accordance with Accounting Standards Codification, or ASC, Topic 320, "Accounting for Certain Investments in Debt and Equity Securities." Securities classified as held-to-maturity would be recorded at cost or amortized cost. Available-for-sale securities are carried at fair value. Fair value calculations are based on quoted market prices a historical analysis of the Company's portfolio, while estimates of credit losses are determined using the same loss rates as funded loans.

**Modified Loans to Borrowers Experiencing Financial Difficulty** Concurrent with the adoption of ASU 2016-03, the Company adopted ASU 2022-02 "Financial Instruments- Credit Losses (ASC 326): Troubled Debt restructurings and Vintage Disclosures," as amended. The update eliminated the accounting guidance for troubled debt restructurings ("TDRs") by creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when such prices are a borrower is experiencing financial difficulty.

**ACL- available- Available - For- Sale ("AFS") Debt Securities** For AFS debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either quoted market prices are not available, estimates of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income are computed using a variety of pricing sources, including Reuters/EJV, Interactive Data and Standard & Poors. For AFS debt securities Due to the subjective nature of the valuation process, it is possible that do not meet the actual aforementioned criteria, the Company evaluates whether the decline in fair values- value has resulted of these investments could differ from credit losses the estimated amounts, thereby affecting our- or financial position, results of operations and cash flows. If the other estimated factors, such as interest rates or market conditions. In making this assessment, management considers the extent to which fair value of investments is less than the cost or amortized cost, any changes to the rating of the security by a rating agency and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded. Changes in the ACL are recorded as a provision for, or recovery of, credit loss expense. Losses are charged against the allowance when management evaluates whether believes that uncollectibility of an event AFS debt security is confirmed or change in circumstances has occurred that may have when either of the criteria regarding intent or requirement to sell is met. Accrued interest receivable on AFS debt securities totaled \$ 2.9 million at December 31, 2023 and is excluded from the estimate of credit losses. The Company made the policy election to exclude accrued interest from the amortized cost basis of AFS debt securities and report accrued interest separately on the condensed consolidated balance sheet.

**ACL- Held- To- Maturity ("HTM") Debt Securities** Management measures expected credit losses on HTM debt securities on a significant adverse effect collective basis by major security type. Accrued interest receivable on HTM debt securities totaled \$ 1.2 million at December 31, 2023 and is excluded from the fair value estimate of credit losses. The Company made the accounting policy election to not measure an ACL for accrued interest. Accrued interest deemed

~~uncollectible will be written off through interest income. The HTM securities portfolio includes municipal securities, residential mortgage-backed securities, commercial mortgage-backed securities and corporate securities. All residential and commercial mortgage-backed securities are U. S. government issued or sponsored and substantially all municipal and corporate securities are rated investment grade. If such an event or above. The estimate change has occurred and management determines that the impairment is other than temporary, a further determination is made as to the portion of impairment expected credit losses considers historical credit loss information that is adjusted related to credit loss. The impairment of the investment that is related to the credit loss is expensed in the period in which the event or for change occurred current conditions and reasonable and supportable forecasts. At~~ The remainder of the impairment is recorded in other comprehensive income (loss). Other Real Estate Owned. OREO acquired through loan foreclosure is initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. The adjustment at the time of adoption foreclosure is recorded through the allowance for loan losses. Due to the subjective nature of establishing the fair value when the asset is acquired, the actual fair value of the OREO or foreclosed asset could differ from the original estimate estimated reserve. If it is determined that fair value declines subsequent to foreclosure, a valuation adjustment is recorded through noninterest expense. Net operating costs associated with the assets after acquisition are also recorded as was noninterest expense \$ 0. 3 million Gains and losses on the disposition of OREO and foreclosed assets are netted and posted through noninterest income. Impairment of Goodwill. As a result of a previous acquisition by the Company, goodwill, an intangible asset with an indefinite life, is reflected on the balance sheet. Goodwill is evaluated for impairment annually, unless there are factors present that indicate a potential impairment, in which case, the goodwill impairment test is performed more frequently. Deferred Income Tax Assets / Liabilities. Our net deferred income tax asset arises from differences in the dates that items of income and expense enter into our reported income and taxable income. Deferred tax assets and liabilities are established for these items as they arise. From an accounting standpoint, deferred tax assets are reviewed to determine if they are realizable based on the historical level of taxable income, estimates of future taxable income and the reversals of deferred tax liabilities. In most cases, the realization of the deferred tax asset is based on future profitability. If we were to experience net operating losses for tax purposes in a future period, the realization of deferred tax assets would be evaluated for a potential valuation reserve. Recent Accounting Pronouncements Refer to Note 22 to our consolidated financial statements. Off-Balance Sheet Arrangements In the ordinary course of business, we may enter into financial transactions to extend credit, engage in interest rate swaps or other forms of commitments that may be considered off- balance sheet arrangements. Interest rate swaps were arranged to receive hedge accounting treatment and were classified as either fair value or cash flow hedges. Fair value hedges were purchased to convert certain fixed rate assets to floating rate. Cash flow hedges were used to convert certain variable rate liabilities into fixed rate liabilities. At December 31, 2022-2023 and December 31, 2021-2022, we had interest rate swaps with a notional amount of \$ 260-200. 0 million and \$ 260. 0 million, respectively. Additionally, prior to the Company's decision to exit its consumer mortgage business in the first quarter 2023, we may enter entered into forward contracts relating related to our mortgage banking business to hedge the exposures we have had from commitments to extend new residential mortgage loans to our customers and from our mortgage loans held- for- sale. At December 31, 2022-2023 and December 31, 2021, we had the Company did not have any commitments to sell residential real estate loans. At December 31, 2022, the Company had commitments to sell residential real estate loans of \$ 17. 0 million and \$ 72. 8 million, respectively. These contracts mature in less than one year. Refer to Note 18 to our consolidated financial statements for additional information about derivative financial instruments. Item 7A. Quantitative and Qualitative Disclosures about Market Risk Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to changes in interest rates, foreign exchange rates and equity prices. The primary source of market risk for the Company is interest rate risk, which can be defined as the risk to earnings and the value of our equity resulting from changes in market interest rates. Interest rate risk arises in the normal course of business to the extent that there are timing and volume differences between the amount of interest- earning assets and the amount of interest- bearing liabilities that are prepaid, withdrawn, re- priced or mature in specified periods. We seek to achieve consistent growth in net interest income and equity while managing volatility arising from shifts in market interest rates. We monitor the Company's interest rate risk position using income simulation models and economic value of equity (" EVE ") sensitivity analysis that capture both short- term and long- term interest rate risk exposure. Income simulation involves forecasting net interest income (" NII ") under a variety of interest rate scenarios. We use EVE sensitivity analysis to understand the impact of changes in interest rates on long- term cash flows, income and capital. EVE is calculated by discounting the cash flows for all balance sheet instruments under different interest- rate scenarios. Modeling the sensitivity of NII and EVE to changes in market interest rates is highly dependent on the assumptions incorporated into the modeling process, especially those pertaining to non- maturity deposit accounts. These assumptions are reviewed and refined on an ongoing basis by the Company. We continually model our NII and EVE positions with various interest rate scenarios and assumptions of future balance sheet composition. We utilize implied forward rates as its base case scenario which reflects market expectations for rate increases over the next 24 months. Presented below is the estimated impact on our NII and EVE position as of December 31, 2022-2023, assuming a static balance sheet and instantaneous parallel shifts in interest rates: % Change from Base Case for Instantaneous Parallel Changes in Rates Implied Forward Curve- 200 Basis Points Implied Forward Curve- 100 Basis Points Base Implied Forward Curve Implied Forward Curve +100-50 Basis Points Implied Forward Curve 200-100 Basis Points NII- Year 118-120 29-32 % 10. 37-83 % N / A ( 7-4. 90-51 %) ( 16-8. 08-86 %) NII- Year 244-243 95-94 % 39-38 78-11 % 30-29 40-04 % 24. 52 % 20. 95-17 % 10-EVE 26. 45-38 % EVE 40-16. 02 47 % 23. 97 % N / A ( 19-6. 57-93 %) ( 36-13. 47-75 %) To supplement the instantaneous rate shocks required by regulatory guidance, we also calculate our interest rate risk position assuming a gradual change in market interest rates. This gradual change is commonly referred to as a " rate ramp " and evenly allocates a change in interest rates over a specified time period. Presented below is the estimated impact on our NII and EVE position as of December 31, 2022-2023, assuming a static balance sheet and gradual parallel shifts in interest rates over a twelve- month period: % Change from Base Case for Gradual Changes in Rates Implied Forward Curve- 200 Basis Points Implied Forward Curve- 100 Basis Points Base Implied Forward Curve Implied Forward Curve +100-50 Basis Points Implied Forward Curve 200-100 Basis Points NII- Year 18-17. 01-78 % 4. 26-16 % N / A ( 2. 43 %) ( 4. 92 %) NII-

Year 244.76% 38.44% 29.04% 23.18%) (8.17.18% EVE24) NH-Year 246.36 22% 39.14.85 94% 30.40% 19.26% 7.61% EVE31.45% 19.64% N/A (18.7.22 67%) (33.15.52%) In the Company's supplementary model, it incorporates deposit betas ranging from 11% to 98% in up-rate scenarios related to its savings and money market non-maturity deposit products, which approximates actual deposit pricing experience in 2022. Presented below are the estimated impacts on the Company's NII and EVE position as of December 31, 2022, assuming a static balance sheet and instantaneous and gradual parallel shifts in interest rates: % Change from Base Case for Instantaneous Parallel Changes in Rates Implied Forward Curve-200 Basis Points Implied Forward Curve-100 Basis Points Base Implied Forward Curve Implied Forward Curve 100 Basis Points Implied Forward Curve 200 Basis Points NH-Year 118.12% 10.25% N/A (7.00%) (14.29%) NH-Year 244.68% 39.63% 30.31% 21.74% 12.21% EVE 33.44% 21.29% N/A (17.53%) (32.66%) % Change from Base Case for Gradual Changes in Rates Implied Forward Curve-200 Basis Points Implied Forward Curve-100 Basis Points Base Implied Forward Curve Implied Forward Curve 100 Basis Points Implied Forward Curve 200 Basis Points NH-Year 17.66% 4.06% N/A (3.87%) (7.40%) NH-Year 245.86% 39.60% 30.31% 19.78% 8.96% EVE 30.46% 19.15% N/A (17.60%) (32.25%)

The NII and EVE figures presented in both tables above are reflective of a static balance sheet, and do not incorporate either balance sheet growth or strategies to increase net interest income while managing volatility arising from shifts in market interest rates. As such, it is likely that actual results will differ from what is presented in the tables above. Balance sheet strategies to achieve such objective may include:

- Increasing the proportion of low-duration or variable-rate loans to total loans, including organic growth in SBA, construction or C & I lending
- Selling longer-term fixed rate loans
- Increasing the proportion of lower cost non-maturity deposits to total deposits
- Extending the duration of wholesale funding
- Executing derivative strategies to synthetically extend liability or shorten asset duration
- Repositioning the investment portfolio to manage its duration

Item 8. Financial Statements and Supplementary Data The consolidated financial statements and notes thereto required pursuant to this Item begin on page F- 1 of this Annual Report on Form 10-K. Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure Item 9A. Controls and Procedures Evaluation of Disclosure Controls and Procedures The Company maintains disclosure controls and procedures that are designed to ensure that information the Company is required to disclose in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in SEC rules and forms. These controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating disclosure controls and procedures, the Company has recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Management is required to apply judgment in evaluating its controls and procedures. The Company performed an evaluation under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, to assess the effectiveness of the design and operation of our disclosure controls and procedures under the Exchange Act. Based on that evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2022-2023. Report of Management's Assessment of Internal Control Over Financial Reporting Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, including accounting and other internal control systems that, in the opinion of management, provide reasonable assurance that (1) transactions are properly authorized, (2) the assets are properly safeguarded, and (3) transactions are properly recorded and reported to permit the preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States. The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022-2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on that assessment, management concluded that, as of December 31, 2022-2023, the Company's internal control over financial reporting was effective based on those criteria. The Company's internal control over financial reporting as of December 31, 2022-2023 has been audited by FORVIS, LLP, an independent registered public accounting firm, as stated in its report appearing on page F- 2.

Changes in Internal Control Over Financial Reporting There has been no change in the Company's internal control over financial reporting during the quarter ended December 31, 2022-2023, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting. Item 9B. Other Information **None of our directors or officers (as defined in Rule 16a-1 (f) of the Securities Exchange Act) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1 (c) of the Securities Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408 (c) of Regulation S-K) during the fiscal quarter ended December 31, 2023.** Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections Not Applicable. PART III Certain information required by Part III is incorporated by reference from our definitive Proxy Statement for our 2023-2024 Annual Meeting of Shareholders (the "Proxy Statement"), which we intend to file with the SEC pursuant to Regulation 14A within 120 days after December 31, 2022-2023. Except for those portions specifically incorporated by reference from our Proxy Statement, no other portions of the Proxy Statement are deemed to be filed as part of this report. Item 10. Directors, Executive Officers and Corporate Governance Information about our Executive Officers Our executive officers are as follows: Name Age Position David B. Becker 69 Chairman **Becker 70 Chairman**, Chief Executive Officer and Director Nicole S. Lorch 48 President **Lorch 49 President**, Chief Operating Officer and Secretary Kenneth J. Lovik 53 Executive **Lovik 54 Executive** Vice President and Chief Financial Officer David B. Becker has served as our Chairman of the Board since 2006, as our Chief Executive Officer since 2007, and as our President from 2007 to June 2021. Mr. Becker is the founder of the Bank and has served as an officer and director of the Bank since 1998. Nicole S. Lorch has served as Secretary since June of 2022 and as President and Chief Operating Officer since June 2021. Previously, she served as Executive Vice President and Chief Operating Officer since January 2017. Ms. Lorch joined the Company as Director of Marketing in 1999 and served as Vice President, Marketing & Technology from 2003 to 2011 and Senior Vice President, Retail Banking from 2011 to January 2017. She

previously served as Director of Marketing at Virtual Financial Services, an online banking services provider, from 1996 to 1999. Kenneth J. Lovik has served as Executive Vice President and Chief Financial Officer of the Company since January 2017. Mr. Lovik joined the Company in August 2014 as Senior Vice President and Chief Financial Officer. Previously, he served as Senior Vice President, Investor Relations and Corporate Development, at First Financial Bancorp, a publicly traded bank holding company headquartered in Cincinnati, Ohio, from February 2013 to May 2014. Prior to that, he served as its Vice President, Investor Relations and Corporate Development, from 2010 to February 2013. Before First Financial Bancorp, he was an investment banker at Milestone Advisors LLC, Howe Barnes Hoefler & Arnett, Inc. and A. G. Edwards & Sons, Inc. Executive officers are elected annually by our Board of Directors and serve a one- year period or until their successors are elected. None of the above- identified executive officers are related to each other or to any of our directors. Code of Business Conduct and Ethics We have adopted a code of business conduct and ethics that applies to all of our directors and officers and other employees, including our principal executive officer and principal financial officer. This code is publicly available through the Corporate Governance section of our website at www. firstinternetbancorp. com. To the extent permissible under applicable law, the rules of the SEC or Nasdaq listing standards, we intend to post on our website any amendment to the code of business conduct and ethics, or any grant of a waiver from a provision of the code of business conduct and ethics, that requires disclosure under applicable law, the rules of the SEC or Nasdaq listing standards. The disclosures in the Proxy Statement under the headings “ Proposal 1- Election of Directors, ” “ Corporate Governance, ” “ Shareholder Proposals for 2024 Annual Meeting, ” and, if applicable “ Delinquent Section 16 (a) Reports ” are incorporated into this Item by reference. Item 11. Executive Compensation Incorporated into this Item by reference is the information in the Proxy Statement regarding the compensation of our named executive officers appearing under the heading “ Executive Compensation ” (excluding information under the caption “ Pay versus Performance ”), the information regarding compensation committee interlocks and insider participation under the heading “ Corporate Governance ” and the information regarding compensation of non- employee directors under the heading “ Director Compensation. ” Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters Incorporated into this Item by reference is the information in the Proxy Statement appearing under the headings “ Security Ownership of Certain Beneficial Owners and Management ” and “ Equity Compensation Plan Information. ” Item 13. Certain Relationships and Related Transactions, and Director Independence Incorporated into this Item by reference is the information in the Proxy Statement regarding director independence and related person transactions under the heading “ Corporate Governance. ” Item 14. Principal Accountant Fees and Services Incorporated into this Item by reference is the information in the Proxy Statement under the heading “ Audit Matters. ” The independent registered public accounting firm is FORVIS, LLP (Public Company Accounting Oversight Board Firm ID No. 686) located in Indianapolis, Indiana. PART IV Item 15. Exhibits and Financial Statement Schedules (a) Documents Filed as Part of this Annual Report on Form 10- K: 1. See our financial statements beginning on page F- 1. (b) Exhibits: Exhibit No. Description3. 1 Amended and Restated Articles of Incorporation of First Internet Bancorp (incorporated by reference to Exhibit 3. 1 to current report on Form 8- K filed May 21, 2020) 3. 2 Amended and Restated Bylaws of First Internet Bancorp (incorporated by reference to Exhibit 3. 2 to current report on Form 8- K filed May 21, 2020) 4. 1Description of Securities Registered under Section 12 of the Securities Exchange Act of 19344. 2Subordinated Indenture, dated as of September 30, 2016, between First Internet Bancorp and U. S. Bank National Association, as trustee (incorporated by reference to Exhibit 4. 1 to current report on Form 8- K filed on September 30, 2016) 4. **3Second Supplemental Indenture, dated as of June 12, 2019, between First Internet Bancorp and U. S. Bank National Association, as trustee (incorporated by reference to Exhibit 4. 2 to current report on Form 8- K filed on June 12, 2019) 4. 3Third** 4**Third** Supplemental Indenture, dated as of October 26, 2020, between First Internet Bancorp and U. S. Bank National Association, as trustee (including form of 6. 0 % Fixed- to- Floating Rate Subordinated Notes due 2030) (incorporated by reference to Exhibit 4. 2 to current report on Form 8- K filed October 26, 2020) 4. **4Fourth** **5Fourth** Supplemental Indenture, dated as of August 16, 2021, between First Internet Bancorp and U. S. Bank National Association, as trustee (incorporated by reference to Exhibit 4. 2 to current report on Form 8- K filed August 16, 2021) 4. **5Form** **6Form** of Global Note representing 6. 0 % Subordinated Notes due 2026 (incorporated by reference to Exhibit A included in Exhibit 4. 2 to current report on Form 8- K filed on September 30, 2016) 4. **6Form** **7Form** of 3. 75 % Fixed- to- Floating Rate Subordinated Note due September 1, 2031 (incorporated by reference to Exhibit A- 1 and Exhibit A- 2 included in Exhibit 4. 2 to current report on Form 8- K filed on August 16, 2021) 10. 1 First Internet Bancorp 2013 Equity Incentive Plan (incorporated by reference to Appendix A to the definitive proxy statement on Schedule 14A filed April 9, 2013) \* 10. 2First Internet Bancorp 2011 Directors’ Deferred Stock Plan (incorporated by reference to Exhibit 10. 2 to registration statement on Form 10 filed November 30, 2012) \* 10. 3 Amended and Restated Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and David B. Becker dated March 28, 2013 (incorporated by reference to Exhibit 10. 4 to Annual Report on Form 10- K for the year ended December 31, 2012) \* Exhibit No. Description10. 4 Amendment to Amended and Restated Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and David B. Becker dated April 20, 2022 (incorporated by reference to Exhibit 10. 1 to current report on Form 8- K filed April 25, 2022) \* 10. 5 Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and Nicole S. Lorch dated April 20, 2022 (incorporated by reference to Exhibit 10. 2 to current report on Form 8- K filed April 25, 2022) \* 10. 6Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and Kenneth J. Lovik dated April 20, 2022 (incorporated by reference to Exhibit 10. 3 to current report on Form 8- K filed April 25, 2022) \* 10. **7First Internet Bancorp Annual Bonus** **7Form** of Non- Employee Director Restricted Stock Award Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10. 1 to quarterly report on Form 10- Q for the fiscal quarter ended March 31, 2022 **2017**) \* 10. **8First Internet Bancorp Annual Bonus Plan (incorporated by reference to Exhibit 10. 1 to quarterly report on Form 8Form** **10- Q for the fiscal quarter ended March 31, 2017) \* 10. 9Form** of Subordinated Note Purchase Agreement, dated as of October 26, 2020, between First Internet Bancorp and the purchaser thereunder (incorporated by reference to Exhibit 10. 1 to current report on Form 8- K filed October 26, 2020) 10. **10Form** **9Form** of Management Incentive Award Agreement- Restricted Stock Units under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10. 2 to quarterly report on Form 10- Q for the fiscal quarter ended March 31, 2022) \* 10. **11Form** **10Form** of Management Incentive Award Agreement- Restricted Stock units

Units (performance based) under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10. 2 to quarterly report on Form 10- Q for the fiscal quarter ended March 31, 2021) \* 10. 12 Form 11 Form of Subordinated Note Purchase Agreement, dated August 16, 2021, by and among First Internet Bancorp and the Purchasers \* (incorporated by reference to Exhibit 10. 1 to current report on Form 8- K filed August 15, 2021) 10. 13 First 12 First Internet Bancorp 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10. 1 to current report on Form 8- K filed May 17, 2022) \* 10. 13 Form of Non- Employee Director Restricted Stock Award Agreement under 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10. 1 to quarterly report on Form 10- Q for the fiscal quarter ended June 30, 2023) \* 10. 14 Form of Management Incentive Award Agreement- Restricted Stock Units under 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10. 1 to quarterly report on Form 10- Q for the fiscal quarter ended March 31, 2023) \* 21. 1 List of Subsidiaries 23. 1 Consent of Independent Registered Public Accounting Firm 24. 1 Powers of Attorney 31. 1 Rule 13a- 14 (a) / 15d- 14 (a) Certification of Chief Executive Officer 31. 2 Rule 13a- 14 (a) / 15d- 14 (a) Certification of Chief Financial Officer 32. 1 Section 1350 Certifications 101 Financial Certifications 97 Compensation Recoupment Policy 101 Financial statements from the Annual Report on Form 10- K of First Internet Bancorp for the period ended December 31, 2022-2023, filed with the SEC on March 14-13, 2023-2024, formatted in inline extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets at December 31, 2023 and 2022 and 2021, (ii) the Consolidated Statements of Income for the fiscal years ended December 31, 2023, 2022, and 2021, and 2020, (iii) the Consolidated Statements of Comprehensive Income for the fiscal years ended December 31, 2023, 2022, and 2021, and 2020, (iv) the Consolidated Statements of Shareholders' Equity for the fiscal years ended December 31, 2023, 2022, and 2021, and 2020, (v) Consolidated Statements of Cash Flows for the fiscal years ended December 31, 2023, 2022, and 2021, and 2020, and (vi) Notes to Consolidated Financial Statements. 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) \* Management contract, compensatory plan or arrangement required to be filed as an exhibit. Item 16. Form 10- K Summary. SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 14-13, 2023-2024. FIRST INTERNET BANCORP By: / s / David B. Becker David B. Becker, Chairman and Chief Executive Officer Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 14-13, 2023-2024. / s / David B. Becker / s / Kenneth J. Lovik David B. Becker, Chairman and Chief Executive Officer (Principal Executive Officer) Kenneth J. Lovik, Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) \* \* Aasif M. Bade, Director David R. Joseph A. Lovejoy Fenech, Director \* \* Justin P. Christian, Director Jean L. Wojtowicz, Director \* \* Ann Colussi Dee, Director John K. Keach, Jr., Director \* David B. Becker, by signing his name hereto, does hereby sign this document on behalf of each of the above- named directors of the Registrant pursuant to powers of attorney duly executed by such persons. By: / s / David B. Becker David B. Becker, Attorney- in- Fact Reports of Independent Registered Public Accounting Firm To the Shareholders, Board of Directors and Audit Committee Fishers, Indiana Opinion on the Consolidated Financial Statements We have audited the accompanying consolidated balance sheets of First Internet Bancorp (the " Company ") as of December 31, 2023 and 2022 and 2021, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three- year period ended December 31, 2022-2023, and the related notes (collectively referred to as the " financial statements "). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three- year period ended December 31, 2022-2023, in conformity with accounting principles generally accepted in the United States of America. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (" PCAOB "), the Company' s internal control over financial reporting as of December 31, 2022-2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated March 14-13, 2023-2024, expressed an unqualified opinion thereon. **Emphasis of Matter As discussed in Note 1, Note 4, and Note 22 to the consolidated financial statements, in 2023, the Company changed its method of accounting for credit losses on financial instruments due to the adoption of Accounting Standards Codification Topic 326: Financial Instruments – Credit Losses. Our opinion is not modified with respect to this matter.** Basis for Opinion These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. Critical Audit Matters The critical audit matters communicated below are matters arising from the current- period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate. Allowances- **Allowance for Loan Credit Losses Description of the Matter (ACL) – Loans – Qualitative Adjustments** As described in Note 1, Note 4 to, and Note 22 of the consolidated financial statements and referred to in the change in



accounting principle explanatory paragraph above, on January 1, 2023, the Company adopted ASU 2016- 13: Financial Instruments- Credit losses (“ASC 326”): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected credit loss (“CECL”) methodology. As of December 31, 2023, the ACL on loans was \$ 38, 774, 000. The ACL for loans represents management' s estimate of all expected credit losses over the expected life of the Company' s consolidated existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. When the Company is unable to forecast future economic events, management may revert to historical information. The Company utilized a discounted cash flow (“DCF”) method to estimate the quantitative portion of the allowance for loan credit losses (ALLL) was \$ 31.74 million for loans evaluated on a collective pooled basis. 74 million at December 31, 2022. Due to its minimal loss history, 2022 the Company elected to use peer data for a more reasonable calculation. The Company also includes qualitative adjustments describes in Note 1 of the financial statements the “Allowance for Loan Losses Methodology” accounting policy around this estimate. The ALLL is an estimate of losses inherent in the loan portfolio. The determination of the reserve requires significant judgment reflecting the Company' s best estimate of probable loan losses. The ALLL is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management determines that an outstanding loan will not be collected. Subsequent recoveries, if any, are credited to the allowance. The ALLL is evaluated on a regular basis by management and is based on factors management' s periodic review of the collectability of the loans in light of historical experiences, the nature and considerations volume of the loan portfolio, adverse situations that have not otherwise been fully accounted for may affect the borrower' s ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective. We have identified auditing the qualitative adjustments as it requires estimates that are susceptible to revision as more information becomes available. The ALLL consists of specific and general components. The specific component relates to loans that are classified as impaired and an allowance is established when the discounted cash flows (or collateral value) of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors. The historical charge-off experience is determined by portfolio segment and is based on an analysis of historical loss activity over a time period that represents the economic life cycle of the loan segment. Other adjustments for each segment, such as qualitative or environmental considerations may be added to the allowance for each loan segment after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data. The primary reason for our determination that the ALLL is a critical audit matter as management' s determination of the qualitative adjustments used in the ACL is that it subjective and involves significant management judgments; and our audit procedures related to the qualitative adjustments involved significant judgment and complex review. There is a high degree of subjectivity auditor judgment and required significant audit effort, including the need to involve more experienced audit personnel. The primary procedures we performed to address this critical audit matter included: • Testing the design and operating effectiveness of controls over the qualitative adjustments used in evaluating the ACL calculation including controls addressing the: ◦ Significant assumptions and judgments applied in the development of the qualitative adjustments. ◦ Mathematical accuracy of the qualitative adjustments applied to the loan segments in the ACL calculation. • Substantively testing management' s determination of the qualitative adjustments used in the ACL estimate, including: ◦ Testing management' s estimate process for developing the qualitative adjustments, such as which included assessing the relevance and reliability of data used to develop the qualitative adjustments, including evaluating their judgments management' s assessment of economic conditions and assumptions for reasonableness. Among other procedures environmental factors, our evaluation considered evidence from internal and external sources. ◦ Analytically evaluating the qualitative adjustments adequacy of specific allowances associated with impaired loans and assessing the appropriateness of loan grades. How We Addressed the Matter in Our Audit Our audit procedures related to the estimated allowance for loan losses included: a. Testing the design and operating effectiveness of internal controls, including those related to technology, over the ALLL. b. Testing clerical and computational accuracy of the Company' s ALLL calculation. c. Testing the completeness and accuracy of underlying data utilized in the ALLL, including reports used in management review controls over the ALLL. d. Evaluating the qualitative and environmental adjustments to the historical loss rates, including assessing the basis for the adjustments and the reasonableness and directional consistency of, testing for reasonableness, and obtaining evidence for significant changes. ◦ Testing those the mathematical accuracy of the qualitative adjustments, including applied to the reliability and relevance of the significant assumptions and underlying data. e. Evaluating the appropriateness of loan segments in grades and assessing the ACL calculation reasonableness of specific impairments on loans. / s / FORVIS, LLP (Formerly, BKD, LLP) We have served as the Company' s auditor since 2004. March 14-13, 2023-2024 Opinion on the Internal Control over Over Financial Reporting We have audited First Internet Bancorp' s (the “Company”) internal control over financial reporting as of December 31, 2022-2023, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022-2023, based on criteria established in Internal Control – Integrated Framework: (2013) issued by COSO. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of December 31, 2023 and 2022 and 2021, and for each of the three years in the period ended December 31, 2022-2023, and our report dated March 14-13, 2023-2024, expressed an unqualified opinion on those financial statements. The Company' s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management' s Assessment of Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company' s internal control over financial reporting based on our audit. We conducted our audit in accordance with the standards of the PCAOB. Those standards

require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Definitions and Limitations of Internal Control over Financial Reporting A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

F-3 /s/ FORVIS, LLP (Formerly BKD, LLP) F-4 First Internet Bancorp (Amounts in thousands except share data) December 31, 2022 2021 Assets 2023 2022 Assets Cash and due from banks \$ 8,269 \$ 17,426 \$ 7,492 Interest-bearing demand deposits 239 397,629 239 126,435,468 Total cash and cash equivalents 256 405,898 256 552,442,960 Securities available-for-sale-at fair value (amortized cost of \$ 513,315 in 2023 and \$ 436,183 in 2022 and \$ 606,507 in 2021) 474,855 390,384 603,044 Securities held-to-maturity-at amortized cost, net of allowance for credit losses of \$ 0.3 million in 2023 (fair value of \$ 207,572 in 2023 and \$ 168,483 in 2022 and \$ 61,468 in 2021) 227,153 189,168 59,565 Loans held-for-sale (includes \$ 9,110 in 2022 and \$ 23,233 in 2021 at fair value in 2022) 22,052 21,511 47,745 Loans 3,840,220 3,499,401 2,887,662 Allowance for loan credit losses - loans (38,774) (31,737) (27,841) Net loans 3,801,446 3,467,664 2,859,821 Accrued interest receivable 21 26,746 21 069 16,037 Federal Home Loan Bank of Indianapolis stock 28,350 25 28,650 350 Cash surrender value of bank-owned life insurance 39 40,882 39 859 38,900 Premises and equipment, net 72 73,463 72 711 59,842 Goodwill 4,687 4,687 7 Servicing asset, at fair value 6 10,567 6 255 4,702 Other real estate owned 375 1,188 Accrued income and other assets 44 51,098 44 894 46,853 Total assets \$ 5,167,572 \$ 4,543,104 \$ 4,210,994 Liabilities and shareholders' equity Liabilities Noninterest-bearing deposits \$ 123,464 \$ 175,315 \$ 117,531 Interest-bearing deposits 3,943,509 3,265,930 Total deposits 4,066,973 3,061,428 Total deposits 3,441,245 3,178,959 Advances from Federal Home Loan Bank 614, 934 614, 928 514, 922 Subordinated debt, net of unamortized discounts and debt issuance costs of \$ 2,162 in 2023 and \$ 2,468 in 2022 and \$ 2,769 in 2021 104 2022 104, 838 104, 532 104, 231 Accrued interest payable 2 3,848 2 913 2,018 Accrued expenses and other liabilities 14, 184 14, 512 30, 526 Total liabilities 4, 804, 777 4, 178, 130 3, 830, 656 Commitments and Contingencies Shareholders' equity 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; 8,644,451 and 9,065,883 and 9,754,455 shares issued and outstanding in 2023 and 2022 and 2021, respectively 192 184,700 192 935 218,946 Nonvoting common stock, no par value; 86,221 shares authorized; issued and outstanding - none - - Retained earnings 205 207,470 205 675 172, 431 Accumulated other comprehensive loss (29,375) (33,636) (11,039) Total shareholders' equity 364 362,795 364 974 380,338 Total liabilities and shareholders' equity \$ 5,167,572 \$ 4,543,104 \$ 4,210,994 See Notes to Consolidated Financial Statements F-5 4 (Amounts in thousands except share and per share data) Year Ended December 31, 2022 2021 2020 Interest income Loans \$ 192,337 \$ 140,600 \$ 123,467 \$ 120,628 Securities - taxable 10 17,189 10 711 7,970 11,123 Securities - non-taxable 1 3,532 1 767 1,017 1,728 Other earning assets 3 26,384 3 830 1,429 3,380 Total interest income 156 239,442 156 908 133,883 136,859 Interest expense Deposits 41 143,363 41 832 29,822 55,976 Other borrowed funds 17 21,175 17 983 17,505 16,342 Total interest expense 59 164,538 59 815 47,327 72,318 Net interest income 97 74,904 97 093 86,556 64,541 Provision for loan credit losses 4 15,454 4 977 1,030 9 Benefit for credit losses- debt securities held-to-maturity (42) - - Provision for credit losses- off-balance sheet commitments 1 325 241 - - Net interest income after provision for loan credit losses 92 58,251 92 116 85,526 55,216 Noninterest income Service charges and fees 1 851 1 071 1,114 824 Loan servicing revenue 2 833 2 573 1,934 1,159 Loan servicing asset revaluation (1,463) (1,639) (1,069) (432) Mortgage banking activities 5 76 5 464 15,050 24,693 Gain on sale of loans 11 20,526 11 372 11,598 8,298 Gain on sale of securities - - 139 Gain on sale of premises and equipment - - 2,523 - - Other 2 302 2 416 1,694 1,655 Total noninterest income 21 26,125 21 257 32,844 36,336 Noninterest expense Salaries and employee benefits 41 45,322 41 553 38,223 34,231 Marketing, advertising and promotion 3 2,567 3 554 3,261 1,654 Consulting and professional fees 4 3,082 4 826 4,054 3,511 Data processing 1 2,373 1 989 1,649 1,528 Loan expenses 4 5,756 4 435 2,112 2,036 Premises and equipment 10 599 10 688 7,063 6,396 Deposit insurance premium 1 3,880 1 152 1,213 1,810 Write-down of other real estate owned - - 2,065 Other 5 857 5 076 4,223 4,423 Total noninterest expense 73 79,436 73 273 61,798 57,654 Income before income taxes 40 4,940 40 100 56,572 33,898 Income tax (benefit) provision 4 3,477 4 559 8,458 4,445 Net income \$ 8,417 \$ 35,541 \$ 48,114 \$ 29,453 Income per share of common stock Basic \$ 0.95 \$ 3.73 \$ 4.85 \$ 2.99 Diluted \$ 0.95 \$ 3.70 \$ 4.82 \$ 2.99 Weighted-average number of common shares outstanding Basic 9 837,558 9 530,921 9,918,083 Diluted 9 840,205 Diluted 9 595,115 9,976,261 9,842,425 Dividends declared per share \$ 0.24 \$ 0.24 \$ 0.24 F-6 5 (Amounts in thousands) Year Ended December 31, 2022 2021 2020 Net 2023 2022 2021 Net income \$ 8,417 \$ 35,541 \$ 48,114 \$ 29,453 Other comprehensive income (loss) income Securities available-for-sale Net unrealized holding gains (losses) gains on securities

available- for- sale recorded within other comprehensive income before income tax **tax 7, 339** (42, 336) (4, 087) **6, 551**  
 Reclassification adjustment for gains realized — (139) Income tax **provision** (benefit) **provision 1, 682** (9, 060) (1, 064) **1, 556**  
 Net effect on other comprehensive **income** (loss) **income 5, 657** (33, 276) (3, 023) **4, 856** Securities held- to-  
 maturity Reclassification of securities from available- for- sale to held- to- maturity — (5, 402) — Amortization of net unrealized  
 holding losses on securities transferred from available- for- sale to held- to- maturity **844** — **maturity 778** — **844** — Income tax  
**provision** (benefit) **198** (1, 039) — Net effect on other comprehensive **income** (loss) **580** (3, 519) — Cash flow hedges Net  
 unrealized holding **(losses)** gains **(losses)** on cash flow hedging derivatives recorded within other comprehensive income before  
 income **tax 19** — **tax (2, 566) 19**, 091 11, 138 **(10, 248)** Income tax **(benefit)** provision **(benefit 590)** 4, 893 1, 958 **(2, 387)** Net  
 effect on other comprehensive **(loss)** income **(loss 1, 976)** 14, 198 9, 180 **(7, 861)** Total other comprehensive **income** (loss)  
**income 4, 261** (22, 597) 6, 157 **(3, 005)** Comprehensive income \$ 12, **678 \$ 12**, 944 \$ 54, 271 \$ **26, 448** See Notes to Consolidated  
 Financial Statements F- **6 7** (Amounts in thousands except per share data) Voting  
 and Nonvoting Common Stock Retained Earnings Accumulated Other Comprehensive Loss Total Shareholders' Equity Balance, January  
 1, 2020 **2021** \$ 219 **221**, 423 **408** \$ 99 **126**, 681 **732** \$ ( 14 **17**, 191 **196** ) \$ 304 **330**, 913 **944** Net income — 29 **48**, 453 **114** —  
 29 **48**, 453 **114** Other comprehensive **loss income** — — **6** ( **3, 157 6 005** ) ( **3, 157 005** ) Dividends declared (\$ 0. 24 per share) —  
 ( 2, 402 **415** ) — ( 2, 402 **415** ) Repurchased shares of common stock ( 100, 000 ) ( 4, 436 ) — — ( 4, 436 ) Recognition of the fair  
 value of share- based compensation **2, 110 393** — — 2, **110 393** Deferred stock rights and restricted stock units issued in lieu of  
 cash dividends payable on outstanding deferred stock rights and restricted stock **units 27 units 21** — — 27 **21** Common stock  
 redeemed for the net settlement of share- based awards ( **152 440** ) — — ( **152 440** ) Balance, December 31, 2020 \$ **221 2021**, 408  
 \$ **126 218**, 732 **946** \$ ( **17 172**, 431 **196** ) \$ 330 **( 11**, 944 **039** ) \$ 380, 338 Net income — 48 **35**, 114 **541** — 48 **35**, 114 **541** Other  
 comprehensive **income loss** — — 6 **( 22**, 157 **6 597** ) ( **22**, 157 **597** ) Dividends declared (\$ 0. 24 per share) — ( 2, 415 **297** ) — ( 2,  
 415 **297** ) Repurchased shares of common stock ( **100 779**, 000 **956** ) ( **4 27**, 436 **780** ) — — ( **4 27**, 436 **780** ) Recognition of the  
 fair value of share- based compensation **2, 393 035** — — 2, **393 035** Deferred stock rights and restricted stock units issued in lieu of  
 cash dividends payable on outstanding deferred stock rights and restricted stock units **21** — — 21 Common stock redeemed for the  
 net settlement of share- based awards ( **440 287** ) — — ( **440 287** ) Balance, December 31, 2021 **2022** \$ 218 **192**, 946 **935** \$ 172  
**205**, 431 **675** \$ ( **11**, 039 ) \$ 380, 338 **33**, 636 ) \$ 364, 974 Impact of adoption of new accounting standards ( 1 ) — ( 4, 491 ) —  
**( 4, 491 )** Net income — 35 **8**, 541 **417** — 35 **8**, 541 **417** Other comprehensive **loss income** — — 4 **( 22**, 261 **4 597** ) ( **22**, 261 **597** )  
 Dividends declared (\$ 0. 24 per share) — ( 2, 297 **131** ) — ( 2, 297 **131** ) Repurchased shares of common stock ( **779 502**, 956 **525** )  
 ( **27 9**, 780 **248** ) — — ( **27 9**, 780 **248** ) Excise tax on repurchase of common stock ( 92 ) ( 92 ) Recognition of the fair value of  
 share- based **compensation 2 compensation 1**, 035 **258** — — 2 **1**, 035 **258** Deferred stock rights and restricted stock units issued in  
 lieu of cash dividends payable on outstanding deferred stock rights and restricted stock **units 21 units 9** — — 21 **9** Common stock  
 redeemed for the net settlement of share- based awards ( **287 162** ) — — ( **287 162** ) Balance, December 31, 2022 **2023** \$ 192 **184**,  
 935 **700** \$ 205 **207**, 675 **470** \$ ( **33 29**, 636 **375** ) \$ 364 **362**, 974 **795 1** Reflects the impact of adopting Accounting Standards  
 Update (" ASU ") 2016- 13. F- **8 7** (Amounts in thousands) Year Ended December 31, 2022 **2021 2020** Operating — — —  
**2023 2022 2021** Operating activities Net income \$ 8, 417 \$ 35, 541 \$ 48, 114 \$ 29, 453 Adjustments to reconcile net income to net  
 cash provided by ( used in ) operating activities: Depreciation and **amortization 8 amortization 5**, 748 **8**, 729 **8**, 775 **7**, 831 Write-  
 down of other real estate owned — 2, 065 Increase in cash surrender value of bank- owned life insurance ( **1, 023** ) ( 959 ) ( 948 )  
 ( 950 ) Provision for loan **credit losses 4 losses 16**, 653 **4**, 977 **1**, 030 **9**, 325 Share- based compensation **expense 2 expense 1**, 258 **2**  
 , 035 **2**, 393 **2**, 110 Gain from sale of available- for- sale securities — ( 139 ) Loans originated for sale ( **328**, 146 ) ( 518, 870 )  
 ( 814, 671 ) ( **1**, 009, 266 ) Proceeds from sale of loans originated for **sale 558 sale 342**, 684 **558**, 817 832, 089 **1**, 054, 873 Gain on  
 sale of loans ( **20**, 997 ) ( 17, 473 ) ( 29, 401 ) ( **31**, 124 ) Decrease in fair value of loans held- for- sale **184 sale 143 184** 718 94  
 ( Gain ) loss on derivatives ( **384** ) ( 2, 569 ) 1, 513 ( **2**, 069 ) Settlement of derivatives — ( 1, 859 ) ( **46**, 109 ) Gain on sale of  
 premises and equipment — ( 2, 523 ) — Net change in servicing asset **1, 463 1**, 639 1, 069 ( **1**, 088 ) Net deferred income **tax 4 tax**  
**( 4, 353 ) 4**, 632 2, 434 ( **4**, 118 ) Net change in other **assets 9 assets ( 6, 625 ) 9**, 815 7, 028 **7**, 163 Net change in other liabilities ( 3,  
**158** ) ( 3, 775 ) ( 921 ) ( **4**, 983 ) Net cash provided by operating **activities 82 activities 11**, 680 **82**, 723 54, 840 **13**, 068 Investing  
 activities Net loan activity, excluding sales and purchases ( **67**, 851 ) ( 214, 761 ) 316, 002 **46**, 787 Proceeds from sales of other real  
 estate **owned 1 owned — 1**, 188 — — Net proceeds from sales of portfolio **loans 14 loans — 14**, 466 21, 093 207, 475  
 Maturities of securities available- for- sale **80 sale 53**, 142 **80**, 223 166, 260 **Purchase 179**, 724 Proceeds from sales of securities  
 available- for- sale ( **130** ) — 16, **772** 986 Purchase of securities available- for- sale ( 12, 969 ) ( 282, 226 ) ( **144**, 091 ) Maturities  
 and calls of securities held- to- maturity **7 maturity 19**, 104 **7**, 902 8, 525 — Purchase of securities held- to- maturity ( **53**, 573 ) ( **41**,  
 246 ) — ( **2**, 000 ) Redemption of Federal Home Loan Bank of Indianapolis **stock 431 stock — 431** — Purchase of Federal  
 Home Loan Bank of Indianapolis stock — ( 3, 131 ) — Net proceeds from sale of premises and equipment — **8**, 116 —  
 Purchase of premises and equipment ( **5**, 367 ) ( 17, 517 ) ( 29, 892 ) ( **25**, 559 ) Loans purchased ( **284**, 722 ) ( 412, 109 ) ( 168, 438 )  
 ( **324**, 131 ) Other investing activities ( **4**, 464 ) ( 3, 510 ) 4, 434 — Net cash ( used in ) provided by investing activities ( **474**, 503 ) ( **474**,  
 503 ) 43, 874 ( **44**, 809 ) Financing activities Net change in **deposits 262 deposits 623**, 818 **262**, 286 ( 91, 926 ) **116**, 922 Cash  
 dividends paid ( 2, **156** ) ( 2, 317 ) ( 2, 415 ) ( **2**, 349 ) Net proceeds from issuance of subordinated debt — **58**, 658 **9**, 765  
 Repayment of subordinated debt — ( 35, 000 ) — Repurchase of common stock ( **9**, 340 ) ( 27, 780 ) ( 4, 436 ) — Proceeds from  
 advances from Federal Home Loan **Bank 615 Bank 475**, 000 **440 615**, 000 440, 000 Repayment of advances from Federal Home  
 Loan Bank ( **475**, 000 ) ( 515, 000 ) ( 440, 000 ) ( **440**, 000 ) Other, net ( **153** ) ( 287 ) ( 441 ) ( **152** ) Net cash provided by ( used in )  
 financing **activities 331 activities 612**, 169 **331**, 902 ( 75, 560 ) **124 Net increase ( decrease ) in cash and cash equivalents 149**, 346  
**( 186**, 408 Net ( decrease ) increase in **23**, 154 **cash Cash** and cash equivalents ( **186**, 408 ) **23 beginning of year 256**, 154 **92 552**  
**442**, 445 **960 419**, 806 Cash and cash equivalents, beginning **end** of year **442 year \$ 405**, 898 \$ 256, 552 \$ 442, 960 419, 806 **327**,  
**361** Cash and cash equivalents, end of year \$ 256, 552 \$ 442, 960 \$ 419, 806 Supplemental disclosures of cash flows information  
 Cash paid during the year for **interest 58 interest 163**, 604 **58**, 920 46, 748 **74**, 646 Cash paid during the year for **taxes 2 taxes 939** 2  
 , 005 7, 045 **5**, 912 Loans transferred to other real estate **owned owned 375** — 1, 188 — Loans transferred to held- for- sale from

portfolio 14 -- portfolio — 14, 049 20, 145 204, 647 Cash dividends declared, not paid 544 paid 519 544 585 588 Securities purchases settled in subsequent period 2, 632 2, 997 — 5, 547 Transfer of available- for- sale mortgage- backed securities to held- to- maturity mortgage- backed securities at fair value 96 -- value — 96, 220 — Transfer of available- for- sale municipal securities to held- to- maturity municipal securities — 4, 479 F- 9 8 First Internet Bancorp Notes to Consolidated Financial Statements (Tabular dollar amounts in thousands except per share data) Note 1: Basis of Presentation and Summary of Significant Accounting Policies The accounting policies of First Internet Bancorp and its subsidiaries (the “ Company ”) conform to accounting principles generally accepted in the United States of America (“ GAAP ”). A summary of the Company ’ s significant accounting policies follows: Description of Business The Company was incorporated on September 15, 2005, and consummated a plan of exchange on March 21, 2006, by which the Company became a bank holding company and 100 % owner of First Internet Bank of Indiana (the “ Bank ”). The Company elected to and became a financial holding company, effective as of September 1, 2022. The Bank offers a wide range of commercial, small business, consumer and municipal banking products and services. The Bank conducts its consumer and small business deposit operations primarily through digital channels on a nationwide basis and has no traditional branch offices. Consumer lending products are primarily originated on a nationwide basis through relationships with dealerships and financing partners. The Bank is subject to competition from other financial institutions. The Bank is regulated by certain state and federal agencies and undergoes periodic examinations by those regulatory authorities. The Bank has three wholly owned subsidiaries. JKH Realty Services, LLC was established on August 20, 2012 as a single member limited liability company wholly owned by the Bank to manage other real estate owned properties as needed. First Internet Public Finance Corp., a wholly owned subsidiary of the Bank, was incorporated on March 6, 2017 and was established to provide municipal finance lending and leasing products to government entities and to purchase, manage, service, and safekeep municipal securities. SPF15, Inc., a wholly owned subsidiary of the Bank, was incorporated on August 31, 2018 and was established to acquire and hold real estate. Principles of Consolidation The consolidated financial statements include the accounts of the Company and its direct and indirect subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company ’ s business activities are currently limited to one reporting unit and reportable segment, which is commercial banking. Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company utilizes processes that involve the use of significant estimates and the judgment of management in determining the amount of the Company ’ s allowance for loan credit losses, income taxes, valuation and impairments of investment securities and goodwill, as well as fair value measurements of derivatives, loans held- for- sale and other real estate owned. Actual results could differ from those estimates. The Company classifies its securities in one of three categories and accounts for the investments as follows: • Securities that the Company has the positive intent and ability to hold to maturity are classified as “ held- to- maturity ” and reported at amortized cost. • Securities that are acquired and held principally for the purpose of selling them in the near term with the objective of generating economic profits on short- term differences in market characteristics are classified as “ trading securities ” and reported at fair value, with unrealized gains and losses included in earnings. The Company had no securities classified as “ trading securities ” at December 31, 2023 or 2022 or 2021. F- 10 9 • Securities not classified as either “ held- to- maturity ” or “ trading securities ” are classified as “ available- for- sale ” and reported at fair value, with unrealized gains and losses, after applicable taxes, excluded from earnings and reported in a separate component of shareholders ’ equity. Declines in the value of debt securities and marketable equity securities that are considered to be other- than- temporary are recorded as an other- than- temporary impairment of securities available- for- sale with other- than- temporary impairment losses recorded in the consolidated statements of income. Interest and dividend income, adjusted by amortization of premium or discount, is included in earnings using the effective interest rate method. Purchases and sales of securities are recorded in the consolidated balance sheets on the trade date. Gains and losses from the sale or disposal of securities are recognized as of the trade date in the consolidated statements of income for the period in which securities are sold or otherwise disposed of. Gains and losses on sales of securities are determined using the specific- identification method. Loans Held- for- Sale Loans originated and intended for sale in the secondary market under best- efforts pricing agreements are carried at the lower of cost or fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to noninterest income. Loans originated and intended for sale in the secondary market under mandatory pricing agreements are carried at fair value to facilitate hedging of the loans. Gains and losses resulting from changes in fair value are recognized in noninterest income. Gains and losses on loan sales are recorded in noninterest income, and direct loan origination costs and fees are deferred at origination of the loan and are recognized in noninterest income upon sale of the loan. Revenue Recognition The Company recognizes revenues as they are earned based on contractual terms, as transactions occur, or as services are provided and collectability is reasonably assured. The Company ’ s principal source of revenue is interest income from loans and leases and investment securities. Interest income on loans is accrued as earned using the interest method based on unpaid principal balances except for interest on loans in nonaccrual status. Interest on loans in nonaccrual status is recorded as a reduction of loan principal when received. Premiums and discounts are amortized using the effective interest rate method. Loan fees, net of certain direct origination costs, primarily salaries and wages, are deferred and amortized to interest income as a yield adjustment over the life of the loan. The Company also earns noninterest income through a variety of financial and transaction services provided to corporate commercial and consumer clients such as deposit account, debit card, mortgage banking, portfolio loan sales and sales of the government- guaranteed portion of U. S. Small Business Administration loans. Revenue is recorded for noninterest income based on the contractual terms for the service or transaction performed. In certain circumstances, noninterest income is reported net of associated expenses. Loans that management intends to hold until maturity are reported at their outstanding principal balance adjusted for unearned income, charge- offs, the allowance for loan credit losses (“ ALLL- ACL ”), any unamortized deferred fees or costs on originated loans, unamortized premiums or discounts on purchased loans and any carrying value adjustments related to terminated interest rate swaps associated with loans. F- 11 For loans recorded at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are recorded in accordance with our revenue recognition policy. F- 10 On January 1, 2023, the Company adopted ASU 2016- 03

**Financial Instruments- Credit losses (“ ASC 326 ”):** Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected credit loss (“ CECL ”) methodology. The CECL estimate is applicable to financial assets measured at amortized cost, including loan receivables and held- to- maturity debt securities. It also applies to off- balance sheet credit exposures, including loan commitments, standby letters of credit, financial guarantees and other similar instruments. Additionally, ASC 326 resulted in changes to the accounting for available- for- sale debt securities. The Company adopted ASC 326 for all financial assets measured at amortized cost, available- for- sale securities and off- balance sheet credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326, while prior period amounts continue to be reported in accordance with previously applicable U. S. GAAP. The Company recorded a net decrease to retained earnings of \$ 4. 5 million as of January 1, 2023 for the cumulative effect of adopting ASC 326. The net adjustment to allowance for credit losses (“ ACL ”) includes \$ 2. 3 million related to loans, \$ 1. 9 million related to off- balance sheet credit exposures and \$ 0. 3 million related to held- to- maturity debt securities. Accrued interest receivable on AFS debt securities totaled \$ 2. 9 million at December 31, 2023 and is excluded from the estimate of credit losses. The Company made the policy election to exclude accrued interest from the amortized cost basis of AFS debt securities and report accrued interest separately on the condensed consolidated balance sheet. Management measures expected credit losses on HTM debt securities on a collective basis by major security type. Accrued interest receivable on HTM debt securities totaled \$ 1. 2 million at December 31, 2023 and is designed excluded from the estimate of credit losses. The Company made the accounting policy election to maintain not measure an ACL adequate ALLL. Primary responsibility for ensuring accrued interest. Accrued interest deemed uncollectible will be written off through interest income. The HTM securities portfolio includes municipal securities, residential mortgage- backed- securities, commercial mortgage- backed securities and corporate securities. All residential and commercial mortgage- backed securities are U. S. government issued or sponsored and substantially all municipal and corporate securities are rated investment grade or above. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. At the time of adoption, the estimated reserve was \$ 0. 3 million. F- 11 Accrued interest receivable on loans totaled \$ 20. 9 million and is excluded from the estimate of credit losses. The Company made the accounting policy election to not measure an ACL for accrued interest receivable. Accrued interest deemed uncollectible will be written off through interest income. The ACL is measured on a collective pool basis when similar risk characteristics exist. In creating the DCF model, the Company has established a one- year reasonable and supportable forecast period processes in place to consistently assess the adequacy of the ALLL rests with a one- year straight line reversion to the Board of Directors ( long- term historical average. Due to its minimal loss history, the Company elected to use peer data for a more conservative calculation. Additional key assumptions in the DCF model include the probability of default (“ Board PD ”), loss given default (“ LGD ”), and prepayment / curtailment rates. The Board Company utilizes the model- driven PD and a LGD derived from a method referred to has as Frye Jacobs charged management with responsibility for establishing the methodology to be used and to assess the adequacy of the ALLL. The Frye Jacobs method is Board reviews recommendations from management on a quarterly basis to adjust mathematical formula that traces the relationship between LGD and PD over time and projects allowance as appropriate. The methodology employed by management for each portfolio segment, at a minimum, contains the LGD following: 1. Loans are segmented by type of loan. 2- The required ALLL for types of performing homogeneous loans which do not have a specific reserve is determined by applying a factor based on the level of PD forecasted. In all cases, the Frye Jacobs method is utilized to calculate LGDs during the forecast period, reversion period and long- term historical losses averaged- average over the past sixteen quarters. In those instances Prepayment and curtailment rates where- were calculated through third party analysis of the Company’ s historical experience own data. Qualitative factors for the DCF include the following: • Changes in the quality of the Company’ s loan review system F- 12 The Company estimates expected credit losses over the contractual period in which the Company is not available exposed to credit risk via a contractual obligation to extend credit. management develops factors unless that obligation is unconditionally cancellable by the Company. The ACL for off- balance sheet credit exposure is recorded as a liability and adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. Funding rates are based on industry experience and best practices. 3. All criticized, classified and impaired loans are tested for impairment by applying one of three methodologies: a historical analysis. Present value of the Company future cash flows; b. Fair value of collateral less costs to sell; or c. The loan’ s observable market price portfolio, while estimates of credit losses are determined using the same loss rates as funded loans. 4-Regulatory Capital As permitted by the federal banking regulatory agencies, the Company has elected the option to delay the impact of the day one adoption of ASC 326. At-Refer to “ Note 14. Regulatory Capital Requirements ” for details of the phase- in transition adjustments. Concurrent with the adoption of ASU 2016- 03, the Company adopted ASU 2022- 02 “ Financial Instruments- Credit Losses (ASC 326): Troubled Debt Restructurings and Vintage Disclosures, ” as amended. The update eliminated the accounting guidance for troubled debt restructurings (“ TDR- TDRs ”) by creditors, while enhancing disclosure requirements are considered impaired loans. 5. Loans tested for certain impairment are removed from other pools to prevent layering (double- counting). 6. The required ALLL for each group of loans- loan refinancings and restructurings by creditors when a borrower are added together to determine the total required ALLL for the Company. The required ALLL is compared to the existing ALLL to determine the provision required to increase the ALLL or credit to decrease the ALLL. The historical loss experience experiencing financial difficulty is determined by portfolio segment and considers two weighted average net charge- off trends: 1) the Company’ s average loss history over the previous sixteen quarters; and 2) the average loss history over the previous sixteen quarters for a peer group. Management believes the historical loss experience methodology is appropriate in the current economic environment, as it captures loss rates that are comparable to the current period being analyzed. The Company also factors in the following qualitative considerations: 1. Changes in national, regional, and local economic and business conditions; 2. Changes in national, regional, and local unemployment rates;

3. The existence and effect of any concentrations of credit, and changes in the levels of such concentrations; 4. Changes in the nature and volume of the portfolio, and in the terms of loans; 5. Changes in the risk grades assigned to loans; 6. The levels of and trends in charge-offs and recoveries; F- 12 7. The levels of and trends in delinquencies, nonaccrual loans, and impaired loans; and 8. Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices.

**Provision for Loan-Credit Losses** A provision for estimated credit losses on loans is charged to income based upon management's evaluation of the potential losses. Such an evaluation, which includes a review of all loans for which full repayment may not be reasonably assured, considers, among other matters, the estimated net realizable value of the underlying collateral, as applicable, economic conditions, loan loss experience, and other factors that are particularly susceptible to changes that could result in a material adjustment in the near term. While management attempts to use the best information available in making its evaluations, future allowance adjustments may be necessary if economic conditions change substantially from the assumptions used in making the evaluations.

**Nonaccrual Loans** Any loan which becomes 90 days delinquent or for which the full collection of principal and interest may be in doubt will be considered for nonaccrual status. At the time a loan is placed on nonaccrual status, all accrued but unpaid interest will be reversed from interest income. Placing the a loan on nonaccrual status does not relieve the borrower of the obligation to repay interest. A loan placed on nonaccrual status may be restored to accrual status when all delinquent principal and interest has been brought current, and the Company expects full payment of the remaining contractual principal and interest.

**Impaired-Individually Evaluated Loans** A loan is individually evaluated designated as impaired, in accordance with the impairment accounting guidance when, based on current information or events, it is probable that the Company will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Payments with delays not exceeding 90 days outstanding generally are not considered impaired- individually evaluated. Certain nonaccrual and substantially all delinquent loans more than 90 days past due may be individually evaluated considered to be impaired. Generally, loans are placed on nonaccrual status at 90 days past due and accrued interest is reversed against earnings, unless the loan is well secured and in the process of collection. The accrual of interest on impaired- individually evaluated and nonaccrual loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due.

**F- 13 Impaired loans include nonperforming loans but also include loans modified in TDRs where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.** Accounting Standards Codification ("ASC") Topic 310, Receivables, requires that impaired- individually evaluated loans be measured based on the present value of expected future cash flows discounted at the loans' effective interest rates or the fair value of the underlying collateral, less costs to sell, and allows existing methods for recognizing interest income.

**The loan portfolio includes certain loans that have been modified in a TDR, where economic concessions have been granted to borrowers who have experienced financial difficulties. These concessions typically result from loss mitigation efforts and could include reductions in the interest rate, payment extensions, forgiveness of principal, forbearance or other actions. Certain TDRs are classified as nonperforming at the time of restructuring and typically are returned to performing status after considering the borrower's sustained repayment performance for a reasonable period, generally not less than six months. When loans are modified in a TDR, any possible impairment similar to other impaired loans is evaluated based on either the present value of expected future cash flows, discounted at the contractual interest rate of the original loan agreement, or the current fair value of the collateral, less selling costs for collateral-dependent loans. If it is F- 13 determined that the value of the modified loan is less than the recorded balance of the loan, impairment is recognized through a specific ALLL or charge-off to the ALLL. In periods subsequent to modification, all TDRs, including those that have payment defaults, are evaluated for possible impairment, and impairment is recognized through the ALLL.** Policy for Charging Off Loans The Company's policy is to charge off a loan at any point in time when it no longer can be considered a bankable asset, meaning collectible within the parameters of policy. A secured loan is generally charged down to the estimated fair value of the collateral, less costs to sell, no later than when it is 120 days past due as to principal or interest. An unsecured loan generally is charged off no later than when it is 180 days past due as to principal or interest. A home improvement loan generally is charged off no later than when it is 90 days past due as to principal or interest.

**Federal Home Loan Bank ("FHLB") of Indianapolis** Stock Federal law requires a member institution of the FHLB system to hold common stock of its district FHLB according to a predetermined formula. This investment is stated at cost, which represents redemption value, and may be pledged as collateral for FHLB advances. Premises and Equipment Premises and equipment is stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives, which range from three to five years for software and equipment, ten years for land improvements, and 39 years for buildings.

**Other Real Estate Owned Other** real estate owned represents real estate acquired through foreclosure or deed in lieu of foreclosure and is recorded at its fair value less estimated costs to sell. When property is acquired, it is recorded at its fair value at the date of acquisition with any resulting write-down charged against the ALLL-ACL. Any subsequent deterioration of the property is charged directly to operating expense. Costs relating to the development and improvement of other real estate owned are capitalized, whereas costs relating to holding and maintaining the property are charged to expense as incurred.

**Derivative Financial Instruments** The Company uses derivative financial instruments to help manage exposure to interest rate risk and the effects that changes in interest rates may have on net income and the fair value of assets and liabilities. The Company enters into interest rate swap agreements as part of its asset liability management strategy to help manage its interest rate risk position. Additionally, prior to the Company's decision to exit its consumer mortgage business in the first quarter 2023, we entered entered into forward contracts for related to our mortgage banking business to hedge the future delivery of exposures we had from commitments to extend new residential mortgage loans to our customers third-party investors and from our enters into interest rate lock commitments ("IRLCs") with potential borrowers to fund specific mortgage loans held-for-sale that will be sold into the secondary market. The forward contracts are were entered into in order to economically hedge the effect of changes changed in interest rates resulting resulted from the Company's commitment to fund the loans. Designating an interest rate swap as an accounting hedge allows the Company to recognize gains and losses in the income statement within the same period that the

hedged item affects earnings. The Company includes the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the related interest rate swaps. For derivative instruments that are designated and qualify as cash flow hedges, any gains or losses related to changes in fair value are recorded in accumulated other comprehensive loss, net of tax. The fair value of interest rate swaps with a positive fair value are reported in accrued income and other assets in the consolidated balance sheets while interest rate swaps with a negative fair value are reported in accrued expenses and other liabilities in the consolidated balance sheets. **F- 14** The IRLCs and forward contracts are not designated as accounting hedges, and are recorded at fair value with changes in fair value reflected in noninterest income in the consolidated statements of income. The fair value of derivative instruments with a positive fair value are reported in accrued income and other assets in the consolidated balance sheets, while derivative instruments with a negative fair value are reported in accrued expenses and other liabilities in the consolidated balance sheets. Fair Value Measurements The Company records or discloses certain assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are classified within one of three levels in a valuation hierarchy. ASC Topic 820 describes three levels of inputs that may be used to measure fair value: Level 1 Quoted prices in active markets for identical assets or liabilities Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities There were no transfers that occurred and, therefore, recognized, between any of the fair value hierarchy levels at December 31, **2023 or 2022 or 2021**. Deferred income tax assets and liabilities reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities as measured by tax laws and regulations. Deferred income tax expense or benefit is based upon the change in deferred tax assets and liabilities from period to period, subject to an ongoing assessment of realization of deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company files income tax returns in the U. S. federal, Indiana, and other state jurisdictions. With few exceptions, the Company is no longer subject to U. S. federal, state and local examinations by tax authorities for years before 2019. ASC Topic 740- 10, Accounting for Uncertainty in Income Taxes, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not identify any material uncertain tax positions that it believes should be recognized in the consolidated financial statements. **F- 15** Earnings Per Share Earnings per share of common stock is based on the weighted average number of basic shares and dilutive shares outstanding during the year. The following is a reconciliation of the weighted average common shares for the basic and diluted earnings per share computations. Year Ended December 31, ~~2022~~~~2021~~~~2020~~~~Basic~~---- **2023****2022****2021**~~Basic~~ earnings per shareNet income available to common shareholders \$ **8, 417** \$ **35, 541** \$ **48, 114** \$ **29, 453** Weighted average common shares**9 shares****8, 837, 558** **9**, 530, 921 **9**, 918, 083 **9**, 840, 205 Basic earnings per common share \$ **0. 95** \$ **3. 73** \$ **4. 85** \$ **2. 99** Diluted earnings per shareNet income available to common shareholders \$ **8, 417** \$ **35, 541** \$ **48, 114** \$ **29, 453** Weighted average common shares**9 shares****8, 837, 558** **9**, 530, 921 **9**, 918, 083 **9**, 840, 205 Dilutive effect of equity compensation**64 compensation****21, 332** **64**, 194 **58, 178** **2, 220** Weighted average common and incremental shares**9 shares****8, 858, 890** **9**, 595, 115 **9**, 976, 261 **9**, 842, 425 Diluted earnings per common share1 \$ **0. 95** \$ **3. 70** \$ **4. 82** \$ **2. 99** 1 Potential dilutive common shares are excluded from the computation of diluted **EPS earnings per share** in the periods where the effect would be antidilutive. Excluded from the computation of diluted **EPS earnings per share** were weighted average antidilutive shares totaling **20, 797**, 2, 646 **and** **28** **and** **18, 524** for the years ended December 31, **2023**, **2022**, **and** **2021** **and** **2020**, respectively. Share- based Compensation The Company has a share- based compensation plan using the fair value recognition provisions of ASC Topic 718, Compensation- Stock Compensation. The plan is described more fully in Note 11. Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available- for- sale, unrealized gains and losses on the transfer of securities available- for- sale to securities held- to- maturity, and unrealized gains and losses on cash flow hedges. Reclassification adjustments have been determined for all components of other comprehensive income **or (loss)** reported in the consolidated statements of **changes in** shareholders' equity. Cash and cash equivalents are defined to include cash on- hand, noninterest and interest- bearing amounts due from other banks and federal funds sold. Generally, federal funds are sold for one- day periods. The Company reports net cash flows for customer loan transactions and deposit transactions. Bank- Owned Life Insurance Bank- owned life insurance policies are carried at their cash surrender value. The Company recognizes tax- free income from the periodic increases in the cash surrender value of these policies and from death benefits. Goodwill is tested at least annually for impairment. If the implied fair value of goodwill is lower than its carrying amount, goodwill impairment is indicated and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements. **F- 16** Servicing Asset The servicing asset is related to small business lending loans sold. The servicing asset is recognized at the time of sale when servicing is retained and the income statement effect is recorded in loan servicing revenue. Servicing assets are recorded at fair value in accordance with ASC 860. Fair value is based on a third- party valuation model that calculates the present value of net servicing revenue. **Reclassifications Certain reclassifications have been made to the 2021 and 2020 financial statements to conform to the 2022 financial statement presentation. These reclassifications had no effect on net income.** Note 2: Cash and Cash Equivalents At December 31, **2023**, the Company' s interest- bearing and noninterest- bearing cash accounts at other institutions exceeded the limits for full FDIC insurance coverage by \$ **20** **8. 9** **6** million. In addition, approximately \$ **227** **382. 9** **2** million and \$ **7. 0** **8** million of cash was held by the Federal Reserve Bank of Chicago and the FHLB of Indianapolis, respectively, which are not federally insured. The Federal Reserve Act authorizes the Federal Reserve Board to establish reserve requirements within specified ranges for the purpose of implementing monetary policy on certain types of deposits and other liabilities of depository institutions. On March 15, 2020, the

Federal Reserve Board reduced requirement ratios to zero percent effective March 26, 2020. As such, the Company is not currently required to maintain reserve funds in cash and / or on deposit with the Federal Reserve Bank. Note 3: Securities The following tables summarize securities available-for-sale and securities held-to-maturity as of December 31, 2023 and 2022 and 2021.

December 31, 2022	2023	Amortized Cost	Gross	Unrealized Fair Value	Cost	Gains	Losses	Value	Securities
Available-for-sale	U. S. Government-sponsored agencies	\$ 35,966	\$ 606,404	\$ 402	\$ (1,797)	\$ 629			
Municipal securities	Agency mortgage-backed securities-residential	1252	1237	066	798	101	(36)	31	974
Agency mortgage-backed securities-commercial	Private label mortgage-backed securities-residential	17	40	142	215	9	(1,302)	339	15
Asset-backed securities		5	8	000	071	17	(40)	7	4
Corporate securities	Total available-for-sale	\$ 436,513	\$ 1,833,315	\$ 1,493	\$ (46,054)	\$ 292	\$ (390)	\$ 39	\$ 384
Held-to-maturity	Municipal securities	\$ 13,946	\$ 892	\$ (1,114)	\$ 12	\$ (853)	\$ 13	\$ 832	\$ (3)
Agency mortgage-backed securities-residential	Agency mortgage-backed securities-commercial	121	166	853	750	4	(15)	14	112
Corporate securities	Total held-to-maturity	\$ 227,446	\$ 5	\$ (189)	\$ 19	\$ 168	\$ 879		

December 31, 2022-2023 Amortized Gross ----- Amortized Cost Gross Unrealized Fair Value Cost Gains Losses Value Securities ----- Gains Losses Securities available-for-sale U. S. Government-sponsored agencies \$ 35,966, 606,404 \$ —402 \$ (1,797-629) \$ 33-95, 809-177 Municipal securities 69,494 356 (1,404) 68, 446 958 458 (2,140) 67,276 Agency mortgage-backed securities-residential 1252 residential 1237, 066 —798 101 (36 31, 974 250) 215-206, 092-649 Agency mortgage-backed securities-commercial 17 commercial 40, 142 —215 9 (1,302-339) 15-38, 840-885 Private label mortgage-backed securities-residential 11 residential 11, 777 —742 144 (1,322) 10-107 (20, 455-779 Asset-backed securities 5 securities 8, 000 —071 17 (40-7) 4-8, 960-081 Corporate securities 45 securities 39, 634 35-591 25 (2,717-778) 42-36, 952-838 Total available-for-sale \$ 436-513, 183-315 \$ 1,493 \$ (46,054 292) \$ (390-39, 384 F-17-514) \$ 474, 855 December 31, 2022-2023 Amortized Gross ----- Amortized Cost Gross Unrealized Fair Value Allowance for Credit Losses Net Carrying Value Cost Gains Losses Value Securities ----- Gains Losses Securities held-to-maturity Municipal securities \$ 13,946-892 \$ —\$ (1,114) \$ 12 (853) \$ 13, 832-040 \$ (3) \$ 13, 889 Agency mortgage-backed securities-residential 121 residential 166, 853 —750 4 (15-14, 112) 106-152, 741-642 —166, 750 Agency mortgage-backed securities-commercial 5, 818-767 —(1,266-246) 4, 552-521 —5,767 Corporate securities 47 securities 41, 551-037 —(3,193-668) 44-37, 358-369 (290) 40, 747 Total held-to-maturity \$ 227,446 \$ 5 \$ (189-19) 168-879) \$ —\$ (20-207, 572-685) \$ 168 (293) \$ 227, 483-153 | Includes \$ 0.5-4 million of additional premium related to terminated interest rate swaps associated with agency mortgage-backed securities-residential as of December 31, 2022-2023. F-17 Accrued interest receivable on AFS and HTM securities at December 31, 2021-2023 was \$ 2.9 million and \$ 1.2 million, respectively, and is included in accrued interest receivable on the condensed consolidated balance sheet. The Company elected to exclude all accrued interest receivable from securities when estimating credit losses. Over 95 % of mortgage-backed securities (including both AFS and HTM) held by the Company are issued by U. S. government-sponsored entities and agencies. These securities are either explicitly or implicitly guaranteed by the U. S. government and have a long history of no credit losses; therefore, the Company did not record an ACL on these securities. Additionally, the Company evaluated credit impairment for individual AFS securities that are in an unrealized loss position and determined that the unrealized losses are unrelated to credit quality and are primarily attributable to changes in interest rates and volatility in the financial markets. As the Company does not intend to sell the AFS securities that are in an unrealized loss position, and it is unlikely that it will be required to sell these securities before recovery of their amortized cost basis, the Company did not record an ACL on these securities. In accordance with the adoption of ASC 326, the Company also evaluated its HTM securities that are in an unrealized loss position and considered issuer bond ratings, historical loss rates for bond ratings and economic forecasts. As a result, the Company recorded in an initial ACL in retained earnings of \$ 0.3 million on January 1, 2023. The Company reevaluated these securities at December 31, 2023 and determined no additional ACL was necessary.

December 31, 2022	2023	Amortized Cost	Gross	Unrealized Fair Value	Cost	Gains	Losses	Value	Securities
Available-for-sale	U. S. Government-sponsored agencies	\$ 50,353	\$ 013,606	\$ 164	\$ (1,137)	\$ 797			
Municipal securities	Agency mortgage-backed securities-residential	1377	1252	928	960	066	(5,652)	373	236
Agency mortgage-backed securities-commercial	Private label mortgage-backed securities-residential	15	11	902	122	777	(13)	16	021
Asset-backed securities		5	8	000	(40)	4	(5)	004	960
Corporate securities	Total available-for-sale	\$ 606,436	\$ 507,183	\$ 493	\$ (7,46)	\$ 691	\$ (292)	\$ 603	\$ 390
Held-to-maturity	Municipal securities	\$ 13,992	\$ 946	\$ (1,14)	\$ 12	\$ 709	\$ 832	\$ (15)	\$ (112)
Agency mortgage-backed securities-residential	Agency mortgage-backed securities-commercial	121	166	853	750	4	(15)	14	112
Corporate securities	Total held-to-maturity	\$ 59,189	\$ 565,168	\$ 1,903	\$ (61)	\$ (20)	\$ 468	\$ 685	\$ 168

December 31, 2021-2022 Amortized Gross ----- Amortized Cost Gross Unrealized Fair Value Cost Gains Losses Value Securities ----- Gains Losses Securities held-to-maturity Municipal securities \$ 13,992-946 \$ 717 \$ —\$ (1,14-114) \$ 12, 709-832 Agency mortgage-backed securities-residential 121, 853 —(15, 112) 106, 741 Agency mortgage-backed securities-commercial 5, 818-767 (1,266) 4, 552 Corporate securities 45 securities 47, 551-573 1, 186 —46 (3, 759-193) 44, 358 Total held-to-maturity \$ 59-189, 565-168 \$ 1,903 \$ —\$ 61 (20, 468-685) \$ 168, 483 | Includes \$ 0.8-5 million of additional premium related to terminated interest rate swaps associated with agency mortgage-backed securities-residential as of December 31, 2021-2022. F-18 The carrying value of securities at December 31, 2022-2023 is shown below by their contractual maturity date. Actual maturities will differ because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Available-for-Sale Amortized Cost Fair Value Within one year \$ —550 \$ —549 One to five years 34 years 31, 169-35 401 31, 307-865 Five to ten years 47 years 69, 739-45 553 67, 422-120 After ten years 68 years 103, 290-63 985 100, 308-150 927 205, 198-144 489 200, 037-461 Agency mortgage-backed securities-residential 252 residential 237, 066-215 798 206, 092-649 Agency mortgage-backed securities-commercial 17 commercial 40, 142-15 215 38, 840-885 Private label mortgage-backed securities-residential 11 residential 11, 777-10 742 20, 455-779 Asset-backed securities 5 securities 8, 000-4 071 8, 960-081 Total \$ 436-513, 183-315 \$ 390-474, 384-855 Held-to-Maturity Amortized Cost Fair Value One-Amortized Cost Fair Value Within one year \$ 995 \$ 987 One to five years years 6 \$ 11, 129 5 805 \$ 11, 547-952 Five to ten years 44 years 43, 213-40 856 39, 861-967 After ten years 5 years 3, 479-4 949 3, 782-61 503 54, 497-57 929 50, 190-409 Agency mortgage-backed securities-residential 121 residential 166, 853-106 750 152, 741-642 Agency mortgage-backed securities-commercial 5, 818-767 4, 552-521 Total \$ 189-227, 168-446 \$ 168-207, 483-572 There were no gross realized gains or losses resulting from the sale of AFS available-for-sale securities recognized during the twelve months ended December 31, 2022-2023 and December 31, 2021-2022 and. There were gross realized losses of \$ 0.1 million resulting from sales of available-for-sale securities recognized during the twelve months ended December 31, 2020-2021. As of December 31, 2022-2023, the fair value of AFS available-for-sale investment securities pledged as collateral was \$ 328-662, 7-1 million. The Company pledged the these securities to both the FHLB and the Fed Discount Window to increase the Company's borrowing capacity and provide collateral for existing various types of transactions, including FHLB advances, deposits and derivative financial instruments. Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical



cost. As of December 31, 2022 and 2021, the Company had 434 and 179 securities, respectively, with market values below their cost basis. The total fair value of these investments at December 31, 2023 and 2022 and 2021 was \$ 578.9 million and \$ 527.4 million and \$ 403.2 million, which is approximately 85 % and 94 % and 61 %, respectively, of the Company's AFS available-for-sale and held-to-maturity HTM securities portfolios. As of December 31, 2023, the Company's securities portfolio consisted of 512. These declines resulted primarily from fluctuations in market interest rates after purchase. Management believes the declines in fair value for these securities, of which 434 were in an unrealized loss position. As of December 31, 2022, the Company's security portfolio consisted of 445 securities, of which 434 were in an unrealized loss position. The unrealized losses are related to temporary. Should the impairment of any of these -- the categories noted below securities become other than temporary, the cost basis of the investment will be reduced with the resulting loss recognized in net income in the period the other than temporary impairment is identified. U. S. Government- Sponsored Agencies, Municipal Securities, and Corporate Securities The unrealized losses on the Company's investments in securities issued by U. S. Government- sponsored agencies, municipal organizations and corporate entities were caused primarily by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases-basis of the investments. The Because the Company does not intend to sell the investments and it is not likely that the Company will be F-19 required to sell the investments before recovery of their amortized cost bases-basis, which may not be until upon maturity, the Company does not consider those investments to be other than temporarily impaired at December 31, 2022. F-19 Agency Mortgage- Backed and Private Label Mortgage- Backed Securities The unrealized losses on the Company's investments in agency mortgage- backed and private label mortgage- backed securities were caused primarily by interest rate changes. The Company expects to recover the amortized cost bases-basis over the term-terms of the securities. The Because the Company does not intend to sell the investments and it is not likely that the Company will be required to sell the investments before recovery of their amortized cost bases-basis, which may not be until upon maturity, the Company does not consider those investments to be other than temporarily impaired at December 31, 2022.

The following tables show the securities portfolio's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2023 and 2022 and 2021: December 31, 2023 Less Than 12 Months 12 Months or Longer Total Fair Value Unrealized Losses Fair Value Unrealized Losses Fair Value Unrealized Losses Securities available-for-sale U. S. Government- sponsored agencies \$ 41, 934 \$ (161) \$ 24, 579 \$ (1, 468) \$ 66, 513 \$ (1, 629) Municipal securities 2, 399 (103) 36, 193 (1, 301) 38, 592 (1, 404) Agency mortgage- backed securities- residential 1, 089 (5) 194, 095 (31, 245) 195, 184 (31, 250) Agency mortgage- backed securities- commercial 21, 561 (50) 14, 217 (1, 289) 35, 778 (1, 339) Private label mortgage- backed securities- residential 3, 567 (29) 9, 114 (1, 078) 12, 681 (1, 107) Asset- backed securities 1, 654 (7) — 1, 654 (7) Corporate securities 1, 680 (365) 24, 587 (2, 413) 26, 267 (2, 778) Total \$ 73, 884 \$ (720) \$ 302, 785 \$ (38, 794) \$ 376, 669 \$ (39, 514)

December 31, 2022 Less Than 12 Months 12 Months or Longer Total Fair Value Unrealized Losses Fair Value Unrealized Losses Fair Value Unrealized Losses Securities available-for-sale U. S. Government- sponsored agencies \$ 29, 668 \$ (1, 008) \$ 4, 141 \$ (789) \$ 33, 809 \$ (1, 797) Municipal Municipal 39 securities 39, 557 (1, 766) 4, 778 (374) 44, 335 (2, 140) Agency mortgage- backed securities- residential residential 170 170, 026 (29, 690) 45, 066 (7, 284) 215, 092 (36, 974) Agency mortgage- backed securities- commercial 10, 560 (926) 5, 280 (376) 15, 840 (1, 302) Private label mortgage- backed securities- residential 2, 445 (330) 8, 010 (992) 10, 455 (1, 322) Asset- backed securities 4, 960 (40) — 4, 960 (40) Corporate securities 21, 568 (1, 452) 13, 239 (1, 265) 34, 807 (2, 717) Total \$ 278, 784 \$ (35, 212) \$ 80, 514 \$ (11, 080) \$ 359, 298 \$ (46, 292) F-20

December 31, 2022 Less Than 12 Months 12 Months or Longer Total Fair Value Unrealized Losses Fair Value Unrealized Losses Fair Value Unrealized Losses Securities held-to-maturity Municipals \$ 8, 160 \$ (661) \$ 4, 258 \$ (453) \$ 12, 418 \$ (1, 114) Agency Mortgage mortgage- backed securities- residential 68, 408 (8, 848) 38, 332 (6, 264) 106, 740 (15, 112) Agency Mortgage mortgage- backed securities- commercial 4, 552 (1, 266) — 4, 552 (1, 266) Corporate securities 36, 866 (2, 685) 7, 492 (508) 44, 358 (3, 193) Total \$ 117, 986 \$ (13, 460) \$ 50, 082 \$ (7, 225) \$ 168, 068 \$ (20, 685) F-20

The following table summarizes ratings for the Company's HTM portfolio issued by state and political subdivisions and other securities as of December 31, 2021-2023 Less Than 12 Months 12 Months or Longer Total Fair Value Unrealized Losses Fair Value Unrealized Losses Fair Value Unrealized Losses Securities Held-to-Maturity (in thousands) State and Municipal Other Total Aaa / AAA \$ — \$ — \$ — Aa1 / AA 9, 917 — 9, 917 Aa2 / AA1, 538 — 1, 538 A1 / A 1, 794 — 1, 794 A2 / A 643 5, 000 5, 643 A3 / A- — 4, 509 4, 509 Baa1 / BBB — 8, 500 8, 500 Baa2 / BBB — 8, 500 8, 500 Baa3 / BBB- — 12, 528 12, 528 Ba1 / BB — Months 12 Months or

Longer Total Fair Value Unrealized Losses Fair Value Unrealized Losses Fair Value Unrealized Losses Securities available-for-sale U. S. Government- sponsored agencies \$ 2, 000 2, 921 \$ (79) \$ 40, 305 \$ (000 Not Rated 1 — 172, 517 172 058) \$ 43, 226 517 Total \$ (13, 892 \$ 213, 554 \$ 227, 446 1 HTM, 137) Municipals 5, 721 (65) — 5, 721 (65) Agency agency mortgage- backed securities- commercial and residential 287 --- residential are listed under Other; 820 (3, 694) 40, 840 (1, 958) 328, 660 (5, 652) Agency mortgage- backed securities as not rated. There were no commercial 3, 944 (139) — 3, 944 (139) Private label mortgage- backed securities- residential 374 (3) — 374 (3) Corporate securities 11, 813 (187) 9, 491 (508) 21, 304 (695) Total \$ 312, 593 \$ (4, 167) \$ 90, 636 \$ (3, 524) \$ 403, 229 \$ (7, 691) Amounts amounts reclassified from accumulated other comprehensive loss and to the condensed affected line items in the consolidated statements of income during the years twelve months ended December 31, 2023, 2022 and 2021, and 2020 were as follows: Details About Accumulated Other Comprehensive Loss Components Amounts Reclassified from Accumulated Other Comprehensive Loss for the Year Ended December 31, Affected Line Item in the Statements of Income 2022 2021 2020 Unrealized gains on securities available-for-sale Gain realized in earnings \$ — \$ — \$ 139 Gain on sale of securities Total reclassified amount before tax — 139 Income before income taxes Tax expense — 38 Income tax provision Total reclassifications out of accumulated other comprehensive loss \$ — \$ — \$ 101 Net Income Equity Investments Equity investments, largely comprised of non- marketable equity investments, are generally accounted for under equity security accounting. The following tables provide additional information related to investments accounted for under this method. The carrying amount of each equity investment with a readily determinable fair value or net asset value at December 31, 2023 and 2022 and 2021 is reflected in the following table: (dollars in thousands) 2022 2021 GenOpp 2023 2022 GenOpp Financial Fund LP \$

2, **102 \$ 2, 134 Total \$ 2, 102 075 Total \$ 2, 134 \$ 2, 075**- 21 The carrying amount of the Company's investments in non-marketable equity securities with no readily determinable fair value and amounts recognized in earnings on a cumulative basis as of December 31, **2022 2023** and for the years ended December 31, **2023 and 2022 and 2021** is reflected in the following table: (dollars in thousands) **20222021Carrying** ---- **20232022Carrying** value1 **\$ 12, 374 \$ 8, 067 \$ 4, 636** Carrying value adjustments — Impairment — Upward changes for observable prices — Downward changes for observable prices — Net change \$ **12, 374 \$ 8, 067 \$ 4, 636**- 1 Exclusive of \$ **11. 5 million and \$ 13 . 0 million and \$ 12 . 0 million** in unfunded commitments as of December 31, **2023, and 2022 , and 2021**, respectively. F- 22 Note 4: Loans Categories of loans include: December 31, **20222021Commercial** ---- **20232022Commercial** loans Commercial and industrial \$ **129, 349 \$ 126, 108 \$ 96, 008** Owner-occupied commercial real estate**61-estate57, 286 61** , 836 **66, 732**-Investor commercial real estate**93-estate132 , 077 93** , 121 **28, 019**-Construction**181-- Construction261 , 750 181** , 966 **136, 619**-Single tenant lease financing**939-financing936 , 616 939** , 240 **865, 854**-Public finance**621-finance521 , 764 621** , 032 **592, 665**-Healthcare finance**272-- finance222 , 793 272** , 461 **387, 852** Small business lending**123-lending218 , 506 123** , 750 **108, 666**-Franchise finance**299-finance525 , 783 299** , 835 **81, 448**-Total commercial loans**2-loans3 , 005, 924 2** , 719, 349 **2, 363, 863**-Consumer loansResidential mortgage**383-mortgage395 , 648 383** , 948 **186, 770**-Home equity**24-equity23 , 669 24** , 712 **17, 665**-Other consumer**324-consumer377 , 614 324** , 598 **265, 478**-Total consumer loans**733-loans796 , 931 733** , 258 **469, 913**-Total commercial and consumer loans**3, 802, 855 3, 452, 607 2, 833, 776** Net deferred loan origination costs, premiums and discounts on purchased loans, and other **137, 365 146 - 46** , 794 **53, 886**-Total loans**3, 840, 220 3, 499, 401 2, 887, 662**-Allowance for loan credit losses ( **38, 774** ) ( **31, 737** ) ( **27, 841** ) Net loans \$ **3, 801, 446 \$ 3, 467, 664 \$ 2, 859, 821**- 1 Includes carrying value adjustment of \$ **27. 8 million and \$ 32 . 5 million and \$ 37 . 5 million** related to terminated interest rate swaps associated with public finance loans as of December 31, **2022 2023** and December 31, **2021 2022** , respectively. The general risk characteristics specific to each loan portfolio segment are as follows: Commercial and Industrial: Commercial and industrial loans' sources of repayment are primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected, and the collateral securing these loans may fluctuate in value. Loans are made for working capital, equipment purchases, or other purposes. Most commercial and industrial loans are secured by the assets being financed and may incorporate a personal guarantee. This portfolio segment is generally concentrated in the Midwest and Southwest regions of the United States. Owner- Occupied Commercial Real Estate: The primary source of repayment is the cash flow from the ongoing operations and activities conducted by the borrower, or an affiliate of the borrower, who owns the property. This portfolio segment is generally concentrated in the Midwest and Southwest regions of the United States and its loans are often secured by manufacturing and service facilities , ~~as well as office buildings~~ . F- 23 Investor Commercial Real Estate: These loans **are made on a nationwide basis and** are underwritten primarily based on the cash flow expected to be generated from the property and are secondarily supported by the value of the real estate. These loans typically incorporate a personal guarantee from the primary sponsor or sponsors. This portfolio segment generally involves larger loan amounts with repayment primarily dependent on the successful leasing and operation of the property securing the loan or the business conducted on the property securing the loan. Investor commercial real estate loans may be more adversely affected by changing economic conditions in the real estate markets, industry dynamics or the overall health of the local economy where the property is located. The properties securing the Company's investor commercial real estate portfolio tend to be diverse in terms of property type ~~and are generally located in the Midwest and Southwest regions of the United States~~ . Management monitors and evaluates commercial real estate loans based on property financial performance, collateral value, guarantor strength, economic and industry conditions together with other risk grade criteria. As a general rule, the Company avoids financing special use projects unless other underwriting factors are present to mitigate these additional risks. Construction: Construction loans are **made on a nationwide basis and are** secured by land and related improvements and are made to assist in the construction of new structures, which may include commercial (retail, industrial, office, and multi- family) properties, land development for residential properties or single family residential properties offered for sale by the builder. These loans generally finance a variety of project costs, including land, site preparation, architectural services, construction, closing and soft costs and interim financing needs. The cash flows of builders, while initially predictable, may fluctuate with market conditions, and the value of the collateral securing these loans may be subject to fluctuations based on general economic changes . ~~This portfolio segment is generally concentrated in the Midwest and Southwest regions of the United States~~ . Single Tenant Lease Financing: These loans are made on a nationwide basis to ~~property~~ owners of real estate subject to long- term lease arrangements with single tenant operators. The real estate is typically operated by regionally, nationally or globally branded businesses. The loans are underwritten based on the financial strength of the borrower, characteristics of the real estate, cash flows generated from the lease arrangements and the financial strength of the tenant. Similar to the other loan portfolio segments, management monitors and evaluates these loans based on borrower and tenant financial performance, collateral value, industry trends and other risk grade criteria. Public Finance: These loans are made on a nationwide basis to governmental and not- for- profit entities to provide both tax- exempt and taxable loans for a variety of purposes including: short- term cash- flow needs; debt refinancing; economic development; quality of life projects; infrastructure improvements; renewable energy projects; and equipment financing. The primary sources of repayment for public finance loans include pledged revenue sources including but not limited to: general obligations; property taxes; income taxes; tax increment revenue; utility revenue; gaming revenues; sales tax; and pledged general revenue. Certain loans may also include an additional collateral pledge of mortgaged property or a security interest in financed equipment. Healthcare Finance: These loans are made on a nationwide basis to healthcare providers, primarily dentists, for practice acquisition financing or refinancing that occasionally includes owner- occupied commercial real estate and equipment purchases. The sources of repayment are primarily based on the identified cash flows from operations of the borrower and related entities and secondarily on the underlying collateral provided by the borrower. F- 24 Small Business Lending: These loans are made on a nationwide basis to small businesses and generally carry a partial guaranty from the U. S. Small Business Administration (" SBA ") under its 7 (a) loan program. We generally sell the government guaranteed portion of SBA loans into the secondary market while retaining the non- guaranteed portion of the loan and the servicing rights. Loans in the small business lending portfolio have sources of repayment that are

primarily based on the identified cash flows of the borrower and secondarily on any underlying collateral provided by the borrower. Loans may, but do not always, have a collateral shortfall. For SBA loans where the guaranteed portion is retained, the SBA guaranty provides a tertiary source of repayment to the Bank in event of borrower default. Cash flows of borrowers, however, may not be as expected and collateral securing these loans may fluctuate in value. Loans are made for a broad array of purposes including, but not limited to, providing operating cash flow, funding ownership changes, and facilitating equipment **and commercial real estate** purchases. Franchise Finance: These loans are made on a nationwide basis through our partnership with ApplePie Capital, which through their deep relationships with franchise brands provides franchisees with financing options for new franchise units, recapitalization, expansion, equipment and working capital. The sources of repayment are either based on identified cash flows from existing operations of the borrower or pro forma cash flow for new franchise locations. Residential Mortgage: With respect to residential loans that are secured by 1- to- 4 family residences and are generally owner occupied, the Company typically establishes a maximum loan- to- value ratio and requires private mortgage insurance if that ratio is exceeded. Repayment of these loans is primarily dependent on the financial circumstances of the borrowers, which can be impacted by economic conditions in their market areas such as unemployment levels. Repayment can also be impacted by changes in residential property values. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers in geographically diverse locations throughout the country. Home Equity: Home equity loans and lines of credit are typically secured by a subordinate interest in 1- to- 4 family residences. The properties securing the home equity portfolio segment are generally geographically diverse as the Company offers these products on a nationwide basis. Repayment of these loans and lines of credit is primarily dependent on the financial circumstances of the borrowers and may be impacted by changes in unemployment levels and property values on residential properties, among other economic conditions in the market. Other Consumer: These loans primarily consist of consumer loans and credit cards. Consumer loans may be secured by consumer assets such as horse trailers or recreational vehicles. Some consumer loans are unsecured, such as small installment loans, home improvement loans and certain lines of credit. Repayment of consumer loans is primarily dependent upon the personal income of the borrowers, which can be impacted by economic conditions in their market areas such as unemployment levels. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers in geographically diverse locations throughout the country. **Allowance for Credit Losses (" ACL ") Methodology The Company's methodologies incorporate a one- year reasonable and supportable forecast period with a one- year straight line reversion to the long- term historical average. The ACL methodology may also consider other adjustments to address changes in conditions, trends, and circumstances such as local industry changes that could have a significant impact on the risk profile of the loan portfolio and provide for adjustments that may not be reflected and / or captured in the historical loss data. These factors include: lending policies, imprecision in forecasting future economic conditions, loan profile, lending staff, problem loan trends, loan review, collateral, credit concentration, or other internal and external factors. F- 25 The Company also includes qualitative adjustments to the ACL based on factors and considerations that have not otherwise been fully accounted for. Qualitative adjustments include, but are not limited to: The ACL is measured on a collective or pool basis when similar risk characteristics exist. The Company segments its portfolio generally by Federal Financial Institutions Examination Council (" FFIEC") Call Report codes that align with its lines of business. Additional sub- segmentation may be utilized to identify groups of loans with unique risk characteristics relative to the rest of the portfolio. Loans that do not share similar risk characteristics are evaluated on an individual basis. These evaluations are typically performed on loans with a deteriorated internal risk rating. The allowance for credit loss is determined based on several methods, including estimating the fair value of the underlying collateral or the present value of expected cash flows. The Company relies on a third- party platform that offers multiple methodologies to measure historical life- of- loan losses. Modified Loans to Borrowers Experiencing Financial Difficulty The Company may make modifications to certain loans in order to alleviate temporary difficulties in the borrower' s financial condition and / or constraints on the borrower' s ability to repay the loan, and to minimize potential losses to the Company. Modifications may include changes in the amortization terms of the loan, reductions in interest rates, acceptance of interest only payments, and / or reductions to the outstanding loan balance. Such loans are typically placed on nonaccrual status when there is doubt concerning the full repayment of principal and interest or the loan has been delinquent for a period of 90 days or more. These loans may be returned to accrual status when all contractual amounts past due have been brought current, and the borrower' s performance under the modified terms of the loan agreement and the ultimate collectability of all contractual amounts due under the modified terms is no longer in doubt. The Company typically measures the ACL on modified loans to borrowers experiencing financial difficulty on an individual basis when the loans are deemed to no longer share risk characteristics that are similar with other loans in the portfolio. The determination of the ACL for these loans is based on a discounted cash flow approach for both those measured collectively and individually, unless the loan is deemed collateral dependent, which requires measurement of the ACL based on the estimated expected fair value of the underlying collateral, less costs to sell. GAAP requires the Company to make certain disclosures related to these loans, including certain types of modifications, as well as how such loans have performed since their modifications. Provision for Credit Losses A provision for estimated losses on loans is charged to income based upon management' s evaluation of the potential losses. Such an evaluation, which includes a review of all loans for which full repayment may not be reasonably assured, considers, among other matters, the estimated net realizable value of the underlying collateral, as applicable, economic conditions, loan loss experience, and other factors that are particularly susceptible to changes that could result in a material adjustment in the near term. While management attempts to use the best information available in making its evaluations, future allowance adjustments may be necessary if economic conditions change substantially from the assumptions used in making the evaluations. F- 26 The Company' s policy is to charge off a loan at any point in time when it no longer can be considered a bankable asset, meaning collectible within the parameters of policy. A secured loan is generally charged down to the estimated fair value of the collateral, less costs to sell, no later than when it is 120 days past due as to principal or interest. An unsecured loan generally is charged off no later**

than when it is 180 days past due as to principal or interest. A home improvement loan generally is charged off no later than when it is 90 days past due as to principal or interest. The following tables present changes in the balance of the ~~ALL~~ **ACL** during the twelve months ended December 31, 2023. **Twelve Months Ended December 31, 2023 Balance, Beginning of Period**

Adoption of CECL (Credit) Provision Charged to Expense	Losses Charged Off	Recoveries	Balance, End of Period
Allowance for credit losses: Commercial and industrial	\$ 1,711	\$(120)	\$ 7,400
Owner-occupied commercial real estate	651	62,112	—
Investor commercial real estate	1,099	(191)	994
Construction	2,074	(435)	528
Single tenant lease financing	10,519	(346)	(2,044)
Public finance	1,753	(135)	(246)
Healthcare finance	2,997	1,034	(1,450)
Small business lending	2,168	334	6,539
Franchise finance	3,988	(313)	3,019
Residential mortgage	1,559	406	224
Home equity	69	133	(37)
Other consumer	3,149	2,533	415
Total	\$ 31,737	\$ 2,962	\$ 15,454

\$(11,884) \$ 505 \$ 38,774 Prior to the adoption of ASU 2016-13 on January 1, 2023, the Company calculated the allowance for loan losses using the incurred loss methodology. The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of December 31, 2022 and December 31, 2021, and 2020.

**F-27** Twelve Months Ended December 31, 2022 Balance, Beginning of Period

Provision (Credit) Charged to Expense	Losses Charged Off	Recoveries	Balance, End of Period
Allowance for loan losses: Commercial and industrial	\$ 1,891	\$(185)	\$ 5
Owner-occupied commercial real estate	742	(91)	—
Investor commercial real estate	328	771	—
Construction	1,612	462	—
Single tenant lease financing	10,385	(1,097)	—
Public finance	1,776	(23)	—
Healthcare finance	5,940	(2,943)	—
Small business lending	1,387	1,154	(402)
Franchise finance	1,083	2,905	—
Residential mortgage	643	912	—
Home equity	64	(134)	—
Other consumer	1,990	3,246	(2,358)
Total	\$ 27,841	\$ 4,977	\$ (2,760)

\$ 1,679 \$ 31,737 Twelve Months Ended December 31, 2021 Balance, Beginning of Period

Provision (Credit) Charged to Expense	Losses Charged Off	Recoveries	Balance, End of Period
Allowance for loan losses: Commercial and industrial	\$ 1,146	\$ 684	\$(28)
Owner-occupied commercial real estate	1,082	(340)	—
Investor commercial real estate	155	173	—
Construction	1,192	420	—
Single tenant lease financing	12,990	(214)	(2,391)
Public finance	1,732	44	—
Healthcare finance	7,485	(1,545)	—
Small business lending	628	901	(222)
Franchise finance	80	1,387	—
Residential mortgage	519	67	(6)
Home equity	48	60	(51)
Other consumer	2,507	(303)	(529)
Total	\$ 29,484	\$ 1,030	\$(3,227)

\$ 554 \$ 27,841 **F-26** In addition to the ACL, the Company established a reserve for off-balance sheet commitments, classified in other liabilities, as required by the adoption of the CECL methodology for measuring credit losses. This reserve is maintained at a level management believes to be sufficient to absorb losses arising from unfunded loan commitments. The day one entry for off-balance sheet commitments resulted in a reserve of \$ 2.5 million. The adequacy of the reserve for unfunded commitments is determined quarterly based on methodology similar to the methodology for determining the ACL. The following table details activity in the provision for credit losses on off-balance sheet commitments for the twelve months ended December 31, 2020-2023.

**F-28** Balance, Beginning of Period

Provision (Credit) Charged to Expense	Losses Charged Off	Recoveries	Balance, End of Period
Allowance ASC 326 Adoption Impact	—	—	—
Commercial and industrial	\$ 1,521	\$ 80	110
Owner-occupied commercial real estate	561	545	(24)
Investor commercial real estate	109	—	46
Construction	380	812	2
Single tenant lease financing	11,889	175	1,815
Public finance	1,580	152	—
Healthcare finance	3,732	—	2,247
Small business lending	54	665	(110)
Franchise finance	19	628	—
Residential mortgage	657	—	541
Home equity	46	—	519
Other consumer	11	48	—
Total	\$ 2,504	\$ 507	\$ 1,212

\$ 241,840 \$ 93,745 \$ 325 \$ (2,162) \$ 481 \$ 29,484 The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of December 31, 2022 and 2021.

Loans	Allowance for Loan Losses	December 31, 2022	Ending Balance
Commercial and industrial	\$ 116,307	\$ 9,801	\$ 126,108
Owner-occupied commercial real estate	60,266	1,570	61,836
Investor commercial real estate	93,121	—	93,121
Construction	181,966	2,074	2,074
Single tenant lease financing	939,240	—	939,240
Public finance	621,032	—	621,032
Healthcare finance	272,461	—	272,461
Small business lending	1,113,699	10,051	1,123,750
Franchise finance	299,835	—	299,835
Residential mortgage	380,272	3,676	383,948
Home equity	24,683	29	24,712
Other consumer	324,581	17	324,598
Total	\$ 3,427,463	\$ 25,144	\$ 3,452,607

\$ 30,983 \$ 754 \$ 31,737 1 Balance is partially guaranteed by the U. S. government. **F-27** Loans

Allowance for Loan Losses	December 31, 2021	Ending Balance
Commercial and industrial	\$ 95,364	\$ 644
Owner-occupied commercial real estate	63,387	3,345
Investor commercial real estate	28,019	—
Construction	136,619	136,619
Single tenant lease financing	864,754	1,100
Public finance	592,665	—
Healthcare finance	386,926	926
Small business lending	110,682	1,984
Franchise finance	81,448	—
Residential mortgage	183,852	2,918
Home equity	17,651	14
Other consumer	265,469	9
Total	\$ 2,822,836	\$ 10,940

\$ 2,833,776 \$ 26,380 \$ 1,461 \$ 27,841 1 Balance is partially guaranteed by the U. S. government. The Company utilizes a risk grading matrix to assign a risk grade to each of its commercial loans. A description of the general



— 81, 448 Total commercial loans \$ 2, 312, 655 \$ 43, 210 \$ 7, 998 \$ 2, 363, 863 December 31, 2021 Performing Nonaccrual Total Residential mortgage \$ 185, 544 \$ 1, 226 \$ 186, 770 Home equity 17, 651 14 17, 665 Other consumer 265, 469 9 265, 478 Total \$ 468, 664 \$ 1, 249 \$ 469, 913 F- 29 33 The following tables present the Company's loan portfolio delinquency analysis as of December 31, 2023 and 2022 and 2021. December 31, 2022 2023 (in thousands) 30- 59 Days Past Due 60- 89 Days Past Due 90 Days or More Past Due Total Past Due Current Total loans Commercial and industrial \$ 81 40 \$ 21 \$ 51 \$ 132 \$ 125, 976 \$ 126, 108 \$ 51 \$ 61 \$ 129, 288 \$ 129, Owner-occupied commercial real estate — — — 57, 286 57, 286 Investor commercial real estate — — — 132, 077 132, 077 Construction — — — 261, 750 261, 750 Single tenant lease financing — — — 936, 616 936, 616 Public finance — — — 521, 764 521, 764 Healthcare finance — — — 222, 793 222, 793 Small business lending 12, 680 572, 794 5, 531 212, 975 218, 506 Franchise Finance — 2, 923 303 3, 226 522, 557 525, 783 Residential mortgage 707 091, 663 2, 442 393, 206 395, 648 Home equity — — — 23, 669 23, 669 Other consumer 223 685 334 437 7, 270 377, 614 Total \$ 3, 013 \$ 3, 778 \$ 4, 813 \$ 11, 604 \$ 3, 791, 251 \$ 3, 802, 855 December 31, 2022 (in thousands) 30- 59 Days Past Due 60- 89 Days Past Due 90 Days or More Past Due Total Past Due Current Total loans Commercial and industrial \$ 81 \$ 51 \$ 132 \$ 125, 976 \$ 126, 108 Owner-occupied commercial real estate — — — 61, 836 61, 836 61, 836 61, 836 Investor commercial real estate — — — 93, 121 93, 121 Construction — 1, 198 — 1, 198 1, 198 1, 198 Single tenant lease financing — — — 939, 240 939, 240 939, 240 Public finance — — — 621, 032 621, 032 Healthcare finance — — — 272, 461 272, 461 272, 461 Small business lending 157 — 3, 485 3, 485 3, 542 120, 208 123, 750 4, 750 4, 764 Franchise Finance 313 — 313 299, 522 299, 522 299, 835 Residential mortgage — 283 185 468 383, 480 383, 948 1, 948 Home equity — — — 24, 712 24, 712 Other consumer 91 10 — 10 132 101 324, 497 324, 497 324, 598 Total \$ 542 \$ 1, 491 \$ 3, 721 \$ 5, 754 \$ 3, 446, 853 \$ 3, 452, 607 \$ 7 Loans are reclassified to non-accruing status when, 450 \$ 79 in management's judgment, the collateral value and financial condition of the borrower do not justify accruing interest. At the time the accrual is discontinued, all unpaid accrued interest is reversed against earnings. Interest income accrued in prior years, if any, is charged to the allowance for credit losses. Payments subsequently received on nonaccrual loans are applied to principal. A loan is returned to accrual status when principal and interest are no longer past due and collectability is probable, typically after a minimum of nine consecutive months of performance. F- 34 The following table summarizes the Company's nonaccrual loans and loans past due 90 days or more and still accruing by loan class for the periods indicated: December 31, 2023 December 31, 2021 2022 30- 59 Days Past Due 60- 89 Days Past Due 90 Days or More Past Due Total Past Due Current Total loans Nonaccrual Loans Nonaccrual Loans with no Allowance or for Credit Losses Total More Past Due Total Past Due Current Total loans Nonaccrual Loans Total Loans 90 Days or More Past Due and Accruing Nonaccrual Loans Nonaccrual Loans with no Allowance for Loan Losses Total Loans 90 Days or More Past Due Accruing Commercial and Accruing Commercial and industrial \$ — \$ — \$ — \$ 51 \$ — \$ 96, 008 \$ 96, 008 \$ 674 \$ — Owner-occupied commercial real estate — — — 1, 570 1, 570 Small business lending 16, 824 904 — 4, 764 2, 66 766, 732 66, 732 Franchise finance 303 — Investor — — Residential mortgage 1, 911 1, 911 838 1, 048 1, 048 79 Other consumer 86 66 — 17 17 Total loans \$ 9, 124 \$ 2, 901 \$ 838 \$ 7, 450 \$ 5, 401 \$ 79 There was \$ 0. 3 million and \$ 0. 2 million in interest income recognized on nonaccrual loans for the twelve months ended December 31, 2023 and December 31, 2022, respectively. Determining fair value for collateral dependent loans requires obtaining a current independent appraisal of the collateral and applying a discount factor, which includes selling costs if applicable, to the value. The fair value of real estate is generally based on appraisals by qualified licensed appraisers. The appraisers typically determine the value of the real estate by utilizing an income or market valuation approach. If an appraisal is not available, the fair value may be determined by using a cash flow analysis. Fair value on other collateral such as business assets is typically ascertained by assessing, either singularly or some combination of, asset appraisals, accounts receivable aging reports, inventory listings and / or customer financial statements. Both appraised values and values based on borrower's financial information are discounted as considered appropriate based on age and quality of the information and current market conditions. The following table presents the amortized cost basis of collateral dependent loans, which are individually evaluated to determine expected credit losses as of December 31, 2023. December 31, 2023 (in thousands) Commercial Real Estate Residential Real Estate Other Total Allowance on Collateral Dependent Loans Commercial and industrial \$ — \$ — \$ — \$ — \$ — Owner-occupied commercial real estate — — — 28, 019 28, 019 3, 419 Construction — — — 136, 619 136, 619 Single tenant lease financing — — — 865, 854 865, 854 1, 654 1, 400 Public finance — — — 592, 654 665 592, 665 Healthcare finance — — — 387, 852 387, 852 Small business lending 1 12, 657 657 108, 009 108, 875 1, 210 2, 666 959 Franchise Finance — — — 81, 448 81, 226 6, 448 311 2, 391 Residential mortgage 51 — mortgage — 226 106 383 186, 387 186, 770 1, 226 911 1 Home equity — — — 17, 911 665 17, 665 14 — Other consumer 68 — consumer 18 loans — — 86 265 86 Total loans \$ 2, 392 265 875 \$ 3, 478 121 \$ 3, 966 \$ 9 Total \$ 119 \$ 244 \$ 763 \$ 1, 126 962 \$ 2, 391 832, 650 \$ 2, 833, 776 \$ 7, 401 \$ F- 30 35 The following tables present the Company's impaired loans as of December 31, 2022 and 2021. December 31, 2022 Recorded Balance Unpaid Principal Balance Specific Allowance Loans 2022 December 31, 2021 Recorded Balance Unpaid Principal Balance Specific Allowance Recorded Balance Unpaid Principal Balance Specific Allowance Loans without a specific valuation allowance Commercial and industrial \$ 9, 750 \$ 9, 750 \$ — \$ — \$ — Owner-occupied commercial real estate 1, 570 1, 779 — 3, 345 3, 466 Small business lending 18, 184 8, 705 — 959 1, 193 Residential mortgage 3, 676 3, 835 — 2, 918 3, 063 Home equity 29 29 — 14 15 Other consumer 17 36 — 9 44 Total 23, 226 24, 134 — 7, 245 7, 781 Loans with a specific valuation allowance Commercial and industrial \$ 51 \$ 51 \$ 51 \$ 644 \$ 677 \$ 450 Single tenant lease financing — — — 1, 100 1, 123 95 Healthcare finance — — — 926 926 523 Small business lending 11, 867 1, 867 703 1, 025 1, 025 393 Total 1, 918 1, 918 754 3, 695 3, 751 1, 461 Total impaired loans \$ 25, 144 \$ 26, 052 \$ 754 \$ 10, 940 \$ 11, 532 \$ 1, 461 The following table presents average balances and interest income recognized for impaired loans during the twelve

	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	
	Average	Balance	Interest	Income	Average	Balance	Interest	Income	Average	Balance	Interest	Income	
Commercial and industrial	\$ 3, 676	\$ 872	\$ 194	\$ 9	\$ 1, 037	\$ 57	Owner- occupied commercial real estate	2, 253	—	3, 324	—	3, 790	
Single tenant lease financing	—	—	75	5	—	—	Healthcare finance	—	—	252	—	386	
Residential mortgage	3, 529	25	2, 264	67	1, 333	—	Small business lending	12, 678	—	1, 215	—	—	
Home equity	16	—	13	—	—	—	Other consumer	8	—	29	—	57	
Total	12, 160	897	7, 366	81	6, 603	133	Loans with a specific valuation allowance	Commercial and industrial	\$ 411	—	\$ 675	—	\$ 169
Owner- occupied commercial real estate	—	—	355	—	—	—	Single tenant lease financing	410	—	3, 931	—	5, 671	
Healthcare finance	620	45	841	131	—	—	Small business lending	11, 662	—	644	—	—	
Other consumer	50	—	—	—	—	—	Total	3, 153	45	6, 446	131	5, 840	
Total impaired loans	\$ 15, 313	\$ 942	\$ 13, 812	\$ 212	\$ 12, 443	\$ 140	F- 31	36	Loan				

**Modifications to Borrowers Experiencing Financial Difficulty In January 2023, the Company adopted ASU 2022- 02, “ Financial Instruments- Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures ” (“ ASU 2022- 02 ”), which eliminated the accounting guidance for troubled debt restructurings (“ TDRs ”) while enhancing disclosure requirements for certain loan refinancing and restructurings by creditors when a borrower is experiencing financial difficulty. This guidance was applied on a prospective basis. Upon adoption of this guidance, the Company no longer establishes a specific reserve for modifications to borrowers experiencing financial difficulty. Instead, these modifications are included in their respective loan pool and a historical loss rate is applied to the current loan balance to arrive at the quantitative baseline portion of the ACL. Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions and other actions intended to minimize loss and to avoid foreclosure or repossession of collateral.** The Company did not have any loan modifications made to borrowers experiencing financial difficulty during other -- the twelve months ended real estate owned (“ OREO ”) as of December 31, 2022 **2023**. The Company had \$ 1. 2 million in OREO as of December 31, 2021, which consisted of one commercial property. There was one loan for \$ 0. 1 million and one loan for \$ 0. 1 million in the process of foreclosure at December 31, 2022 and December 31, 2021, respectively. In the course of working with troubled borrowers, the Company may choose to restructure the contractual terms of certain loans in an effort to work out an alternative payment schedule with the borrower in order to optimize the collectability of the loan. Any loan modification is reviewed by the Company to identify whether a TDR has occurred when the Company grants a concession to the borrower that it would not otherwise consider based on economic or legal reasons related to a borrower’s financial difficulties. Terms may be modified to fit the ability of the borrower to repay in line with its current financial status or the loan may be restructured to secure additional collateral and / or guarantees to support the debt, or a combination of the two. There were two portfolio residential mortgage loans classified as new TDRs during the twelve months ended December 31, 2022 with a pre- modification and post- modification outstanding recorded investment of \$ 1 million. The Company did not allocate a specific allowance for loan losses (“ ALLL ”) for these loans as of December 31, 2022 and the modifications consisted of interest only payments for a period of time. There was one SBA loan classified as a new TDR during the twelve months ended December 31, 2022 with a pre- modification and post- modification outstanding recorded investment of \$ 0. 6 million and the modification consisted of a forbearance agreement. The company allocated a specific ALLL of \$ 0. 3 million for this loan. There were two portfolio residential mortgage loans classified as new TDRs during the twelve months ended December 31, 2021 with a pre- modification and post- modification outstanding recorded investment of \$ 1. 6 million. The Company did not allocate a specific ALLL for these loans as of December 31, 2021. The modifications consisted of interest- only payments for a period of time. There were three commercial and industrial loans classified as new TDRs during the twelve months ended December 31, 2020 with a pre- modification and post- modification outstanding recorded investment of \$ 2. 6 million. The Company did not allocate a specific ALLL for these loans as of December 31, 2020 and the modifications consisted of interest only payments for a period of time and an extension of the maturity dates. There were no performing TDRs which had payment defaults within the twelve months following modification during the years ended December 31, 2022 ,and 2021 and 2020. The **Company had \$ 0** “ Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus ” was issued by our banking regulators on March 22, 2020. **4 million in OREO** This guidance encouraged financial institutions to work prudently with borrowers who were or may be unable to meet their contractual payment obligations due to the effects of COVID- 19. Additionally, Section 4013 of the Coronavirus Aid, Relief and Economic Security Act (the “ CARES Act ”) provides that loan modifications due to the impact of COVID- 19 that would otherwise be classified as TDRs under GAAP will not be so classified. Modifications within the scope of this relief were in effect from the period beginning March 1, 2020 until January 1, 2022. As of December 31, **2023, which consisted of two residential mortgage properties. The Company did not have any OREO as of December 31, 2022 . There**, the Company had no loans classified as was one non- TDR loan modifications due to COVID- 19 totaling \$ 0. 8 million and one loan totaling \$ 0. 1 million, in the process of foreclosure at **December 31, 2023 and December 31, 2022, respectively**. Note 5: Premises and Equipment The following table summarizes premises and equipment at December 31, **2023 and 2022 and 2021**. F- 32 December 31, 2022 2021 Land and **2023 2022 Land** \$ 5, 598 \$ —, **5, 598** Construction in process **714** -- **process 1** 57, 469 **119 714** Right of use leased asset **206** -- **asset 66** **208 206** Building and improvements **57 improvements 60** , **699 57** , 505 **1, 090** Furniture and equipment **19 equipment 20** , **836 19** , 585 **7, 800** Less: accumulated depreciation ( **14, 855** ) ( **10, 897** ) ( **6 \$ 73** , **463 725** ) \$ 72, 711 **F- 37** \$ 59, 842 On February 16, 2021, the Company entered into an agreement to sell its then headquarters (the “ Prior Headquarters ”) and certain equipment located in the Prior Headquarters to a third party. The sale was completed on April 16, 2021, and the Company recorded a gain on sale of \$ 2. 5 million. As a part of the sale agreement, the buyer agreed to lease the Prior Headquarters back to the Company through December 31, 2021. The Company vacated the Prior Headquarters at the end of the lease, on or prior to December 31, 2021. Note 6: Goodwill As of December 31, **2023 and 2022 and 2021**, the carrying amount of goodwill was \$ 4. 7 million. There have been no changes in the carrying amount of goodwill for the three years ended December 31, **2023, 2022 ,and 2021 ,and 2020**. Goodwill is tested for impairment on an annual basis as of August 31, or whenever events or changes in circumstances indicate the carrying amount of goodwill exceeds its

implied fair value. The annual test indicated no impairment existed as of August 31, 2022-2023 and no events or changes in circumstances have occurred since the August 31, 2022-2023 annual impairment test that would suggest it was more likely than not goodwill impairment existed. F-33-Note 7: Servicing Asset Activity for the servicing asset and the related changes in fair value for the twelve months ended December 31, 2023, 2022, and 2021 and 2020 are shown in the table below. Twelve Months Ended December 31, 2023-December 31, 2022-December 31, 2021-December 31, 2020-Beginning 2021-Beginning balance \$ 6,255 \$ 4,702 \$ 3,569 \$ 2,481-Additions: Originated and purchased servicing3-servicing5,775 \$ 1,922,2021-520-Subtractions: Paydowns (1,842) (1,075) (820) (524)-Changes in fair value due to changes in valuation inputs or assumptions used in the valuation model 379 (564) (249) 92-Loan servicing asset revaluation (1,463) (1,639) (1,069) (432)-Ending balance \$ 10,567 \$ 6,255 \$ 4,702 \$ 3,569-Loans serviced for others are not included in the consolidated balance sheets. The unpaid principal balances of these loans serviced for others as of December 31, 2023, 2022, and 2021, and 2020 are shown in the table below. December 31, 2023-December 31, 2022-December 31, 2021-December 31, 2020-Loan 2021-Loan portfolios serviced for: SBA guaranteed loans \$ 531,927 \$ 318,194 \$ 230,514 \$ 165,961-Total \$ 531,927 \$ 318,194 \$ 230,514 \$ 165,961-Loan servicing revenue totaled \$ 3.8 million, \$ 2.6 million, and \$ 1.9 million, and \$ 1.2 million during the twelve months ended December 31, 2023, 2022, and 2021, and 2020, respectively. Loan servicing asset revaluation, which represents paydowns and the change in fair value of the servicing asset, resulted in a \$ 1.5 million, \$ 1.6 million, and \$ 1.1 million, and \$ 0.4 million downward valuation for twelve months ended December 31, 2023, 2022, and 2021 and 2020, respectively. The fair value of servicing rights is highly sensitive to changes in underlying assumptions. Though fluctuations in prepayment speeds and changes in secondary market premiums generally have the most substantial impact on the fair value of servicing rights, other influencing factors include changing economic conditions, changes to the discount rate assumption and the weighted average life of the servicing portfolio. Measurement of fair value is limited to the conditions existing and the assumptions used as of a particular point in time; however, those assumptions may change over time. Refer to Note 16- Fair Value of Financial Instruments for further details. F-34-38-Note 8: Deposits The following table presents the composition of the Company's deposit base as of December 31, 2023 and 2022 and 2021. December 31, 2022-2021-Noninterest 2023-2022-Noninterest -bearing demand deposit accounts \$ 123,464 \$ 175,315 \$ 117,531-Interest-bearing demand deposit accounts335-accounts402,976 \$ 335,611 \$ 247,967-Savings accounts44-accounts21,364 \$ 44,819 \$ 59,998-Money market accounts1,248,319 \$ 1,418,599 \$ 1,483,936-Banking-as-a-Service ("BaaS")-brokered deposits13-deposits74,401 \$ 13,607 ---Certificates of deposits874-deposits1,605,156 \$ 874,490 \$ 970,107-Brokered deposits578 \$ 591,293 \$ 578,804 \$ 299,420-Total deposits \$ 4,066,973 \$ 3,441,245 \$ 3,178,959-Time deposits greater than \$ 250 \$ 703,835 \$ 484,700 \$ 327,490-The following table presents time deposit maturities by year as of December 31, 2022-2023. Certificates of DepositsBrokered Certificates of Deposits2023-Deposits2024 \$ 590 \$ 1,245 \$ 208 \$ 48,795 \$ 2024-146 \$ 393 \$ 87,030 \$ 747 \$ 51,164 \$ 2025-38 \$ 202583,736 \$ 85 \$ 378 \$ 92,106 \$ 499 \$ 2026-31 \$ 202663,764 \$ 319 \$ 35,208 \$ 2027-67 \$ 430 \$ 202794,035 \$ 35 \$ 844 \$ 40,000 \$ 2028-118 \$ 874,222 \$ 6 \$ 490 \$ 255,273 \$ 500 Thereafter --- 6,400 \$ 1,605,156 \$ 267,859-Note 9: FHLB Advances The Company had outstanding FHLB advances of \$ 614.9 million and \$ 514.9 million as of December 31, 2023 and 2022 and 2021, respectively. As of December 31, 2022-2023, the stated interest rates on the Company's outstanding FHLB advances ranged from 1.06% to 4.5.64 \$ 53%, with a weighted average interest rate of 2.3.82 \$ 04%. All advances are collateralized by residential mortgage loans and commercial real estate loans pledged and held by the Company and investment securities pledged by the Company and held in safekeeping with the FHLB. Residential mortgage loans pledged were approximately \$ 330.3 million and \$ 258.0 million and \$ 128.8 million as of December 31, 2023 and 2022 and 2021, respectively, and commercial real estate loans pledged were approximately \$ 932.4 million and \$ 895.3 million and \$ 920.9 million as of December 31, 2023 and 2022 and 2021, respectively. The fair value of investment securities pledged to the FHLB was approximately \$ 662.1 million and \$ 448.4 million and \$ 474.5 million as of December 31, 2023 and 2022 and 2021, respectively. Based on this collateral and the Company's holdings- holding of FHLB stock, the Company is eligible to borrow up to an additional \$ 455-663.9 \$ 2 million at year-end 2022-2023. As of December 31, 2022-2023, the Company had \$ 125.0 million of putable advances with the FHLB. F-39 The Company's FHLB advances are scheduled to mature according to the following schedule: Amount2023-Amount2024 \$ 145-255,003 \$ 000 \$ 2024-145,009 \$ 2025-90,000 \$ 2026-10,000 \$ 2027-100,000 \$ 2028-35,000 Thereafter124,919 \$ 931 \$ 614,934 \$ 928 F-35-Note 10: Subordinated Debt In September 2016, the Company issued \$ 25.0 million aggregate principal amount of 6.0% Fixed-to-Floating Rate Subordinated Notes due 2026 (the "2026 Notes") in a public offering. The 2026 Notes initially had a fixed interest rate of 6.0% per year to, but excluding, September 30, 2021, and thereafter a floating rate equal to the then-current three-month London Interbank Offered Rate ("LIBOR") plus 4.85%. All interest on the 2026 Notes was payable quarterly. The 2026 Notes were scheduled to mature on September 30, 2026. The 2026 Notes were unsecured subordinated obligations of the Company eligible to be repaid, without penalty, on any interest payment date on or after September 30, 2021. The 2026 Notes were intended to qualify as Tier 2 capital under regulatory guidelines. The Company redeemed the 2026 Notes in full on September 30, 2021. In June 2019, the Company issued \$ 37.0 million aggregate principal amount of 6.0% Fixed-to-Floating Rate Subordinated Notes due 2029 (the "2029 Notes") in a public offering. The 2029 Notes initially bear a fixed interest rate of 6.0% per year to, but excluding, June 30, 2024, and thereafter a floating rate equal to the then-current benchmark rate (initially three-month LIBOR rate) plus 4.11%. All interest on the 2029 Notes is payable quarterly. The 2029 Notes are scheduled to mature on June 30, 2029. The 2029 Notes are unsecured subordinated obligations of the Company and may be repaid, without penalty, on any interest payment date on or after June 30, 2024. The 2029 Notes are intended to qualify as Tier 2 capital under regulatory guidelines. In October 2020, the Company entered into a term loan in the principal amount of \$ 10.0 million, evidenced by a term note due 2030 (the "2030 Note"). The 2030 Note initially bears a fixed interest rate of 6.0% per year to, but excluding, November 1, 2025 and thereafter at a floating rate equal to the then-current benchmark rate (initially three-month Term SOFR plus 5.795%). The 2030 Note is scheduled to mature on November 1, 2030. The 2030 Note is an unsecured subordinated obligation of the Company and may be repaid, without penalty, on any interest payment date on or after November 1, 2025. The 2030 Note is intended to qualify as Tier 2 capital under regulatory guidelines. The Company used the net proceeds from the issuance of the 2030 Note to redeem a subordinated term note that had been entered into in October 2015. In August 2021, the Company issued \$ 60.0 million aggregate



principal amount of 3.75 % Fixed- to- Floating Rate Subordinated Notes due 2031 (the “ 2031 Notes ”) in a private placement. The 2031 Notes initially bear a fixed interest rate of 3.75 % per year to, but excluding, September 1, 2026, and thereafter a floating rate equal to the then- current benchmark rate (initially three- month Term SOFR plus 3.11 %). The 2031 Notes are scheduled to mature on September 1, 2031. The 2031 Notes are unsecured subordinated obligations of the Company and may be repaid, without penalty, on any interest payment date on or after September 1, 2026. The 2031 Notes are intended to qualify as Tier 2 capital under regulatory guidelines. The Company used a portion of the net proceeds from the issuance of the 2031 Notes to redeem **subordinated the 2026 Notes notes issued by the Company in 2016**. Pursuant to the terms of a Registration Rights Agreement between the Company and the initial purchasers of the 2031 Notes, the Company offered to exchange the 2031 Notes for subordinated notes that are registered under the Securities Act of 1933, as amended, and have substantially the same terms as the 2031 Notes. On December 30, 2021, we completed an exchange of \$ 59.3 million principal amount of the unregistered 2031 Notes for registered 2031 Notes in satisfaction of our obligations under the registration rights agreement. Holders of \$ 0.7 million of unregistered 2031 Notes did not participate in the exchange. **F- 40** The following table presents the principal balance and unamortized discount and debt issuance costs for the 2029 Notes, the 2030 Note and the 2031 Notes as of December 31, **2023 and 2022 and 2021**. December 31, ~~2022~~ **December 2023** December 31, 2021

	Principal	Unamortized Discount and Debt Issuance Costs	2029 Notes	2030 Note	2031 Notes	Total
December 31, 2023	\$ 37,000	\$ (862)	\$ 37,000	\$ 10,000	\$ 60,000	\$ 107,000
December 31, 2022	\$ 37,000	\$ (1,178)	\$ 37,000	\$ 10,000	\$ 60,000	\$ 107,000
December 31, 2021	\$ 37,000	\$ (1,178)	\$ 37,000	\$ 10,000	\$ 60,000	\$ 107,000

**F- 36** Note 11: Benefit Plans 401 (k) Plan The Company has a 401 (k) plan established for substantially all full- time and part- time employees, as defined in the plan. Employee contributions are limited to the maximum established by the Internal Revenue Service on an annual basis. The Company has elected to match contributions equal to 100 % up to the first 1 % of employee deferrals and then 50 % on deferrals **over 1 of 2 % up to 6 % equating** to a maximum **match** of **6.3.5 %** of an individual’ s total eligible salary, as defined in the plan, **which. The company match** vests immediately. Discretionary employer- matching contributions begin vesting immediately at a rate of 50 % per year of employment and are fully vested after the completion of two years of employment. Contributions totaled approximately \$ 0.9 million, ~~\$ 0.9 million and \$ 0.8 million~~ in the twelve months ended December 31, **2023, 2022, and 2021 and 2020**, respectively. Employment Agreements The Company is party to certain employment agreements with each of its Chief Executive Officer, President and Chief Operating Officer and Executive Vice President and Chief Financial Officer. The employment agreements each provide for annual base salaries and annual bonuses, if any, as determined from time to time by the Compensation Committee of our Board of Directors. The annual bonuses are to be determined with reference to the achievement of annual performance objectives established by the Compensation Committee. The agreements also provide that each of the Chief Executive Officer, President and Chief Operating Officer and Executive Vice President and Chief Financial Officer, may be awarded additional compensation, benefits, or consideration as the Compensation Committee may determine. The agreements also provide for the continuation of salary and certain other benefits for a specified period of time upon termination of employment under certain circumstances, including resignation for “ good reason, ” termination by the Company without “ cause ” at any time or any termination of employment within twelve months following a “ change in control, ” along with other specific conditions. The First Internet Bancorp 2022 Equity Incentive Plan (the “ 2022 Plan ”) was approved by our Board of Directors and ratified by our shareholders on May 16, 2022. The plan permits awards of incentive and non- statutory stock options, stock appreciation rights, restricted stock awards, stock unit awards, performance awards and other stock- based awards. All employees, consultants, and advisors of the Company or any subsidiary, as well as all non- employee directors of the Company, are eligible to receive awards under the 2022 Plan. The 2022 Plan initially authorized the issuance of 400,000 new shares of the Company’ s common stock plus all shares of common stock that remained available for future grants under the First Internet Bancorp 2013 Equity Incentive Plan (the “ 2013 Plan ”). Award Activity Under 2022 Plan The Company recorded **less than \$ 0.8 million and \$ 0.1 million of share- based compensation expense for the years ended December 31, 2023, and 2022, respectively, related to stock- based awards under the 2022 Plan. F- 41** The following table summarizes the stock- based award activity under the 2022 Plan for the year ended December 31, ~~2022~~ **2023**, related to stock- based awards under the 2022 Plan. The following table summarizes the stock- based award activity under the 2022 Plan for the year ended December 31, 2022.

	Restricted Stock Awards	Weighted- Average Grant Date Fair Value Per Share	Deferred Stock Units	Weighted- Average Grant Date Fair Value Per Unit
Unvested at January 1, 2022	3	\$ —	—	\$ —
Granted	41	\$ 36.84	—	\$ —
Forfeited	—	\$ —	—	\$ —
Vested	—	\$ —	—	\$ —
Unvested at December 31, 2022	41	\$ 36.84	—	\$ —

December 31, ~~2022~~ **2023**, the total unrecognized compensation cost related to unvested stock- based awards was ~~\$ 0.1~~ **.3** million with a weighted- average expense recognition period of ~~0.1~~ **.49** years. The 2013 Plan authorized the issuance of 750,000 shares of the Company’ s common stock in the form of stock- based awards to employees, directors, and other eligible persons. Although outstanding stock- based awards under the 2013 Plan remain in place according to their terms, our authority to grant new awards under the 2013 Plan terminated upon shareholder approval of the 2022 Plan. Award Activity Under 2013 Plan The Company recorded \$ **0.4 million, \$ 2.0 million, and \$ 2.4 million, and \$ 2.1 million** of share- based compensation expense for the years ended December 31, **2023, 2022, and 2021, and 2020**, respectively, related to stock- based awards under the 2013 Plan. The following table summarizes the stock- based award activity under the 2013 Plan for the year ended December 31, ~~2022~~ **2023**:

	Restricted Stock Awards	Weighted- Average Grant Date Fair Value Per Share	Deferred Stock Units	Weighted- Average Grant Date Fair Value Per Unit
Unvested at January 1, 2022	41	\$ 36.84	—	\$ —
Granted	662	\$ 41.86	—	\$ —
Forfeited	(278)	\$ 27.67	—	\$ —
Vested	(47)	\$ 38.31	—	\$ —
Unvested at December 31, 2022	41	\$ 36.84	—	\$ —
Unvested at December 31, 2023	101	\$ 35.39	—	\$ —

December 31, ~~2022~~ **2023**, the total unrecognized compensation cost related to unvested awards was ~~\$ 1.6~~ **.6** million, with a weighted- average expense recognition period of ~~1.7~~ **1** years. Directors Deferred Stock Plan Until January 1, 2014, the Company had a stock

compensation plan for non-employee members of the Board of Directors ("Directors Deferred Stock Plan"). The Company reserved 180,000 shares of common stock that could have been issued pursuant to the Directors Deferred Stock Plan. The plan provided directors the option to elect to receive up to 100% of their annual retainer in either common stock or deferred stock rights. Deferred stock rights were to be settled in common stock following the end of the deferral period payable on the basis of one share of common stock for each deferred stock right. **F- 42** The following table summarizes the status of deferred stock rights related to the Directors Deferred Stock Plan for the year ended December 31, **2022-2023**. Deferred Rights Outstanding, beginning of year **40**, **536** **414** Granted **432** **402** Released ( **44** **12**, **554** **278** ) Outstanding, end of year **40** **year** **28**, **414** **538**. All deferred stock rights granted during **2022-2023** were additional rights issued in lieu of cash dividends payable on outstanding deferred stock rights. **F- 38** Note 12: Income Taxes The provision for income taxes consists of the following: December 31, **2022** **2021** **2020** Current **2023** **2022** **2021** Current **\$ 876** **\$ (73)** **\$ 6,024** **\$ 8,563** Deferred **4** **Deferred (4,353)** **4**, 632 2, 434 **Total \$ (3,477)** **\$ 4,118** **Total \$ 4,559** **\$ 8,458** **\$ 4,445** Income tax provision is reconciled to the statutory 21% rate applied to pre-tax income. December 31, **2022** **2021** **2020** Statutory **2023** **2022** **2021** Statutory rate times pre-tax income **\$ 1,037** **\$ 8,421** **\$ 11,880** **\$ 7,119** (Subtract) add the tax effect of: Income from tax-exempt securities and loans ( **3,951** ) ( **4,190** ) ( **4,464** ) State income tax, net of federal tax effect **592** **effect (30)** **592** **865** **1,765** Bank-owned life insurance ( **215** ) ( **201** ) ( **199** ) ( **200** ) Tax credits ( **168** ) ( **143** ) ( **175** ) ( **178** ) Other differences **80** **differences (150)** **80** **304** **403** Total income taxes **\$ (3,477)** **\$ 4,559** **\$ 8,458** **F- 43** **\$ 4,445** The net deferred tax asset at December 31, **2023** and **2022** and **2021** consists of the following: December 31, **2022** **2021** Deferred **2023** **2022** **Deferred** tax assets (liabilities) Allowance for loan losses **\$ 9,847** **\$ 8,569** **\$ 7,517** Net unrealized losses on available-for-sale securities and hedged items **10** **items** **8,776** **10**, 047 **4,835** Fair value adjustments ( **12**, **101** ) ( **12**, **097** ) ( **618** ) Depreciation ( **4,306** ) ( **2,612** ) ( **100** ) Deferred compensation and accrued payroll **1,228** **1,574** **1,577** Loan origination costs ( **1,379** ) ( **1,816** ) ( **1,311** ) Prepaid assets ( **806** ) ( **813** ) ( **641** ) Net operating loss **8** **loss** **13,309** **8**, 928 **Tax credits** **711** — Other **312** **Other** **335** **149** **312** Total deferred tax assets, net **\$ 15,614** **\$ 12,092** **\$ 11,408** As of December 31, **2023** and **2022**, the Company had generated a federal and state net operating loss ("NOL") carryforwards of approximately **\$ 57.2 million** and **\$ 40.5 million, respectively, and state NOL carryforwards of \$ 8.5 million** and **\$ 9.1 million, respectively**. For federal income tax purposes, the NOL has no expiration period; however, for state income tax purposes, the NOL may have varying expiration periods. The Company expects to generate sufficient taxable income in the future to utilize the loss generated. Note 13: Related Party Transactions In the normal course of business, the Company may enter into transactions with various related parties. In management's opinion, such loans, other extensions of credit, and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than the normal risk of collectability or present other unfavorable features. **F- 39** Related party loans and extensions of credit at December 31, **2023** and **2022** and **2021** totaled **\$ 21.45**, 9 million and **\$ 11.21**, 49 million, respectively. The following table presents the change in related party loans as of December 31, **2023** and **2022** and **2021**. Twelve Months Ended December 31, **2022** **December** **2023** **December** 31, **2021** Balance **2022** **Balance** at the beginning of period **\$ 21,860** **\$ 11,364** **\$ 2,089** Effect of change in composition of directors and executive officers — New Term Loans **21** **Loans** **19,139** **21**, 810 **11** **Additions** **4,352** **956** — Repayment of term loans ( **12** ) ( **11,324** ) ( **2,072** ) Changes in balances of revolving lines of credit **10** **credit** ( **5** ) ( **17** ) **10** Balance at end of period **\$ 45,926** **\$ 21,860** **\$ 11,364** Deposits from related parties held by the Company at December 31, **2023** and **2022** and **2021** totaled **\$ 28.3 million** and **\$ 33.7 million** and **\$ 28.8 million**, respectively. **F- 44** Note 14: Regulatory Capital Requirements The Company and the Bank are subject to various regulatory capital requirements administered by state and federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weighting and other factors. The Basel III Capital Rules became effective for the Company and the Bank on January 1, 2015, subject to a phase-in period for certain provisions. Quantitative measures established by the Basel III Capital Rules to ensure capital adequacy require the maintenance of minimum amounts and ratios of Common Equity Tier 1 capital, Tier 1 capital and Total capital, as defined in the regulations, to risk-weighted assets, and of Tier 1 capital to adjusted quarterly average assets ("Leverage Ratio"). The Basel III Capital Rules were fully phased in on January 1, 2019 and require the Company and the Bank to maintain: 1) a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 4.5%, plus a 2.5% "capital conservation buffer" (resulting in a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 7.0%); 2) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, plus the capital conservation buffer (resulting in a minimum Tier 1 capital ratio of 8.5%); 3) a minimum ratio of Total capital to risk-weighted assets of 8.0%, plus the capital conservation buffer (resulting in a minimum Total capital ratio of 10.5%); and 4) a minimum Leverage Ratio of 4.0%. The capital conservation buffer is designed to absorb losses during periods of economic stress. Failure to maintain the minimum Common Equity Tier 1 capital ratio plus the capital conservation buffer will result in potential restrictions on a banking institution's ability to pay dividends, repurchase stock and / or pay discretionary compensation to its employees. **F- 40-45** The following tables present actual and required capital ratios as of December 31, **2023** and **2022** and **2021** for the Company and the Bank under the Basel III Capital Rules. The minimum required capital amounts presented include the minimum required capital levels as of December 31, **2023** and **2022** and **2021** based on the Basel III Capital Rules. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Capital Rules. **As permitted by the federal banking regulatory agencies, the Company has elected the option to delay the impact of the day one adoption of ASC 326. The transition adjustments of \$ 4.5 million will be phased into the regulatory capital calculations over a three-year period, with 25% of the adjustment recognized in 2023, 50% of the adjustment recognized in 2024, 75% of the adjustment recognized in 2025 and 100% of the adjustment recognized in 2026.** Actual Minimum Capital Required- Basel III Minimum Required to be Considered Well Capitalized Capital Amount Ratio Capital Amount Ratio Capital Amount Ratio As of December 31, **2023**: Common equity tier 1 capital to risk-weighted assets Consolidated **\$ 381,001** **9.60%** **\$ 277,914** **7.00%** N / AN / A Bank **464,390** **11.**

**73 % 277, 063 7.00 % \$ 257, 273 6.50 % Tier 1 capital to risk- weighted assetsConsolidated 381, 001 9.60 % 337, 467 8.50 % N / AN / ABank464, 390 11.73 % 336, 434 8.50 % 316, 644 8.00 % Total capital to risk- weighted assetsConsolidated 525, 283 13.23 % 416, 870 10.50 % N / AN / ABank503, 834 12.73 % 415, 595 10.50 % 395, 804 10.00 % Leverage ratioConsolidated 381, 001 7.33 % 207, 929 4.00 % N / AN / ABank464, 390 8.95 % 207, 479 4.00 % 259, 349 5.00 % ActualMinimum Capital Required- Basel III Minimum Required to be Considered Well CapitalizedCapital AmountRatioCapital AmountRatioCapital AmountRatioAs of December 31, 2022: Common equity tier 1 capital to risk- weighted assetsConsolidated \$ 390, 150 10.93 % \$ 249, 795 7.00 % N / AN / ABank466, 257 13.10 % 249, 191 7.00 % \$ 231, 392 6.50 % Tier 1 capital to risk- weighted assetsConsolidated 390, 150 10.93 % 303, 323 8.50 % N / AN / ABank466, 257 13.10 % 302, 590 8.50 % 284, 790 8.00 % Total capital to risk- weighted assetsConsolidated 526, 419 14.75 % 374, 693 10.50 % N / AN / ABank497, 994 13.99 % 373, 787 10.50 % 355, 988 10.00 % Leverage ratioConsolidated 390, 150 9.06 % 172, 330 4.00 % N / AN / ABank466, 257 10.84 % 172, 093 4.00 % 215, 116 5.00 % F ActualMinimum Capital Required- Basel III Minimum Required to be Considered Well CapitalizedCapital AmountRatioCapital AmountRatioCapital AmountRatioAs of December 31, 2021: Common equity tier 1 capital to risk- weighted assetsConsolidated \$ 384, 499 12.93 % \$ 208, 202 7.00 % N / AN / ABank432, 181 14.55 % 207, 913 7.00 % \$ 193, 062 6.50 % Tier 1 capital to risk- weighted assetsConsolidated 384, 499 12.93 % 252, 817 8.50 % N / AN / ABank432, 181 14.55 % 252, 466 8.50 % 237, 615 8.00 % Total capital to risk- weighted assetsConsolidated 516, 571 17.37 % 312, 303 10.50 % N / AN / ABank460, 022 15.49 % 311, 870 10.50 % 297, 019 10.00 % Leverage ratioConsolidated 384, 499 9.22 % 166, 824 4.00 % N / AN / ABank432, 181 10.37 % 166, 693 4.00 % 208, 366 5.00 %**

**Note 15: Commitments and Credit Risk** In the normal course of business, the Company makes various commitments to extend credit which are not reflected in the accompanying consolidated financial statements. At December 31, **2023 and 2022 and 2021**, the Company had outstanding loan commitments totaling approximately \$ **485-755**. 4 million and \$ **324-485**. 3-4 million, respectively. ~~F-41 Capital Commitments Capital expenditures were made contracted for at the balance sheet date but not yet recognized in connection the financial statements are associated with the construction of the building where our corporate headquarters is located, along with the an attached parking garage. The Company has entered into construction- related contracts in the amount of \$ 68.9 million. As of December 31, 2022-2023, the project was completed at a total cost of \$ 67.2 -4 million of such contract. There are no remaining capital commitments left at December 31, 2023 had not yet been incurred. These commitments are due within one year.~~ Note 16: Fair Value of Financial Instruments ASC Topic 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASU Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value: Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. Available- for- Sale Securities Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. ~~Level 1 securities include highly liquid mutual funds.~~ If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows . **The Company did not own any securities classified within Level 1 of the hierarchy as of December 31, 2023 or December 31, 2022** . Level 2 securities include U. S. Government- sponsored agencies, municipal securities, mortgage and asset- backed securities and corporate securities. Matrix pricing is a mathematical technique widely used in the banking industry to value investment securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Fair values are calculated using discounted cash flows. Discounted cash flows are calculated based off of the anticipated future cash flows updated to incorporate loss severities. Rating agency and industry research reports as well as default and deferral activity are reviewed and incorporated into the calculation. The Company did not own any securities classified within Level 3 of the hierarchy as of December 31, **2023 or 2022 or 2021**. Loans Held- for- Sale (mandatory pricing agreements) The fair value of loans held- for- sale is determined using quoted prices for similar assets, adjusted for specific attributes of that loan (Level 2). F- ~~42-47~~ Fair value is based on a loan- by- loan basis taking into consideration the origination to maturity dates of the loans, the current age of the loans and the remaining term to maturity. The valuation methodology utilized for the servicing asset begins with generating estimated future cash flows for each servicing asset based on their unique characteristics and market- based assumptions for prepayment speeds and costs to service. The present value of the future cash flows is then calculated utilizing market- based discount rate assumptions (Level 3). Interest Rate Swap Agreements The fair values of interest rate swap agreements are estimated using current market interest rates as of the balance sheet date and calculated using discounted cash flows that are observable or that can be corroborated by observable market data (Level 2). **Back- to- Back Swap Agreements The Company offers interest rate swaps to certain loan customers to allow them to hedge the risk of rising interest rates on their variable rate loans. The Company originates a variable rate loan and enters into a variable- to- fixed interest rate contract with the customer. The Company also enters into an offsetting interest rate swap with a correspondent bank. These back- to- back swap agreements are intended to offset each other and allow the Company to originate a variable rate loan, while providing a contract for fixed interest payments for the customer. The net cash flow for the Company is equal to the interest income received from a variable rate loan originated with the customer. The fair value of these derivatives is based on a discounted cash flow approach. The fair value assets and liabilities of centrally cleared interest rate swaps are net of variation margin settled- to- market (Level 2).** Forward Contracts The fair values of forward contracts on to- be- announced securities are determined using quoted prices in active markets, or benchmarked thereto (Level 1). Interest Rate Lock Commitments The fair values of IRLCs are determined using the projected sale price of individual loans based on changes in market interest rates, projected pull- through rates (the probability that an IRLC will ultimately result in an originated loan), the reduction in the value of the applicant' s option due to the passage of time, and the remaining origination costs to be incurred based on management' s estimate of market costs (Level 3). F- ~~43-48~~ The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance

sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, **2023 and 2022** and 2021. U. S. Government- sponsored agencies \$ 95, 177, 040 \$ — \$ 95, 49, 177, 040 \$ — Municipal securities 68 securities 77, 446, 033 — 68, 77, 446, 033 — Agency mortgage- backed securities- residential 206 residential 373, 649, 236 — 206, 373, 649, 236 — Agency mortgage- backed securities- commercial 38 commercial 36, 885, 326 — 38, 36, 885, 326 — Private label mortgage- backed securities- residential 20 residential 16, 779, 021 — 20, 16, 779, 021 — Asset- backed securities 8 securities 5, 081, 004 — 8, 5, 081, 004 — Corporate securities 36 securities 46, 838, 384 — 36, 46, 838, 384 — Total available- for- sale securities \$ 474, 603, 855, 044 \$ — \$ 474, 603, 855, 044 \$ — Servicing asset 10 asset 4, 567, 702 — 10 4, 567, 702 Interest rate swaps assets 5, 139 — 5, 139 — Interest rate swap agreements- assets (back- to- back) 677 — 677 — Interest rate swap agreements- liabilities ( back 14, 271 ) — ( 14, 271 ) — Loans held- to- for- back- sale ( mandatory pricing agreements ) 23, 233 — 23, 233 — Forward contracts ( 30 ) ( 677, 30 ) — — IRLCs 718 — — 718 F- 44 December 31, 2022 Fair Value Measurements Using Fair Value Quoted Prices in Active Markets for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3) U. S. Government- sponsored agencies \$ 33, 809 \$ — \$ 33, 809 \$ — Municipal securities 67, 276 — 67, 276 — Agency mortgage- backed securities- residential 215, 092 — 215, 092 — Agency mortgage- backed securities- commercial 15, 840 — 15, 840 — Private label mortgage- backed securities- residential 10, 455 — 10, 455 — Asset- backed securities 4, 960 — 4, 960 — Corporate securities 42, 952 — 42, 952 — Total available- for- sale securities \$ 390, 384 \$ — \$ 390, 384 \$ — Servicing asset 6, 255 — — 6, 255 Interest rate swaps assets 8, 645 — 8, 645 — Loans held- for- sale ( mandatory pricing agreements ) 9, 110 — 9, 110 — Forward contracts 97 97 — — IRLCs 133 — — 133 F- 44 December 31, 2021 Fair Value Measurements Using Fair Value Quoted Prices in Active Markets for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3) U. S. Government- sponsored agencies \$ 49, 040 \$ — \$ 49, 040 \$ — IRLCs 718 — — 718 F- 44 The following table reconciles the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs. Servicing Asset Interest Rate Lock Commitments Balance as of January 1, 2020 2021 \$ 3, 2, 481 \$ 910 Total realized gains Additions 1, 520 — Paydowns ( 524 ) Change in fair value 92 2, 451 Balance, December 31, 2020 3, 569 \$ 3, 361 Total realized gains Additions 2, 202 — Paydowns ( 820 ) — Change in fair value ( 249 ) ( 2, 643 ) Balance, December 31, 2021 4, 702 718 Total realized gains Additions 3, 192 — Paydowns ( 1, 135 ) — Change in fair value ( 504 ) ( 585 ) Balance, December 31, 2022 2022 \$ 6, 255 \$ 133 Total realized gains Additions 5, 775 — Paydowns ( 1, 842 ) — Change in fair value 379 ( 133 ) Balance, December 31, 2023 2023 \$ 10, 567 \$ — The following describes the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis, as well as the general classification of such assets pursuant to the valuation hierarchy. Impaired Loans (Collateral Dependent) Loans for which it is probable that the Company will not collect all principal and interest due according to contractual terms are measured for impairment. The amount of the impairment may be determined based on the fair value of the underlying collateral, less costs to sell, the estimated present value of future cash flows or the loan's observable market price. If the impaired individually evaluated loan is identified as collateral dependent, the fair value of the underlying collateral, less costs to sell, is used to measure impairment. This method requires obtaining a current independent appraisal of the collateral and applying a discount factor to the value. If the impaired individually evaluated loan is not collateral dependent, the Company utilizes a discounted cash flow analysis to measure impairment. Impaired Individually evaluated loans with a specific valuation allowance based on the value of the underlying collateral or a discounted cash flow analysis are classified as Level 3 assets. The following table presents the fair value measurements of assets and liabilities recognized in the accompanying condensed consolidated balance sheets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurement falls at December 31, 2022 2023 and December 31, 2021 2022. December 31, 2023 Fair Value Measurements Using Fair Value Quoted Prices in Active Markets for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3) Collateral dependent loans 2, 799 — — 2, 799 F- 50 December 31, 2022 Fair Value Measurements Using Fair Value Quoted Prices in Active Markets for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3) Impaired loans 1, 164 — — 1, 164 Significant F- 45 December 31, 2021 Fair Value Measurements Using Fair Value Quoted Prices in Active Markets for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3) Impaired loans 1, 228 — — 1, 228 Unobservable (Level 3) Inputs The following tables present quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements other than goodwill. (dollars in thousands) Fair Value at December 31, 2022 Valuation Technique Significant 2023 Valuation Technique Significant Unobservable Inputs Range Weighted - Average Range Collateral dependent loans \$ 2, 799 Fair value of collateral Discount for type of property and current market conditions 0 %- 90 % 28 % Servicing asset 10, 567 Discounted cash flow Prepayment speeds Discount rate 0 %- 25 % 15 % 11. 3 % 15 % (dollars in thousands) Fair Value at December 31, 2022 Valuation Technique Unobservable Inputs Range Weighted - Average Range Impaired loans \$ 1, 164 Fair value of collateral Discount for type of property and current market conditions 0 %- 25 % 20 % IRLCs 133 Discounted cash flow Loan closing rates 31 %- 100 % 89 % Servicing asset 6, 255 Discounted cash flow Prepayment speeds Discount rate 0 %- 25 % 14 % 14. 6 % 14 % (dollars in thousands) Fair Value at December 31, 2021 Valuation Technique Unobservable Inputs Range Weighted - Average Range Impaired loans \$ 1, 228 Fair value of collateral Discount for type of property and current market conditions 0 %- 35 % 10. 1 % IRLCs 718 Discounted cash flow Loan closing rates 42 %- 100 % 89 % Servicing asset 4, 702 Discounted cash flow Prepayment speeds Discount rate 0 %- 25 % 10 % 12. 5 % 10 % The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value: For these instruments, the carrying amount is a reasonable estimate of fair value. Securities Held- to- Maturity Where quoted market prices are available in an active market, securities are classified within Level 1 of the Level 2 securities include agency mortgage- backed securities- residential, municipal securities and corporate securities. Matrix pricing is a mathematical technique widely used in the banking industry to value investment securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the F- 46 51 own any securities classified within Level 3 of the hierarchy as of December 31, 2022 2023 or

December 31, 2021-2022. The fair value of loans is estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors. Accrued Interest Receivable The fair value of these financial instruments approximates carrying value. Federal Home Loan Bank of Indianapolis Stock The fair value of this financial instrument approximates carrying value. The fair value of noninterest-bearing and interest-bearing demand deposits, savings accounts and money market accounts approximates carrying value. The fair value of fixed maturity certificates of deposit and brokered deposits are estimated using rates currently offered for deposits of similar remaining maturities. The fair value of fixed rate advances is estimated using rates currently offered for similar remaining maturities. The carrying value of variable rate advances approximates fair value. The fair value of the Company's publicly traded subordinated debt is obtained from quoted market prices. The fair value of the Company's remaining subordinated debt is estimated using discounted cash flow analysis based on current borrowing rates for similar types of debt instruments. Accrued Interest Payable The fair value of commitments to extend credit are based on fees currently charged to enter into similar agreements with similar maturities and interest rates. The Company determined that the fair value of commitments was zero based on the contractual value of outstanding commitments at December 31, 2023 and 2022 and 2021. F- 47-52 The following tables provide the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2023 and 2022 and 2021:

December 31, 2021	2023	2022	2021
Cash and cash equivalents	\$ 442,405,960,898	\$ 442,405,960,898	\$ 442,405,960,898
Securities held-to-maturity	227,565,611	153,207,468	572,612,077
Loans held-for-sale (best efforts pricing agreements)	24,052,222	512,052	24,222
Net loans	3,467,664	3,225,845	3,225,845
Accrued interest receivable	16,037,167	16,746,260	16,746,260
Federal Home Loan Bank of Indianapolis stock	25,650,253	28,650,350	28,650,350
Deposits	3,441,245	3,415,390	1,974,344
Advances from Federal Home Loan Bank	514,928,596	614,596,455	514,928,596
Subordinated debt	104,231,108	838,102,788	38,632,326
Accrued interest payable	2,913,291	3,913,291	3,018,201

December 31, 2022 Fair Value Measurements Using Carrying Amount Fair Value Quoted Prices In Active Market for Identical Assets (Level 1) Significant Other Observable Inputs (Level 2) Significant Unobservable Inputs (Level 3)

Cash and cash equivalents \$ 256,552 \$ 256,552 \$ 256,552 — \$ — Securities held-to-maturity 189,168 168,483 — 168,483 — Loans held-for-sale (best efforts pricing agreements) 12,401 12,401 — 12,401 — Net loans 3,467,664 3,225,845 — 3,225,845 Accrued interest receivable 21,069 21,069 — 21,069 — Federal Home Loan Bank of Indianapolis stock 28,350 28,350 — 28,350 — Deposits 3,441,245 3,415,390 1,974,344 — 1,441,046 Advances from Federal Home Loan Bank 614,928 596,455 — 596,455 — Subordinated debt 104,532 102,669 32,560 70,109 — Accrued interest payable 2,913 2,913 2,913 — —

December 31, 2021 Fair Value Measurements....., 018 2, 018 — — Note 17: Mortgage Banking Activities The Company Bank's residential real estate lending business originated mortgage loans for customers and typically sold a majority of the originated loans into the secondary market. The Company For most of the mortgages sold in the secondary market, the Bank hedged its mortgage banking pipeline by entering into forward contracts for the future delivery of mortgage loans to third-party investors and entering into IRLCs with potential borrowers to fund specific mortgage loans that will be sold into the secondary market. To facilitate the hedging of the loans, the Bank Company has elected the fair value option for loans originated and intended for sale in the secondary market under mandatory pricing agreements — Changes in the fair value of loans held-for-sale, IRLCs and forward contracts are recorded in the mortgage banking activities line item within noninterest income. Refer to Note 18 for further information on derivative financial instruments. F- 48-53 During the years ended December 31, 2023, 2022, and 2021, and 2020, the Company originated mortgage loans held-for-sale of \$ 36.3 million, \$ 388.0 million, and \$ 721.3 million, and \$ 878.2 million, respectively, and received \$ 411.46.5 million, \$ 411.5 million, and \$ 714.9 million, and \$ 923.8 million from the sale of mortgage loans, respectively, into the secondary market. During the first quarter 2023, the Company made the decision to exit the residential mortgage business. The following table provides the components of income from mortgage banking activities for the years ended December 31, 2023, 2022, and 2021, and 2020.

Year Ended December 31, 2022	2021	2020	Gain	2023	2022	2021	Gain
Gain on loans sold	\$ 471	\$ 6,101	\$ 17,803	\$ 22,826			
Loss resulting from the change in fair value of loans held-for-sale	(143)	(184)	(718)	(94)			
Loss resulting from the change in fair value of derivatives	(252)	(453)	(2,035)	1,961			
Net revenue from mortgage banking activities	\$ 76	\$ 5,464	\$ 15,050	\$ 24,693			

F- 49-54 Note 18: Derivative Financial Instruments The Company uses derivative financial instruments to help manage exposure to interest rate risk and the effects that changes in interest rates may have on net income and the fair value of assets and liabilities. The Company enters into interest rate swap agreements as part of its asset / liability management strategy to help manage its interest rate risk position. Additionally, the Company entered into forward contracts for the future delivery of mortgage loans to third-party investors and entered into IRLCs with potential borrowers to fund specific mortgage loans that were will be sold into the secondary market. The forward contracts are were entered into in order to economically hedge the effect of changes in interest rates resulting from the Company's commitment to fund the loans. The Company had entered into various interest rate swap agreements designated and qualifying as accounting hedges during the reported periods. Designating an interest rate swap as an accounting hedge allows the Company to recognize gains and losses in the condensed consolidated statements of income statement within the same period that the hedged item affects earnings. The Company includes the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the related interest rate swaps. For derivative instruments that are designated and qualify as cash flow hedges, any gains or losses related to changes in fair value are recorded in accumulated other comprehensive loss, net of tax. The fair value of interest rate swaps with a positive fair value are reported in accrued income and other assets in the condensed consolidated balance sheets, while interest rate swaps with a negative fair value are reported in accrued expenses and other liabilities in the condensed consolidated balance sheets. The Company offers interest rate swaps to certain loan customers to allow them to hedge the risk of rising interest rates on their variable rate loans. The Company originates a variable rate loan and enters into a variable-to-fixed interest rate contract with the customer. The Company also enters into an offsetting interest rate swap with a correspondent bank. These back-to-back swap agreements are

intended to offset each other and allow the Company to originate a variable rate loan, while providing a contract for fixed interest payments for the customer. The net cash flow for the Company is equal to the interest income received from a variable rate loan originated with the customer. The fair value of these derivatives is based on a discounted cash flow approach. The fair value assets and liabilities of centrally cleared interest rate swaps are net of variation margin settled-to-market. The IRLCs and forward contracts are not designated as accounting hedges and are recorded at fair value with changes in fair value reflected in noninterest income in on the condensed consolidated statements of income. The fair value of derivative instruments with a positive fair value are reported in accrued income and other assets in the condensed consolidated balance sheets, while derivative instruments with a negative fair value are reported in accrued expenses and other liabilities in the condensed consolidated balance sheets. The following table presents amounts that were recorded in the consolidated balance sheets related to cumulative basis adjustments for interest rate swap derivatives designated as fair value accounting hedges as of December 31, 2023 and 2022 and 2021. Carrying amount of the hedged assets Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged assets Line item in the consolidated balance sheet in which the hedged item is included December 31, 2023 December 31, 2022 December 31, 2021 December 2023 December 31, 2022 December 31, 2021 Securities available- for- sale \$ 69, 504 \$ 68, 963 \$ 75 (1, 156 143) \$ (2, 088) \$ 1, 729 1 These amounts include the amortized cost basis of closed portfolios used to designate hedging relationships in which the hedged item is the last layer expected to be remaining at the end of the hedging relationship. The amounts of the designated hedged items were \$ 50. 0 million at December 31, 2023 and 2022 and 2021. The following tables present a summary of interest rate swap derivatives designated as fair value accounting hedges of fixed- rate receivables used in the Company' s asset / liability management activities at December 31, 2022 2023 and December 31, 2021 2022, identified by the underlying interest rate- sensitive instruments. F- 55

December 31, 2022	Weighted- Average Remaining Maturity (years)	Weighted- Average Rate	Instruments Associated With Notional Value	Fair Value	Receive Pay	Securities available- for- sale
December 31, 2022	0. 8	1. 8	\$ 50, 000	\$ 1, 153	\$ 2, 093	3 month LIBOR2 SOFR2. 33 %
December 31, 2021	1. 8	2. 8	\$ 50, 000	\$ (1, 093)	\$ (731)	3 month LIBOR2. 33 %

In March 2021, the Company terminated the last layer of interest rate swaps associated with available- for- sale agency mortgage- backed securities- residential, which resulted in swap termination payments to counterparties totaling \$ 1. 9 million. The corresponding fair value hedging adjustment was allocated pro- rata to the underlying hedged securities and is being amortized over the remaining lives of the designated securities. During the year ended December 31, 2022 2023, amortization expense totaling \$ 0. 3 4 million was recognized as a reduction to interest income on securities. In June 2020, the Company terminated all fair value hedging relationships associated with loans, which resulted in swap termination payments to counterparties totaling \$ 4. 1 million. The corresponding loan fair value hedging adjustment as of the date of termination is being amortized over the remaining lives of the designated loans, which have a weighted average term to maturity of 10. 3 4 years as of December 31, 2022 2023. During the years ended December 31, 2023 and 2022 and 2021, amortization expense totaling \$ 4. 7 million and \$ 4. 9 million and \$ 5. 2 million, respectively, related to these previously terminated fair value hedges was recognized as a reduction to interest income on loans. The following tables present a summary of interest rate swap derivatives designated as cash flow accounting hedges of variable- rate liabilities used in the Company' s asset / liability management activities at December 31, 2022 2023 and December 31, 2021 2022. December 31, 2022 Weighted- Average Remaining Maturity (years) Weighted- Average Rate Cash Flow Hedges Notional Value Fair Value Receive Pay Interest rate swaps \$ 110, 000 4. 3 1 \$ 4, 787 3, 596 3- month SOFR2 LIBOR2. 88 % Interest rate swaps 60, 000 0. 6735 1 month LIBOR2. 88 % Interest rate swaps 40, 000 1. 0 4, 390 41, 030 Fed Funds Effective 2. 78 % December 31, 2021 Weighted- Average Remaining Maturity (years) Weighted- Average Rate Cash Flow Hedges Notional Value Fair Value Receive Pay Interest rate swaps \$ 110, 000 5. 4 1 \$ 4 (8, 787 560) 3 month LIBOR2. 88 % Interest rate swaps 100- swaps 60, 000 2- 0. 6735 (3, 980) 1 month LIBOR2. 88 % Interest rate swaps 40, 000 1. 41, 030 Fed Funds Effective 2. 78 % F- 56 These derivative financial instruments were entered into for the purpose of managing the interest rate risk of certain assets and liabilities. The As of December 31, 2022, the Company received \$ 5. 2 million and \$ 7. 7 million of cash collateral from counterparties as security for their obligations related to these swap transactions at As of December 31, 2021 2023 and 2022, the respectively. The Company had no pledged cash collateral of \$ 15. 7 million to counterparties as of December 31, 2023 and December 31, 2022 security for its obligations related to these interest rate swap transactions. Cash collateral is pledged to counterparties on interest rate swap agreements as security for its obligations related to these agreements. Collateral posted and received is dependent on the market valuation of the underlying hedges. F- 51 The following table presents the notional amount and fair value of interest rate swaps, IRLCs and forward contracts utilized by the Company at December 31, 2023 and 2022 and 2021. December 31, 2022 December 2023 December 31, 2021 2022

Notional Amount	Fair Value	Notional Amount	Fair Value	Asset Derivatives	Derivatives designated as hedging instruments	Interest rate swaps associated with securities available- for- sale
\$ 50, 000	\$ 1, 153	\$ 50, 000	\$ 2, 093	\$ —	\$ —	Interest rate swaps associated with liabilities 210- liabilities 150, 000 3, 986 210, 000 6, 552 — Derivatives not designated as hedging instruments Back- to- back swaps 1, 778 \$ 677 — IRLCs 14 — IRLCs — 14, 862 133 62, 789 718 Forward contracts 17 — contracts — 17, 000 97 — Total contracts \$ 201, 778 \$ 5, 816 \$ 291, 862 \$ 8, 875 \$ 62, 789 \$ 718 Liability Derivatives Derivatives designated as hedging instruments Interest rate swaps associated with securities available- for- sale \$ — \$ — \$ 50, 000 \$ (1, 731) Interest rate swaps associated with liabilities — 210, 000 (12, 540) Derivatives not designated as hedging instruments Forward contracts — 72 — instruments Back- to- back swaps 1, 750 778 (30 677) — Total contracts \$ 1 — \$ — \$ 332, 750 778 \$ ( 677 14, 301) \$ — \$ —

The fair values of interest rate swaps were estimated using a discounted cash flow method that incorporates current market interest rates as of the balance sheet date. Fair values of IRLCs and forward contracts were estimated using changes in mortgage interest rates and other factors from the date the Company entered into the IRLC and the balance sheet date. Refer to “ Note 16- Fair Value of Financial Instruments ” for additional information. Back- to- back swaps consist of two interest- rate

**swaps (a customer swap and an offsetting counterparty swap). As a result of this offsetting relationship, no net gains or losses are recognized in income.** The following table presents the effects of the Company's cash flow hedge relationships on the consolidated statements of comprehensive income during the twelve months ended December 31, **2023**, 2022, **and 2021**, and 2020. Amount of **Gain (loss) gain Recognized recognized** in Other Comprehensive Income in the Twelve Months Ended December 31, **2023** December 31, 2022 December 31, 2021 December 31, 2020 **Interest 2021 Interest** rate swap agreements \$ (2,566) \$ 19,091 \$ 11,138 \$ (10,248) The following table summarizes the periodic changes in the fair value of the derivative **derivatives financial not designated as hedging** instruments on the **condensed** consolidated statements of income for the twelve months ended December 31, **2023**, 2022, **and 2021**, and 2020. F- 52-57 Amount of (Loss) / Gain Recognized in the Twelve Months Ended December 31, **2023** December 31, 2022 December 31, 2021 December 31, 2020 **Asset 2021 Asset** Derivatives Derivatives not designated as hedging instruments **IRLCs \$ — \$ 2,451 Forward contracts 127 --- contracts \$ — \$ 127 \$ 610** — Liability Derivatives Derivatives not designated as hedging instruments **IRLCs \$ (133) \$ (585) \$ (2,643) \$ —** Forward contracts — (487-119) — — The following table presents the effects of the Company's interest rate swap agreements on the consolidated statements of income during the twelve months ended December 31, **2023**, 2022, **and 2021**, and 2020. Line item in the consolidated statements of income December 31, **2023** December 31, 2022 December 31, 2021 December 31, 2020 **Interest 2021 Interest** income Loans \$ — \$ — \$ — (2,445) Securities- taxable — (253) (722) Securities- non- taxable **taxable 1,471** (244) (1,099) (741) Total interest **income income 1,471** (244) (1,352) (3,908) Interest expense **Deposits 1,671** 1,125 2,775 2,273 Other borrowed **funds 2,622** 1,110 3,028 2,374 Total interest **expense 2, expense (4,293) 2,** 235 5,803 4,647 Net interest income \$ **5,764** \$ (2,479) \$ (7,155) \$ (8,555) Note 19: Shareholders' Equity On October 20, 2021, the Company's Board of Directors approved a stock repurchase program authorizing the repurchase of up to \$ 30.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. In October 2022, the Company's Board of Directors increased the authorization to \$ 35.0 million. The Company repurchased a total of 855,956 shares at an average price of \$ 36.31 per share under the program through December 19, 2022. On December 19, 2022, the Company's Board of Directors approved a new stock repurchase program **to replace the prior program. The new program authorizing authorized** the repurchase of up to \$ 25.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization **replaced the Company's previously announced stock repurchase program and** is scheduled to expire on December 31, **2023-2024**. Under this program, the Company repurchased **46-502 497-525** shares of common stock during the fourth quarter 2022 at an average price of \$ **18.40 per share during 2023, and 46, 497 shares of common stock at an average price of \$** 24.42 per share **during 2022**. As of December 31, **2022-2023**, the Company had \$ **23-14.9-6** million of remaining authority under the program. F- 53-58 Note 20: Accumulated Other Comprehensive Income (Loss) The components of accumulated other comprehensive loss, included in stockholders' equity, are presented in the table below. Available- For- Sale Securities Unrealized Losses on Debt Securities Transferred from Available- for- Sale to Held- to- Maturity Cash Flow Hedges Total Balance, January 1, 2020 **2021** \$ (4,388) \$ — \$ (9,803) \$ (14,191) Net unrealized holding gains (losses) recorded within other comprehensive income before income tax **6,551** — (10,248) (3,697) Reclassification adjustment for gains realized (139) — (139) Other comprehensive income (loss) before tax **6,412** — (10,248) (3,836) Income tax provision (benefit) **1,556** — (2,387) (831) Other comprehensive income (loss)- net of tax **4,856** — (7,861) (3,005) Balance, December 31, 2020 \$ 468 \$ — \$ (17,664) \$ (17,196) Net unrealized holding (losses) gains recorded within other comprehensive income before income tax (4,087) — 11,138 7,051 Other comprehensive (loss) income before tax (4,087) — 11,138 7,051 Income tax (benefit) provision (1,064) — 1,958 894 Other comprehensive (loss) income- net of tax (3,023) — 9,180 6,157 Balance, December 31, 2021 \$ (2,555) \$ — \$ (8,484) \$ (11,039) Net unrealized holding (losses) gains recorded within other comprehensive income before income tax (42,336) — 19,091 (23,245) Reclassification of securities available- for- sale to held- to- maturity — (5,402) — (5,402) Amortization of net unrealized losses on securities transferred from available- for- sale to held- to- maturity — 844 — 844 Other comprehensive (loss) income before tax (42,336) (4,558) 19,091 (27,803) Income tax (benefit) provision (9,060) (1,039) 4,893 (5,206) Other comprehensive (loss) income- net of tax (33,276) (3,519) 14,198 (22,597) Balance, December 31, 2022 \$ (35,831) \$ (3,519) \$ 5,714 \$ (33,636) **Net unrealized holding gains (losses) recorded within other comprehensive income before income tax 7,339 — (2,566) 4,773** Amortization of net unrealized losses on securities transferred from available- for- sale to held- to- maturity — 778 — 778 Other comprehensive income (loss) before tax **7,339 778 (2,566) 5,551** Income tax provision (benefit) **1,682 198 (590) 1,290** Other comprehensive income (loss)- net of tax **5,657 580 (1,976) 4,261** Balance, December 31, 2023 \$ (30,174) \$ (2,939) \$ 3,738 \$ (29,375) Note 21: Condensed Financial Information (Parent Company Only) Presented below is condensed financial information as to financial position, results of operations, and cash flows of the Company on a non- consolidated basis: F- 54-59 Condensed Balance Sheets Year Ended December 31, **2022** 2021 **Assets 2023 2022 Assets** Cash and cash equivalents \$ **11,593** \$ 22,259 \$ **52,857** Investment in common stock of subsidiaries **440 subsidiaries 444, 221 440,** 645 428,021 Premises and equipment, **net 58 --- net 176 --- 58** Accrued income and other **assets 8 assets 14, 127 8,** 567 5,868 Total assets \$ **469,941** \$ 471,529 \$ **486,922** Liabilities and shareholders' equity Subordinated debt, net of unamortized discounts and debt issuance costs of \$ 2, **162 in 2023 and \$ 2,** 468 in 2022 **and \$ 2,769 in 2021** \$ 104, **838 \$ 104,** 532 \$ 104,231 Accrued expenses and other liabilities **2,308 2,023 2,353** Total liabilities **106 liabilities 107, 146 106,** 555 106,584 Shareholders' equity **364 equity 362, 795 364,** 974 380,338 Total liabilities and shareholders' equity \$ **469,941** \$ 471,529 \$ **486,922** Condensed Statements of Income Year Ended December 31, **2022** 2021 **2020 Income Gain 2023 2022 2021 Income Dividends from bank subsidiary \$ 12,000 \$ 8,000 \$ Gain** on sale of premises and equipment \$ — \$ 2,523 \$ — Other **285 Other 188 285** 75 — Total **income 285 --- income 12, 188 8, 285** 2,598 — Expenses Interest on borrowings \$ 5, **376 \$ 5,** 371 \$ 5,892 \$ 4,924 Salaries and employee benefits **1,203 1,** 147 1,037 904 Consulting and professional fees **1,572 1,** 814 2,178 1,678 Premises and equipment **201 equipment 126 201** 548 295 Other **134 Other 280 134** 363 361 Total expenses **8,557 8,** 667 10,018 **Income (8,162 Loss loss)** before income tax and equity in undistributed net income of subsidiaries **subsidiaries 3 (8, 631 (382) (7,420) (8,162)** Income tax benefit (1, **817) (1,** 874) (1, 687) **Income (2,089) Loss loss)** before equity in undistributed net income of subsidiaries **subsidiaries 5 (6,508) 448 1,492 (5,**

733 ~~(6, 073)~~ Equity in undistributed net income of subsidiaries ~~42-~~ **subsidiaries 2, 969 34**, 049 53, 847 ~~35, 526~~ Net income \$ **8, 417** \$ 35, 541 \$ 48, 114 ~~\$ 29, 453~~ F- ~~55-60~~ Condensed Statements of Comprehensive Income Year Ended December 31, 2022 2021 2020 Net **2023 2022 2021** Net income \$ **8, 417** \$ 35, 541 \$ 48, 114 ~~\$ 29, 453~~ Other comprehensive **income** (loss) **income** Securities available- for- sale Net unrealized holding **gains** (losses) **gains** on securities available- for- sale recorded within other comprehensive income before income ~~tax~~ **tax 7, 339** (42, 336) (4, 087) ~~6, 551~~ Reclassification adjustment for gains realized ~~(139)~~ Income tax **provision** (benefit) **provision 1, 682** (9, 060) (1, 064) ~~1, 556~~ Net effect on other comprehensive **income** (loss) **5, 657** (33, 276) (3, 023) ~~4, 856~~ Securities held- to- maturity Reclassification of securities from available- for- sale to held- to- maturity ~~(5, 402)~~ Amortization of net unrealized holding losses on securities transferred from available- for- sale to held- to- maturity ~~844~~ **maturity 778** ~~844~~ Income tax **provision** (benefit) **198** (1, 039) Net effect on other comprehensive **income** (loss) **580** (3, 519) Cash flow hedges Net unrealized holding **(losses)** gains **(losses)** on cash flow hedging derivatives recorded within other comprehensive income before income ~~tax~~ **tax 19** ~~19~~ 091 11, 138 ~~(10, 248)~~ Income tax **(benefit)** provision (benefit) **590** 4, 893 1, 958 ~~(2, 387)~~ Net effect on other comprehensive **(loss)** income (loss) **1, 976** 14, 198 9, 180 ~~(7, 861)~~ Total other comprehensive **income** (loss) **income 4, 261** (22, 597) 6, 157 ~~(3, 005)~~ Comprehensive income \$ 12, **678** \$ 12, 944 \$ 54, 271 ~~\$ 26, 448~~ F- ~~56-61~~ Condensed Statements of Cash Flows Year Ended December 31, 2022 2021 2020 Operating ~~Operating~~ **2023 2022 2021** Operating activities Net income \$ **8, 417** \$ 35, 541 \$ 48, 114 ~~\$ 29, 453~~ Adjustments to reconcile net income to net cash provided by operating activities: ~~Dividend received from Bank 8, 000~~ Equity in undistributed net income of subsidiaries ~~(42-2, 969) (34, 049) (53, 847) (35, 526)~~ Depreciation and amortization ~~329~~ **amortization 318 329** 1, 081 711 Share- based compensation expense ~~795~~ **expense 256 795** 835 518 Gain on sale of premises and equipment ~~(2, 523)~~ Net change in other assets ~~350~~ **assets (1, 819) 350** (31) ~~(502)~~ Net change in other ~~liabilities~~ **liabilities 358** (490) 775 311 Net cash provided by (used in) operating ~~activities 2~~ **activities 4, 561 2**, 476 (5, 596) ~~(5, 035)~~ Investing activities Net proceeds from sale of premises and equipment ~~(8, 116)~~ Other investing activities ~~(3, 578) (2, 727) (3, 561)~~ Net cash (used in) provided by investing activities ~~(3, 578) (2, 727) 4, 555~~ Financing activities Cash dividends paid (2, **156**) (2, 317) (2, 415) ~~(2, 349)~~ Net proceeds from issuance of subordinated debt ~~(58, 658) 9, 765~~ Repayment of subordinated debt ~~(35, 000)~~ Repayment of Bank loan ~~(3, 000)~~ Repurchase of common stock ~~(9, 340) (27, 780) (4, 436)~~ Other, net ~~(153) (250) (441) (152)~~ Net cash **(used in)** provided by financing activities ~~(11, 649) (30, 347) 13, 366 7, 264~~ Net (decrease) increase in cash and cash equivalents ~~(10, 666) (30, 598) 12, 325 2, 229~~ Cash and cash equivalents at beginning of year ~~52~~ **year 22, 259 52, 857 40** ~~The prior year Condensed Statements of Income and Condensed Statements of Cash Flows presented above were voluntarily revised to correct an immaterial error. As a result, 532~~ **the following changes were made to the 2022 statements:** • Dividends received from subsidiary are presented in total income. • Equity in undistributed net income of subsidiaries reflects the difference in subsidiary income and dividends received. The above changes had no effect on 2022 net income. F- ~~57-62~~ Note 22: Recent Accounting Pronouncements ASU 2016- 13- Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (June 2016) The main objective of this update is to provide financial statement users with more decision- useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments affect entities holding financial assets that are not accounted for at fair value through net income. The amendments affect loans, debt securities, off- balance- sheet credit exposures, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current GAAP. There is diversity in practice in applying the incurred loss methodology, which means that before transition some entities may be more aligned under current GAAP than others to the new measure of expected credit losses. The following describes the main provisions of this update. • Assets Measured at Amortized Cost: The amendments in this update require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset (s) to present the net carrying value at the amount expected to be collected on the financial asset. The statements of income reflect the measurement of credit losses for newly recognized financial assets, as well as the expected increase or decrease of credit losses that have taken place during the period. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity must use judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. • Available- for- Sale Debt Securities: Credit losses relating to available- for- sale debt securities should be recorded through an allowance for credit losses. Available- for- sale accounting recognizes that value may be realized either through collection of contractual cash flows or through sale of the security. Therefore, the amendments limit the amount of the allowance for credit losses to the amount by which fair value is below amortized cost because the classification as available- for- sale is premised on an investment strategy that recognizes that the investment could be sold at fair value if cash collection would result in the realization of an amount less than fair value. • In May 2019, the FASB issued ASU 2019- 05- Financial Instruments- Credit Losses (Topic 326)- Targeted Transition Relief. This ASU allows an option for preparers to irrevocably elect the fair value option, on an instrument- by- instrument basis, for eligible financial assets measured at amortized cost basis upon adoption of the credit losses standard. This increases the comparability of financial statement information provided by institutions that otherwise would have reported similar financial instruments using different measurement methodologies, potentially decreasing costs for financial statement preparers while providing more useful information to investors and other users. F- ~~58~~ The ASU was effective for SEC filers for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. FASB subsequently approved a delay in adoption for Smaller Reporting Companies, which postponed adoption until periods beginning after December 15, 2022. The Company has **formed** a current expected credit losses (“ CECL ”) working group that has



been meeting to discuss **discussed** implementation matters related to the completeness and accuracy of historical data, model development and corporate governance documentation. The new allowance model estimates credit losses over the expected life of the portfolio and includes a qualitative framework to account for drivers of losses that the quantitative model does not capture. The CECL working group discussed results from parallel model runs for each portfolio segment, assumptions related to unfunded commitments and economic forecast factors. Model validation was completed by an independent third party in the fourth quarter 2022. The ASU allows for several different methods of calculating the Allowance for Credit Losses (“ACL”) and based on its analysis of observable data, the Company determined the discounted cash flow method to be the most appropriate for all its loan segments, with the exception of its home improvement loan segment. **F** The most appropriate method for this portfolio is the weighted-**63** average remaining life method. The Company expects to **adopted this guidance on January 1, 2023 and record recorded a \$ 3.0 million pre-tax** one-time cumulative effect adjustment to the ACL in retained earnings on the consolidated balance sheet as of the beginning of 2023, as is required in the guidance. **The** In addition, the Company **recorded a one-time** believes there will be an increase to the ACL between \$ 2.5 million **pre-tax cumulative effect adjustment to** and \$ 3.0 million. In addition, the Company expects the allowance for unfunded commitments to be in **retained earnings on the consolidated balance sheet** range of \$ 2.5 million and \$ 3.0 million. The qualitative impact of the new accounting standard **is** will still be directed by many of the same factors that impacted the previous methodology for calculating the ACL, including but not limited to, quality and experience of staff, changes in the value of collateral, concentrations of credit in loan types or industries and changes to lending policies. In addition, the Company will also **use uses** reasonable and supportable forecasts. Examples of this are regression analyses of data from the Federal Open Market Committee quarterly economic projections for change in real GDP, housing price index and national unemployment. The **actual following table presents the** impact of the adoption of ASC 326 as of **January 1, 2023: January 1, 2023 (dollars in thousands) Pre- ASC 326 Adoption Impact of ASC 326 Adoption As Reported Under ASC 326**

Assets:	Commercial loans	Commercial and industrial	\$ 1,711	(\$ 120)	\$ 1,591	Owner-occupied commercial real estate	651	62	713	Investor commercial real estate	1,099	(191)	908	Construction	2,074	(435)	1,639	Single tenant lease financing	10,519	(346)	10,173	Public finance	1,753	(135)	1,618	Healthcare finance	2,997	1,034	4,031	Small business lending	2,168	334	2,502	Franchise finance	3,988	(313)	3,675	Total commercial loans	26,960	(110)	26,850	Consumer loans	Residential mortgage	1,559	406	1,965	Home equity	69	133	202	Other consumer	3,149	2,533	5,682	Total consumer loans	4,773	3,072	7,849	Total allowance for credit losses	\$ 31,737	\$ 2,962	\$ 34,699
Liabilities:	Liability for off-balance sheet credit exposures	\$ —	\$ 2,504	\$ 2,504	The Company also performed an assessment to determine if an allowance for credit loss was needed for available-for-sale and held-to-maturity securities. The Company analyzed available-for-sale securities investment securities that were in an unrealized loss position as of January 1, 2023 and determined the decline in fair value for those securities was not related to credit, but rather related to changes in interest rates and general market conditions. As such, no ACL was recorded for available-for-sale securities. The Company analyzed held-to-maturity securities and recorded a \$ 0.3 million one-time cumulative adjustment to the allowance in retained earnings. <b>ASU 2020-04- Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (March 2020) and ASU 2022-06- Deferral of sunset Date of Topic 848</b> In March 2020, FASB issued ASU 2020-04 to ease the potential burden in accounting for the transition away from adopting the LIBOR on financial reporting. The ASU provides optional expedients and exceptions for applying GAAP to contract modification and hedge accounting relationships. The guidance is effective March 12, 2020 through December 31, 2024. The Company adopted this guidance may be subject to change based upon refinement and finalization of the model and associated assumptions, the implementation and testing of certain internal controls ensuring model effectiveness and management’s judgment. The Company does not expect a material ACL on HTM securities or AFS debt securities. <b>ASU 2019-04- Codification Improvements to Topic 326, Financial Instruments- Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments (April 2019)</b> The amendments in <b>2023</b> this ASU clarify or correct the guidance in ASC Topic 326, Topic 815 and Topic 825. With respect to Topic 326, ASU 2019-04 addresses a number of issues as it relates to the CECL standard including consideration of accrued interest, recoveries, variable-rate financial instruments, prepayments, extension and renewal options, among other things, in the measurement of expected credit losses. The amendments to Topic 326 have the same effective dates as ASU 2016-13 and the Company is currently evaluating the potential impact of these amendments on the consolidated financial statements. With respect to Topic 815, ASU 2019-04 clarifies issues related to partial-term hedges, hedged debt securities, and transitioning from a quantitative method of assessing hedge effectiveness to a more simplified method. The amendments to Topic 815 are effective for interim and annual reporting periods beginning after December 15, 2019 and are not expected to have a material impact on the consolidated financial statements. With respect to Topic 825, ASU 2019-04 addresses the scope of the guidance, the requirement for remeasurement under ASC Topic 820 when using the measurement alternative, certain disclosure requirements, and which equity securities must be remeasured at historical exchange rates. The amendments to Topic 825 were effective for interim and annual reporting periods beginning after December 15, 2019 and the adoption of this guidance did not have a material impact on the <b>condensed</b> consolidated financial statements. <b>F- 64</b> 59 Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) In March 2020 in connection with the implementation of the CARES Act and related provisions, the Company adopted the temporary relief issued under the CARES Act, thereby suspending the guidance in ASC 310-40 on accounting for TDRs to loan modifications related to COVID-19. Section 4013 of the CARES Act specifies that loan modifications due to the impact of COVID-19 that would otherwise be classified as TDRs under GAAP will not be so classified. Modifications within the scope of this relief were in effect from the period beginning March 1, 2020 until the earlier of December 31, 2020 or 60 days after the date on which the national emergency related to the COVID-19 pandemic formally terminates. See the “Non-TDR Loan Modifications due to COVID-19” section of Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations for more information. <b>ASU 2020-04- Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (March 2020)</b> In March 2020, FASB issued ASU 2020-04 to ease the potential burden in accounting for the transition away from LIBOR on financial reporting. The ASU provides optional expedients and exceptions for																																																									

applying GAAP to contract modification and hedge accounting relationships. In December 2022, FASB extended the effective date for this ASU from December 31, 2022 to December 31, 2024. The Company is still evaluating the impact of reference rate reform and does not believe the adoption of this guidance will have a material impact on the consolidated financial statements. ASU 2022-02- Financial Instruments- Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures (March 2022) In March 2022, the FASB issued ASU No. 2022- 02, Financial Instruments- Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. This ASU eliminates the separate recognition and measurement guidance for Troubled Debt Restructurings (" TDRs") by creditors. The elimination of the TDR guidance may be adopted prospectively for loan modifications after adoption or on a modified retrospective basis, which would also apply to loans previously modified, resulting in a cumulative effect adjustment to retained earnings in the period of adoption for changes in the allowance for credit losses. The ASU requires an entity to disclose current- period gross write- offs by year of origination for financing receivables within the scope of Subtopic 326-20. **The This guidance is effective on January 1, 2023, with early adoption permitted. Using a prospective approach, the Company adopted this guidance on January 1, 2023 and it did not have a material impact on the condensed consolidated financial statements. F-ASU 2023- 60 Note 23-07- Segment Reporting (Topic 280): Improvements** Subsequent Event Due to **Reportable Segments (November 2023) In November 2023,** the steep decline in consumer mortgage volumes **FASB issued ASU No. 2023-07, Segment Reporting (Topic 280)- Improvements to Reportable Segments. This ASU enhances financial reporting by requiring disclosure of incremental segment information on and- an the negative outlook- annual and interim basis. The guidance is effective for fiscal consumer mortgage lending over the next several years beginning after December 15,** the Company decided to exit its consumer mortgage business during the first quarter of 2023 **and** . This includes its nationwide digital direct- to- consumer mortgage platform that originates residential loans for **interim periods within fiscal years beginning after December 15, 2024 with early adoption permitted** sale in the secondary market as well as its local traditional consumer mortgage and construction- to- permanent business. The Company **is currently evaluating the impact of** 's commercial construction and land development business will not be affected by this decision and will remain an important part of **ASU on its condensed consolidated financial statements. ASU 2023- 09- Income Taxes (Topic 740): Improvements to Income Tax Disclosures (December 2023) In December 2023,** the Company' s lending strategy **FASB issued ASU No. 2023- 09, Income Taxes (Topic 740)- Improvements to Income Tax Disclosures** . This action **ASU enhances the transparency and usefulness of income tax disclosures, which addresses investor requests for more transparency about income tax disclosures related primarily to the rate reconciliation and income taxes paid information. The guidance is effective for** expected to reduce total annual **periods beginning after December 15** noninterest expense by approximately \$ 6. 8 million and increase annualized pre- tax income by approximately \$ 2. 7 million. **2024 with early adoption permitted** 80 % of the benefit realized in 2023 and 100 % thereafter. The Company **is currently evaluating** estimates that it will incur total pre- tax expense of approximately \$ 3. 3 million in the **impact first and second quarters of 2023 associated with exiting this line of business ASU on its condensed consolidated financial statements** . F- 61-65 Description of the Registrant' s Securities Registered Under Section 12 of the Securities Exchange Act of 1934 First Internet Bancorp (the " Company," " we," " our" and " us " refer solely to First Internet Bancorp) maintains two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the " Exchange Act"): (1) our common stock, without par value (the " Common Stock"); and (2) our 6. 0 % Fixed- to- Floating Subordinated Notes due 2029 (the " 2029 Notes " or the " Notes "). Description of Common Stock The following is a description of the material terms of our Common Stock. The description is qualified in its entirety by reference to our Amended and Restated Articles of Incorporation (the " Articles "), our Amended and Restated Bylaws (the " Bylaws "), and the applicable provisions of the Indiana Business Corporation Law, as amended (the " IBCL "). Our Articles and Bylaws are incorporated by reference as exhibits to the Annual Report on Form 10- K for the Company' s most recently completed fiscal year. Our authorized capital stock consists of 45, 000, 000 shares of Common Stock and 5, 000, 000 shares of preferred stock, no par value. All outstanding shares of Common Stock are duly authorized, validly issued, fully paid and non- assessable. Voting Rights Except as described below under " Anti- Takeover Effects of Provisions of the Company' s Articles, Bylaws and the IBCL — Control Share Acquisitions," each holder of shares of our Common Stock is entitled to one vote for each share on all matters to be voted upon by the common shareholders. There are no cumulative voting rights. Dividend Rights Subject to preferences to which holders of any shares of preferred stock may be entitled, holders of shares of our Common Stock are entitled to receive ratably any dividends that may be declared from time to time by our Board of Directors out of funds legally available for that purpose. Rights Upon Liquidation In the event of our liquidation, dissolution or winding up, holders of shares of our Common Stock will be entitled to share in our assets remaining after the payment or provision for payment of our debts and other liabilities, and the satisfaction of any liquidation preferences granted to the holders of any shares of preferred stock that may be outstanding. Other Provisions Holders of shares of our Common Stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions that apply to the Common Stock. The rights, preferences and privileges of the holders of shares of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future. Because we are a bank holding company, any purchaser of certain specified amounts of our Common Stock may be required to file a notice with or obtain the approval of the Federal Reserve System (the " Federal Reserve ") under the Bank Holding Company Act of 1956, as amended, and the Change in Bank Control Act of 1978, as amended. Specifically, under regulations adopted by the Federal Reserve, (1) any other bank holding company may be required to obtain the approval of the Federal Reserve before acquiring 5 % or more of our Common Stock and (2) any person may be required to file a notice with and not be disapproved by the Federal Reserve to acquire 5 % or more of our Common Stock and will be required to file a notice with and not be disapproved by the Federal Reserve to acquire 25 % or more of our Common Stock. Transfer Agent and Registrar The transfer agent and registrar for the Common Stock is Computershare Trust Company, N. A. Listing The Common Stock is traded on the Nasdaq Global Select Market under the symbol " INBK. " Our Articles, Bylaws and certain provisions of the IBCL may have an anti- takeover effect. These provisions may delay, defer or prevent a tender offer or takeover attempt that a shareholder would consider in its best interest. This includes an attempt that might result in a premium over the market price for the shares of Common Stock held by

shareholders. These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. They are also expected to encourage persons seeking to acquire control of the Company to negotiate first with our Board of Directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging takeover proposals because, among other things, negotiation of takeover proposals might result in an improvement of their terms. Number of Directors; Removal; Vacancies Our Articles provide that we may have between 3 and 25 directors and our Bylaws further provide that our Board of Directors may establish an actual number of directors between 3 and 11 from time to time by resolution. Our Articles provide that any director may be removed for a specific cause found and determined by the vote of a majority of the entire Board of Directors. In addition, any or all directors may be removed with or without cause at a meeting of shareholders called for such purpose by the affirmative vote of the holders of a majority of the outstanding shares entitled to be cast generally in the election of directors. If any vacancy occurs on the Board of Directors, including a vacancy which occurs by reason of an increase in the number of directors, such vacancy shall be filled by a majority vote of the directors then in office. Special Meetings of Shareholders; Limitations on Shareholder Action by Written Consent Our Bylaws provide that special meetings of our shareholders may be called only by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President. A special meeting of our shareholders may not be called by any other person or persons, including holders of shares of our Common Stock. The only matters that may be considered at any special meeting of the shareholders are the matters specified in the notice of the meeting. Because our Common Stock is registered under the Exchange Act, the IBCL provides that any actions required or permitted to be taken by our shareholders may not be effected by written consent unless the written consent describing the action taken is signed by all shareholders entitled to vote on the action. Amendments; Vote Requirements Except where authority is granted to the Board of Directors under the IBCL, our Articles may be amended if the amendment is recommended by the Board of Directors and approved by a majority of the votes entitled to be cast if the amendment would create dissenters' rights or otherwise if the votes cast favoring the proposal exceed the votes cast opposing the proposal at a meeting at which a quorum is present. Except as otherwise required by the IBCL or our Articles, our Bylaws may only be amended by the affirmative vote of a majority of the entire Board of Directors or the affirmative vote, at a meeting of the shareholders, of at least a majority of the votes entitled to be cast by the holders of the outstanding shares of all classes of stock of the Company entitled to vote generally in the election of directors, considered for these purposes as a single voting group. Advance Notice Requirements for Shareholder Proposals and Nomination of Directors Our Bylaws establish an advance notice procedure with regard to business to be brought before an annual meeting of shareholders and with regard to the nomination of candidates for election as directors, other than by or at the direction of the Board of Directors. In general, notice of intent to raise business or nominate a director at annual meetings must be received by us not later than the 45th day nor earlier than the 75th day before the one- year anniversary of the date on which we first mailed our proxy materials or a notice of availability of proxy materials (whichever is earlier) to our shareholders for the preceding year' s annual meeting and must contain certain specified information concerning the matters to be brought before the meeting or the person to be nominated and concerning the shareholder submitting the proposal. Under Chapter 42 of the IBCL, an acquiring person or group who makes a " control share acquisition " in an " issuing public corporation " may not exercise voting rights on any " control shares " unless these voting rights are conferred by a majority vote of the disinterested shareholders of the issuing public corporation at a special meeting of those shareholders held upon the request and at the expense of the acquiring person or otherwise at the next annual or special meeting of the corporation. If control shares acquired in a control share acquisition are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of all voting power, all shareholders of the issuing public corporation have dissenters' rights to receive the fair value of their shares pursuant to Chapter 44 of the IBCL. Under the IBCL, " control shares " are shares acquired by a person that, when added to all other shares of the issuing public corporation owned by that person or in respect to which that person may exercise or direct the exercise of voting power, would otherwise entitle that person to exercise voting power of the issuing public corporation in the election of directors within any of the following ranges: • one- fifth or more but less than one- third; • one- third or more but less than a majority; or • a majority or more. A " control share acquisition " means, subject to specified exceptions, the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares. For the purposes of determining whether an acquisition constitutes a control share acquisition, shares acquired within 90 days or under a plan to make a control share acquisition are considered to have been acquired in the same acquisition. An " issuing public corporation " means a corporation which has (1) 100 or more shareholders; (2) its principal place of business or its principal office in Indiana, or that owns or controls assets within Indiana having a fair market value of greater than \$ 1, 000, 000; and (3) (a) more than 10 % of its shareholders resident in Indiana, (b) more than 10 % of its shares owned of record or owned beneficially by Indiana residents or (c) 1, 000 shareholders resident in Indiana. The overall effect of these provisions may be to render more difficult or to discourage a merger, a tender offer, a proxy contest or the assumption of control by a holder of a large block of shares of our Common Stock or other person, or the removal of incumbent management, even if those actions may be beneficial to our shareholders generally. The provisions described above do not apply if, before a control share acquisition is made, the corporation' s articles of incorporation or bylaws, including a bylaw adopted by the corporation' s board of directors, provide that the provisions do not apply to the corporation. Our Articles and Bylaws do not currently exclude us from Chapter 42 of the IBCL. Certain Business Combinations Chapter 43 of the IBCL restricts the ability of a " resident domestic corporation " to engage in any combinations with an " interested shareholder " for five years after the date the interested shareholder became such, unless the combination or the purchase of shares by the interested shareholder on the interested shareholder' s date of acquiring shares is approved by the board of directors of the resident domestic corporation before that date. If the combination was not previously approved, then the interested shareholder may effect a combination after the five- year period only if that shareholder receives approval from a majority of the disinterested shareholders or the offer meets specified " fair price " criteria. For purposes of the above provisions, " resident domestic corporation " means an Indiana corporation that has 100 or more shareholders. " Interested shareholder " means any person, other than the resident domestic corporation or its subsidiaries, who is (1) the beneficial owner, directly or indirectly, of 10 % or more of the voting power of the outstanding voting shares of the resident domestic corporation or

(2) an affiliate or associate of the resident domestic corporation, which at any time within the five- year period immediately before the date in question, was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of the then- outstanding shares of the resident domestic corporation. The definition of “ beneficial owner ” for purposes of Chapter 43 means a person who, directly or indirectly, owns the shares, has the right to acquire or vote the subject shares (excluding voting rights under revocable proxies made in accordance with federal law), has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of the subject shares or holds any “ derivative instrument ” that includes the opportunity, directly or indirectly, to profit or share in any profit derived from any increase in the value of the subject shares. The above provisions do not apply to corporations that elect not to be subject to Chapter 43 in an amendment to their articles of incorporation approved by a majority of the disinterested shareholders. That amendment, however, cannot become effective until 18 months after its passage and would apply only to share acquisitions occurring after its effective date. Our Articles do not exclude us from Chapter 43 of the IBCL. Mandatory Classified Board of Directors Under Chapter 33 of the IBCL, a corporation with a class of voting shares registered with the U. S. Securities and Exchange Commission (the “ SEC ”) under Section 12 of the Exchange Act must have a classified board of directors unless the corporation adopts a bylaw expressly electing not to be governed by this provision by the later of July 31, 2009 or 30 days after the corporation’ s voting shares are first registered under Section 12 of the Exchange Act. Our Board of Directors adopted a Bylaw provision electing not to be subject to the mandatory classified board requirement within 30 days after our Common Stock was registered under Section 12 of the Exchange Act.

**Description of the Notes** The following description of the Notes is a summary and does not purport to be complete. The summary is subject to and qualified in its entirety by reference to the Subordinated Indenture between the Company and U. S. Bank National Association (the “ Trustee ”), dated as of September 30, 2016, as supplemented in the case of the 2029 Notes by the Second Supplemental Indenture, dated as of June 12, 2019 (together, the “ Indenture ”), which, along with the 2029 Notes, are incorporated by reference as exhibits to the Annual Report on Form 10- K for the Company’ s most recently completed fiscal year.. The 2029 Notes were initially issued on June 12, 2019 in an aggregate principal amount of \$ 35. 0 million with an additional \$ 2. 0 million aggregate principal amount issued on June 19, 2019 pursuant to the exercise of an over- allotment option granted to the underwriters. The 2029 Notes mature on June 30, 2029. The 2029 Notes are traded on the Nasdaq Global Select Market under the trading symbol “ INBKZ. ” The Notes are not convertible into, or exchangeable for, equity securities, other securities or assets of the Company 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 depends 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. The Notes are not savings accounts, deposits or other obligations of First Internet Bank or any of our non- bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or public or private insurer. The Notes are solely obligations of the Company and are neither obligations of, nor guaranteed by, any of our subsidiaries. No recourse is available for the payment of principal of, or interest or any Additional Amounts (as defined below) on, any Note, for any claim based thereon, or otherwise in respect thereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Company or of any successor entity. Neither the Indenture nor the Notes contain any covenants or restrictions restricting the incurrence of debt, deposits or other liability by us or by our subsidiaries. The Indenture and the Notes contain no financial covenants and do not restrict us from paying dividends or issuing or repurchasing other securities, and do not contain any provision that would provide protection to the holders of the Notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization or similar restructuring or any other event involving us or our subsidiaries that may adversely affect our credit quality. The 2029 Notes currently bear interest at a rate of 6. 0 % per annum. From and including June 30, 2024 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 Benchmark Rate (initially Three- month LIBOR) (each, as defined below) plus 4. 114 %. Interest is payable quarterly in arrears on March 30, June 30, September 30, and December 30 of each year. If we determine in our sole discretion that a Benchmark Rate Replacement Event (as defined below) and its related Benchmark Rate Replacement Date (as defined below) have occurred prior to 11: 00 a. m., London time, on a Reset Rate Determination Date, then the Benchmark Replacement Rate will replace the then- current Benchmark Rate for all purposes relating to the 2029 Notes with respect to the floating rate period. In connection with the implementation of the Benchmark Replacement Rate, we may make or instruct the Calculation Agent to make, from time to time, Benchmark Replacement Rate Conforming Changes (as defined below). All determinations, decisions, elections and calculations we make (or the Calculation Agent makes at our direction), including as to occurrence or non- occurrence of an event, circumstance or date, any decision to take or refrain from taking any action or any selection, and any Benchmark Replacement Rate Conforming Changes, will be in our sole discretion, will be conclusive and binding absent manifest error, and will become effective without the consent of the Trustee, the Calculation Agent or the holders of the 2029 Notes. If we determine that there is no alternative reference rate selected by a central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with market practice regarding a substitute for Three- month LIBOR or the then- applicable Benchmark Rate, we may, in our sole discretion, appoint an independent financial advisor to determine an appropriate Benchmark Replacement Rate and any Benchmark Replacement Rate Conforming Changes, and the decision of such independent financial advisor will be binding on us, the Calculation Agent, the Trustee, and the holders of the 2029 Notes. If a Benchmark Rate Replacement Event and its related Benchmark Rate Replacement Date have occurred and, for any reason, the Calculation Agent has not been notified of the Benchmark Replacement Rate on or prior to a Reset Rate Determination Date, then for purposes of such Reset Rate Determination Date and each Reset Rate Determination Date thereafter until we notify the Calculation Agent of the Benchmark Replacement Rate, the 2029 Notes will bear interest at the original fixed rate per annum of 6. 0 %. From and after the first Reset Rate Determination Date after we notify the Calculation Agent of the Benchmark Replacement Rate, the Benchmark Replacement Rate (and any associated Benchmark Replacement Rate Conforming Changes) will apply. To the extent that a Benchmark Rate is unavailable and we have not provided the Calculation Agent with quotations for the calculation of the Benchmark Replacement Rate, the Calculation Agent shall have no liability to us, the holders of the 2029 Notes

or to any third party as a result of losses suffered by such parties due to the lack of an applicable rate of interest, and the Calculation Agent shall be under no obligation to act in such event or otherwise determine the relevant alternate applicable rate of interest until such time as the Calculation Agent has received written direction from us regarding how to calculate the Benchmark Replacement Rate or otherwise proceed with respect to determining the Benchmark Replacement Rate. The calculation of the Benchmark Rate for each applicable interest period by the Calculation Agent will (in the absence of manifest error) be final and binding. The Calculation Agent's calculation of the amount of any interest payable after the first Reset Rate Determination Date will be maintained on file at the Calculation Agent's principal offices. Interest is calculated on the basis of a 360- day year consisting of twelve 30- day months to, but excluding, June 30, 2024 for the 2029 Notes, and thereafter on the basis of a 360- day year and on the basis of the actual number of days elapsed. Dollar amounts resulting from that calculation are rounded to the nearest cent, with one- half cent being rounded upward. Interest on the Notes, subject to certain exceptions, accrues during the applicable interest period, which is from and including the immediately preceding interest payment date in respect of which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from and including the date of issuance of the Notes to but excluding the applicable interest payment date or the stated maturity date or date of earlier redemption, if applicable. If an interest payment date or the maturity date for the Notes falls on a day that is not a business day, the interest payment or the payment of principal and interest at maturity will be paid on the next succeeding business day, but the payments made on such dates will be treated as being made on the date that the payment was first due and the holders of the Notes will not be entitled to any further interest or other payments. In the event that a floating rate interest payment date falls on a day that is not a business day, then such floating rate interest payment date will be postponed to the next succeeding business day unless such day falls in the next succeeding calendar month, in which case such floating rate interest payment date will be accelerated to the immediately preceding business day, and, in each such case, the amounts payable on such business day will include interest accrued to but excluding such business day. Interest on each Note is payable to the person in whose name such Note is registered for such interest at the close of business on the 15th day of the month immediately preceding the applicable interest payment date, whether or not such day is a business day; however, interest that is paid on the maturity date will be paid to the person to whom the principal will be paid. Any such interest which is payable, but is not punctually paid or duly provided for on any interest payment date, shall cease to be payable to the holder on such relevant record date by virtue of having been a holder on such date, and such defaulted interest may be paid by us to the person in whose name the Note is registered at the close of business on a special record date for the payment of defaulted interest. Interest is payable by wire transfer in immediately available funds in U. S. dollars at the office of the paying agent or, at our option in the event the Notes are not represented by Global Notes (as defined below), by check mailed to the address of the person specified for payment in the preceding sentences. When we use the term "business day," we mean any day except a Saturday, Sunday, a legal holiday or any other day on which banking institutions in the City of New York, New York or any place of payment are authorized or required by law, regulation or executive order to close. "Additional Amounts" means any additional amounts that are required by the Indenture or the Notes, under circumstances specified by the Indenture or the Notes, to be paid by the Company in respect of certain taxes imposed on holders of the Notes specified by the Indenture or the Notes and which are owing to such holders. "Benchmark Rate" means, initially, Three- month LIBOR; provided that, if a Benchmark Rate Replacement Event and its related Benchmark Rate Replacement Date have occurred with respect to Three- month LIBOR or the then- current Benchmark Rate, then "Benchmark Rate" means the applicable Benchmark Replacement Rate. Subject to any Benchmark Replacement Rate Conforming Changes, all percentages used in or resulting from any calculation of the Benchmark Rate will be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point, with 0. 000005 % rounded up to 0. 00001 %. Notwithstanding the foregoing, in the event that the Benchmark Rate as determined in accordance with the applicable definitions is less than zero, the Benchmark Rate for such interest period shall be deemed to be zero. "Benchmark Rate Margin" means an amount equal to the Benchmark Rate plus 4. 114 %. "Benchmark Rate Replacement Date" means the earliest to occur of the following events with respect to the then- current Benchmark Rate: (i) in the case of clause (i) or (ii) of the definition of "Benchmark Rate Replacement Event," the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of the Benchmark Rate permanently or indefinitely ceases to provide the Benchmark Rate; or (ii) in the case of clause (iii) of the definition of "Benchmark Rate Replacement Event," the date of the public statement or publication of information referenced therein. "Benchmark Rate Replacement Event" means the occurrence of one or more of the following events with respect to the then- current Benchmark Rate: (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark Rate announcing that such administrator has ceased or will cease to provide the Benchmark Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark Rate; (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark Rate, the central bank for the currency of the Benchmark Rate, an insolvency official with jurisdiction over the administrator for the Benchmark Rate, a resolution authority with jurisdiction over the administrator for the Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark Rate, which states that the administrator of the Benchmark Rate has ceased or will cease to provide the Benchmark Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark Rate; or (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark Rate announcing that the Benchmark Rate is no longer representative. "Benchmark Replacement Rate" means the alternative reference rate selected by a central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with market practice regarding a substitute for Three- month LIBOR (which may or may not be Secured Overnight Financing Rate selected by the Federal Reserve Bank of New York as the substitute for LIBOR) or the then- applicable Benchmark Rate, as determined by us and calculated by the Calculation Agent in accordance with the Indenture as of the applicable time on the Reset Rate Determination Date related to the applicable interest period. "Benchmark Replacement Rate Conforming Changes" means technical, administrative, operational or other changes and adjustments (including changes and adjustments to the Benchmark Replacement

Rate, the Benchmark Rate Margin, the timing and frequency of determining rates and making interest payments, business day conventions, and rounding of amounts or tenors) that we determine to be appropriate to reflect the adoption of a Benchmark Replacement Rate in a manner substantially consistent with market practice (or, if we determine that adoption of any portion of such market practice is not administratively feasible or that no such market practice exists, in such other manner as we determine is reasonably necessary). “ Calculation Agent ” means U. S. Bank National Association, or any other successor appointed by us, acting as calculation agent. “ Designated LIBOR Page ” means the display on Bloomberg Page BBAM1 (or any successor or substitute page of such service, or any successor to such service selected by the Company), for the purpose of displaying the London interbank rates for U. S. dollars. “ London Banking Day ” means any day on which commercial banks are open for business (including dealings in U. S. dollars) in London. “ Reset Rate Determination Date ” means the second London Banking Day immediately preceding the first day of each applicable interest period commencing on the first floating rate interest payment date. “ Three- month LIBOR ” means, for any interest period, the offered rate for deposits in U. S. dollars having a maturity of three months that appears on the Designated LIBOR Page as of 11: 00 a. m., London time, on the Reset Rate Determination Date related to such interest period. If such rate does not appear on such page at such time (other than, in the case of the 2029 Notes, in connection with a Benchmark Rate Replacement Event), then the Calculation Agent will request the principal London office of each of four major reference banks in the London interbank market, selected by the Company for this purpose and whose names and contact information will be provided by the Company to the Calculation Agent, to provide such bank’ s offered quotation to prime banks in the London interbank market for deposits in U. S. dollars with a term of three months as of 11: 00 a. m., London time, on such Reset Rate Determination Date and in a principal amount equal to an amount for a single transaction in U. S. dollars in the relevant market at the relevant time as determined by the Company and provided to the Calculation Agent (a “ Representative Amount ”). If at least two such quotations are so provided, three- month LIBOR for the interest period related to such Reset Rate Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are provided, the Calculation Agent will request each of three major banks in the City of New York selected by the Company for this purpose and whose names and contact information will be provided by the Company to the Calculation Agent, to provide such bank’ s rate for loans in U. S. dollars to leading European banks with a term of three months as of approximately 11: 00 a. m., New York City time, on such Reset Rate Determination Date and in a Representative Amount. If at least two such rates are so provided, three- month LIBOR for the interest period related to such Reset Rate Determination Date will be the arithmetic mean of such quotations. If fewer than two such rates are so provided, then three- month LIBOR for the interest period related to such Reset Rate Determination Date will be set to equal the three- month LIBOR for the immediately preceding interest period or, in the case of the interest period commencing on the first floating rate interest payment date, 5. 0 % for the 2029 Notes. All percentages used in or resulting from any calculation of three- month LIBOR will be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point, with 0. 000005 % rounded up to 0. 00001 %. Notwithstanding the foregoing, in the event that three- month LIBOR as determined in accordance with this definition is less than zero, three- month LIBOR for such interest period shall be deemed to be zero.

Ranking The Notes are our unsecured subordinated debt obligations and rank equally in right of payment with all of our other unsecured subordinated indebtedness, including unsecured subordinated indebtedness we may issue in the future under the Indenture. The Notes rank junior to and are subordinated to all of our senior indebtedness, whether now outstanding, or issued, assumed or incurred in the future, including all indebtedness relating to money owed to general creditors and trade creditors. The Notes are our obligations only and are not guaranteed by any of our subsidiaries, including First Internet Bank, which is our principal subsidiary. The Notes are 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 First Internet Bank, its depositors) generally will be paid from those subsidiaries’ assets before holders of the Notes would have any claims to those assets. The Indenture and the Notes do not limit the amount of senior indebtedness, secured indebtedness, or other liabilities having priority over the Notes that we or our subsidiaries may incur. “ Senior indebtedness ” means:

- the principal and any premium or interest for money borrowed or purchased by the Company;
- the principal and any premium or interest for money borrowed or purchased by another person and guaranteed by the Company;
- any deferred obligation for the payment of the purchase price of property or assets evidenced by a note or similar instrument or agreement;
- obligations to general and trade creditors;
- any obligation arising from direct credit substitutes;
- any obligation associated with derivative products such as interest rate and currency rate exchange contracts or any similar arrangements, unless the instrument by which we incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of the Company; and
- all obligations of the type referred to in the first six bullet points above of other persons or entities for the payment of which we are responsible or liable as obligor, guarantor or otherwise, whether or not classified as a liability on a balance sheet prepared in accordance with accounting principles generally accepted in the United States; in each case, whether now outstanding, or created, assumed or incurred in the future. With respect to the Notes, senior indebtedness excludes any indebtedness that:

- expressly states that it is junior to, or ranks equally in right of payment with, the Notes; or
- is identified as junior to, or equal in right of payment with, the Notes in any board resolution establishing such series of subordinated indebtedness or in any supplemental indenture.

Notwithstanding the foregoing, and for the avoidance of doubt, if the Federal Reserve (or other competent regulatory agency or authority) promulgates any rule or issues any interpretation that defines general creditor (s), the main purpose of which is to establish criteria for determining whether the subordinated debt of a financial or bank holding company is to be included in its capital, then the term “ general creditors ” as used in the definition of “ senior indebtedness ” in the Indenture will have the meaning as described in that rule or interpretation. Upon the liquidation, dissolution, winding up, or reorganization of the Company, we must pay to the holders of all senior indebtedness the full amounts of principal of, premium, interest and any Additional Amounts owing on, that senior indebtedness before any payment is made on the Notes. If, after we have made those payments on our senior indebtedness there are amounts available for payment on the Notes, then we may make any payment on the Notes. Because of the subordination provisions and the obligation to pay senior indebtedness described above, in the event of insolvency of the Company, holders of the Notes may recover less ratably than holders of senior indebtedness and other creditors of the Company. With respect to the assets of our subsidiaries, our creditors

(including holders of the Notes) are structurally subordinated to the prior claims of creditors of each subsidiary, except to the extent that we may be a creditor with recognized claims against such subsidiary. Subject to the terms of the Indenture, if the Trustee or any holder of any of the Notes receives any payment or distribution of our assets in contravention of the subordination provisions applicable to the Notes before all senior indebtedness is paid in full in cash, property or securities, including by way of set-off or any such payment or distribution that may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Notes, then such payment or distribution will be held in trust for the benefit of holders of senior indebtedness or their representatives to the extent necessary to make payment in full in cash or payment satisfactory to the holders of senior indebtedness of all unpaid senior indebtedness. Events of Default; Acceleration of Payment; Limitation on Suits The Notes and Indenture provide for only limited events upon which the principal of the Notes, together with accrued and unpaid interest and premium, if any, shall be accelerated. These events are: • A court having jurisdiction shall enter a decree or order for the appointment of a receiver, trustee, assignee, liquidator or similar official in any receivership, insolvency, liquidation, or similar proceeding relating to the Company, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; • We shall consent to the appointment of a receiver, liquidator, trustee, assignee or other similar official in any receivership, insolvency, liquidation or similar proceeding with respect to the Company; or • In the event of an appointment of a receiver, trustee, assignee, liquidator or similar official for our principal banking subsidiary, First Internet Bank, and such appointment shall not have been rescinded for a period of 60 consecutive days from the date thereof. The Notes and Indenture provide for a limited number of other events of default, which do not permit acceleration of the payment of principal of, and interest on, the Notes, including: • Default in the payment of any interest on the applicable series of Notes or any Additional Amounts with respect thereto when it becomes due and payable, and continuance of such default for a period of 30 days (unless the entire amount of such payment is deposited by the Company with the Trustee or with a paying agent prior to the expiration of such period of 30 days); • Default in the payment of the principal on the applicable series of Notes or any Additional Amounts with respect thereto when it becomes due and payable (whether at the stated maturity or by declaration of acceleration, call for redemption or otherwise); or • Default in the performance or breach of any covenant or warranty of the Company in the Indenture (other than a covenant or warranty for which the consequences of nonperformance or breach are addressed in the five bullet points above and other than a covenant or warranty that has been included in the Indenture solely for the benefit of notes issued thereunder other than the applicable series of Notes), and the continuance of such default or breach (without such default or breach having been waived in accordance with the provisions of the Indenture) uncured for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of not less than 25.0% in principal amount of the applicable series of outstanding Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “ Notice of Default ” under the Indenture. There is no right of acceleration in the case of a default in the payment of principal of or interest or Additional Amounts on the Notes or in our nonperformance or breach of any other covenant or warranty under the Notes or the Indenture. If we default in our obligation to pay any interest on a series of Notes or any Additional Amounts with respect thereto when it becomes due and payable and such default continues for a period of 30 days, or if we default in our obligation to pay the principal amount of a series of Notes when it becomes due and payable (whether at the stated maturity or by declaration of acceleration, call for redemption or otherwise), then the Trustee may demand we pay to the Trustee, for the benefit of the holders of such series of Notes, the whole amount then due and payable on such series of Notes for principal and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and any overdue interest at the rate or rates prescribed therefor in such series of Notes and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel. No holder of Notes will have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless: • such holder has previously given written notice to the Trustee of a continuing event of default with respect to the applicable series of Notes; • the holders of not less than 25.0% in principal amount of the applicable series of outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under the Indenture; • such holder or holders have offered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request; • the Trustee for 60 days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceeding; and • no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of a majority in principal amount of the applicable series of outstanding Notes. In any event, the Indenture provides that no one or more of such holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other of such holders of the Notes, or to obtain or to seek to obtain priority or preference over any other of such holders or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal and ratable benefit of all such holders of Notes. We may, at our option, beginning with the interest payment date of June 30, 2024 for the 2029 Notes, and on any interest payment date thereafter, redeem the Notes, in whole or in part, from time to time, subject to obtaining the prior approval of the Federal Reserve to the extent such approval is then required under the rules of the Federal Reserve, at a price equal to 100% of the principal amount of the Notes being redeemed plus accrued but unpaid interest to, but excluding, such date of redemption. The Notes may not otherwise be redeemed prior to maturity, except that we may also, at our option, redeem a series of Notes at any time, in whole, but not in part, from time to time, at a price equal to 100% of the principal amount of the series of Notes being redeemed plus accrued but unpaid interest to, but excluding, such date of redemption upon the occurrence of: • a “ Tax Event, ” defined in the Indenture to mean the receipt by us of an opinion of independent tax counsel to the effect that as a result of (a) an amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein, or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change becomes effective or which pronouncement or decision is announced on or after the date of original issuance of a series of Notes, there is more than an insubstantial risk that

the interest payable by us on such series of Notes is not, or within 90 days of the date of such opinion will not be, deductible by us, in whole or in part, for U. S. federal income tax purposes; • a “ Tier 2 Capital Event, ” defined in the Indenture to mean our good faith determination that, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any rules, guidelines or policies of an applicable regulatory authority for the Company or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the date of original issuance of a series of Notes, in each case, that there is more than an insubstantial risk that we will not be entitled to treat such series of Notes then outstanding as Tier 2 capital (or its then equivalent if we were subject to such capital requirement) for purposes of capital adequacy guidelines of the Federal Reserve (or any successor regulatory authority with jurisdiction over bank holding companies), as then in effect and applicable, for so long as any such Note is outstanding; or • the Company becoming required to register as an investment company pursuant to the Investment Company Act of 1940, as amended. Any such redemption will be at a redemption price equal to the principal amount of the Notes plus accrued and unpaid interest to, but excluding, such date of redemption. In the event of any redemption of the Notes, we will deliver or cause to be delivered a notice of redemption (which notice may be conditional in our discretion on one or more conditions precedent, and the redemption date may be delayed until such time as any or all of such conditions have been satisfied or revoked by us if we determine that such conditions will not be satisfied) by first- class mail, or in the event the Notes are represented by Global Notes, electronically in accordance with the procedures of The Depository Trust Company (“ DTC ”), to each holder of Notes not less than 30 nor more than 60 days prior to the redemption date. Any partial redemption will be made in accordance with DTC’ s applicable procedures among all of the holders of the applicable series of Notes. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state it is a partial redemption and the portion of the principal amount thereof to be redeemed. A replacement Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. The Notes are not subject to redemption or prepayment at the option of the holders of the Notes. Modification and Waiver The Indenture provides that we and the Trustee may amend or supplement the Indenture or the Notes with, or, in certain cases, without the consent of the holders of a majority in principal amount of the applicable outstanding series of Notes; provided, that any amendment or waiver may not, without the consent of the holder of each outstanding Note affected thereby: • reduce the amount of Notes whose holders must consent to an amendment, supplement or waiver; • reduce the rate of or extend the time for payment of interest (including default interest) on any Note; • reduce the principal or change the stated maturity of any Note; • waive a default or event of default in the payment of the principal of or interest, if any, on any Note (except a rescission of acceleration of a series of Notes by the holders of at least a majority in principal amount of such series of outstanding Notes and a waiver of the payment default that resulted from such acceleration); • make any change to the percentage in principal amount of the outstanding Notes, held by holders whose consent is required to waive certain defaults and the consequences thereof under the Indenture or any change to such defaults which require such consent; • make any change to certain provisions of the Indenture relating to, among other things, holders’ rights to receive payment of the principal of and interest on the Notes and to institute suit for the enforcement of any such payment and waivers of past defaults; • make the principal of or interest, if any, on any Note or any Additional Amount with respect thereto payable in any currency other than that stated in the Note; or • waive any redemption payment with respect to any Notes. In addition, the holders of at least a majority in principal amount of an outstanding series of Notes may, on behalf of all holders of such series of Notes, waive compliance by us with certain terms, conditions and provisions of the Indenture, as well as any past default and / or the consequences of default, other than any default in the payment of principal of or interest on any Note (provided that the holders of a majority in principal amount of an outstanding series of Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration) or any breach in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each outstanding Note of such series. In addition, we and the Trustee may modify and amend the Indenture without the consent of any holders of Notes for any of the following purposes: • to evidence the succession of another person to the Company as obligor under the Indenture and the assumption by any such successor of the covenants and obligations of the Company in the Indenture and in the Notes; • to add to the covenants of the Company such further covenants, restrictions, conditions or provisions as shall be for the protection of the holders of the Notes and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions an event of default permitting the enforcement of all or any of the several remedies provided in the Indenture, with such period of grace, if any, and subject to such conditions as such supplemental indenture may provide; • to add or change any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the issuance of notes in uncertificated or global form; • to provide for the acceptance of appointment by a successor Trustee or facilitate the administration of the trust under the Indenture by more than one Trustee; • to cure any ambiguity, defect or inconsistency in the Indenture; • to add any additional events of default (and if such events of default are to be for less than all series of Notes, stating that such are expressly being included solely for the benefit of such series); • to modify, eliminate or add to the provisions of the Indenture, if the change or elimination (i) becomes effective only when there are no debt securities outstanding of any series created prior to the change or elimination that are entitled to the benefit of the changed or eliminated provision or (ii) shall not apply to the any debt securities outstanding at the time of such change or elimination; • to establish the form of the Notes and to provide for the issuance of any other series of notes under the Indenture; • to comply with any requirements of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the “ Trust Indenture Act ”); • to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by the Trust Indenture Act, excluding certain provisions thereof; or • to make any change that does not adversely affect the rights of any holder of notes of any series issued under the Indenture in any material respect. The Trustee shall be entitled to receive an officer’ s certificate and opinion of counsel confirming that all conditions precedent are satisfied with respect to any supplemental indenture, that such supplemental indenture is authorized and permitted and



that such supplemental indenture is the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms. Legal Defeasance and Covenant Defeasance We may choose to either discharge our obligations under the Indenture and any series of Notes in a legal defeasance or to release ourselves from certain of our covenant restrictions under the Indenture and the Notes in a covenant defeasance (in each case, except for certain surviving rights of the Trustee and our obligations in connection therewith). We may do so after we irrevocably deposit with the Trustee, in trust, cash and / or U. S. government securities in an amount that, through the payment of interest and principal in accordance with their terms, will provide, not later than one day before the due date of any payment of money, an amount in cash, which is sufficient in the opinion of our independent public accountants expressed in a written certification delivered to the Trustee, to pay and discharge each installment of principal of and interest, if any, on a series of Notes on the dates such installments of interest or principal are due. If we choose the legal defeasance option, the holders of the applicable series of Notes will not be entitled to the benefits of the Indenture except for certain limited rights, including registration of transfer and exchange of such Notes, replacement of lost, stolen or mutilated Notes and the right to receive payments of the principal of (and premium, if any) and interest on such Notes when such payments are due. We may discharge our obligations under the Indenture or release ourselves from covenant restrictions only if we meet certain requirements. Among other things, we must deliver to the Trustee an opinion of our legal counsel to the effect that holders of the applicable series of Notes will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount, in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred. In the case of legal defeasance only, this opinion must be based on either a ruling received from or published by the Internal Revenue Service or a change in the applicable federal income tax law. We may not have a default or event of default under the Indenture or the applicable series of Notes on the date of deposit or during the period ending 120 days after such deposit. The deposit may not result in a breach or violation of, or constitute a default under, the Indenture or any of our agreements or instruments to which we are a party or by which we are bound. Any defeasance of the Notes pursuant to the Indenture shall be subject to our obtaining the prior approval of the Federal Reserve and any additional requirements that the Federal Reserve may impose with respect to defeasance of the Notes. Notwithstanding the foregoing, if, due to a change in law, regulation or policy subsequent to the issue date of a series of Notes the Federal Reserve does not require that defeasance of instruments be subject to Federal Reserve approval in order for the instrument to be accorded Tier 2 capital treatment, then no such approval of the Federal Reserve will be required for such defeasance. Satisfaction and Discharge We may discharge our obligations under the Indenture (except for certain surviving rights of the Trustee and our obligations in connection therewith) if: (a) all outstanding Notes and all other outstanding notes issued under the Indenture (i) have been delivered for cancellation, or (ii) (1) have become due and payable, (2) will become due and payable at their stated maturity within one year, (3) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee or (4) are deemed paid and discharged in a legal defeasance described above, (and in the case of clauses (1), (2) and (3), we have irrevocably deposited with the Trustee an amount sufficient to pay and discharge the principal of and interest on all outstanding notes issued under the Indenture on the stated maturity dates or redemption dates, as the case may be); (b) we have paid all other sums payable by us under the Indenture; and (c) we have delivered an officer's certificate and opinion of counsel stating that all conditions precedent with respect to the satisfaction and discharge of the Indenture have been complied with. Consolidation, Merger and Sale of Assets The Indenture provides that we may not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to any person, and we may not permit any other person to consolidate with or merge into us or to convey, transfer or lease all or substantially all of its properties and assets to us, unless: • we are the surviving corporation or the successor person (if not us), is a corporation organized and validly existing under the laws of any U. S. domestic jurisdiction and expressly assumes our obligations on the Notes and under the Indenture; • immediately after giving effect to such transaction, and treating any indebtedness that becomes an obligation of us or our subsidiaries as a result of such transaction as having been incurred by us or such subsidiary at the effective date of such transaction, no default or event of default shall have occurred and be continuing; and • we have complied with our obligations to deliver certain documentation to the Trustee, including an officers' certificate and opinion of counsel each stating that such proposed transaction and any supplemental indenture comply with the Indenture. Further Issues We may, from time to time, without notice to or the consent of the holders of the Notes, create and issue further notes ranking equally with the Notes and with identical terms in all respects (or in all respects except for the date of offering, the offering price and the first interest payment date); provided that such further notes shall be fungible with the original Notes for federal income tax purposes. Such further notes will be consolidated and form a single series with the Notes. The Trustee may conclusively rely upon certificates, opinions or other documents furnished to it under the Indenture and shall have no responsibility to confirm or investigate the accuracy of mathematical calculations or other facts stated therein. The Trustee shall have no responsibility for monitoring our compliance with any of our covenants under the Indenture. Paying Agent We may appoint one or more financial institutions to act as our paying agents, at whose designated offices the Notes in non- global form may be presented or surrendered for payment. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed the Trustee, at its office at 60 Livingston Avenue, St. Paul, Minnesota 55107, as the paying agent for the Notes. We must notify the Trustee of changes in the paying agents. Governing Law The Indenture provides that the Notes and the Indenture governing the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Notes are intended to qualify as Tier 2 capital under the capital rules established by the Federal Reserve for bank holding companies. The rules set forth specific criteria for instruments to qualify as Tier 2 capital. Among other things, the Notes must: • be unsecured; • have a minimum original maturity of at least five years; • be subordinated to depositors and general creditors; • not contain provisions permitting the holders of the Notes to accelerate payment of principal prior to maturity except in the event of receivership, insolvency, liquidation or similar proceedings of the Company; and • not contain provisions permitting the Company to redeem or repurchase the Notes prior to the maturity date without prior approval of the Federal Reserve. Clearance and Settlement The Notes are represented by one or more permanent global certificates, which we refer to individually as a Global Note and collectively as

the Global Notes, deposited with, or on behalf of DTC and registered in the name of Cede & Co. (DTC's partnership nominee). The Notes are available for purchase in minimum denominations of \$ 25 and integral multiples of \$ 25 in excess thereof in book-entry form only. So long as DTC or any successor depository, which we refer to collectively as the Depository, or its nominee is the registered owner of the Global Notes, the Depository, or such nominee, as the case may be, will be considered to be the sole owner or holder of the Notes for all purposes of the Indenture. Beneficial interests in the Global Notes are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may not elect to receive a certificate representing their Notes while the Notes are held by a Depository. Investors may elect to hold interests in the Global Notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC. The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the Notes, so long as the corresponding securities are represented by Global Notes. DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the post-trade settlement among participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U. S. and non-U. S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, which, in turn, is owned by a number of direct participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, as well as by the New York Stock Exchange, Inc., the NYSE American LLC and the Financial Industry Regulatory Authority. Access to the DTC system is also available to others, referred to as indirect participants, such as both U. S. and non-U. S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a direct or indirect custodial relationship with a direct participant. The rules applicable to DTC and its participants are on file with the SEC. Purchases of securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner of securities is recorded on the direct or indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Under a book-entry format, holders may experience some delay in their receipt of payments, as such payments are forwarded by the Depository to Cede & Co., as nominee for DTC. DTC forwards the payments to its participants, who then forward them to indirect participants or holders. Beneficial owners of securities other than DTC or its nominees will not be recognized by the relevant registrar, transfer agent, paying agent or trustee as registered holders of the securities entitled to the benefits of the Indenture. Beneficial owners that are not participants are permitted to exercise their rights only indirectly through and according to the procedures of participants and, if applicable, indirect participants. To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts the securities are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of redemption notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. If less than all of the securities of any class are being redeemed, DTC will determine the amount of the interest of each direct participant to be redeemed in accordance with its then current procedures. DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the issuer or its agent. Under these circumstances, in the event that a successor securities depository is not obtained, certificates for the Notes are required to be printed and delivered. We may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Notes will be printed and delivered to DTC. As long as DTC or its nominee is the registered owner of the Global Notes, DTC or its nominee, as the case may be, is considered the sole owner and holder of the Global Notes and all securities represented by these certificates for all purposes under the instruments governing the rights and obligations of holders of such securities. Except in the limited circumstances referred to above, owners of beneficial interests in Global Notes: • are not entitled to have such global security certificates or the securities represented by these certificates registered in their names; • will not receive or be entitled to receive physical delivery of securities certificates in exchange for beneficial interests in global security certificates; and • are not considered to be owners or holders of the global security certificates or any securities represented by these certificates for any purpose under the instruments governing the rights and obligations of holders of such securities. All redemption proceeds, distributions and dividend payments on the securities represented by the Global Notes and all transfers and deliveries of such securities are made to DTC or its nominee, as the case may be, as the registered holder of the securities. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and are the responsibility of that participant and not of DTC, the Depository, the issuer, the Trustee or any of their agents, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an

authorized representative of DTC) is the responsibility of the issuer or its agent, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants. Ownership of beneficial interests in the Global Notes is limited to participants or persons that may hold beneficial interests through institutions that have accounts with DTC or its nominee. Ownership of beneficial interests in Global Notes is shown only on, and the transfer of those ownership interests is effected only through, records maintained by DTC or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges, redemptions and other matters relating to beneficial interests in Global Notes may be subject to various policies and procedures adopted by DTC from time to time. None of the Company, the Trustee or any agent for any of them has any responsibility or liability for any aspect of DTC's or any direct or indirect participant's records relating to, or for payments made on account of, beneficial interests in Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any direct or indirect participant's records relating to these beneficial ownership interests. Although DTC has agreed to the foregoing procedures in order to facilitate transfer of interests in the Global Notes among participants, DTC is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither we nor the Trustee have any responsibility for the performance by DTC or its direct participants or indirect participants under the rules and procedures governing DTC. Because DTC can act only on behalf of direct participants, who in turn act only on behalf of direct or indirect participants, and certain banks, trust companies and other persons approved by it, the ability of a beneficial owner of securities to pledge them to persons or entities that do not participate in the DTC system may be limited due to the unavailability of physical certificates for the securities. DTC has advised us that it will take any action permitted to be taken by a registered holder of any securities under the Indenture, only at the direction of one or more participants to whose accounts with DTC the relevant securities are credited. The information in this section concerning DTC and its book-entry system was obtained from sources that we believe to be accurate, but we assume no responsibility for the accuracy thereof. U. S. Bank National Association is acting as Trustee under the Indenture. The Trustee has all of the duties and responsibilities specified under the Trust Indenture Act. Other than its duties in a case of an event of default, the Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request or direction of the holders of the Notes, unless the holders have offered to the Trustee security or indemnity satisfactory to the Trustee. From time to time, we, and one or more of our subsidiaries, may maintain deposit accounts and conduct other banking transactions, including lending transactions, with the Trustee in the ordinary course of business. Additionally, we maintain banking relationships with the Trustee and its affiliates in the ordinary course of business. These banking relationships include the Trustee serving as Trustee under the Indenture for each series of Notes. Notices Notwithstanding any other provision of the Indenture or any Note, where the Indenture or any Note provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository (or its designee) pursuant to the applicable procedures from the Depository or its designee, including by electronic mail in accordance with accepted practices at the Depository. Exhibit 21. 1 LIST OF SUBSIDIARIES1Name Jurisdiction First Internet Bank of Indiana2IndianaFirst Internet Public Finance Corp. 3IndianaSPF15, Inc. 3Indiana \_\_\_\_\_ 1 Omits one wholly- owned subsidiary of First Internet Bank of Indiana that does not constitute a significant subsidiary. 2 Also does business as " First Internet Bank ". 3 Indirect subsidiary wholly- owned by First Internet Bank of Indiana. Exhibit 23. 1 We hereby consent to the incorporation by reference in the Registration Statements on Form S- 8 (File Nos. 333- 265062 and 333- 188741), Form S- 3 (File No. 333- 188741- 276150 ), and Form S- 4 (File No 333- 260282) of First Internet Bancorp (the " Company " ), of our reports dated March 14 13, 2023- 2024 on the consolidated financial statements of the Company as of December 31, 2023 and 2022 and 2021 and for each of the three years in the period ended December 31, 2022- 2023 . We also consent to the incorporation by reference into those registration statements of our report dated March 14 13, 2023- 2024 , on our audit of the internal control over financial reporting of the Company as of December 31, 2022- 2023 , which report is included in this Annual Report on Form 10- K. Exhibit 24. 1 Power of Attorney of Director The undersigned director of First Internet Bancorp, an Indiana corporation (the " Company " ), does hereby make, constitute and appoint David B. Becker and Kenneth J. Lovik, and either of them, the undersigned' s true and lawful attorneys - in - fact, with power of substitution, for the undersigned and in the undersigned' s name, place and stead, to sign and affix the undersigned' s name as such director and / or officer of said corporation to an Annual Report on Form 10- K for the fiscal year ended December 31, 2022- 2023 or other applicable form, and all amendments thereto, to be filed by the Company with the Securities and Exchange Commission, Washington, D. C., under the Securities Act of 1934, as amended, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys - in - fact, and either of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned' s hand this 14th 13th day of March, 2023- 2024 . / s / Aasif BadeAasif Bade / s / Justin P. ChristianJustin P. Christian / s / Ann Colussi DeeAnn Colussi Dee FIRST INTERNET BANCORP / s / John K. Keach Jr. John K. Keach Jr. / s / David R. Joseph A. LovejoyDavid R. FenechJoseph A. Lovejoy Fenech / s / Jean L. WojtowiczJean L. Wojtowicz Exhibit 31. 1 Certification by the Chief Executive Officer pursuant to Rule 13a- 14 (a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 I, David B. Becker, certify that: 1. I have reviewed this Annual Report on Form 10- K of First Internet Bancorp; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to

ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles; c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions): a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2023 /s/ David B. Becker  
David B. Becker, Chief Executive Officer Exhibit 31.2

Certification by the Chief Financial Officer pursuant to Rule 13a-14 (a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 I, Kenneth J. Lovik, certify that: Date: March 14, 2023 /s/ Kenneth J. Lovik  
Kenneth J. Lovik, Chief Financial Officer Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002** In connection with the Annual Report of First Internet Bancorp (the "Company") on Form 10-K for the period ended December 31, 2022-2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, certify, pursuant to 18 U. S. C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that: (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. /s/ David B. Becker  
David B. Becker, Chief Executive Officer  
March 14, 2023 /s/ Kenneth J. Lovik  
Kenneth J. Lovik, Chief Financial Officer

**March 14, 2024 First Internet Bancorp Policy Title: Compensation Recoupment Policy Category: Board Policy Effective Date: October 16, 2023 Responsibility: FVP- Counsel The Board of Directors (the "Board") of First Internet Bancorp (the "Company") believes that it is in the best interests of the Company and its shareholders to maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this Compensation Recoupment Policy (this "Policy") pursuant to Rule 10D-1 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the U. S. Securities and Exchange Commission ("SEC") regulations promulgated thereunder, and applicable listing rules of The Nasdaq Stock Market LLC ("Nasdaq"). Subject to and in accordance with the terms of this Policy, upon a Recoupment Event, each Covered Executive shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered Executive during the Lookback Period. This Policy is administered by the Compensation Committee of the Board (the "Committee"). Any determinations made by the Committee will be final and binding on all affected individuals. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is (a) material to the previously issued financial statements (commonly referred to as a "Big R" restatement), or (b) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). "Covered Executive" means each of the Company's current and former Section 16 Officers. "Erroneously Awarded Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Executive during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Page 1 of 4 Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq. "Financial Reporting Measures" are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC. "Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. "Lookback Period" means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years. A "Recoupment Event" occurs when the Company is required to prepare an Accounting Restatement. "Required Restatement Date" means the earlier to occur of: (a) the date the Company's Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare**

an Accounting Restatement. “ Section 16 Officer ” is defined as an “ officer ” of the Company within the meaning of Rule 16a-1 (f) of the Exchange Act. “ Section 409A ” means Section 409A of the Internal Revenue Code of 1986, as amended (the “ Code ”), and the regulations and guidance promulgated thereunder. Amount Subject to Recovery The Incentive- Based Compensation that is subject to recovery under this Policy includes such compensation that is received by a Covered Executive (i) on or after October 2, 2023 (even if such Incentive- Based Compensation was approved, awarded or granted prior to this date), (ii) after the individual began service as a Covered Executive, (iii) if the individual served as a Section 16 Officer at any time during the performance period for such Incentive- Based Compensation, and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association. The amount of Incentive- Based Compensation subject to recovery from a Covered Executive upon a Recoupment Event is the Erroneously Awarded Compensation, which amount shall be determined by the Committee. For purposes of this Policy, Incentive- Based Compensation is deemed “ received ” in the Company’ s fiscal period during which the Financial Reporting Measure specified in the Incentive- Based Compensation award is attained, even if the payment or grant of the Incentive- Based Compensation occurs after the end of that period. Page 2 of 4 Recovery of Erroneously Awarded Compensation Promptly following a Recoupment Event, the Committee will determine the amount of Erroneously Awarded Compensation for each Covered Executive, and the Company will provide each such Covered Executive with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Executive shall promptly repay or return such Erroneously Awarded Compensation to the Company. If such repayment or return is not made within a reasonable time, the Company shall recover Erroneously Awarded Compensation in a reasonable and prompt manner using any lawful method determined by the Committee; provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A. Limited Exceptions Erroneously Awarded Compensation will be recovered in accordance with this Policy unless the Committee determines that recovery would be impracticable and one of the following conditions is met: • the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has first made a reasonable effort to recover the Erroneously Awarded Compensation; or • the recovery would likely cause a U. S. tax- qualified retirement plan to fail to meet the requirements of Code Sections 401 (a) (13) and 411 (a) and the regulations thereunder. Reliance on any of the above exemptions will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to Nasdaq. Disclosure Requirements The Company will file all disclosures with respect to this Policy required by applicable SEC filings and rules or Nasdaq listing rules. No Insurance or Indemnification Neither the Company nor any of its affiliates or subsidiaries may indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Executive) pursuant to a recovery of Erroneously Awarded Compensation under this Policy, nor will the Company nor any of its affiliates or subsidiaries pay or reimburse a Covered Executive for any insurance premiums on any insurance policy obtained by the Covered Executive to protect against the forfeiture or recovery of any compensation pursuant to this Policy. Interpretation The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be applied and interpreted in a manner that is consistent with the requirements of Rule 10D- 1 and any applicable regulations, rules or standards adopted by SEC or the rules of any national securities exchange or national securities association on which the Company’ s securities are listed. In the event that this Policy does not meet the requirements of Rule 10D- 1, the SEC regulations promulgated thereunder, Page 3 of 4 or the rules of any national securities exchange or national securities association on which the Company’ s securities are listed, this Policy shall be deemed to be amended to meet such requirements. Amendment; Termination The Board or the Committee may amend this Policy in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the SEC under Rule 10D- 1 and the rules of any national securities exchange or national securities association on which the Company’ s securities are listed. The Board or the Committee may terminate this Policy at any time. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if that amendment or termination would cause the Company to violate any federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company’ s securities are listed. Other Recoupment Rights Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar provision in any employment agreement or other compensation plan or agreement and any other legal remedies available to the Company. This Policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time, or any laws, rules or listing standards applicable to the Company, including without limitation, the Company’ s right to recoup compensation subject to Section 304 of the Sarbanes- Oxley Act of 2002. To the extent that application of this Policy would provide for recovery of Erroneously Awarded Compensation that the Company recovers pursuant to another policy or provision, the amount that is recovered will be credited to the required recovery under this Policy. Successors This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives. Review of Policy The FVP- Counsel is responsible to see that this Policy is reviewed annually by the Committee. Any changes shall be approved by the Committee and then presented to the Board for ratification. Last date of review and approval: N / A Page 4 of 4