

**NorthWest Indiana Bancorp**  
**Quarterly Financial Report**

Key Ratios	Three Months Ended	
	March 31,	
	(Unaudited)	
	2015	2014
Return on equity	9.88%	10.11%
Return on assets	0.99%	1.01%
Basic earnings per share	\$0.68	\$0.63
Diluted earnings per share	\$0.68	\$0.63
Yield on loans	4.36%	4.34%
Yield on security investments	2.54%	2.61%
Total yield on earning assets	3.76%	3.79%
Cost of deposits	0.21%	0.19%
Cost of borrowings	1.01%	1.00%
Total cost of funds	0.27%	0.27%
Net interest margin - tax equivalent	3.75%	3.79%
Noninterest income / average assets	1.00%	0.86%
Noninterest expense / average assets	2.89%	2.72%
Net noninterest margin / average assets	-1.89%	-1.86%
Efficiency ratio	67.47%	65.27%
Effective tax rate	20.65%	22.41%
Dividend declared per common share	\$0.25	\$0.22

  

	March 31,	December 31,
	2015	2014
	(Unaudited)	
Net worth / total assets	9.81%	9.83%
Book value per share	\$27.32	\$26.78
Non-performing assets to total assets	0.97%	1.15%
Non-performing loans to total loans	0.85%	1.10%
Allowance for loan losses to non-performing loans	158.87%	114.83%
Allowance for loan losses to loans outstanding	1.34%	1.30%
Foreclosed real estate to total assets	0.23%	0.23%

Consolidated Statements of Income (Dollars in thousands)	Three Months Ended	
	March 31,	
	(Unaudited)	
	2015	2014
Interest income:		
Loans	\$ 5,339	\$ 4,895
Securities & short-term investments	1,523	1,393
Total interest income	6,862	6,288
Interest expense:		
Deposits	334	275
Borrowings	131	141
Total interest expense	465	416
Net interest income	6,397	5,872
Provision for loan losses	287	245
Net interest income after provision for loan losses	6,110	5,627
Noninterest income:		
Fees and service charges	632	594
Wealth management operations	429	378
Gain on sale of securities, net	393	350
Gain on sale of loans held-for-sale, net	380	75
Increase in cash value of bank owned life insurance	104	102
Gain on foreclosed real estate, net	1	12
Other	11	16
Total noninterest income	1,950	1,527
Noninterest expense:		
Compensation and benefits	3,173	2,646
Occupancy and equipment	901	790
Data processing	315	276
Marketing	113	118
Federal deposit insurance premiums	134	91
Other	996	908
Total noninterest expense	5,632	4,829
Income before income taxes	2,428	2,325
Income tax expenses	501	521
Net income	\$ 1,927	\$ 1,804

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**Balance Sheet Data**

(Dollars in thousands)

	March 31, 2015 (Unaudited)	December 31, 2014	Change %	Mix %
Total assets	\$ 793,858	\$ 775,044	2.4%	n/a
Cash & cash equivalents	26,427	21,963	20.3%	n/a
Securities - available for sale	230,842	220,053	4.9%	n/a
Loans receivable:				
Construction and land development	\$ 28,351	\$ 25,733	10.2%	5.8%
1-4 first liens	155,344	160,526	-3.2%	31.7%
Multifamily	32,123	31,703	1.3%	6.5%
Commercial real estate	155,409	156,015	-0.4%	31.7%
Commercial business	60,900	58,682	3.8%	12.4%
1-4 Junior Liens	1,419	1,507	-5.8%	0.3%
HELOC	26,602	25,564	4.1%	5.4%
Lot loans	1,998	1,932	3.4%	0.4%
Consumer	346	357	-3.1%	0.1%
Government and other	28,045	26,134	7.3%	5.7%
Total loans	\$ 490,537	\$ 488,153	0.5%	100.0%
Deposits:				
Core deposits:				
Noninterest bearing checking	\$ 91,315	\$ 80,352	13.6%	14.1%
Interest bearing checking	129,658	133,962	-3.2%	20.0%
Savings	95,549	89,866	6.3%	14.7%
MMDA	148,902	145,384	2.4%	22.9%
Total core deposits	465,424	449,564	3.5%	71.7%
Certificates of deposit	183,946	184,382	-0.2%	28.3%
Total deposits	\$ 649,370	\$ 633,946	2.4%	100.0%
Borrowings	\$ 49,138	\$ 53,906	-8.8%	
Stockholder's equity	77,912	76,165	2.3%	

**Asset Quality**

(Dollars in thousands)

	March 31, 2015 (Unaudited)	December 31, 2014	Change %
Nonaccruing loans	\$ 3,852	\$ 4,599	-16.2%
Accruing loans delinquent more than 90 days	293	941	-68.9%
Securities in non-accrual	1,729	1,611	7.3%
Foreclosed real estate	1,821	1,745	4.4%
Total nonperforming assets	\$ 7,695	\$ 8,896	-13.5%
Allowance for loan losses (ALL):			
ALL specific allowances for impaired loans	\$ 487	\$ 426	14.3%
ALL general allowances for loan portfolio	6,099	5,935	2.8%
Total ALL	\$ 6,586	\$ 6,361	3.5%
Troubled Debt Restructurings:			
Nonaccruing troubled debt restructurings, non-compliant (1) (2)	\$ 615	\$ 524	17.4%
Nonaccruing troubled debt restructurings, compliant (2)	-	1,216	-100.0%
Accruing troubled debt restructurings	4,639	4,687	-1.0%
Total troubled debt restructurings	\$ 5,254	\$ 6,427	-18.3%
(1) "non-compliant" refers to not being within the guidelines of the restructuring agreement			
(2) included in nonaccruing loan balances presented above			

**Capital Adequacy (Bancorp and Bank)**

	At March 31, 2015 Actual Ratio (Unaudited)	Required To Be Well Capitalized <sup>(1)</sup>
Common equity tier 1 capital to risk-weighted assets	13.6%	6.5%
Tier 1 capital to risk-weighted assets	13.6%	8.0%
Total capital to risk-weighted assets	14.9%	10.0%
Tier 1 capital to adjusted average assets	9.4%	5.0%

(1) Effective January 1, 2015, new minimum capital requirements went into effect, which increased the Tier 1 capital to risk-weighted assets ratio to 8.0% to be well capitalized and also introduced a new common equity Tier 1 capital ratio to 4.5% (6.5% to be well capitalized).