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First Internet Bancorp
Form 10-Q
November 03, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Quarterly Period September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Transition Period From _____ to _____.

Commission File Number 001-35750

First Internet Bancorp
(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or Other Jurisdiction of
Incorporation or Organization) 20-3489991
(I.R.S. Employer
Identification No.)

8888 Keystone Crossing, Suite 1700
Indianapolis, Indiana 46240
(Address of Principal Executive Offices) (Zip Code)
(317) 532-7900
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer Accelerated Filer

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Non-accelerated Filer (Do not check if a smaller reporting company)

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of November 2, 2015, the registrant had 4,481,347 shares of common stock issued and outstanding.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance, or business of First Internet Bancorp (“we,” “our,” “us” or the “Company”). Forward-looking statements are generally identifiable by the use of words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “should,” “will,” “would,” or other similar expressions. Forward-looking statements are not a guarantee of future performance or results, are based on information available at the time the statements are made, and involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the information in the forward-looking statements. Factors that may cause such differences include: failures of or interruptions in the communications and information systems on which we rely to conduct our business; our plans to grow our commercial real estate and commercial and industrial loan portfolios; competition with national, regional, and community financial institutions; the loss of any key members of senior management; fluctuations in interest rates; general economic conditions; and risks relating to the regulation of financial institutions. Additional factors that may affect our results include those discussed in our most recent Annual Report on Form 10-K under the heading “Risk Factors” and in other reports filed with the Securities and Exchange Commission (“SEC”). All statements in this Quarterly Report on Form 10-Q, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

(i)

PART I

ITEM 1. FINANCIAL STATEMENTS

First Internet Bancorp

Condensed Consolidated Balance Sheets

(Amounts in thousands except share data)

	September 30, 2015 (Unaudited)	December 31, 2014
Assets		
Cash and due from banks	\$1,460	\$1,940
Interest-bearing demand deposits	19,185	26,349
Total cash and cash equivalents	20,645	28,289
Interest-bearing time deposits	1,250	2,000
Securities available-for-sale, at fair value (amortized cost of \$203,302 and \$137,727, respectively)	202,565	137,518
Loans held-for-sale (includes \$21,305 and \$32,618 at fair value, respectively)	27,773	34,671
Loans receivable	876,578	732,426
Allowance for loan losses	(7,671) (5,800
Net loans receivable	868,907	726,626
Accrued interest receivable	3,581	2,833
Federal Home Loan Bank of Indianapolis stock	6,946	5,350
Cash surrender value of bank-owned life insurance	12,625	12,325
Premises and equipment, net	8,508	7,061
Goodwill	4,687	4,687
Other real estate owned	4,488	4,488
Accrued income and other assets	4,195	4,655
Total assets	\$1,166,170	\$970,503
Liabilities and Shareholders' Equity		
Liabilities		
Noninterest-bearing deposits	\$22,338	\$21,790
Interest-bearing deposits	877,412	736,808
Total deposits	899,750	758,598
Advances from Federal Home Loan Bank	150,946	106,897
Subordinated debt	2,937	2,873
Accrued interest payable	112	97
Accrued expenses and other liabilities	9,513	5,253
Total liabilities	1,063,258	873,718
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; 4,484,513 and 4,439,575 shares issued and outstanding, respectively	72,409	71,774
Nonvoting common stock, no par value; 86,221 shares authorized; issued and outstanding - none	—	—
Retained earnings	30,977	25,146
Accumulated other comprehensive loss	(474) (135

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Total shareholders' equity	102,912	96,785
Total liabilities and shareholders' equity	\$1,166,170	\$970,503
See Notes to Condensed Consolidated Financial Statements		

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First Internet Bancorp
 Condensed Consolidated Statements of Income – Unaudited
 (Amounts in thousands except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest Income				
Loans	\$9,326	\$7,218	\$26,759	\$19,918
Securities – taxable	994	684	2,661	2,421
Securities – non-taxable	116	—	175	58
Other earning assets	100	45	258	195
Total interest income	10,536	7,947	29,853	22,592
Interest Expense				
Deposits	2,260	1,958	6,350	5,740
Other borrowed funds	437	316	1,318	940
Total interest expense	2,697	2,274	7,668	6,680
Net Interest Income	7,839	5,673	22,185	15,912
Provision (Credit) for Loan Losses	454	(112) 1,200	(38
Net Interest Income After Provision (Credit) for Loan Losses	7,385	5,785)