

NorthWest Indiana Bancorp
Quarterly Financial Report

Key Ratios	Three Months Ended	
	March 31,	
	(Unaudited)	
	2016	2015
Return on equity	10.76%	9.88%
Return on assets	1.03%	0.99%
Basic earnings per share	\$0.79	\$0.68
Diluted earnings per share	\$0.79	\$0.68
Yield on loans	4.58%	4.36%
Yield on security investments	2.55%	2.54%
Total yield on earning assets	3.98%	3.76%
Cost of deposits	0.24%	0.21%
Cost of borrowings	0.98%	1.01%
Total cost of funds	0.30%	0.27%
Net interest margin - tax equivalent	3.93%	3.75%
Noninterest income / average assets	0.80%	1.00%
Noninterest expense / average assets	2.81%	2.89%
Net noninterest margin / average assets	-2.01%	-1.89%
Efficiency ratio	65.83%	67.47%
Effective tax rate	21.87%	20.65%
Dividend declared per common share	\$0.27	\$0.25

	March 31, 2016 (Unaudited)	December 31, 2015
Net worth / total assets	9.66%	9.35%
Book value per share	\$29.34	\$28.37
Non-performing assets to total assets	0.97%	1.05%
Non-performing loans to total loans	0.95%	0.98%
Allowance for loan losses to non-performing loans	133.00%	124.66%
Allowance for loan losses to loans outstanding	1.26%	1.22%
Foreclosed real estate to total assets	0.16%	0.18%

Consolidated Statements of Income

(Dollars in thousands)

	Three Months Ended	
	March 31,	
	(Unaudited)	
	2016	2015
Interest income:		
Loans	\$ 6,564	\$ 5,339
Securities & short-term investments	1,551	1,523
Total interest income	8,115	6,862
Interest expense:		
Deposits	429	334
Borrowings	151	131
Total interest expense	580	465
Net interest income	7,535	6,397
Provision for loan losses	296	287
Net interest income after provision for loan losses	7,239	6,110
Noninterest income:		
Fees and service charges	663	632
Wealth management operations	423	429
Gain on sale of securities, net	253	393
Gain on sale of loans held-for-sale, net	250	380
Increase in cash value of bank owned life insurance	116	104
Gain on sale of foreclosed real estate, net	32	1
Other	1	11
Total noninterest income	1,738	1,950
Noninterest expense:		
Compensation and benefits	3,562	3,173
Occupancy and equipment	904	901
Data processing	325	315
Federal deposit insurance premiums	137	134
Marketing	114	113
Other	1,063	996
Total noninterest expense	6,105	5,632
Income before income taxes	2,872	2,428
Income tax expenses	628	501
Net income	\$ 2,244	\$ 1,927

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Balance Sheet Data

(Dollars in thousands)

	March 31, 2016 (Unaudited)	December 31, 2015	Change %	Mix %
Total assets	\$ 867,358	\$ 864,893	0.3%	n/a
Cash & cash equivalents	9,925	11,533	-13.9%	n/a
Securities - available for sale	239,895	233,350	2.8%	n/a
Loans receivable:				
Construction and land development	\$ 39,022	\$ 41,524	-6.0%	6.8%
1-4 first liens	178,176	179,527	-0.8%	31.2%
Multifamily	45,718	45,524	0.4%	8.0%
Commercial real estate	183,081	172,741	6.0%	32.1%
Commercial business	61,054	68,757	-11.2%	10.7%
1-4 Junior Liens	1,143	1,065	7.3%	0.2%
HELOC	29,245	29,881	-2.1%	5.1%
Lot loans	3,148	3,283	-4.1%	0.6%
Consumer	650	535	21.5%	0.1%
Government and other	29,968	29,062	3.1%	5.2%
Total loans	\$ 571,205	\$ 571,899	-0.1%	100.0%
Deposits:				
Core deposits:				
Noninterest bearing checking	\$ 102,078	\$ 100,031	2.0%	14.2%
Interest bearing checking	134,164	147,585	-9.1%	18.7%
Savings	125,267	118,453	5.8%	17.4%
MMDA	161,288	154,316	4.5%	22.4%
Total core deposits	522,797	520,385	0.5%	72.7%
Certificates of deposit	195,899	194,490	0.7%	27.3%
Total deposits	\$ 718,696	\$ 714,875	0.5%	100.0%
Borrowings	\$ 50,752	\$ 58,001	-12.5%	
Stockholder's equity	83,802	80,909	3.6%	

Asset Quality

(Dollars in thousands)

	March 31, 2016 (Unaudited)	December 31, 2015	Change %
Nonaccruing loans	\$ 4,890	\$ 5,201	-6.0%
Accruing loans delinquent more than 90 days	530	377	40.6%
Securities in non-accrual	1,566	1,912	-18.1%
Foreclosed real estate	1,424	1,590	-10.4%
Total nonperforming assets	\$ 8,410	\$ 9,080	-7.4%
Allowance for loan losses (ALL):			
ALL specific allowances for impaired loans	\$ 352	\$ 356	-1.1%
ALL general allowances for loan portfolio	6,856	6,597	3.9%
Total ALL	\$ 7,208	\$ 6,953	3.7%
Troubled Debt Restructurings:			
Nonaccruing troubled debt restructurings, non-compliant (1) (2)	\$ -	\$ 522	-100.0%
Nonaccruing troubled debt restructurings, compliant (2)	-	-	#DIV/0!
Accruing troubled debt restructurings	71	4,493	-98.4%
Total troubled debt restructurings	\$ 71	\$ 5,015	-98.6%

(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, 2016 Actual Ratio (Unaudited)	Required To Be Well Capitalized
Common equity tier 1 capital to risk-weighted assets	12.8%	6.5%
Tier 1 capital to risk-weighted assets	12.8%	8.0%
Total capital to risk-weighted assets	14.0%	10.0%
Tier 1 capital to adjusted average assets	8.9%	5.0%